



**Implementation of Self Help Groups Bank Linkage Programme
of Nalgonda and Yadadri Bhongir Districts in Telanagana State**

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Abstract

“SHG is a group of women who join voluntarily and deposit a small amount of money regularly and use within themselves for their contingency needs”. “SHGs develop the equality in the status of women and it enhances the women role in all spheres of life “The basic principles of the SHGs are group approach, mutual trust, organization of small and manageable groups, group cohesiveness, sprit of thrift, demand based lending, collateral free, women friendly loan, peer group pressure in repayment, skill training capacity building and empowerment”. The foundation to the growth of SHGs laid by Prof. Mohammed Yunns of Bangladesh in 1975 as “an effort to bring the women force to the mainstream of the economic system”. He tried to “inculcate in them the habit of thrift and savings, especially among the poor rural women”. Now, the women self-help groups grown as a popular banking system named as ‘Bangladesh Grameen Bank’. The ‘Bangladesh.

Key words: Self Help Groups (SHGs), Micro-finance, Micro-credits, Society for Elimination of Rural Poverty (SERP), World Bank, Community based Organizations (CBOs), DWAKRA

Introduction

i.“Microfinance is an economic development tool whose objective is to assist the poor to work their way out of poverty. It covers a range of services which include, in addition to the provision of credit, many other services such as savings, insurance, money transfers, counseling, etc.” – Reserve Bank of India.

ii.“Microfinance means lending micro or small sums of money”. With the increased focus on the agricultural sector and small scale industries, the microfinance activity is gaining prominence across the country”¹.

In a pluralistic patriarchal Indian society, women have to struggle and face hardship of discrimination to at least make her presence felt. The SHGs have been a novel approach since the 1980s in capacity building and empowering rural poor and women in specific. This study focuses on ‘how SHGs contributed as a strategic instrument in empowering women, particularly in rural areas creating opportunities for the participation of women enabling them

realizing their potentialities to achieve socio-economic independence'. Strategically, the SHGs' activities involve two basic dimensions – the first one is alleviation of rural poverty and the next is socio-economic empowerment of the rural poor and women in specific. The SHGs resulted in a paradigm shift in the rural development, poverty alleviation by enabling rural women to have access to productive resources and credit sources. This study primarily focuses on the SHGs as a platform for the women, particularly in rural areas, to associate, socialize and gain self-confidence, power to make personal life choices, participate in decision-making primarily at family and household levels².

SHGs are “rural based voluntary financial intermediaries generally composed of ten to twenty members having homogenous social and economic background. The SHGs are emphasizing on issues like anti-poverty programmes, women empowerment, capacity building and developing leadership abilities among rural poor, especially women”³

The Self Help Groups movement advanced in the Telangana state with the starting of World Bank supported poverty eradication project, Andhra Pradesh District Poverty Project (APDPIP) in the year 2000 as part of united Andhra Pradesh. Later, second programme namely Andhra Pradesh Rural Poverty Reduction Programme (APRPRP) was launched by the World Bank in the year 2002. The above two projects together were brought under Indira Kranti Patham (IKP) and being social engineered by a nodal agency established by the government, called ‘Society for Elimination of Rural Poverty’ (SERP)⁴

Objectives

The study, as already stated earlier, attempts to examine the impact of SHGs and their activities in empowering women, particularly in the erstwhile Nalgonda District in the Telangana state. The objectives are:

1. To examine the progress of SHG-Bank Linkage programme in Telangana.
2. To study the extent to which SHG women have gained honour and respect in the household and in the community.

Research Methodology

Keeping in view the nature and objectives of the study, reliance was placed mainly on primary data collected from the sampled respondents. This section provides details of methods and techniques employed for the collection and analysis of data.

Research Design: The approach of study is Descriptive and evaluative in nature, based on survey and case study methods.

