INTRODUCTION

The status of women in all the countries of the world today is very important as they are fundamental to the process of economic development since women constitute half of the population and one third of labour force. But, with regard to their position in society there are many differences between developed and developing countries. In industrialized countries women are placed on par with men with some variations in their position. In developing countries, the situation of women is different. Evidence of gender inequality and exploitation of women exist in most societies, yet some of the worst cases are found in the developing countries. More than one billion in the world today, the great majority of whom are women, live in unacceptable conditions of poverty in developing countries. Multiplicity of causes results in poverty. Poverty is a complex, multidimensional problem, with its origin in both the national and international level. Poverty entails more than the lack of income and productive resources to ensure sustainable livelihood. Its manifestations include hunger and malnutrition, limited access to education and other basic services, social discrimination and exclusion as well as the lack of participation in decision-making. Eradication of poverty is one of the challenges facing developing countries and a core requirement for sustainable development, especially for developing countries.

According to the International Fund for Agricultural Development (IFAD, 2002), one out of five of the world inhabitants nearly 1.3 billion people remain below the extreme poverty line with an income of US $1.25 or less per a day. Their poverty is not only a condition of low income, low consumption and lack of assets. It is above all a condition of vulnerability, exclusion and powerlessness. It is the women that bear the disproportionate burden of this extreme poverty. More than two thirds of the poverty stricken women are in Asia; South Asia alone accounts for nearly half of them. Poverty is largely a rural phenomenon. More than one-fourth of the poor in the world live in India.

India being the second most populous country occupies only 2.4 per cent of the world’s land area but supports 17.5 per cent of the world’s population. About two-thirds of the India’s population confined to live in rural areas as per the 2011 census. As per the 2011 census in India, out of the total population of 121 crores there are
58.6 crores women and they constituting 48.5 per cent. Out of the only 65.5 per cent of women are literates. About 77 per cent of them belong to the rural areas and rooted predominantly in agriculture and other related activities. Traditional artisanship and craftsmanship and services are the lifeline for the large majority of poor. Poverty has been a pervasive problem in India. Around one-third of Indians do not have the basic resources for survival. Even after about seven decades of independence, women in India continue to suffer economically as well as socially at different levels and in different forms and India still has the world’s largest number of poor people in a single country with 260.3 million are below the poverty line. Out of which 193.2 million are in the rural areas and 67.1 millions are in urban areas. Women are often more vulnerable than man, disproportionately concentrated in low wage sectors. Wage discrimination in the case of women is a big drawback and it affects their purchasing capacity.

The women face constraints beyond those already placed on them by other hierarchical practices. These cultural rules place some Indian women, particularly those of lower caste, in a paradoxical situation: when a family suffers economically, people often think that women should go out and work, yet at the same time the women’s participation in employment outside the home is viewed as slightly inappropriate, finely wrong, and definitely dangerous to their chastity and women virtue. When a family recovers from an economic crisis or attempts to improve its status, women may be kept at home as a demonstration of the family’s morality and as a symbol of its financial security.

Although most of the women in India work and contribute to the economy in one form or another, much of their work is not documented and accounted for in official statistics. Women plough fields and harvest crops while working on farms, women weave and make handicrafts while working in household industries, women sell food and gather wood while working in the informal sector. Additionally, women are traditionally responsible for the daily household chores like, cooking, fetching water, and looking after children. Although the cultural restrictions that the women faced are changing, women are still not as free as men to participate in the formal economy. In the past, the cultural restrictions were the primary impediments to female employment now however; the shortage of jobs throughout the country contributes to
low female employment as well. Throughout the economy, women tend to hold lower-level positions than men even when they have sufficient skills to perform higher-level jobs. Even when women occupy similar positions and have similar educational levels, they earn just 80 per cent of what men do.

Even if a woman is employed, she may not have control over the money she earns, though this money often plays an important role in the maintenance of the household. In Indian culture women are expected to devote virtually all of their time, energy, and earnings to their family. Women contribute a higher share of their earnings to the family and are less likely to spend it on themselves. Many women still seek their husbands’ permission when they want to purchase something for themselves. Ironically, in spite of the improvement in their status, they still find themselves dependent on men. It is because of the fact that man in patriarchal society has always handled economic independence and power to take decision. Since the working woman earns an independent income in the same patriarchal set-up, it is but naturally that she would remain vulnerable to exploitation even in her economically independent state. Because the basic infrastructure of society has not changed, though her role within the same structure is passing through a transitional phase.

Women in India have always worked but their work is undervalued. An illiterate woman in an unskilled job earns less than half to her male counterpart. Women are also at a disadvantage when it comes to inheriting property. Although the Hindu Succession Act of 1956 gave women the right to own property, it was not that the law was amended to give daughters the same inheritance rights as sons until the 2005. As per 2001 census of India, only 11 per cent of land owners were women in agriculture sector. Cultural and societal rules still prevent women from setting up their own business without the help of male relatives. There are remaining strong cultural obstacles in India, often created by the patriarchy, to the idea of women’s economic emancipation.

