



Financial Inclusion through Self-Help Groups an Economic wellness of Rural Schedule Tribe women in Andhra Pradesh

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ABSTRACT

The social status of women in developing countries like India is discriminated. In India the gender inequalities and discrimination occur in all spheres of social and economic life of women. In order to improve the socio-economic conditions of the population of any country, it has become prerequisite to empower the women folk especially, Schedule Tribe (ST) women by enhancing and ensuring their role to the optimal level. Women are half India's demographic dividend; if they are given the right tools and community support, they can not only become economically independent, but could also become the engine to lead India towards policy growth. The study has conducted among 270 rural SHG St rural women in Andhra Pradesh. It concludes that after joining in SHG, there is a significant change in living standards of rural STwomen.

INTRODUCTION

Self-Help Groups represent a unique approach to financial intermediation, combining access to low-cost financial services with processes of self-management and development for women participants. In India, SHGs function as part of the Bank Linkage Programme supported by the National Bank for Agriculture and Rural Development (NABARD), involving banks, Non-Governmental Organizations, and Government agencies throughout the country. In Andhra Pradesh particularly, SHGs are linked not only to banks but also integrated into wider development programmes, serving as community platforms from which women participate actively in village affairs, stand for local elections, and address social and community issues. Thus, SHGs are expected to confer multiple benefits, both economic and social, enabling women to grow their savings and access credit while simultaneously building their capabilities and empowerment. The study is based on primary data collected from 270 Scheduled Tribe (ST) members providing comprehensive insights into programme functioning and impact across diverse community contexts. The examines the category-wise economic impact of SHGs, comparing pre-SHG and post-SHG situations across multiple dimensions including economic activity participation, investment capacity, employment generation, income levels, savings behavior, consumption expenditure patterns. This analysis reveals the tangible socio-economic transformations attributable to SHG participation, documenting changes in members' livelihoods, household welfare, and economic security. Together, these sections provide comprehensive assessment of both the processes through which SHGs function and the outcomes they generate for participating women and their households.

The social status of women in developing countries like India is discriminated. In India the gender inequalities and discrimination occur in all spheres of social and economic life of women. In order to improve the socio-economic conditions of the population of any country, it has become prerequisite to empower the women folk especially, Schedule Tribe (ST) women by enhancing and ensuring their role to the optimal level. Women are half India's demographic dividend; if they are given the right tools and community support, they can not only become economically independent, but could also become the engine to lead India towards policy growth. Empowerment is a major step in this direction. A sound and tested economic policy is needed to remove the obstacles to the path of women's emancipation. Micro finance



through Self-Help Groups (SHGs) have become the primary policy tool used by the post liberalization state to fulfill the credit needs of the rural poor especially women. Self-Help Group Programmes are currently being promoted as a key strategy for simultaneously dealing with both poverty alleviation and women's empowerment. The timely correction of policy measures will lead to success of the programme. In this background it is necessary to study the impact of SHGs on the changing status of ST women in backward districts of Andhra Pradesh where the programme was initiated two decades ago and it is the time to make suggestions to the existing policy with the following objectives:

OBJECTIVES OF THE STUDY:

1. To review the genesis, formation and development of microfinance and SHG's.
2. To study the impact of SHGs on socio-economic status of the rural poor ST women.
3. To study the impact of micro finance on economic wellbeing of the respondents.

METHODOLOGY:

A multi stage random sample method has been used for the study. A total of 270 sample respondents have selected from three districts from Andhra Pradesh, namely, Tirupaati, Guntur and Vijayanagarm districts. Before and after the SHG information has collected to estimate economic wellness of the rural ST women.

Results of the study

1. SHG Age wise Distribution of Sample Respondents

The data presented in Table 1 provides insights into the distribution of sample respondents based on their years of experience as SHG members in the study area. The relatively smaller proportion of respondents in the 5 to 10 years category (15.9 per cent overall) warrants attention. This could indicate either a slowdown in new SHG formations in recent years or, more positively, that existing groups have demonstrated remarkable staying power with minimal dropout rates.

