

Research Article

A Study on Financial Performance of Self-Help Groups (SHGs) in Andhra Pradesh State with reference to Krishna District

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Abstract: Self Help Groups (SHGs) could be defined as the organised forum of people which is planned, shaped and structured by the people themselves to attain present/pre-identified goals and purposes. These groups are the agents of social change and catalysts for the entire empowerment and development process in a community. It is proved that the most sustainable groups in a society are the grassroots level community organisations which believe in empowerment, decentralisation, and participation. Even though these groups are small in size their advocacy power is high through their federated structure within the locality and also in the region. Many SHGs come together on one platform at local, regional, and district levels, which enables the groups to gather strength not only to influence the legislature but also to mobilise public opinion in favor of gaining adequate space and opportunities for the community members to respond to various complex issues concerning their livelihoods. SHGs are identified as socially viable community organisations having democratic values, relevant developmental orientation and oriented towards attaining individuals'/groups' own sustainability. In the current development scenario, the effective functioning of these grassroots organisations become almost inevitable and rather challenging too. Community-based self-help institutions are being promoted at the village level to take responsibilities for a variety of development activities, which include management of natural resources, employment generation, and human resource development. Most government programmes emphasise adoption of participatory approaches envisaging participation of village communities through these institutions. Non-Government Organisations (NGOs) involved in rural development activities are also largely operating through Self Help Groups (SHGs). In some instances, SHGs have emerged without direct assistance from government or non-government organisations and have taken responsibility of the overall development in the area.

Keywords: Activities, Bank, Community, Development, Self Help Groups, Society, Women.

INTRODUCTION

The position of women and their status in any society is an index of its civilization. Women are to be considered as equal partners in the process of development. But, because of centuries of exploitation and subjugation, Indian women have remained at the receiving end. The women in India have been the neglected a lot. They have not been actively involved in the mainstream development even though they represent equal proportion of the population and labour force. Primarily women are the means of survival of their families, but are generally unrecognized and undervalued, being placed at the bottom of the pile. Women as an independent target group, account for 614.4 million and represent 48.39 per cent in 2021 of the country. The development is a process by which the members of a society increase their personal and institutional capacities to mobilize and manage their resources to produce sustainable and justly distributed improvements in the quality of life consistent with their own aspirations. Given this meaning of development, rural development is of utmost significance for all the developing nations in view of the large populations living in their rural areas.

Microcredit as defined by the Grameen Bank and the Declaration of the Microcredit Summit held in Washington DC in 1997 is extending small loans to poor people for self-employment projects that generate income, allowing them to care for themselves and their families. It deals with a small amount of money loaned to clients by banks or other institutions. Microcredit can be offered, often without any collateral security to an individual or through a group lending. This microfinance system often includes saving facilities, training, networking and peer support. The micro credit programmes have brought the vibrancy of the market economy to the poorest villages of the world. The major argument against microcredit is its failure to reach the poorest of the poor. The exclusion of the poorest is well known. Indeed, there is often a presumption that the moderately poor are less likely to default than those who are acutely poor.

Some important factors resulting in this exclusion are lack of awareness, the social exclusion of the poor and collusion of officials of micro-credit institutions with non-poor households. Too much of financial discipline / stringency, that is, strict repayment requirements and penalties for delays, could deter the poor from joining a microcredit

Microcredit

scheme or could limit their duration of participation in it. The intervention in microfinance of the National Bank for Agriculture and Rural Development (NABARD) which was launched as a pilot project on 26 February 1992 can be considered as a landmark development in banking with the poor. Informal thrift and credit groups of the poor were identified as bank customers under the pilot phase. An experimental phase was followed by the establishment of a Working Group on NonGovernmental Organizations (NGOs) and Self-Help Groups (SHGs) by the Reserve Bank of India in 1994, under the chairmanship of the Managing Director of NABARD.

