



## Sustainable Self-help Groups in Vishakhapatnam district of Andhra Pradesh, India: A Study Based on Field Visit

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### Abstract:

*This study based on a field visit reveals that if rural women under the umbrella of Self-help Groups (SHGs henceforth SHG will be used) are properly guided and supported with backward and forward linkages then they will earn income whatever is their qualification. The study was carried out in at Gontinavanipalem village of, Ananadaruram Mandal, Vishakhapatnam district of Andhra Pradesh, India in September 2022. In the village altogether 23 SHGs were functioning and most of them were more than 15 years old. Of the 23 SHGs, four SHGs (studied by the author), three were more than 15 years old (Laxmi Ganapathi SHG, Maralathali SHG, and Ganga Devi SHG) indicating these were sustainable. And observing sustainability, another SHG (Aruna SHG) was formed in 2018. Each SHG had 10 women members and all belonged to the Backward Community/BC. To get an idea about the economic situation four women of three SHGs were contacted and data were collected. And found all were earning income. Both the interview method and the PRA method (Earlier known as Participatory Rural Appraisal) where around 30 women members of different SHGs and three members from the District Rural Development Agency (DRDA) were present.*

**Keywords:** Andhra Pradesh, Income, SHG, women members, and Vishakhapatnam

### Introduction

After the successful experiment of Self-help groups (SHGs) by Professor Muhammad Yunus in Bangladesh under the umbrella of Grameen Bank, the concept of Self-help groups (SHG) has become popular in the world for the empowerment of women through income generation activities. Prof Yunus, in his book Banker to the Poor, has highlighted some advantages of self-employment over wage employment. Some of the important points are presented below:

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1. The hours are flexible and can adapt to fit any family situation. It allows people to choose between running a business full-time or part-time when they need to meet crises or put their business on hold and work full-time for a salary.
2. Self-employment is tailor-made for anyone who is street-smart and has many acquired from books and technical schools. This means the illiterate and the poor can exploit their strengths, rather than be held back by their weaknesses
3. It allows a person to turn hobbies they enjoy into gainful employment.
4. It offers a way out of welfare dependency, not just to become wage slaves, but to open a store or start a manufacturing business.
5. It gives those who have just been fired from a job moral support to start a business before they become depressed and isolated.
6. It gives the victims of prejudice who would not be hired because of their colour or national origin a chance to earn a living.
7. The average cost of creating a self-employment job is ten, twenty, or a hundred times cheaper than creating an employment job.
8. It helps isolated poor person gain self-confidence, step by step.

The author studied across the country many SHGs all formed by rural women members and documented in books and research articles for the benefit of readers and researchers. The studies were carried out in different states of India from time to time viz., Assam, Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Jammu and Kashmir, Madhya Pradesh, Maharashtra, Rajasthan, Telangana, Tamil Nadu, Uttar Pradesh, West Bengal, etc., and observed that after forming self-help groups women felt empowered. Because of the earnings of the women members, the standard of living of the family had also gone up. The author observed that by investing comparatively less capital one can earn substantial income which for a below-poverty line family can help to cross the poverty line (Chatterjee, 2016, 2017, 2018 and 2019).

It is pertinent to mention that SHGs are informal groups of people who come together to address their common problems. One important feature of a self-help group is mutual support – people helping each other. In the case of rural SHG, important features are monthly/weekly savings and rotating the money among the members with a low rate of interest (FAO, 1992). The author September 2022 studied SHGs at Gontinavanipalem village of, Ananadaruram Mandal,

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Vishakhapatnam district of Andhra Pradesh, India. In the village altogether 23 SHGs were functioning and most of them were more than 15 years old. Of the 23 SHGs, four SHGs were studied. Of these, three were more than 15 years old (Laxmi Ganapathi, Maralathali, and Ganga Devi) indicating these are sustainable. And observing sustainability another SHG (Aruna) was formed in 2018. Each SHG had 10 women members and all belonged to the Backward Community/BC. For the three groups which were set up before 2018, the initially saving per member per month was Rs 30 which later on increased to Rs.100 (during the study it was Rs 100). The study revealed that all the women members were earning through different trades and businesses such as shops, agriculture, vegetable selling, milk selling, goat rearing, etc., and they felt empowered, because they need not required to ask for money from their husbands rather, they contribute from time to time to the welfare of the families.