Locale:

The study was carried out in the erstwhile Nalgonda District in Telangana State. The data collection was carried on during the period starting from November 2019 to December 2020. The erstwhile Nalgonda District is bifurcated into 2

districts after the formation of the Telangana State, namely Nalgonda, and Yadadri Bhonogiri. Hence, the 240 respondents were selected from the above three districts covering 2 mandals and Four villages (two villages per mandal)

Sample Design

A total of 3072 women members are there in the 283 SHGs across 6 sample villages. This study followed a technique of stratified random sample, interviewed 240 SHG women respondents in 6 villages covering 40 SHG members per village.

Sources of Data

The present study is empirical in nature and it is mainly based on primary data collected from the selected SHG members and government officials in addition to this the secondary data collected from different governmental and other sources such as books, journals, reports and web sites.

The remarkable progress made by the Self-Help Groups primarily accounts to the ‘Micro-Financing’ as an effective instrument of creation of credit source, tool to promote productive investment, habit of thrift and other financial services to those who are denied and deprived of such provisions. Micro-finance helped poor with better access to credit sources and other financial services and products without losing their self-respect and dignity. The Micro Finance emerged “as an effective instrument in promoting living standard of the rural poor with provision of thrift, credit and other financial services’ accessible to them”. Promotion of SHGs through Micro-financing adopting Bank-Linkage models progressed in three different levels as explained in Nalia Kabeer’s three stage model:

- i) Bank-SHG Linkage
- ii) Bank-Facilitating Agency-SHG Linkage
- iii) Bank-NGO-Micro-financing Institutions-SHG Linkage⁵.

The SHGs-Bank Linkage models followed the following norms to make micro- financing an effective financial instrument in helping the rural poor: a) Member borrower can avail credit only on regular savings and no credit facility without savings as a partial collateral security and The SHGs have to decide on lending to their members deciding on the rate of interest and terms and conditions of the loan⁶.

The erstwhile Nalgonda district was bifurcated into three districts namely Nalgonda, and Yadadri Bhongir after the formation of the Telangana State in 2014. Hence, one mandal from each district and two villages from each mandal were selected for the present study. The Gurrampode and Mothukur mandals were selected from Nalgonda and Yadadri Bhongir districts respectively. Further, two villages from each mandal were selected for carrying out the present study. Accordingly, Gurrampode, Koppole villages from Gurrampode mandal, and Podichedu, Dattappaguda villages from Mothkur mandal were selected for the present study⁷.

This paper presents a detailed analysis on the social category and well-being status of the SHG members in the sample villages and implementation of Self Help Groups Bank Linkage Programme in sample Nalgonda District during 2015-16 to 2019-20 in the Nalgonda and Yadadri Bhongir districts. The data shows the number of members according to social categories (SC, ST, Minority, BC, OC and others) and the SHG members according to wellbeing status that falls under the categories of PoP (poorest of the poor), poor, non poor

and others. The paper provides a detailed account on year wise quantum of loans extended to SHGs under bank linkages as well as under the Srinidhi linkage from the year 2015-16 to 2019-20⁸.

Profile of erstwhile Nalgonda District

As per the 2011 census data, the Nalgonda district spread in the area of 14,240.00 Sq.Kms with a density of 245 persons per Sq. The district has 1135 villages. The district has population has 8,75,939 households with a population of 34, 88,809 of which 17,59,772 are males while 17,29,037 are females as per Population Census 2011. The Sex-ratio in the district is 983. In 2011, literacy rate of Nalgonda district was 64.20 %. The Male literacy was 74.10 % and female literacy rate was 54.19 %. Out of the total population, the Scheduled Castes and Scheduled Tribe population are 18.27 % and 11.13 % respectively in Nalgonda district. After the formation of the Telangana state in the year 2014, the district was bifurcated into three districts namely Nalgonda, Suryapet, and Yadadri Bhongir⁹.

Self Help Groups Bank Linkages in Telangana: 2015-16 to 2019-20

After the formation of the Telangana state in the year 2014, the erstwhile Nalgonda district was bifurcated into three districts namely Nalgonda, Suryapet, and Yadadri Bhongir. This section provides the analysis on the year wise quantum loans extended to the SHGs through the bank linkages and Srinidhi scheme in Telangana state and three districts namely Nalgonda, Suryapet, and Yadadri Bhongir districts from 2015- 16 to 2019-20¹⁰.

