

IMPACT OF MICROFINANCE: A study with reference to Self-help Affinity Groups Promoted by MYRADA

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Abstract

The old/matured self help groups (SHGs) have mobilized large funds internally through savings and externally from banks, village organizations and DRDA in the form of loans and revolving fund. The members also borrowed large no. of loans and amount over a period for various purposes. In this milieu, the present study analyses the member access to credit; purpose of loan; and the impact of large credit on members' household wealth ranks, changes in household economic activities, nature of benefits to household members, extent of asset creation and women empowerment with reference to self confidence levels, decision making, changes in women roles and participation in political activities. The data was collected from 40 members of 20 SAGs formed before March 2001 by Myrada, an NGO working in Anantapur district of Andhra Pradesh.

1 Introduction

Context: In India, there are 5 million self help groups (SHGs) promoted by both Central and State Governments, non-governmental organizations and banks under various developmental programmes. Andhra Pradesh with a share of 20.1 percent of SHGs is in the forefront of SHG movement in the country. Though the SHG movement in the state was started prior to 1990s in the State, it gained impetus after the World Bank funded project 'Indira Kranthi Patham' / 'Velugu'³ in 2001. According to NABARD during the financial year 20008-09, Rs. 12,25,351.39 lakhs of bank loan was disbursed to 16,09,586 SHGs in the country. Of the total bank loan to the SHGs in the country, Rs. 550,860.01 (44.95%) to 6,36,816 SHGs (39.56%) was disbursed in Andhra Pradesh. On an average, an SHG has received a bank loan of Rs. 86,502. Besides, SHGs have borrowed loans from Village organizations as bride loans to fill the credit gap. As a result, members have multiple sources to have large amount of loans for tackling the credit needs of the households.

Objective: In the above context, the present study has carried out with an objective to analyse (i) the member's access to credit, (ii) purpose of loan borrowed, and (iii) the impact of large credit on members and their households.

Study design: The universe of the present study is the self-help affinity groups⁴ (SAGs) which are more than 8 years old promoted by Myrada. The study has covered 40 members of 20 SAGs in the Anantapur district of Andhra Pradesh. Two members from each sample SHG, those have borrowed more than Rs. 75,000 or the highest number of loans and amount from the group, were selected purposively.

Both quantitative and qualitative techniques such as individual interviews, interactions with SAGs, focus group discussions (FGDs) with SAGs members and

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³ Indira Kranthi Patham (IKP) is a World Bank funded project being implemented in AP through an NGO called Society for Elimination of Rural Poverty (SERP) promoted by Govt. of Andhra Pradesh.

⁴ Myrada call the groups promoted by them as Self-help Affinity Groups. They realized that there was a strong feeling of 'affinity', which linked the members each of these small groups together.

case studies were employed to gather information. The fieldwork was carried out for data collection from 28th May to 3rd June 2009 in Myrada-Kadiri project area in Anantapur district of Andhra Pradesh

2 SHG movement in AP

The SHG movement in Andhra Pradesh has taken deep roots in all districts. As a result, there are 88,32,828 SHG members in 7,08,315 SHGs organized into 34,269 Village Organizations (VOs) and 1,085 Mandal Samakhya (MSs). In addition, there are 126 Mandal Vikalangula Sangams, 17 Chenchu⁵ Mandal Samakhya and 15 Fishermen Mandal Samakhya in the State. District Samakhya (DS) have come into existence in all the 22 districts.

Myrada in the promotion of SAGs: Myrada –Kadiri has promoted about 864 self help affinity groups in 6 Mandals of Anantapur district (644 SAGs); Aluru Mandal in Kurnool district (150 SAGs) and Galivedu Mandal in Kadapa district (70 SAGs) in Rayalaseema region. Further, Myrada has formed 9 Community Managed Resource Centres⁶ (CMRC) with 644 CBOs covering 7728 families. Besides, they also promoted 12 watershed, 8 federations, and one Children Club. Myrada has provided many capacity-building inputs in form of trainings through CMRCs to SAG members and their household members on SAG concepts, livelihood & skill improvement, health and education.

SHG movement in Anantapur district: As on March 2009, there are 51,361 SHGs in Anantapur district with the maiden efforts of Government, Indira Kranthi Patham, banks and NGOs like Myrada, Outreach, Rayalseema Development Trust (RDT) Young India Project (YIP), TIMBUKUT, SEEDS, SERDS and some other small NGOs participated SHG promotion under UNDP programme. Of the total 573,222 members of 51,361 SHGs, 60.8% are Backward classes (BCs), 21.1% are Open Category (OCs), 14.4% are Scheduled Castes (SCs) and the remaining 3.7% are Scheduled Tribes (STs). Further, of the total 573,222 SHG members, 69.4% are poor, 24.2% are poorest of the poor (PoP) and the remaining are non-poor.