### **SHGs in Vishakhapatnam district:**

The number of SHGs and other information in Vishakhapatnam district provided by the District Rural Development Agency (DRDA) may be seen in the following chart. It may be mentioned here that there are four mandals in the district. These are Anandapuram, Bhimili, Padmanabham, and Pendurty.

- 1) Total number SHGs as on 19 September 2022: 5287
- 2) Revolving Fund (RF) Given to Number of SHGs: 2141
- 3) Amount distributed under RF: Rs. 1.87 Crore
- 4) Sunna Vaddi (Interest Subvention) to Number of SHGs: 4961
- 5) Amount is given under Sunna Vaddi: Rs. 10.43 Crore

A few lines about Sunna Vaddi Scheme which is in the full form known as YSR Sunna Vaddi Pathakam are presented here. The scheme intends to provide zero-interest loans for women in self-help groups. To reduce the interest burden on poor SHG members, it is proposed to pay the interest portion for the year 2019-20 on SHG bank loan amount outstanding as on 11 April 2019 under YSR Sunna Vaddi (<https://vikaspedia.in/schemesall>). The advantages are:

- Zero interest in self-help group women.
- This scheme will help in enhancing livelihood opportunities and encourage the development of rural areas.
- The scheme improves the financial condition of the SHG women along with social security.



- All SHG members both rural and urban with bank loan accounts outstanding amounts up to Rs.5.00 lakh will get the YSR Sunna Vaddi Pathakam.

#### Eligibility

- Permanent residents of Andhra Pradesh are eligible.
- The applicant should be a member of SHG.
- The applicant should belong to the below-poverty line (BPL).

#### **Field Analysis: Study Area and Methodology:**

The study was carried out at Gontinavanipalem Village of Anandapuram Mandal, Vishakhapatnam district, Andhra Pradesh, India in September 2022.

It was conducted by using the interview method as well as the PRA method (Earlier known as Participatory Rural Appraisal). where around 30 women all members of SHGs and three members of the District Rural Development Agency (DRDA) staffs were present. Since data were collected from DRDA also research article is based on both primary and secondary data.

#### **Findings of the Study:**

The study revealed that in the village around 280 households were living of which five households belonged to Other Castes (OC), 10 Scheduled Castes (SC), Minority one, and the rest 264 were BC i.e. Backward Castes. Most of the youths of the village eked out their livelihoods through agriculture labour or general labour (locally known as coolie). Out of 280 households, 25 households had only agricultural land and two were working in paramilitary forces of India, one school teacher one was in the army, and three were Anganwadi (ICDS). During the course of the study, it was revealed that there were 23 SHGs functioning in the village all with women members, and each SHG consisted of 10 women members. Of the 23 SHGs members of four SHGs viz. Laxmi Ganapathi SHG (established 2007), Maralathali SHG (2003), Ganga Devi SHG (2007), and Aruna SHG (2018) were interviewed. Initial saving per member per month was Rs. 50 in the case of three SHGs that were established before 2018 (i.e., except, Aruna), and afterward for all three SHGs' savings per member per month was enhanced to Rs. 100. And savings per member per month for Aruna SHG was Rs. 100. Regarding Corpus Fund it may be mentioned that Corpus is inclusive of Revolving Funds, if any, received by that SHG, its own savings, interest-earning by SHG from on-lending to its members, income from other sources, and funds from other sources, all the four SHGs had different amount. The Corpus Fund for Laxmi Ganapathi was Rs. 176,957 (as