Year wise Telangana State Level Bank/ Srinidhi Linkages to SHGs From 2015-16 to 2019-20. The Telangana state has a total of 32 Zilla Samakhyas and 577 Mandal Samakhyas. There is a gradual increase in number of Village Organisations from 17791 VOs in the year 2015-16 to 17896 VOs in the year 2019-20. On the similar lines, there is also an increase in the number of SHGs. Total SHGs formed during 2015-16 is 403244 while the number of SHGs is increased to 433364 in the year 2019-20.

The yearly quantum of bank linkage is on increase with Rs.5201.20 crores in 2015-16 to Rs.6534.68 crores in the year 2019-20. Similarly, the yearly quantum of loan extended under Srinidhi linkage is also on increase from RS.1178.54 crores in 2015- 16 to Rs. 2342.27 crores in 2018-19. The total loan amount extended to SHGs under both bank and Srinidhi scheme together is Rs.6379.74 crores in the year 2015-16 while the same is Rs.8492.15 crores during the year 2019-20.

Self Help Groups Bank Linkage in Nalgonda District : 2015-16 to 2019-20

Year wise Nalgonda District Level Bank/ Srinidhi Linkages to SHGs From 2015-16 to 2019-20. There are 32 Mandal Samakhyas in Nalgonda District. There is an increase in number of Village Organizations from 1084 in the year 2015-16 to 1140 VOs in the year 2019-20. The data also clearly shows that there is also an increase in the number of SHGs. Total SHGs formed during 2015-16 is 26918 while the total number of SHGs is increased to 28214 in the year 2019-20.

Year wise Yadadri Bhongiri District Level Bank/ Srinidhi Linkages to SHGs From 2015-16 to 2019-20. There are 17 Mandal Samakyas in Suryapet District. There is an increase in number of Village Organizations from 555 in the year 2015-16 to 562 VOs in the year 2019-

20. The data also clearly shows that there is also an increase in the number of SHGs. Total SHGs formed during 2015-16 is 13159 while the total number of SHGs is increased to 14840 in the year 2019-20.

Social category and wellbeing status and Bank/Srinidhi Linkages in sample villages from 2015-16 to 2019-20

One mandal from Nalgonda district and two villages from each mandal were selected for the present study. The Gurrampode and Mothukur mandals were selected from Nalgonda and Yadadri Bhongir districts respectively. Further, two villages from each mandal were selected for carrying out the present study. Following, the village wise analysis of social category and wellbeing status of SHG women from three selected mandals is presented.

Gurrampode Mandal Cum Village

Gurrampode mandal is situated in the Nalgonda district in Telangana. Koppole and Gurrampode villages have been selected from Gurrampode Mandal for the present study. The Social Category and Wellbeing Status of SHG members along with the brief profile of the above two villages are presented below:

Koppole Village

Koppole village comes under Gurrampode mandal of Nalgonda district in Telangana. The total number of households in village is 1,439. Village has population of 5,658 as per census data of 2011, in which male population is 2,845 and female population is 2,813. Out of the total population, the Scheduled Castes and Scheduled Tribe population are 23.6% and 1.2% respectively. As per the Census Data 2011 there are 989 Females per 1000 males. Total literacy rate of Koppole is 56.3%, the male literacy stands at 67.67% while female literacy rate was 44.94%.

The social category and well-being status of the SHG members in the Koppole village. The Koppole village has a total number of 49 SHGs with 509 total members with an average of 10.4 members per SHG.

The Social Category wise distribution of SHG members in the village clearly shows that women members from Backward classes (BCs) account for 56.8% (289 members) of the total SHG members in the village followed by members from Scheduled Castes (SCs) with 32.8% (167 members) and Other Castes (OCs) with 5.5% (28 members). The Scheduled Tribes (STs) and Minority members account for 4.5% (23 members) and 0.4% (2 members) respectively. In the well being wise status of the SHG members clearly indicates that Poor account for 72.5% (369) members and remaining are Poorest of the Poor with 27.5% (140 members)

Year wise Koppole village Level Bank/ Srinidhi Linkages to SHGs

From 2015-16 to 2019-20. The number of Village Organizations is two in the village and which remain the same during the five years from 2015-16 to 2019-20. The data also clearly shows that there is also an increase in the number of SHGs. Total SHGs formed during 2015-16 is 48 while the total number of SHGs is increased to 57 in the year 2019-20.