As on March 2008, a cumulative loan of Rs. 58291.18 lakhs was disbursed under SHG Bank linkage programme in the district. During the financial year 2007-08, Rs. 32,437.7 lakhs was disbursed to 32,433 SHGs with an average loan of Rs. 1 lakh per SAG. DRDA has sanctioned a cumulative amount of Rs. 759.44 lakhs under 'pavalavaddi programme'⁷. During the last financial year 2008-09, a total interest subsidy of Rs. 354.15 lakhs was sanctioned under 'pavalavaddi scheme' to 24,440 SHGs.

3 Profile of SAGs and SAG Members

3.1 Purpose of joining SAGs

During focus group discussions, the members have mentioned the reasons for why did they formed into a group as:

- To avail or credit for taking up income generation activities and for fulfilling social needs/obligations;

⁵ Chenchu is one among the 9 Primitive Tribal Groups (PTG) of AP

⁶ CMRC is a place where SAGs and other community based organizations receive various services necessary for their growth and sustainability.

⁷ Pavalavaddi is an interest subsidy programme being implemented by Govt. of AP. Under this programme whatever the interest rate charged more than 3% on SHG-BL loans by the banks, the Government will pay the additional amount to bank as subsidy to encourage repayment rate and strengthen the SHG movement in the State.

- To promote savings and/ or to minimize household consumption expenditure for future needs such as children's education & marriages, health, old age security, and to build a house;
- To avail credit easily and at low interest rates, without collateral and with flexible repayment norms, unlike moneylenders whose lending norms are rigid, whose charges high interest rate and who demands collateral;
- To avail benefits from Myrada, NGOs, and government channeled through SAGs like revolving fund, interest free loans, skill improvement trainings, and other pro-poor programmes; and
- To develop awareness about what is happening around them and help each other for their all round development.

The above expectations of the members at the time of formation of the group reveal that they formed into groups to promote savings and avail credit on low interest without collateral to take up income generation activities and to meet the expenses of emergency and social needs of household members.

3.2 Socio-economic Profile of SAG Members

Social Profile: The data shows that of the 40 sample SHG members, majority members belong to Backward Categories (47.5%) followed by Open Categories (25%); and the remaining 12.5% consists of Minority categories (7.5%) and Scheduled Castes (5%). Of the 40 sample SAG members, 82.5% are illiterate and the remaining are literate between primary and college. Of the 40 sample members, 90% are married and the remaining members are widowed (7.5%) and unmarried (2.5%). Of the 40 sample SAG members, 92.5% are male-headed families and the remaining (7.5%) are female-headed⁸. The data shows that of the 40 sample SHG members, 85% of members have 8 to 9 years of association with SHGs and the remaining (15%) have 9 to 10 years of association with SHGs. Of the 40 sample SHG members, majority of the highest amount of loan borrowers in the group are 'members' (52.5%) followed by 'leaders (30%) and 'ex-leaders (17.5%).

Economic Profile: The data shows that of the 40 sample SHG members, majority members (77.5%) possessed less than 5 acres of land, followed by landless (15%) and more than 5 acres (7.5%). It reveals that 85% of the sample members have a piece of land whether dry or wet or both. It could be because of presence of large percentage of BC and OC, which are generally land owning social categories. However, majority members are marginal and small farmers.

The total annual household income from all sources of 40 sample SHG members is Rs. 36.91 lakhs with an average of Rs. 92,283. The data shows that of the 40 sample SAG members, 60% of the households have incomes of more than Rs. 75,000 per annum; and 40% of the members have annual household income less than Rs. 75,000. The data also shows that the average household income of the Minorities (Rs. 1,53,800) and OC (Rs. 93,287) categories is high compared to SC (Rs. 52,350) and BC (Rs. 85,926) categories.

Of all the Objective Wealth Ranking (OWR) categories of SAG members, the average household income of the very poor (Rs. 70,000), poor (Rs. 63,250) and borderline (Rs. 78,571) objective wealth ranking categories is low compared to the SAG members of self-sufficient (Rs. 97,638) and surplus (Rs. 1,18,943)

⁸ The term "female-headed family" means those families maintained or headed by the widow/ separated woman or the women whose husbands are diseased and or differently abled who are not significantly contributing for the household income.

categories. It reveals that the objective wealth ranking categories of the sample SAG members and the household incomes are positively correlated. It means wealth rank increases the household income also increases.

3.3 The SAGs-Profile and Financial Status

Membership: All the 20 sample SAGs formed with 232 members. The size of the group varies from 8 to 14 members with an average of 11.6. However, the average size of the group is more at the time of formation (14.5). It is because of membership withdrawal and admission to new members. The data shows that all the sample groups have reported total dropouts of 72 members with an average of 3.6. The age of the sample groups is between 8 and 10 years. Of the 20 sample SAGs, majority of the groups have weekly meetings (65%) and savings followed by monthly (30%) and fortnightly (5%). The weekly savings amount per member varies from Rs. 10 to Rs. 50 with an average of Rs. 16.