Table:1

Age of the SHG (Ranges in years)	Number of Respondents
	ST
5 to 10 years	43 (15.9)
10 to 15 years	122 (45.2)
Above 15 Years	105 (38.9)
Total	270 (100.0)

Source: Primary Data.

Note: Figures in parentheses are percentages to the total.

The higher numbers in older age categories suggest that once formed, these SHGs tend to remain active and functional, which speaks to their effectiveness and relevance to members' needs. It has found a higher representation in the longest-serving category 38.9 per cent for ST and respondents dominate the



middle category of 10 to 15 years 45.2 per cent. This pattern might reflect different phases of SHG programme expansion in areas predominantly inhabited by these communities, or varying levels of awareness and mobilization efforts targeted at different groups during different time periods.

2. Caste-wise Distribution of the Sample Respondents by Reasons for joining in SHG

Table 2 examines the primary reasons that motivated women to join Self-Help Groups, providing valuable insights into the perceived benefits and expectations that drive SHG membership. Understanding these reasons helps assess whether the programme is addressing the actual needs of rural women and whether their expectations align with the programme's objectives.

The higher emphasis on loan access among ST respondents is 49.3 per cent, followed by 25.6 per cent for getting low interest loans and 4.4 for children's future.

Table-2

Reason to join in SHG	Respondents
To save money	133 (49.3)
For getting loan with low interest	69 (25.6)
To improve economic status	22 (8.1)
For children's future	13 (4.8)
To earn additional income	13 (4.8)
To reduce poverty	20 (7.4)
Total	270 (100.0)

Source: Primary Data.

Note: Figures in parentheses are percentages to the total.

3. Distribution of the Respondents by Total Savings

Table 3 presents the distribution of accumulated savings held by SHG members within their groups, providing crucial insights into the financial assets members have built through regular savings contributions over time. Among ST respondents, the largest concentration (39.6 per cent) falls in the Rs. 1,500-3,000 range, Conversely, ST respondents show higher proportions in both the lowest category (18.1 per cent) and the Rs. 4,500-6,000 range (14.8 per cent). The higher proportion of ST members in the lowest savings category (18.1 per cent with below Rs. 1,500) could indicate either more recent membership, more frequent utilization of internal lending resulting in lower balances, or possibly some challenges in maintaining regular savings. The highest savings category (above Rs. 6,000) shows 4.8 per cent, indicating that exceptional savers constitute small.

Table-3

Accumulated Savings	Respondents
Below Rs. 1500	49 (18.1)
Rs. 1500 to Rs. 3000	107 (39.6)
Rs. 3000 to Rs. 4500	61 (22.6)
Rs. 4500 to Rs. 6000	40 (14.8)
Above Rs. 6000	13 (4.8)
Total	270 (100.0)

Source: Primary Data.

Note: Figures in parentheses are percentages to the total.

4. Bank linkage wise Distribution of the Sample Respondents

Table-4

Bank linkages	Respondents
4.00	166 (61.5)
5.00	93 (34.4)
6.00	11 (4.1)
Total	270 (100.0)

Source: Primary Data.

Note: Figures in parentheses are percentages to the total.

Table 4 examines the number of bank linkages received by SHG members, indicating the frequency of formal credit access through the SHG-Bank Linkage Programme. The number of linkages reflects group maturity, creditworthiness, and the progressive nature of the programme where groups access increasing loan amounts through successive linkages. Majority of the respondents have four bank linkages, followed by five and having six bank linkages. It represents the age wise distribution of the respondents.

5. Linkage wise Distribution of Amount to the Sample Respondents by Bank Linkage

Table 5 presents the current bank linkage amounts received by SHG members, revealing the scale of formal credit access through the programme. study reveals ST respondents dominate the Rs. 45,000-55,000 range at 47.0 per cent indicating ST groups more frequently access these moderate-to-higher loan amounts. Conversely, Rs. 35,000-45,000 range at 27.4 per cent and for below Rs. 35,000 is 17.0 per cent and above Rs. 55,000 is 8.5 per cent.