Functions of SHGs:

SHGs being the facilitators of social development, they have undertaken multidimensional activities including:

- Development of perspectives at local level;
- Identification and organisation of developmental activities;
- Ensuring effective participation in the development activities;
- Documentation and dissemination of success and failure in development;
- Engaging in networking/collaboration and linkage with developmental institutes;
- Promoting people's organisations; not only as a 'project' but also as a process
- Capacity building;
- Leadership development, participatory research and analysis;

- Participatory monitoring and evaluation;
- Access to information;
- Improving livelihood;
- Advocacy.

SHGs organised for employment generation As poverty is a complex phenomenon and manifests itself in a myriad ways, the poor not only suffer from low incomes and high unemployment but also low levels of literacy and poor health. Several poor women and youth had taken advantage of the SHG movement to set up viable self-employment ventures, to earn additional income. Women and Children in the Rural Areas (DWCRA): The Development Agenda of the state in the last few years to place people, especially women, in the forefront, has enabled the formation of a large number of SHGs throughout the length and breadth of the State. There are more than 20 lakh women from poor families who have become members of these groups. The majority of them save one rupee a day. The State Government is consciously making an effort to assist these SHGs by providing Revolving Fund under DWCRA. The DWCRA scheme has helped women earn additional monthly incomes, in addition to the economic betterment of their families. These women have taken initiatives in improving their socio-economic status by participating in Governmental Programmes of family welfare, promoting their nutritional and educational status, awareness on environment, public health through sanitation and clean drinking water.

ROLE OF BANKS FINANCING IN THE SHGS IN ANDHRA PRADESH

The role of banks in promoting the SHG movement as a popular vehicle of microcredit in the state is commendable. Banks in Andhra Pradesh have played an active role in lending to SHGs by starting to lend to 35 SHGs with bank loans of Rs. 0.09 crore in 1992-93, banks during the year 2008-09 Rs. 6,767.40 crores overall benefiting 5.00 lakh SHGs. Subsequently 18.61 lakh groups have been credit-linked in the state out of which Rs. 19,461.71 crore as on 31 March 2009. Some regional rural banks have acted as Self Help Promoting Institutions (SHPI) in the initial phase of SHG-Bank Linkage Programme. The association of SHGs Bank with credit program in Andhra Pradesh is presented in Table-1.

Table-1: SHGs Bank Linkage with credit Programme in Andhra Pradesh

Years	No. of SHGs Financed by Banks		Bank Loan (in Crores)	
	During the year	Trend (Per cent)	During the year	Trend (Per cent)
2005-06	294341	100	159943	100
2006-07	359276	122.06	277545	173.53
2007-08	406386	11.311	387976.09	139.79
2008-09	636816	156.70	550860.01	141.98
2009-10	564089	88.58	670664.32	121.75
2010-11	367420	65.14	620918.87	92.58
2011-12	378526	103.02	817142.05	31.60
2012-13	484292	127.94	1116440.06	136.63
2013-14	504351	104.14	1332481.92	119.35
2014-15	277252	54.97	562314.81	42.20
2015-16	404071	145.74	1150547.66	204.61
2016-17	357765	88.54	1034708.06	89.93
2017-18	314466	87.89	1065195.06	102.94
2018-19	387763	123.31	1536457.27	144.24
2019-2020	579637	149.48	2349523.11	152.91
2020-2021	416621	71.87	1460984.81	62.182
2021-2022		120.76	2849751.81	

Table-1 shows that the role of banks in promoting the SHG movement as a popular vehicle of microcredit in the state is commendable. Banks in Andhra Pradesh have played an active role in lending to SHGs by initiating lending to 294341 SHGs with bank loans of Rs. 159943 crores in 2005-06, Banks have extended to SHGs during the year 2021-22 Rs. 2849751.81 crores overall benefiting 503142 lakh SHGs. Formation and nurturing of SHGs and maintaining confidence among them will only survive if they are provided adequate funds for their chosen economic activities in Andhra Pradesh. In order to understand the concept of self-help groups and to identify the areas already investigated, some important studies conducted earlier and related to the objectives of the present study are mentioned. Developing countries also face similar problems in helping the poor fight their poverty. They have also experimented with many strategies. Some of them have adopted micro-credit strategies. Their experiences may be relevant to ours. Therefore, studies on these experiments from such countries are also discussed in this section. The theoretical and empirical literature on women's empowerment through microfinance is extensive and it is almost impossible for any scholar to venture a complete coverage.