Financial status: All the 20 sample groups have all the members' cumulative savings of Rs. 927,495 with an average of Rs. 46,375 and Rs. 3,998 per group and member respectively. All the 20 sample groups together have a common fund of Rs. 5.66 lakhs with an average of Rs. 28,321. Of the total liabilities of Rs. 53,19,324, major portion of funds are external loans (59%) which include loans from bank and VO, members' savings (17%) and group fund (11%). Of the total assets, 94% of funds are loans outstanding with the members.

External fund mobilization: Since inception the sample SAGs have mobilized cumulative funds of Rs. 71.03 lakhs from banks (75%), MFIs (4%), DRDA (4%) village organizations (15%) and other agencies (2%) in the form of loans and grants for on lending to their members. Except one, all the sample SAGs have borrowed a cumulative loan of Rs. 53.43 lakhs from banks; 6 groups have borrowed a cumulative loan of Rs. 2.74 lakhs from MFI-Sangamithra; except one group all groups have received revolving of Rs. 1.90 lakhs with an average of Rs. 10,000 per group; 16 groups have borrowed a loan of Rs. 10.74 lakhs from village organizations; and 3 groups have borrowed a cumulative loan of Rs. 1.72 lakhs from other CBOs.

4 Access to credit

4.1 No. of loans

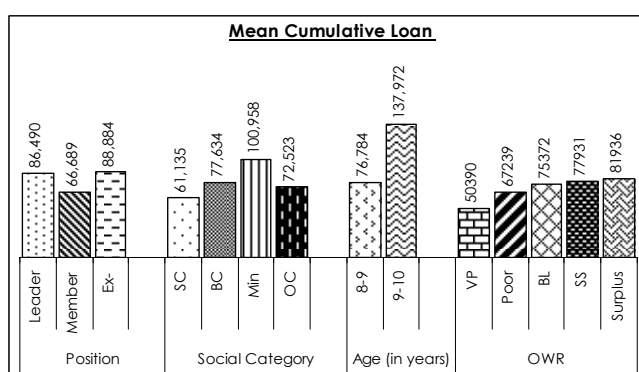
The data shows that all the 40 sample SAG members, since inception of groups, have borrowed 1,270 loans with an average of 32 loans per member. Of the 40 sample members, 35% of members have borrowed more than 31 loans followed by 11 to 20 loans (32.5%). Another, 27.5% of members have borrowed 21 to 30 loans. However, 5% of members have borrowed less than 10 loans. The average number of loans taken by BCs is low (26) and SCs is high (49) compared to Minorities (32) and OC (36) categories, whose average loans are more or less equal to the total sample 40 members (32). The average number of loans to very poor (9) and poor (20) wealth ranking categories are low compared to other wealth ranking categories - borderline (35) self-sufficient (31) and surplus (32). It shows that the vulnerable categories, very poor and poor, have less access to credit within the group. It is because loans sanctioned based on members' loan absorption and repaying capacity, cumulative savings of the member in the group, and purpose of loan that have minimized the credit opportunities of the members.

4.2 Loan amount

All the 40 SAG members have borrowed a cumulative loan of Rs. 30.6 lakhs with an average loan of Rs. 76,513. The data shows that of the total 40 SAG members, Majority members (82.5%) borrowed less than a lakh of loan and the remaining 17.5% have borrowed more than a lakh of loan. However, of the total 82.5% of the members who borrowed less than lakh of loan, majority have borrowed between Rs. 51,000 to Rs.75,000 (37.5%) followed by Rs. 76,000 to Rs. 1,00,000 (30%) and less than Rs. 50,000 (15%). Further, 7 out of 40 members who borrowed more than a lakh, 3 are BC, 2 are Minorities and another 2 are OC. No SC has borrowed a cumulative loan of more than lakh rupees.

S. No.	Amount	F	%
1	< 50000	6	15.0
2	51000 - 75000	15	37.5
3	76000 - 100000	12	30.0
4	101000 - 125000	4	10.0
5	> 125000	3	7.5
Total		40	100.0

The data on average cumulative loan of SAG members shows that between positions in the group, social category, age of the group and objective wealth ranking categories, there is a perceptible difference. The average cumulative loan of a 'member' is more or less one-fourth is low when compared to 'present leaders' and 'ex-leaders'. Among all social categories, the average cumulative loan is low among SCs (Rs. 61,135) and high among Minorities (Rs. 1,00,958). The average cumulative loan of up to 9 year old groups' members is low (Rs. 73,914) compared to more than 9 year old age groups (Rs. 91,240). Of all the wealth-ranking categories, the average cumulative loan of very poor category is very low (Rs. 50,390). Like average cumulative loans, the average loan amount also low to very poor and poor wealth ranking categories and to SCs.