Table-5

Current linkage ranges	Respondents
Below Rs. 35000	46 (17.0)
Rs. 35000 to Rs. 45000	74 (27.4)
Rs. 45000 to Rs. 55000	127 (47.0)
Above Rs. 55000	23 (8.5)
Total	270 00.0)

Source: Primary Data.

Note: Figures in parentheses are percentages to the total.

6. Distribution of the Sample Respondents by Amount of SHG Bank Loan Outstanding

Table 6 reveals outstanding loan balances, indicating repayment progress and current debt burdens. Outstanding amounts reflect both original loan sizes and repayment discipline, with lower balances suggesting either smaller loans or substantial repayment progress. It reveals ST respondents showing with nil outstanding (14.1 per cent), suggesting faster repayment or greater tendency toward complete clearance between linkages. This pattern might indicate either stronger repayment discipline, preference for debt-free periods, or perhaps different loan utilization patterns where ST members borrow less frequently but repay more completely. The distribution at mid-ranges shows Rs. 15,000-30,000 outstanding at 30.7 per cent for ST, showing both higher nil balances (14.1 per cent) and higher presence in the Rs. 30,000-45,000 range (30.7 per cent) suggests greater variability in repayment patterns. Some ST members clear loans completely between cycles



while others maintain higher outstanding balances. This could reflect different economic circumstances, varying credit needs, or perhaps different group policies regarding loan clearance and renewal.

Table-6

Amount outstanding SHG	Respondents
No Due	38 (14.1)
Below Rs. 5000	10 (3.7)
Rs. 5000 to Rs. 15000	50 (18.5)
Rs. 15000 to Rs. 30000	83 (30.7)
Rs. 30000 to Rs. 45000	83 (30.7)
Above Rs. 45000	6 (2.2)
Total	270 (100.0)

Source: Primary Data.

Note: Figures in parentheses are percentages to the total.

7. **Distribution of the Sample Respondents by the Method of Repayment of Bank Loan**

Table 7 examines repayment sources used by members to service bank loans, revealing economic independence levels and household financial dynamics. The repayment method indicates whether women control independent income streams or depend on family resources for loan obligations. ST respondents where 58.5 per cent rely on family income while only 31.5 per cent repay from own income. The ST majority relying on family income (58.5 per cent) might reflect different household economic structures where income pooling is more complete, making individual attribution difficult even when women contribute productively.

Alternatively, it could indicate ST women’s productive activities more frequently integrate with household agriculture or activities where outputs aren’t individually attributable. The pattern doesn’t necessarily indicate lower productivity but suggests different economic organization and income control patterns. The similar proportions using savings reduction 10.0 per cent indicates this concerning pattern affects both communities equally.

Table-7

Method of repayment of loan	Respondents
Savings reduced and paid loan installments	27 (10.0)
Pay from own income	85 (31.5)
Pay from family income	158 (58.5)
Total	270 (100.0)

Source: Primary Data.

Note: Figures in parentheses are percentages to the total.

8. **Distribution of the Sample Respondents by Economic Activity**

Table 8 examines changes in economic activity participation between pre-SHG and post-SHG situations, revealing the programme’s impact on members’ productive engagement. This comparison demonstrates whether SHG membership successfully transitions women from economic inactivity into income-generating pursuits. ST engagement rose from 38.1 per cent to 77.4 per cent (39.3 percentage points increase). The ST community showed higher initial economic



engagement (38.1 per cent), suggesting stronger pre-existing productive participation possibly due to agricultural involvement or traditional livelihoods.

Table-8

Type of Economic Activity	ST Pre-SHG	ST Post-SHG
Agriculture	74 (27.4)	96 (35.6)
Dairying	8 (3.0)	35 (13.0)
Petty Business	11 (4.1)	33 (12.2)
Artisan	5 (1.9)	21 (7.8)
Poultry	2 (0.7)	8 (3.0)
Goatery	3 (1.1)	16 (5.9)
Total Engaged	103 (38.1)	209 (77.4)
No Activity	167 (61.9)	61 (22.6)
Total	270 (100)	270 (100)

Source: Primary Data.