Shivakumar and et.al, (2018) opinion that the Microfinance is powerful weapon to remove the poverty in the country like India. Micro finance initiatives like the SHG-Bank linkage programme, in India has been increasingly promoted for their positive impact on women empowerment. The major objectives of paper are: to analyze and review the available literature on the area of Microfinance and the Self Help Groups (SHG) in India and to analyze the impact of SHG on women empowerment in Krishna district of Andhra Pradesh.

As for this study as a part of the primary data collection, a sample (random) of 50 women respondents were selected out of 11 SHG's operating in the district of Krishna. The data was collected during the period May and June, 2018. The analyzed findings proved that positive impact on women empowerment in Krishna district, Andhra Pradesh through self-help groups, in terms of increase in social awareness and participation, savings habits, income level, self-employment, asset creation, repayment of other debts, improvement in decision making skills and improved nutrition level at their household.

The study results reveals that, there is positive impact on women empowerment through self-help groups in terms of increase in social awareness and participation, savings habits, income level, self-employment, asset creation, improvement in decision making skills. The self-help groups have enabled poor women to get access of various financial products and services. The self-help group concept enabled many women to achieve social recognition. Therefore greater emphasis has to be given to provide education, training and creating awareness among the members of the group so that the women of the economically backward area can come up in the society.

Women Empowerment

Women empowerment and their role in development process have been considered as a necessary factor for development. Women empowerment and gender equality is globally considered as a key component to attain the progress in all sphere of development. The suggestions are the most of the members of SKDRDP self-help groups are illiterate. Education is an important factor for empowerment. Hence, the prime objective for empowering rural poor women can be achieved through educating them. Effective measures should be taken to implement

Adult literacy programmes through non-formal education centre to make the task of empowerment easier; When compare to social empowerment the satisfaction level toward economic empowerment is low among the members of Kudumbashree, the officials should step forward to motivate the members towards self-employment to generate a regular source of income; and the institutions undertaking microfinance activities should give financial as well as moral support to poor women to use their entrepreneurial skill and start their own business enterprises, which serve as a best remedy for poverty eradication and for improvement in standard of living.

They concludes that, the microfinance through SHGs brings a greater impact on the concept of women empowerment .It focus on lifting up the status of women in the society. It has become a stepping stone for the poor women, to bring social, economic, politically and educational empowerment. The study shows a greater impact of microfinance programme through SHG in Andhra Pradesh.

The active participation of women in Self Help Groups (SHGs) has a positive impact on their member's empowerment. This paper is an attempt to identify factors contributing to the empowerment of women through microfinance initiatives. This empirical analysis uses information collected through structured questionnaire, selecting solely based on their capacity to explain the different dimensions of women empowerment. Result of the study also provides more effective design for efficient microfinance initiatives among self-help group members. After analysis, the factors most contributing to the empowerment of women SHG members emerged are; Political Engagement, Mobility & independence, Economic benefits, Self-confidence and Respect, relevance of education, Protest against social ills and Financial planning and control.

The review of previous studies also demonstrates the relevance of micro finance programs in women empowerment. It has been found out in this empirical research that political engagement, mobility & freedom, economic independence, self-confidence & respect, education relevancy, protest against social ills and financial planning & control are the most important factors contributing to the women empowerment.

Self-confidence and respect has engaged as a contributor of two variables: Women are more independent than before and have freedom to participate in their family business if required, clearly indicates the empowerment of women. These two issues where the respondents feel that they are more independent than before and they can take decision in their family emerged as strong indicators of women empowerment. Other factor through very important could be taking a lead from these two.