4.3 Purpose of loans

The data shows that of the total 1250 loans, majority loans are for production or income generation (66.2%) followed by consumption (19.6%), social needs (10.9%) and asset creation (3.3%). Of the total loan amount of Rs. 30,60,791, major portion of loan for production/income generation activities (81%) followed by asset creation (7.5%), social needs (6.8%) and consumption needs (4.8%). The data shows that though a good number of loans (19.6%) borrowed for consumption purposes, the portion of loan amount borrowed for consumption purposes is very less (4.8%). The average amount of loan for the purpose of consumption needs is small (Rs. 601) and high for asset creation (Rs. 5,570) compared to social needs (Rs. 1,520) and production/IGA (Rs. 2,993). It reveals that the SAG members borrowed small loans for consumption and social needs and comparatively large loans for production and asset creation.

Of the total 19.6% consumption loans, most of the loans are for food (19.4%) followed by household gadgets. Of the 66.2% of production loans, majority are for agriculture inputs (50.6%), followed by seasonal & petty business (10.6%) and animal husbandry (3.9%). However, a good amount of loan borrowed for animal

husbandry (19.8%) and business (19.6%). Among the loans for social needs (10.9%), many loans are for health (5.3%) followed by education (4.1%) and debt swapping (1.1%). Of the total 3.3% of asset creation loans, majority loans for housing (3.1%) followed by insurance and gold ornaments. However, on an average, the size of loans borrowed for housing (Rs. 9,591). It seems that poor always borrow small loans frequently for consumption purposes, and large loans for production and asset creation.

Purpose of loan		Loans		Amount in Rs.		Mean in Rs.
		No.	%	Total	%	
Consumption	Consumption	243	19.4	144,158	4.7	593
	Household gadgets	2	0.2	2,996	0.1	1,498
Production /IGA	Agriculture inputs	632	50.6	1,071,024	35.0	1,695
	Milk animals	38	3.0	433,370	14.2	11,40
	Goat/sheep/poultry	11	0.9	170,270	5.6	15,47
	Business	133	10.6	600,072	19.6	4,512
	Self employment	3	0.2	3,200	0.1	1,067
Social needs	Weaving	11	0.9	200,550	6.6	18,23
	Debt swapping	14	1.1	31,187	1.0	2,228
	Marriage	5	0.4	23,119	0.8	4,624
	Health	66	5.3	47,408	1.5	718
Asset creation	Education	51	4.1	105,063	3.4	2,060
	Housing	39	3.1	224,674	7.3	5,761
	Toilets	1	0.1	700	0.1	700
	Insurance	1	0.1	3,000	0.1	3,000
Total		1,250	100.0	3,060,791	100.0	2,449

5. Changes at household level

5.1 Economic status/ objective wealth ranking of sample households:

Based on the indicators derived from PRA exercise such as i) housing, ii) regularity of income, iii) productive assets, iv) household assets, v) food security, vi) education, vii) health, viii) others (includes women headed households, low physical and mental health, possible debt and alcoholism all the sample households were wealth ranked into five categories namely i) very poor, ii) poor, iii) borderline, iv) self sufficient and v) surplus. The data on objective wealth ranking of SAG members at the time of formation of groups shows that of the sample of 40 SAG members, the majority members belonged to very poor (47.5%) and poor (42.5%) categories; another 7.5% belonged to borderline category; and a very small percentage of members belonged to surplus categories (2.5%). Where as, now, objective wealth rankings of the sample 40 members shows that majority members belong to self-sufficient (40%) and borderline (35%) categories; 17.5% belong to surplus category; and the remaining are poor (5%) and very poor (2.5%) categories. Of the total 40 SAG members, 97.5% moved to higher categories, 2.5% remained in the same category and one member moved down from surplus to very poor category.

Of the total 19 very poor SAG members, at the time of group formation, many moved to borderline (47.4%) followed by self-sufficient (31.6%) poor (10.5%) and surplus (10.5%) categories. Of the total 17 poor SAG members, majority SAG members moved to self-sufficient category (52.9%) followed by border-line (29.4%), and surplus categories (17.6%). Of the total 3 borderline category, two members moved to surplus and one member moved to self sufficient categories. One member who belongs to surplus category, at the time of group formation, moved down to very poor category.

