



## *Problems of women SHGs in Anantapuramu district: A study*

### Abstract

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***Self-Help Groups (SHGs) is one such programme initiated in collaborative effort of government and non-government organizations ( NGOs) in the year 1992, aiming at evolving supplementary credit system with the financial resources of the formal poor by combining flexibility, sensibility and responsiveness of informal credit system with the financial resources of the formal credit institutions. Formation of Self- Help Groups is viewed as poverty alleviation mechanism and also an effective tool for rural development. The Self- Help Groups have contributed a lot in the development of socio-economic status of the rural people. In this way these groups have also been helping the rural economy of India. Self-Help Groups have also been helping in women empowerment as well as work participation of women in the rural economy. Recently the government approved the provision of interest subvention for Women SHGs ensuring that they shall avail loans up to three lakh rupees at an interest rate of seven per cent per annum. Despite its success, the growth of SHG has been skewed. The government is making all efforts to spread the concept and to encourage more members of women to participation in SHGs, across the country to help and achieve inclusive growth. This paper focused on problems of Women SHGs in Anantapuramu district.***

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### **Introduction**

One of the innovations being tried out in the field of rural credit in many developing countries including India to help the rural poor, especially women, to gain better access to credit facilities is the attempt to promote micro level savings and credit self-help groups (SHGs). The rural poor are being encouraged both by non-government organizations (NGOs) and formal rural financial institutions to organise themselves in to small solidarity groups which enable them to overcome many of the hassles they face while dealing with the formal credit agencies. In India, the formal rural financial institutions like commercial banks and regional rural banks are in to the promotion of SHGs as a matter of NABARD's (National Bank for Agriculture and Rural Development) new policy

of improving the institutional credit delivery system for the rural poor through adopting innovative practices. The NGOs are interested in the concept of SHGs as a part of their strategy towards creating alternate peoples institutions, which can help, supplement their developmental activities as well as help attain bigger goals like poverty alleviation and empowerment of women.

Access to institutional credit for the rural poor is considered important from two main angles. The availability of capital may help rural poor acquire new assets and technology leading to higher employment and income generation and productivity enhancement. Second easy and timely availability of institutional credit may also help them get out of the clutches of the exploitative moneylenders, which in it self is considered as a better-off situation for them.

Despite many policy thrusts in the past under institutional lending, effective access to credit has remained elusive for the rural poor like small and marginal farmers, landless labourers and artisans. The collateral based lending policy has been one of the major hurdles faced by the poor and asset less. Even specialized institutions created for the rural poor like the regional rural banks (RRBs) or programmes like integrated rural development programme (IRDP) implemented for the poor could not succeed fully in reaching and improving the access of the rural poor. While programmes like IRDP were best with many design related problems leading to leakages. The RRBs continued with the conventional collateral based lending leading to their failure as institutional reform for the rural poor.

The neo classical economists analysing the rural financial markets in the developing countries attribute the failure institutional agencies to reach effectively the poor mainly to the subsidised cheap credit policy. To them, the failure is due to the inability of the intuitional agencies to cover higher marginal costs associated with serving large number of small borrowers who get eliminated in the process.

Innovations like SHGs, which help overcome some of the above problems in reaching the rural poor, therefore, become important. The SHGs have acquired policy significance in many developing countries following the success of Grameen Bank of Bangladesh in adopting group-based approach to its credit and savings programmes. The five member groups of Grameen Bank organised on the principle of self-selection stand as guarantee for the borrowings of their members. This eliminates the need for producing any collateral by the poor and landless. The peer monitoring which is the result of group liability ensures better loan utilisation and recovery. Besides targeting the poor quite effectively, the Grameen Bank has been able to consistently achieve very high recovery rates. Further, the Grameen Bank, through group based approach, has also been able to successfully integrate regular savings into its lending programme.

## Review of Literature

**Deepika (2022)** presented a research article on Impact of micro finance on SHGs case study of Nalgonda district. The main objectives of this paper are the role of NGOs and financial institution on SHGs in Nalgonda district. She selected 200 sample SHG members comprising various social groups. After selected, the primary data was collected from the selected SHG households through using interview schedule. She concluded from her study that source of repayment of loan amount is a significant, and also borrow to make repayment is also significant to the selected SHG women households in the Nalgonda district of Telangana State.

**Rakesh Kumar Panigrahi, (2017)** in his study analyzed the effectiveness of Microfinance through Self-Help-Groups (SHGs) for socio-economic development of the rural people particularly in the Boudh district of Odisha. The study found that, there is a positive relation between microfinance institution and overall economic development of poor people in rural area. It plays an important role for income and savings of people in rural area.