The other factors group represents economic, social and political empowerment through these views. In our opinion micro finance initiatives should be directed towards providing major thrust to these factors. The Self-help group formation through microfinance initiatives has provided opportunities to women to become aware about their rights of equality in the society and participates in the different activities to generate earnings and providing self-employment.

Need for Study

The percentage of female population in Krishna district is 30.62 percent while the percentage of males is 69.38 percent. Women are engaged in productive activities and the remaining women are engaged as labor in agriculture as the present study is conducted to analyze the aspects related to women empowerment and bank linkage in rural areas in Krishna district to assess the best hidden talents. Without and with programs within the framework of microfinance to directly improve the economic contribution of rural people to the level of income and employment that can eradicate poverty.

STATEMENT OF THE PROBLEM

At present, Self-Help Group is widely used as an instrument to empower women socially and economically. In India particularly Andhra Pradesh, Krishna district most of the women's in rural areas are illiterate and unaware of the availability of credit facilities, banking procedures and the policy of the banking institutions even today also. But now-a-days after joining in SHGs the women become more courageous and their personalities got improved. The SHGs have assumed greater importance, which is considered as the most necessary tool to adopt participatory approach for the social and economic improvement of women. The SHGs consists of poor women who do not have access to formal financial institution. It develops us feeling among the members and helps to learn to co-operate and work in a group environment.

The SHGs increases the borrowing power and provides strength; it can be antidotes to the uncared and downtrodden poor women. The Krishna district is one among the front line districts in the promotion of SHGs, which are developed as a tool for the eradication of poverty. The district is the nature and also surrounded by villages engaging in agriculture. The main objectives is the examine the impact of micro enterprises run by the members on employment, income and asset creation among the SHG members in Krishna district of Andhra Pradesh.

Sampling

A three-stage random sampling sampling method has been adopted to select a sample of women members of self-help groups. All three revenue divisions of Krishna district are covered in the study. From each revenue division one mandal has been randomly selected based on the level of participation of SHGs mandal members, which is the first stage sampling unit. Two revenue villages from each selected mandal were selected as units for the second stage of sampling on the basis of SHGs and performance. The entire study covers 6 revenue villages from three selected mandals. The entire study covered 450 sample women SHG members from 6villages representing three mandals in Krishna district of Andhra Pradesh.

In an overall, in the study area it is observed that, 10.66 per cent of selected SHGs women have engaged in grinding mills/flour mills, 4.22 per cent of the women have engaged in ice cream factory, 7.11 per cent of the women have engaged in foot wear, 8.66 women beneficiaries have engaged in manufacturing of papad, 6.88 per cent of the SHGs women beneficiaries have engaged in manufacturing of water packets, 3.33 per cent of SHGs women beneficiaries have engaged in offset printing/flex printing, 3.11 per cent and 2.22 per cent of SHGs women beneficiaries have engaged in photo studio and petty shops, 14 percent of the women have engaged in provisional store/ fancy shops, 10.22 percent of the SHGs women beneficiaries have engaged in readymade garments, 7.55 percent of women beneficiaries have engaged in sweet shops, 10.22 percent of the women beneficiaries have engaged in tailoring shops, 6.22 percent of the SHGs women beneficiaries have engaged in Village milk business, 4percent of the SHGs women have engaged in Xerox shops and lastly 1.11 percent of the SHGs women beneficiaries have engaged are other activities in the study area.

Employment Generation

The thrust of the SHG programme is on generating employment opportunities in the country side, by raising productivity in agriculture and other sectors of the rural economy.