Category	Before		Now	
	F	%	F	%
1. Very poor	19	47.5	1	2.5
2. Poor	17	42.5	2	5.0
3. Borderline	3	7.5	14	35.0
4. Self-sufficient	--	--	16	40.0
5. Surplus	1	2.5	7	17.5
Total	40	100.0	40	100.0

5.2 No. of household economic activities

The data shows that of the 40 sample SAG member households, now, majority households (90%) depend on multiple (3 to 6) economic activities, followed by two (7.5%) and one (2.5%). Contrary to it, at the time of joining the groups, majority households depend on one economic activity (57.5%) followed by two (40%) activities. Of the 23 sample member households of single economic activity at the time of joining the group, except two, all the 21 households (91.3%), depend on two and more than two economic activities now. Of the total 12 households of two economic activities at the time of joining the group, 58.3% of households depend on three to six economic activities now. It shows that after joining the groups, most households (90%) depend on multiple (3 to 6) economic activities. Of the total 5 households, of three economic activities at the time of joining the group, four households depends on three economic activities and one household on one economic activity. It is because most of the households accessed to credit to take up some sort of income generating activity that is suitable to them and their household members.

No. of activities	Before		Now	
	F	%	F	%
1. One	23	57.5	3	7.5
2. Two	12	30.0	8	20.0
3. Three	5	12.5	25	62.5
4. Four	--	--	3	7.5
5. Six	--	--	1	2.5
Total	40	100.0	40	100.0

5.3 Occupational mobility

The data on the household economic activities of the sample members shows that, at the time of joining the groups, agriculture was one of the main economic activities of majority households (72.5%). Now, it has increased to 92.5%. Within agriculture, there is mobility towards commercial crops such as horticulture, sericulture and floriculture. At the time of joining the groups, animal husbandry was one of the economic activities of 12.5% of households. Now, it has reached 82.5% of households. Interestingly, the percentage of households depending on agriculture labour increased from 30% to 55% because of implementation of Rural Employment Guarantee Scheme-Andhra Pradesh (APREGS) programme.

The percentage of households depending on jobs, both private and government, has increased from 2.5% to 10%. It is because of SAG loans for children education and better opportunities for them. At the time of joining the groups, 12.5%

households depends on skill based and non-farm economic activities such as tailoring, beedi rolling, weavings, brick making masonry, NTFP collection, driving, running an auto/taxi/tractor. Now, the percentages of households depend on skill based and non-farm economic activities reached to 47%.

Some households have started new economic activities that were not the economic activities of any household prior to joining the groups. Those economic activities includes bullock cart (2.5%) owning a tractor for hiring (2.5%), paddy mill (2.5%), NTFP collection (2.5%), and rent a house (2.5%). A good percentage of occupational mobility of households is the out come of skill improvement trainings of Myrada/CMRC to the SAG members & their household members and large amount of timely credit on low interest rate from groups.

Activity	Before		Now	
	No.	%	No.	%
1. Agriculture	29	72.5	37	92.5
2. Horticulture	3	7.5	7	17.5
3. Labour	12	30	22	55.0
4. Milk animals	4	10	24	60.0
5. Goat/sheep	1	2.5	9	22.5
6. Business	3	7.5	7	17.5
7. Job	1	2.5	4	10.0
8. Carpentry	2	5	0	0.0
9. Weaving	1	2.5	2	5.0
10. Tailoring	2	5	3	7.5
11. Other activities	--	--	14	35.0

5.4 Benefits to household members

The sample SAG members have reported that their household members benefited through SAGs over a period in multiple ways such as i) more employment, ii) new employment, iii) higher education, iv) improvement in health status, v) improvement in livestock, vi) ability to conduct life-cycle ceremonies, vii) ability to conduct children's and grand children's marriages. The data shows that not only the SAG members, but also the other household members such as husband, children, parents / -in-laws, grand parents and grand children benefited from SAGs.

Benefits	Household Members (in %) (N=40)			
	SAG Members	Hus-band	Chil-dren	Others in the HH
1. More employment	22.5	37.5	12.5	2.5
2. New employment	20.0	17.5	12.5	2.5
3. Higher education	2.5	5.0	55.0	--
4. Health improved	12.5	10.0	12.5	7.5
5. Livestock improved	52.5	27.5	2.5	2.5
6. Marriage	--	--	7.5	--
7. Others	7.5	12.5	--	---

The data shows that of all the household members, majority of SAG members (52.5%) and their husbands (27.5%) largely benefited with livestock improvement. Further, many SAG members (22.5%) and their husbands (37.5%) benefited from additional employment. Besides, many SAG members (20%) and their husbands (17.5%) benefited with new employment. Of all the children benefited, majority benefited through higher education (55%) besides employment (25%) marriages (7.5%) and health (12.5%). The amount of benefits reported at parents, in-laws,

grand parents and grand children are minimal. The amount of benefits and the nature of benefits spread across the generations in the family are vary. The benefits are mostly for spouse and children. Present generation i.e. the SAG member and her husband mainly benefited with more & new employment; whereas children benefited more from education. It is because of more number of simple families, consists of parents and children with or without dependents, and the roles & responsibilities of parents towards their children. Further, benefits across generations generated awareness on SAGs among the household members. It could be the reason, why many groups replaced dropouts with same household member (s).