Gurrampode village

Gurrampode village comes under Nalgonda district in Telangana. Village has population of 3061 as per census data of 2011, in which male population is 1549 and female population is 1514. Out of the total population, the Scheduled Castes and Scheduled Tribe population are 16.4% and 3.36 % respectively. As per the Census Data 2011 there are 983 Females per 1000 males. Total literacy rate of Gurrampode is 55.25%, the male literacy stands at 58.11% while female literacy rate was 38.66%.

Gurrampode village is also the mandal headquarter that comes under Nalgonda district of Telangana State.. The table shows that social category and well- being status of the SHG members in the Gurrampode village. The Gurrampode village has a total number of 69 SHGs with 732 total members with an average of 10.6 members per SHG.

The Social Category wise distribution of SHG members in the village clearly shows that women members from Backward classes (BCs) account for 53.1% (389 members) of the total SHG members in the village followed by members from Other Castes (OCs) with 19.7% (144 members) and Scheduled Castes (SCs) with 14.6% (107 members). The Minorities and Scheduled Tribes (STs) account for 9.7% (71

members) 2.9% (21 members) respectively. In the well being wise status of the SHG members clearly indicates that more than half of them are Poor (48.6%) followed by Poorest of the Poor (46.7%) and a small percentage of Non-poor (4.6%)

Year wise Gurrampode village cum mandal Level Bank/ Srinidhi Linkages to SHGs

From 2015-16 to 2019-20. There is one Mandal Samakyas in Gurrampode Mandal. The number of Village Organizations is 35 during 2015-16 and the same is increased to 39 during the year 2019-20. The data also clearly shows that there is also an increase in the number of SHGs. Total SHGs formed during 2015-16 is 900 while the total number of SHGs is increased to 974 in the year 2019-20.

Mothkur Mandal

Mothkur Mandal is situated in the Yadadri Bhonogiri district. Podichedu and Dattappaguda village have been considered under Mothkur mandal. The year wise distribution of number of Mandal Samakyas, Number of VOs, Number of SHGs, Bank linkages and Srinidhi Linkages in the Mothukur Mandal during the five years from 2015-16 to 2019-20. There is one Mandal Samakyas in Mothukur Mandal. The number of Village Organizations is 13 which remain the same during the five years from 2015-16 to 2019-20. The data also clearly shows that there is

also an increase in the number of SHGs during the period under study. The total number of SHGs formed in the year 2015-16 is 340 while the total number of SHGs is increased to 369 in the year 2019-20.

Year wise Mothukur Mandal Level Bank/ Srinidhi Linkages to SHGs Podichedu illage

Podichedu village is situated in Mothkur Mandal of Yadadri Bhongir district. The total number of households in mandal is 530. Village has population of 2096 as per census data of 2011, in which male population is 1048 and female population is 1048. Out of the total population, the Scheduled Castes and Scheduled Tribe population are 28.58% and 0.38% respectively. As per the Census Data 2011 there are 1000 Females per 1000 males. Total literacy rate of Podichedu is 60.86%, the male literacy stands at 72.46% while female literacy rate was 49.46%.

The social category and well-being status of the SHG members in the Podichedu village. The Podichedu village has a total number of 55 SHGs with 562 total members with an average of 10.2 members per SHG.

The Social Category wise distribution of SHG members in the village clearly shows that women members from Backward classes (BCs) account for 58.5% (329 members) of the total SHG members in the village followed by members from Scheduled Castes (SCs) with 35.2% (198 members), and Other Castes (OCs) with 5.3% (30 members). While Minorities account for 0.4% of the members, there is no presence of Scheduled Tribes women members in this village. In the well being wise status of the SHG members clearly indicates that more than half of them are Poor (63.3%) followed by Poorest of the Poor (32.6%) and a small percentage of Non-poor (4.1%)

Year wise Podichedu village Level Bank/ Srinidhi Linkages to SHGs

From 2015-16 to 2019-20. The data also clearly shows that there is also an increase in the number of SHGs. Total SHGs formed during 2015-16 is 40 while the total number of SHGs is increased to 54 in the year 2019-20.