Table -2: Employment Generation of SHGs Women Beneficiaries in Krishna District of Andhra Pradesh

S.No.	No. of days of employment	Before Joining	After Joining
1	Below 90 days	82(18.22)	11(2.44)
2	90-180days	179(39.77)	36(8.00)
3	180-240days	133(29.55)	243(54.00)
4	240andabove days	56(12.44)	161(35.77)

	Total	450(100)	450(100)
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From the above table, it is found that the before joining the SHGs the employment days availed by 18.22 per cent beneficiaries is less than 90 days in a year, about 39.77 per cent got 90 to 180 days of employment in a year, 29.55 per cent availed 180 to 240 days and 240 and above days of employment constitute is 12.44 per cent of total sample in the study area. After joining in the SHGs, the employment days availed by 2.44 per cent beneficiaries is less than 90 days in a year, about 8 per cent got 90 to 180 days of employment in a year, 54 per cent availed 180 to 240 days and 240 and above days of employment constitute is 35.77 per cent of total sample in the study area.

Table: 3

S.No.	District Name	Total No. of SHG					
		Total number of SHGs	SC	ST	Others	Total Member	PWD
1	ANANTAPUR	53,948	1,01,701	26,452	4,33,020	5,61,173	12,207
2	CHITTOOR	64,707	1,54,992	22,913	4,63,561	6,41,466	10,318
3	CUDDAPAH	34,702	76,402	9,043	2,52,921	3,38,366	4,111
4	EAST GODAVARI	90,672	1,71,820	59,753	6,59,821	8,91,394	8,583
5	GUNTUR	61,634	1,74,424	32,589	4,00,119	6,07,132	5,286
6	KRISHNA	58,892	1,79,765	21,407	4,02,749	6,03,921	4,893
7	KURNOOL	46,463	1,16,990	13,641	3,54,564	4,85,195	7,234
8	NELLORE	37,596	1,19,654	28,614	2,25,716	3,73,984	4,521
9	PRAKASAM	55,155	1,48,815	20,723	3,58,111	5,27,649	5,092
10	SRIKAKULAM	47,350	50,681	30,943	4,51,437	5,33,061	6,627
11	VISAKHAPATANAM	47634	38186	106902	371904	516992	5392
12	VIZIANAGARAM	38801	45501	40888	347364	433753	7756
13	WESTGODAVARI	65838	152488	26448	466415	645351	6744
	Total	7,03,392	15,31,419	4,40,316	51,87,702	71,59,437	88,764

Table -4: SHGs Number Social Category Wise

S.No	Block Name	gory SHG		Minority Category Wise Members					
		New	Pre-NRLM	Sub Total	SC	ST	Others	Sub Total	PWD
1	Agiripalle	19	1228	1247	4096	126	8982	13204	87
2	AKonduru	22	1070	1092	3339	2937	5301	11577	122
3	Avanigadda	15	822	837	1615	271	6717	8603	40
4	Bantumilli	16	950	966	1631	143	8162	9936	163
5	Bapulapadu	41	1834	1875	5572	475	12432	18479	207
6	Challapalli	11	976	987	2647	436	7208	10291	111
7	Chandarlapadu	30	1140	1170	3798	255	8258	12311	76
8	Chatrai	57	1094	1151	4247	468	7720	12435	85
9	Gampalagudem	15	1581	1596	6234	275	10025	16534	94
10	Gannavaram	39	1530	1569	5338	338	10278	15954	145
11	Ghantasala	18	870	888	3890	291	4972	9153	112
12	G Konduru	18	1238	1256	4577	684	7199	12460	105
13	Gudivada	5	783	788	3449	123	4285	7857	74
14	Gudlavalleru	17	1019	1036	3676	221	6400	10297	52
15	Gudur	20	986	1006	1745	144	8217	10106	96
16	Ibrahimpattanam	26	1770	1796	5178	955	11767	17900	187
17	Jaggayyapeta	231	1365	1596	3905	1764	10679	16348	90
18	Kaikalur	0	1444	1444	2311	120	11975	14406	82
19	Kalidindi	47	1346	1393	1909	166	12593	14668	66
20	KanchikaCherla	33	1443	1476	4676	457	9743	14876	77
21	Kankipadu	37	1224	1261	4758	219	7377	12354	65
22	Koduru	16	1028	1044	1716	92	8885	10693	88
23	Kruthivennu	7	992	999	1266	89	9461	10816	114
24	Machilipatnam	42	1486	1528	2013	131	13976	16120	156