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of the day of study), the same for Maralathali SHG was Rs 2 lakh, for Ganga Devi SHG it was Rs. 115,923, and all these three SHGs received at the rate of Rs. 5,000 each as Revolving Fund (RF, one time grant earlier was given to each SHG as financial support) also two SHG, viz. Laxmi Ganapathi and Maralathali received the Community Investment Fund (CIF/ CIF is financial support to the members of Self-Help Groups for improving their quality of life ) at the rate of Rs. 50,000 each. The Corpus Fund for Aruna SHG was Rs 89,000. Since Aruna SHG was under the umbrella of YSR Sunna Vaddi so the SHG did not receive any RF or CIF

### **Cases of SHG members:**

In order to get an idea about the financial status while staying in the SHG, four members of three SHGs were contacted data were collected through the interview method.

1. Mrs Ramulamma (32 years/BC) intermediate passed and completed her primary teacher's training, blessed with two daughters who were going to school. She was a member of Laxmi Ganapathi SHG. Although the family had one acre of agricultural land the same was not sufficient for four members family so the husband time to time worked as labour earning each day Rs. 300 for 7-8 months. Also, the husband early morning many days collects vegetables from the village and takes these to Vishakhapatnam city (28 Kilometres away) by hiring an auto. She as a member of SHG took loans six times - Rs. 5,000, Rs. 10,000, Rs. 20,000, Rs. 40,000, Rs. 75,000 and recently Rs. 1 Lakh (repayment was going on while the study was conducted). All these loans were used for the welfare of families also the renovation of the house. She informed that the average earning of the family was Rs. 18, 000 per month.

2. Mrs D. Durga (38 years/8<sup>th</sup> pass) member of Laxmi Ganapathi SHG had to struggle in her life as her husband two years ago met an accident so bedridden. She had one son and one daughter and from time to time was eking out livelihoods by working as agricultural labour. Also had one cow which yields milk eight litres every day for 8-9 months. She like Rammulamma took six times loan from SHGs corpus fund – Rs. 5, 000, Rs.10,000, Rs.20,000 Rs. 40,000, Rs. 75,000 and Rs. 1 Lakh. Mrs Durga informed that her husband had been sanctioned a sum of Rs. 3000 per month as a disability pension. And by working as agricultural labour and selling milk income per month was in between Rs. 12,000 and Rs. 15,000.

3. Mrs P. Devi (30 years/10<sup>th</sup> Pass) was earning income by selling vegetables and her husband was a truck driver. She was member of Ganga Devi SHG. She had two daughters and all were going to school. Her husband's income was around Rs. 20,000 per month and she by selling



vegetables could earn on an average Rs. 10,000 per month. She took six times loan from SHG - Rs. 5,000, Rs.10,000, Rs.20,000, Rs. 50,000, Rs.75,000 (repayment was going in when the study conducted).

4. Mrs Saveetri (25/5<sup>th</sup> Pass) member of Ganga Devi SHG was earning as an agricultural labourer with her husband (also labourer). She had four goats and every year sells one matured goat. She borrowed four times from Aruna SHG- Rs. 5,000, Rs. 10,000, Rs. 20,000 and Rs. 30,000. The total income of the family was around Rs. 15,000 per month. It may be mentioned here that earlier SHGs were provided with Revolving Fund but after the introduction of YSR Sunna Vaddi Pathakam, the provision of RF has been withdrawn.

Conclusion: Since PRA Discussion took place in presence of SHG members and local officials' of DRDA, it was observed that SHGs were sustainable. The study revealed that all the women members were earning through different trades and businesses and they felt empowered, because they need not required to ask for money from their husbands rather, they contribute from time to time to the welfare of the families. The other noteworthy points are – all members had two children and irrespective of gender all were attending school, and from time to time borrowed loans from SHG and repaid within the stipulated time. They in unison informed that getting the loan(s) from SHG's Corpus Fund is much easier than getting loans from the bank.

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