**Khadar Basha Sk.,(2017)** in his study observed that when rural women are empowered in all aspects like; education, employment, culture, societal, health, skill development, livelihood programmes, business development etc they improve self and improve their family members also. According to researcher these developments causes for all round development of the rural women families as well as villages.

**Rachit Gupta and Shalini Agarwal (2017)** in their paper focus on the importance of SHGs in the lives of rural women. The study for the same was conducted in selected villages of Ghaziabad district of Uttar Pradesh. The study found that economic condition, personal development and social condition have been changed after joining the Self Help. It is very clear that, by involving voluntary organizations in social mobilization and creating an enabling policy environment, micro finance can achieve a vast scale and can become a rational movement.

## Objectives

1. To discuss and evaluate the micro finance and Self Help Groups
2. To analyse the problems of SHG women members in Anantapuramu
3. To draw the conclusions

## Study area

The study is undertaken in the Ananthapuramu district which is one of the most economically, backward districts of Andhra Pradesh. This region is typically a dry track and has been declared as a famine district in south India. Recurrent drought and famines have been stalking this district for the past decades. District is largely dominated by rural population comprising of 74 per cent of the total population. Hence, Ananthapuramu district of AP has been percussively chosen. According to the 2011 census, there are about 8 lakhs households in the district with an average household size of five members. The reference period of the study refers to the calendar year 2018-2020.

## Sampling Design

For the micro level study, multi- stage random sampling technique was adopted in selecting the mandals and the groups. In the first stage all the five revenue divisions were considered for selecting the sample. In the second stage one mandal from each revenue division was selected randomly. Further, among two villages one village near to the mandal and another village was selected distance to the mandal head quarter from each mandal two villages were randomly selected. From each village four SHGs were again selected. Randomly making a total of twenty members from each village, were finally selected for analysis based on purposive sampling. Finally, altogether five revenue divisions, five mandals and 10 villages were selected. Thus, the study sample constitutes altogether 200 respondents.

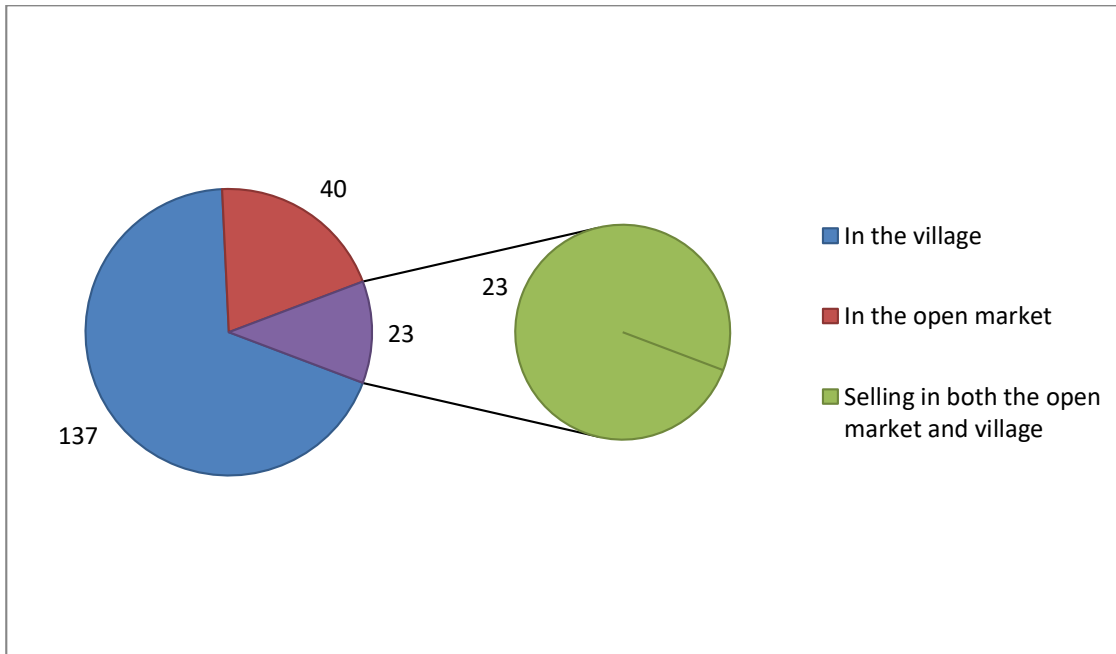
## Data collection

The purpose of analysis of the empirical study, both primary and secondary data were used. Primary data have collected through structure Interview-Schedule after pre-tested. And secondary were collected from various sources like books, periodical, and dailies.