5.5 Asset creation

The sample members during their association with SAGs have procured a variety of assets such as livestock, land, machinery, automobiles, household gadgets, house, audio & video equipment, ornaments, and savings outside SAGs in formal institutions. All the sample SAG members created assets worth Rs. 63,78,670 with an average of Rs. 41,153. Of the total assets worth of Rs. 63,78,670, major portion is on productive assets (58.3%) followed by non-productive/permanent assets (38.2%) and household gadgets (3.5%).

Type of Assets		SHG Members		Amount in Rs.		
		No.	%	Total	Average	
Productive Assets	Livestock	Cow	35	87.5	1,226,300	35,037
		Sheep	7	17.5	300,000	42,857
		Poultry	1	2.5	1,600	1,600
		Other	1	2.5	50,000	50,000
	Land	Land	8	20.0	1,003,000	125,375
	Machinery	Machines	8	20.0	503,000	62,875
		Bullocks	1	2.5	45,000	45,000
		Bullock-cart	1	2.5	50,000	50,000
	Vehicle	Cycle	3	7.5	4,400	1,467
		Motor cycle	1	2.5	50,000	50,000
Auto		1	2.5	90,000	90,000	
Other		1	2.5	400,000	400,000	
Household Assets	HH articles	Vessels	1	2.5	700	700
		Mixer	5	12.5	8,400	1,680
		Refrigerator	2	5.0	30,000	15,000
		Furniture	2	5.0	9,200	4,600
		Other	9	22.5	84,350	9,372
		Fans	3	7.5	2,560	853
	Recreation	Radio/TR	1	2.5	600	600
		TV	6	15.0	39,500	6,583
		Mobile	4	10.0	14,000	3,500
		TV dish	5	12.5	32,000	6,400
Permanent Assets	Housing	Plot	9	22.5	363,000	40,333
		Repair	2	5.0	200,000	100,000
		Construction	21	52.5	1,541,600	73,409
	Ornaments	Gold	12	30.0	291,300	24,275
Savings	Post Office	5	12.5	38,160	7,632	

Productive assets: About 87.25% of SAG member households purchased milk animals (87.5%) followed by Sheep/goats (7.5%), poultry (2.5%) and pigs (2.5%). All together, livestock worth Rs. 15,77,900 was purchased. Nearly 20% of members have purchased land valued Rs. 1,00,300. Nearly 40% of households purchased equipment related to agriculture and other activities such as electric motors/bore well motors (20%), bullocks (2.5%) and cart (2.5%) worth Rs. 598,000. About 15% of households purchased motor cycles, taxi, autos and cycles of valued Rs. 5,44,400

Household articles: Nearly 50% of household have purchased worth of Rs. 1,35,210 household gadgets such as LPG gas stove (22.5%), mixer (12.5%), fans (7.5%), furniture (5%) and refrigerator (5%). During focus group discussions, the groups have said that it is because of the support of Myrada in the form of interest free loans to groups. About 40% of members have purchased televisions (15%) & dish antennas (12.5%), mobile phones (10%) and radio/tape recorder (2.5%). The total value of these assets is Rs. 86,100.

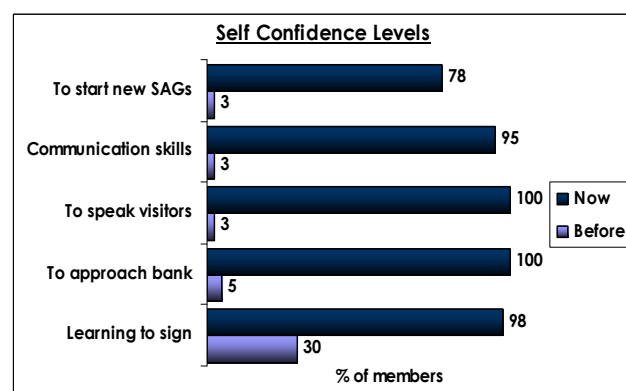
Permanent/non-productive assets: More than three-fourths of the households have improved their housing. Majority members have built new houses (52.5%); others have purchase house plots (22.5%); and some have repaired houses (5%). The total worth of assets built under housing is of Rs. 21,04,600. Nearly 30% of the households purchased gold worth Rs. 2,91,300. Those household who moved from borderline to self-sufficiency to surplus categories have purchased gold ornaments. Nearly 12.5% of the households saved Rs. 71,160 in Post office. Contrary to the other kind of assets created, the amount of savings in formal financial institutions is far less. It could be because of the practice of less interest rates on member/group savings in the SAG and or bank and large amount of monthly loan installments.