Note: Figures in parentheses are percentages to the total.

However, post-SHG 77.4 per cent ST difference of 4.1 percentage points), indicating the programme effectively addressed ST women’s initially lower economic participation. members showed stronger agricultural engagement both pre-SHG is 27.4 per cent and post-SHG is 35.6 per cent dominated petty business post-SHG is 12.2 per cent. Dairying showed impressive growth from 3.0 per cent to 13.0 per cent among ST indicating universal appeal. ST members showed stronger goatery adoption 5.9 per cent.

9. Distribution of the Sample Respondents by Percentage Change in Economic Activity

Table 9 examines proportional shifts in economic activity composition among engaged members, revealing how activity preferences evolved post-SHG. Unlike absolute participation changes, this analysis shows which activities gained or lost share among the economically active population. ST members experienced sharper agricultural decline (-25.9 percentage points) from 71.8 to 45.9 per cent, though agriculture remained their largest activity category. Dairying gained 9.0 percentage points, petty business 5.1 percentage points, and artisan activities 5.2 percentage points. The dramatic agricultural share decline despite its continuing dominance indicates ST women actively diversifying income sources while maintaining agricultural engagement. The goatery growth particularly among ST members (4.7 percentage points might reflect traditional pastoral knowledge or environmental suitability. From a livelihood diversification perspective, the activity redistribution represents healthy portfolio balancing. Moving from agricultural concentration (71.8 per cent pre-SHG) to more balanced distribution across agriculture (45.9 per cent), petty business (15.8 per cent), and dairying (16.7 per cent) reduces vulnerability to sector-specific shocks. Multiple income sources provide stability when individual activities face seasonal or market challenges. This entrepreneurial expansion creates economic opportunities independent of land access or traditional occupational constraints.

Table-9

Type of Economic Activity	ST Pre-SHG	ST Post-SHG	ST Change
Agriculture	74 (71.8)	96 (45.9)	-25.9



Dairying	8 (7.8)	35 (16.7)	9.0
Petty Business	11 (10.7)	33 (15.8)	5.1
Artisan	5 (4.9)	21 (10.0)	5.2
Poultry	2 (1.9)	8 (3.8)	1.9
Goatery	3 (2.9)	16 (7.7)	4.7
Total Engaged	103 (100)	209 (100)	-

Source: Primary Data.

Note: Figures in parentheses are percentages to the total.

10. Distribution of the Sample Respondents by Employment Days

Table 10 examines employment generation through economic activities, measuring work intensity through annual employment days. Employment levels indicate economic engagement depth and income-generating potential, with higher employment days suggesting more intensive and potentially more remunerative activities. Sample members experienced substantial employment gains though less dramatic in the highest category. Full employment increased from 0.4 per cent to 8.1 per cent, while the 182-273 days category grew from 6.3 per cent to 26.3 per cent. The 91-182 days category showed impressive growth from 13.7 per cent to 30.0 per cent, becoming the dominant employment range for ST members. This pattern suggests ST women's activities, particularly agriculture-based pursuits, generate somewhat more seasonal employment patterns.

Table-10

Employment Days (in Ranges)	ST Pre-SHG	ST Post-SHG
Below 91 Days	43 (15.9)	5 (1.9)
91 to 182 Days	37 (13.7)	81 (30.0)
182 to 273 Days	17 (6.3)	71 (26.3)
273 to 365 Days	5 (1.9)	30 (11.1)
Full Employment	1 (0.4)	22 (8.1)
No Employment Days	167 (61.9)	61 (22.6)
Total	270 (100)	270 (100)

Source: Primary Data.

Note: Figures in parentheses are percentages to the total.