Dattappa gudam village

Dattappaguda village is situated in Mothkur Mandal of Yadadri Bhongir district. The total number of households in mandal is 580. Village has population of 2229 as per census data of 2011, in which male population is 1120 and female population is 1109. Out of the total population, the Scheduled Castes and Scheduled Tribe population are 24.32% and 2.06% respectively. As per the Census Data 2011 there are 990 Females per 1000 males. Total literacy rate of Dattappaguda is 59.4%, the male literacy stands at 68.73% while female literacy rate was 49.95%.

Social Category and Wellbeing wise status of SHGs in Dattapugudem Village

Dattappaguda village comes under Mothkur mandal in Yadadri Bhonogiri district of Telangana State.. The table shows the social category and well-being status of the SHG members in the Dattappaguda village. The Dattappaguda village has a total number of 26 SHGs with 281 total members with an average of 10.8 members per SHG.

The Social Category wise distribution of SHG members in the village clearly shows that women members from Backward classes (BCs) account for 68.3% (192 members) of the total SHG members in the village followed by members from Scheduled Castes (SCs) with 23.5% (66 members), and Scheduled Tribes with 1.8% (5 members). The Other Castes (OCs) and Minorities have equal number of members with 3.2% (9 members) each. In the well being wise status of the SHG members clearly indicates that more than half of them are Poor (74.7%) followed by Poorest of the Poor (21.0%) and a small percentage of Non-poor (4.3%).

Year wise Dattapagudem Village Level Bank/ Srinidhi Linkages to SHGs

From 2015-16 to 2019-20. The data also clearly shows that there is also an increase in the number of SHGs. Total SHGs formed during 2015-16 is 43 while the total number of SHGs is increased to 51 in the year 2019-20. The yearly quantum of loan to SHGs under bank linkages is on increase with Rs.43.80lakhs in 2015-16 to Rs.63.35 lakhs in the year 2019-20.

Summary

This paper presents a detailed analysis on the social category and well-being status of the SHG members in the sample villages and implementation of Self Help Groups Bank Linkage Programme in sample Nalgonda District during 2015-16 to 2019-20 in the erstwhile Nalgonda district. The erstwhile Nalgonda district was bifurcated into three districts namely Nalgonda, Suryapet, and Yadadri Bhongir after the formation of the Telangana State in 2014. Hence, one mandal from each district and two villages from each mandal were selected for the present study., the Gurrampode and Mothukur mandals were selected from Nalgonda and Yadadri Bhongir districts respectively. Further, two villages from each mandal were selected for carrying out the present study. Accordingly, Gurrampode, Koppole villages from Gurrampode mandal, and Podichedu, Dattappaguda villages from Mothkur mandal were selected for the present study.

The Telangana state has a total of 32 Zilla Samakhyas, 577 Mandal Samakhyas, 17896 Village Organizations (VOs), 433364 SHGs, and 4758349 SHG members in the year 2019-20. The yearly quantum of bank linkage is on increase with Rs.5201.20 crores in 2015-16 to Rs.6534.68 crores in the year 2019-20. Similarly, the yearly quantum of loan extended under Srinidhi linkage is also on increase from Rs.1178.54 crores in 2015-16 to Rs. 2342.27 crores in 2018-19. The total loan amount extended to SHGs under both bank and Srinidhi scheme together is Rs.6379.74 crores in the year 2015-16 while the same is Rs.8492.15 crores during the year 2019-20. As discussed above 2 mandals from 2 bifurcated districts of erstwhile Nalgonda District were selected for present study. Accordingly, Gurrampode Mandal from present Nalgonda district, and Mothukur Mandal from Yadadri Bhonogiri District were selected.

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