6 Women Empowerment

6.1 Self confidence

To understand the self-confidence levels of SAG members, the study team collected information on those aspects that indicates confidence levels of a person such as i) ability to sign, ii) confidence to approach bank, iii) to speak to others, iv) improvement in communication skills, and v) confidence to start new SAGs.

The data shows that of the total 40 SAG members, the percentage of women who can sign has increased from 30% to 97.5% compared to at the time of group formation. It could be that the practice of using a cheque-book to operate bank transactions made them to learn to sign. Of the total 40 SAG members, at the time of joining the groups, 5% of members had confidence to approach the bank. Now, it has reached 100%. The practice of presiding over weekly meetings and responsibility to deposit the collected cash in the bank on rotation basis over 8 to 10 years, has increased their confidence levels to approach the bank. Of the total 40 SAG members, at the time of joining the groups a low percentage of members (2.5%) have confidence to speak to others because of illiteracy, inhibitions about educated visitors, shyness, and lack of exposure. Now, all the members have the ability to face visitors because of group's participation in



federation meetings, trainings, exposure visits and greater participation of members in the discussions and decisions during group meetings.

Of the 40 sample members, at the time of joining the groups, only 2.5% of members had the ability to deal with officials and others. Now, it has gone up to 95%. It is because of internal system such as presiding over weekly meetings, sharing of information as group representative in federation meeting and discussions during federation meeting and in the group meeting; Bank visits have increased their communication skills. Of the total 40 SAG members, at the time of formation of groups, only 2.5% had confidence to start new SAGs that to because of motivation from Myrada staff and Government staff. Now, it has reached 77.5% of SAGs. It is because of regular trainings, orientation, exposures to members on SAG concepts such as formation of group, how to conduct group meetings, leadership rotation, federation concept, gender, bank linkage, financial management and book keeping.

6.2 Role in decision-making

To understand who decides on the role of SAG members in decision-making, data was collected on 'purchase and/or sale of household assets', 'family savings', 'children's education & marriage', 'occupational change', 'casting of vote', 'purpose of loan' and 'adoption of household infrastructure' by using a four point scale as i) minor, ii) equal, iii) major and iv) decide solely based on the role of SAG members while making decisions in comparison with other members in the household (head of the household-husband, parents-in-law, married sons etc). The data shows that of the 40 sample members, at the time of joining the group, majority members have minor role followed by equal role while taking decisions on purchase of assets, family savings, children's education and marriage, occupational change, purpose of loan and adoption of household infrastructure. Now, majority members have equal role followed by major role in decision-making. It reveals that women's role in household decisions has increased.

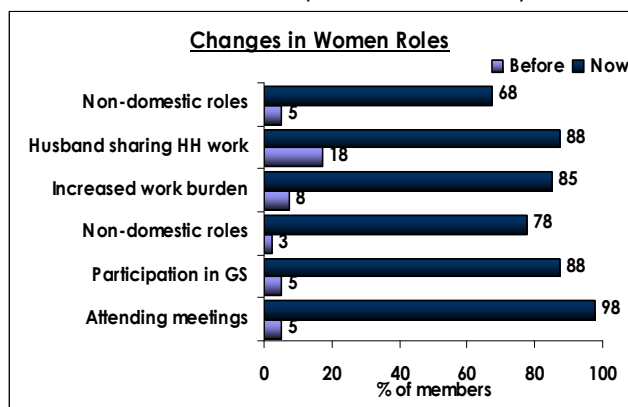
Period	Opinion	Purchase/ sale of assets	Family savings	Children's education	Children's marriage	Occupational change	Casting of own vote	Purpose of loan	Adoption of HH infrastructure
Now	Total	17.5	22.5	12.5	12.5	15.0	50.0	22.5	15.0
	Major	7.5	10.0	20.0	17.5	12.5	5.0	15.0	20.0
	Equal	72.5	62.5	57.5	60.0	60.0	37.5	57.5	60.0
	Minor	2.5	5.0	10.0	10.0	12.5	7.5	5.0	5.0
Before	Total	5.0	5.0	5.0	5.0	5.0	12.5	5.0	7.5
	Major	--	--	--	--	2.5	2.5	--	--
	Equal	20.0	12.5	17.5	20.0	20.0	20.0	22.5	20.0
	Minor	75.0	82.5	77.5	75.0	72.5	65.0	72.5	72.5

However, data on 'costing of own vote', now, shows that majority members are playing total/major role (35%) followed by equal role. It is because of leadership rotation, democratic form of decision making in the group and secret ballot system in the general elections.

6.3 Changes in women roles

To understand the dynamics in the roles of men and women, the study team was collected information on some of the roles performed by men and women such as 'attending meetings', 'participation in village meetings' (gram sabha), 'non-domestic roles', 'work burden on women', 'husband sharing the household work' and 'women taking up non-traditional activities'.