25	Mandavalli	0	1100	1100	3109	57	8166	11332	91
26	Mopidevi	15	729	744	2586	255	5379	8220	26
27	Movva	33	1126	1159	3981	424	7339	11744	118
28	Mudinepalli	43	1287	1330	3428	252	9856	13536	83
29	Musunuru	29	1162	1191	4874	198	7314	12386	93
30	Mylavaram	15	1160	1175	3269	962	7596	11827	122
31	Nagayalanka	4	1103	1107	1877	192	9740	11809	145
32	Nandigama	22	1086	1108	4580	392	6352	11324	155
33	Nandivada	8	838	846	3750	161	4686	8597	81
34	Nuzvid	50	1505	1555	5684	904	9942	16530	90
35	Pamaruru	15	1156	1171	4586	530	6644	11760	158
36	Pamidimukkala	18	1164	1182	3639	236	8502	12377	199
37	Pedana	12	796	808	1437	80	6788	8305	85
38	Pedaparupudi	1	597	598	2590	157	3450	6197	39
39	Penamaluru	64	2078	2142	4809	727	15590	21126	76
40	Penuganchiprolu	21	1247	1268	4227	497	7761	12485	98
41	Reddigudem	15	987	1002	3475	580	6917	10972	48
42	Thotlavalluru	3	866	869	3231	141	5479	8851	82
43	Tiruvuru	49	826	875	4280	289	4861	9430	105
44	Unguturu	10	1129	1139	4412	255	6825	11492	66
45	Vatsavai	35	1376	1411	5021	903	8558	14482	78
46	Veerullapadu	16	1078	1094	4562	401	6065	11028	89
47	Vijayawada Rural	39	1966	2005	5344	547	14204	20095	96
48	Vissannapet	73	1148	1221	4151	828	7676	12655	95
49	Vuyyuru	19	772	791	3277	259	4447	7983	81
	Total	1391	57501	58892	1,79,765	21407	402749	603921	4893

Recommendations

Women are an important infrastructure and their empowerment will accelerate the pace of social development. Investing in women's potential and empowering them to achieve choices and opportunities is a sure way to contribute to economic growth and overall development. Rural women's empowerment is not only beneficial to individual women and women's groups, but also to families and society as a whole. The performance of SHGs has been good. Most women are positively affected by being members of SHGs. Women's participation in SHGs enables them to find inner strength, increase self-confidence, social, economic, political and psychological empowerment. If the above-mentioned recommendations are implemented by the concerned leaders, SHGs will improve the status of women in Krishna district of Andhra Pradesh. Through this study, it has been proven that the SHG program has a positive impact on the level of employment, income status and household assets. Also observed, not much change in improving the status of all activities of SHGs. So it is concluded that SHG is indeed a women's empowerment program. By improving the financial status of the respondents through the program, they came out of poverty. Without the participation of women, government schemes cannot succeed. Because of this empowerment, women's participation in government welfare programs has increased and the program has been successful. In general, the level of literacy has increased, which improves society in all respects and expands its ideas

CONCLUSION

It can be concluded that, The self-help groups in the nation are truly working towards the benefit of women, and thereby contributing huge to the empowerment of women

in India. Priyakumari and Karthik (2019) reveals that, the Indian economy is characterized by low growth rate, alerting population, heavy dependency on agriculture sector, disparate land mass ratio, unequal distribution of income and wealth, high rate of unemployment and poverty. The two major factors that pose challenge to the growth, development and prosperity of the country is poverty and unemployment. To cope up with the problems and challenges, the country needs to focus on the concept of empowerment. Real development of the nation is possible only when gender bias is abridged.

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