**Table -1****Details of place of marketing of SHG women products**

S.No	Market location	Frequency	Percentage
1	In the village	137	68.50
2	In the open market	40	20.00
3	Selling in both the open market and village	23	11.50
	Total	200	100.00

Source : Field data



The table 1 shows that a question was raised by the researcher like where the respondents do sell the product. According to the response from the respondents, out of 200, 137 have marketed their product in their villages/localities and it represents 68.5 per cent, 20 per cent of the sample respondents have stated that they sell their product in the open market, and finally 11.5 per cent of the respondents have stated that they have been selling their product in both the open market and village.

**Table- 2****Distance between SHG women village and the market place**

S.No	Distance	Frequency	Percentage
1	Less than 1 K.M	124	62.00
2	1-5 K.m to 5 K.M	7	03.50
3	5-10 K.M	21	10.50
4	10-15 K.M	48	24.00
	Total	200	100.00

Source : Field data

The distance between sample respondents villages and the market place in Anantapur study area. It is observed from the table 2 above, 62 per cent of the selected SHG women house holds villages and their market place distance was less than one kilometer, 24 per cent of the respondents have expressed that the market place was located in between 10-15 Kilometer from their village to market place, 10.5 per cent of women respondents have to go the market nearly 5-10 kilometer distance, and only meagre percentage of the respondents are stated that 1-5 kilometer distance from their village to market place.

**Table- 3**

**Satisfaction of the SHG women respondents on existing marketing facilities**

S.No	Opinion	Frequency	Percentage
1	Yes	188	94.00
2	No	12	6.00
	Total	200	100.00

Source : Field data

The opinion were sought from the selected SHG women respondents about facilities which have been providing by the various markets and satisfaction of them. It can be found that majority of the respondents have stated that they was satisfied which are marketing facilities have existed, and only 6 per cent of the respondents have not satisfied their market facilities (Table 3).

**Table- 4**

**Which activities are useful for SHG member**

S.No	Activity	Frequency	Percentage
1	Self-Employment	125	62.50
2	Small Scale Industry	12	06.00
3	Increasing Production	51	25.50
4	Others	12	06.00
	Total	200	100.00

Source : Field data

The SHG member has been conducting various economic activities for surviving their family members and some of them running/doing any of the activity before Joining SHG. According interest of the research scholar, and collected the opinion from the sample respondents in ATP district.

It is found from the table 4 that who have been moving/running by the self-employment, it will be help to the SHG member and it is noticed by the majority of the respondents (62.5 per cent), 25.5 per cent of the respondents have helped to the SHG members to increase the productions, and 6 per cent of the sample women SHG members have stated that to run small scale industry respectively.



**Table- 5****Number of respondents reported type of problems faced while getting loans**

<b>S.No</b>	<b>Problem</b>	<b>Frequency</b>	<b>Percentage</b>
1	Administrative problems	105	52.50
2	Delay in sanctioning of the loan	9	04.50
3	Nil	10	05.00
4	Too many procedures	58	29.00
5	Unnecessary procedures	18	09.00
	Total	200	100.00

Source : Field data

The table 5 show that the problem have been facing by the SHG members while taking/getting loans from the financial institutions like Banks. It can be demonstrated that half per cent of the sample respondents have been facing administrative problems and it is reported that 52.5 per cent, too many procedures have involving while getting loans/advances, and it is expressed by the 29 per cent of the respondents, 9 per cent have feel that unnecessary procedures have been fulfilling while getting loans, and only 4.5 per cent have expressed that, there is delaying sanction of the loan amount.

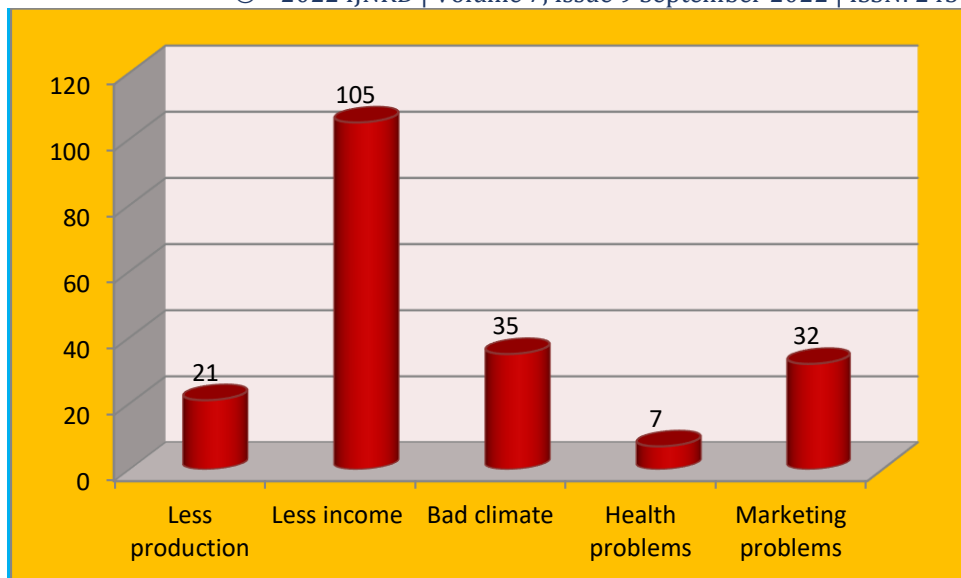
These inferences that the bank officials have not properly responding among SHG members, and also it number of formalities/procedures was have involved while getting loans and advances.