11. Distribution of the Sample Respondents by the Level of Monthly Income

Table 11 examines monthly income distribution changes between pre-SHG and post-SHG situations, revealing the programme's impact on members' earnings and economic status. Income changes represent the ultimate test of economic interventions, as increased income directly improves living standards and poverty reduction. ST members show higher concentration in the Rs. 2,000-4,000 range (56.3 per cent), 14.1 per cent earn Rs. 4,000-6,000, 3 per cent earn Rs. 6,000-8,000 and 4.1 per cent earn above Rs. 8,000. In higher income categories 21.2 per cent earning above Rs. 4,000. This might reflect St members' business orientation in petty business is 15.8 per cent generating higher margins than agriculture-dominated ST activities. The complete elimination of the below-Rs. 2,000 income category represents remarkable achievement. Pre-SHG, 34.4 per cent earned minimally (below Rs. 2,000 monthly). Post-SHG, even the lowest-earning members now earn at least Rs. 2,000 monthly. This floor income establishment

demonstrates programme success in ensuring minimum viable income levels from economic activities rather than merely creating token employment.

Table-11

Monthly Income (in Ranges)	ST Pre-SHG	ST Post-SHG
Below Rs. 2000	93 (34.4)	0 (0.0)
Rs. 2000 to Rs. 4000	10 (3.7)	152 (56.3)
Rs. 4000 to Rs. 6000	0 (0.0)	38 (14.1)
Rs. 6000 to Rs. 8000	0 (0.0)	8 (3.0)
Above Rs. 8000	0 (0.0)	11 (4.1)
No Income	167 (61.9)	61 (22.6)
Total	270 (100)	270 (100)

Source: Primary Data.

Note: Figures in parentheses are percentages to the total.

12. Distribution of the Sample Respondents by the Level of Monthly Consumption Expenditure

Table 12 examines household consumption expenditure changes, indicating improved living standards and welfare resulting from SHG-facilitated income growth. Among ST respondents, 12.6 per cent spend above Rs. 10,000. The Rs. 7,500-10,000 range shows 49.3 per cent ST. This pattern suggests broadly similar consumption improvements across communities despite earlier-observed income differences.

Table-12

Monthly Consumption Expenditure (in Ranges)	ST Pre-SHG	ST Post-SHG
Below Rs. 2500	38 (14.1)	0 (0.0)
Rs. 2500 to Rs. 5000	147 (54.4)	6 (2.2)
Rs. 5000 to Rs. 7500	73 (27.0)	97 (35.9)
Rs. 7500 to Rs. 10,000	12 (4.4)	133 (49.3)
Above Rs. 10,000	0 (0.0)	34 (12.6)
Total	270 (100)	270 (100)

Source: Primary Data.

Note: Figures in parentheses are percentages to the total.

The ST showing marginally higher upper-tier consumption (12.6 per cent above Rs. 10,000) despite lower representation in highest income categories (Table 6.2.7 showed 21.2 per cent ST earning above Rs. 4,000) suggests ST households might maintain higher consumption-to-income ratios. This could reflect larger household sizes requiring higher absolute consumption, joint family structures pooling incomes, or cultural preferences for current consumption over savings.

Findings and conclusions:

1. ST members show higher concentration in the 10-15 years category (45.2 per cent)
2. ST members show higher concentration at four linkages (61.5 per cent)
3. ST members concentrate more heavily in the Rs. 45,000-55,000 range (47.0 per cent)
4. ST members' show substantially stronger petty business engagement post-SHG at 12.2 per cent.
5. Community adopted dairying at similar rates post-SHG (13.0 per cent) from negligible pre-SHG levels (3.0 per cent), indicating universal appeal of dairy activities transcending community-specific factors.
6. ST members increased from 0.4 per cent to 8.1 per cent, reflecting petty business year-round operational requirements.



7. ST members concentrate more heavily in the Rs. 2,000-4,000 range at 56.3 per cent
8. ST members show marginally higher upper-tier consumption with 12.6 per cent spending above Rs. 10,000 monthly.

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