Of the 40 sample SAG members, at the time of joining groups, 5% of SAG members attend meetings outside the village. Now, the percentage of women attending meetings out side the village has reached to 97.5%. It could be because of representation of SAG members in various apex community based organizations and linkages with various formal institutions. The data on participation in gram sabha shows that at the time of joining groups, 5% of sample members participate in 'Gram Sabhas'. Now, it has reached to 87.5%. It is because, while addressing the community issues such as drinking water, electricity, cleaning of roads & drainage canals, mostly all SAGs in the village together, attends



'gram sabha' to voice their grievances. As mentioned under community support to SAGs, Gram Panchayat involved SAGs to address some of the issues at village level and in the implementation of development programmes linked with SAGs.

The rural communities have a notion that 'if husband shares the household work of a woman, it lowers the status of a man'. Hence, many men are unwilling to share women work even though they have time to do it. Of the total 40 SAG members, at the time of joining groups, 17.5% of members' husbands shared their household work. Now, 87.5% of women's husbands share the household work. The members have reported reasons for it, as they have taken the responsibility of mobilizing large amount of credit to household needs, which is the primary responsibility of husband/ household head, in the absence of wife, husband attends household works that can not be postponed and/or causes loss/problems such as collection of water from tap, fodder to milk animals, collection of milk from cattle and supply to milk centre, cooking of food, taking care of children in sending to school and so on.

Of the 40 sample SAG members, at the time of joining groups, 7.5% of members have reported that they have higher work burden. Now, 85% of the members have reported higher work burden. It could be because in addition to tradition roles, women acquired new roles as a member in the group and changes in the household. But, the support from the household members is limited. Therefore, majority members (85%) felt that there is a higher work on them. The data shows that at the time of joining groups, 5% of the members were engaged in non-traditional activities. Now, 67.5% of the members have taken up non-traditional activities. The data on economic activities of the household also confirms that there is occupational mobility from traditional activities to non-traditional activities such as petty business, seasonal business and non-farm economic activities.

6.4 SAGs and political parties

To understand the participation of SAG members in various activities of the political parties, including election campaigning, data was collected on 'whether the members have contested for political office or not', 'representation in community based organizations' and 'campaigned for a candidate'.

Of the total 40 members, not only before joining the group, even after long association with SAGs, few members contested for political office. However, the percentage of women, who have contested for office, has increased from 2.5% to 7.5%. Of the total 40 SAG members, before joining the group, 14.2% of members joined the CBO. Now, it has reached to 47.5% and most of them selected with their own will.

The data shows that of the total 40 members, the percentage of members campaigned for a candidate because of their own will or family interest or some others' pressure, has increased from 17.5% to 37.5%. It clearly shows that there is a noticeable increase of SAG members' participation in political activities. It is because of leadership skills acquired in the group, reservation policy, increased political interest of the household members and treating SAGs as vote banks by the political parties.

7 Conclusions

Most of the SHGs in the district have formed with the poorest of the poor and poor. The poor formed into groups with the motivation of Myrada staff to promote savings, avail credit on low interest rate without collateral to take up income generation activities, and to meet the expenses of emergency and future needs of the household members.

Majority of the sample SAG members are BCs, married, illiterate, and male headed households. Most of the members have 8 to 9 years of association with SAGs. Majority of the SAG members are small farmers with less than 5 acres of land. Most of the members are very poor and poor at the time of formation of the groups. Majority of them elevated from BPL to APL category whose household annual incomes are more than Rs. 75,000.

The size of the group varies from 8 to 14 members. Majority of the groups have the practice of weekly savings and meetings. All groups have reported dropouts. The SAGs have mobilized large amount of funds from both internal and external sources in the form of savings, grants and loans from their members, banks and village organizations.

All the members accessed credit from their SAG many times to meet their consumption, emergency and livelihood needs. However, there is a significant difference of amount of loan among districts, positions in the group, social & economic categories and purpose of loan. A major chunk of loan across age of loans, social & economic categories, has disbursed for income generation activities especially animal husbandry, non-farm activities besides on agriculture.

With reference to economic categories of the SAG member households, significant upward mobility has recorded. The benefits to household members are many and intergenerational. Most of the household adopted better economic activities than before joining the group. Within the household, the parental generation moved towards agriculture & allied activities, where as children generation moved mostly towards non-farm activities and education. The SAG

member household created a good amount of productive assets followed by non-productive/ permanent assets and household gadgets.

There is much increase in the confidence levels of SHG women with reference to their abilities to sign, speak to visitors, approach bank, communication skills to deal with mainstream and start new SAGs.

As regards the role of women in making household decisions, majority of the SAG women's role has increase to equal role followed by major role, from before joining the group. There are many changes in the traditional roles of women; however, the amount of change is limited. The SAG women's participation in political affairs, though discouraged at the beginning, is moving towards participation of SAG women with their own will and the support of household members.

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