**Table- 6****Experienced any problems as a SHG sample respondents**

<b>S.No</b>	<b>Problem</b>	<b>Frequency</b>	<b>Percentage</b>
1	Less production	21	10.50
2	Less income	105	52.50
3	Bad climate	35	17.50
4	Health problems	7	03.50
5	Marketing problems	32	16.00
	Total	200	100.00

Source : Field data

The researcher intension was to know the problems which are facing by the selected SHG members in the study area. It can be found that 10.5 per cent of the respondents have expressed that they have get the less production, 52.5 sample SHG members have stated that they get less income, 17.5 per cent of the sample respondents have stated that bad climate, 3.5 per cent of the respondents have stated that health problem and 16 per cent of the respondents have stated that they have been suffering from the marketing problem (Table 6).



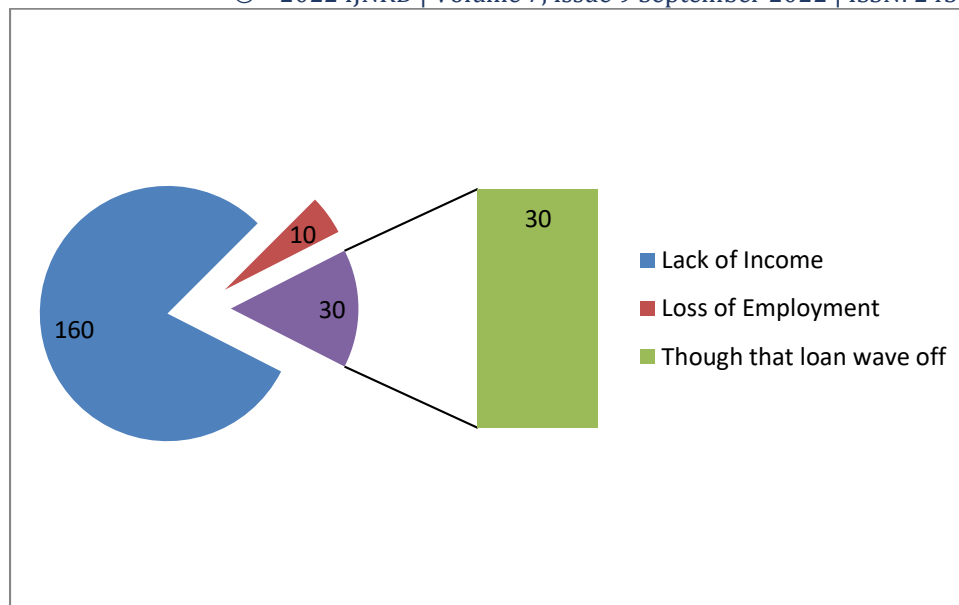
**Table- 7**

**Opinion of the respondents on facing various problems while repaying loan amount**

S.No	Difficulties	Frequency	Percentage
1	Lack of Income	160	80.00
2	Loss of Employment	10	05.00
3	Though that loan wave off	30	15.00
	Total	200	100.00

Source: Field data

As SHG women have been receiving loan amount from the banks without any obligation. All SHG members have received some amount from the banks. They have been easily taking huge amount to various purposes. In any SHG women have used to income generating activities that is no doubt, they will repay the loan amount, in case of they used loan amount to meet day-to-day expenses; it is very high risk to repay the loan amount. In this situation the women have been facing number of problem while repaying the debt amount. According to this statement, large sample respondents have been facing lack of income and 5 per cent of the respondents were stated that there is no sufficient labour/employment opportunities or loss of employment. It can be further found that 15 per cent of respondents have expressed that the loan amount was wave off (Table 7).



## Conclusions

The present study has revealed that the problems faced by the women SHGs while marketing their products in markets, distance, getting loans and repaying the debt amount. The government will take favourable decisions for providing better marketing channels to the womens, establish separate market place for SHG products, and also circulate. It is another suggested that the government have reduce rules and regulations while getting loans and repaying loan amount. Majority of the people have suffering financial problems while repaying amount because they are not adopted effective financial management, so that the government and NGO have been conducted various training programmes to enhance the skills of women SHGs in the study area.

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