In India, productive employment is central to poverty reduction strategy and to bring about economic equality in the society. But the results of unfettered operation of market forces are not always equitable, especially in India, where some groups are likely to be subjected to disadvantage as a result of globalization. Women constitute one such vulnerable group. Since the immemorial times, worth of the work done or
services rendered by women has not been recognized. India is a multifaceted society where no generalization could apply to the entire nation’s various regional, religious, social and economic groups. Nevertheless, certain broad circumstances in which Indian women live affect the ways they participate in the economy. Generally, women are confined to household thus restricting their mobility and face privacy.

After years of neglect, planners have begun to recognize the need to improve the living conditions for women in developing countries like India and this has long been recognized as one of the most central challenges facing policy makers in developing countries. Keeping this in view, the principle of gender equality is enshrined in the Indian constitution in its preamble, fundamental rights, fundamental duties and directive principles. As per the goals enunciated in the constitution several legislations, policies, plans, programmes were initiated for the development of women. The policy towards women development reflects in the words of Pandit Jawaharlal Nehru, the first Prime Minister of India--“when women move forward, the family moves forward, the village moves forward and the country moves forward”.

The development policies, plans and programmes for the last 66 years have aimed at women’s advancement in different spheres. The process of economic development is expected to induce several changes in the structure of the Indian economy that includes the most important change concerning with the participation of women in the health, education, economic, social and political activities. Women’s empowerment is critical to the process of the development of the community, and therefore, bringing women into the mainstream of development has been a major concern of the government since independence. While formulating the country’s five year plans the national policy makers and planners have obviously been providing avenues for the development of women. An overview has been comprehensively represents that an emphasis is given in each plan period to improve overall status of women as follows--

In the First Five Year Plan (1951-56) the concept of women development was mainly ‘welfare’ oriented. In the year 1953, the Central Social Welfare Board (CSWB) undertook a number of welfare programmes and measures for women through voluntary organizations. Simultaneously, the community development
movement sought to mobilize women through a network of community level women’s groups known as Mahila Mandals.

The Second Five Year Plan (1956-61) was closely linked with the overall approach of intensive agricultural development. The welfare approach persisted during this plan period as well. Women were largely organized into Mahila Mandals to play a vital role in the development of women at the grass root level to ensure better implementation of welfare schemes. This Mahila Mandal scheme was introduced to facilitate the village woman to become as “a fine wife, a wise mother, a capable housewife and a responsible member of the village Community”.

The Third Five Year Plan (1961-66) promoted women’s education as a key strategy for welfare of the women. It focused on women’s reproductive health, with emphasis on providing services for maternal and child welfare, health education, nutrition and family planning.

During the first three Five Year Plans (1951-1966), the main importance was on achieving advanced growth rates. Poverty would be alleviated through the trickledown effect of growth.

The Fourth Five Year Plan (1969-74) gave priority to family planning, immunization; supplementary feeding of poor children and expectant and nursing mothers for reducing high infant and maternal mortality rate.

The Fifth Five Year Plan (1974-79) emphasized training women through income generation and functional literacy programmes with a view to make women more productive on the public as well as the domestic front. In this plan there was a shift in the approach from welfare to development. This plan was consent with International women’s decade and the submission of report of the committee on the status of women in India. In 1976 Women’s Welfare and Development Bureau was set up under the Ministry of Social Welfare. It was to act as a nodal point to coordinate policies, programmes for women’s development.

The Sixth Five Year Plan (1980-85) was formulated against the background of the report of the committee on the status of women in India, ‘Towards Equality’. This Sixth Five Year Plan was regarded as the landmark of women’s development. It also
recognized women’s lack of access to resources as a critical factor which impending their growth. In the second half of the sixth plan, an exclusive programme for the social and economic uplift of women belonging to families below the poverty line with an experimental approach called Development of Women and Children in Rural Area (DWCRA) was started as sub-scheme of Integrated Rural Development Programme (IRDP) in 50 districts in 1982-83 in the country, where rural women’s poverty was believed to be very acute.

In the Seventh Five Year Plan (1985-90) a very significant step was to identify and promote ‘beneficiary oriented programmers’ for women in different developmental sectors have been implemented with a view to raise women’s economic and social status and to bring them into the mainstream of national development. Further, the plan proposed an increasing participation of women in IRDP, NREP (National Rural Employment Programme) and RLEGP (Rural Landless Employment Guarantee Programme).

In the Eighth Five Year Plan (1992-97) effort made to make women as equal partners and participants in the developmental process, by way of monitoring the flow of benefits to women in the core sectors like education, health and employment. Thus Eighth Plan makes shift from ‘women development’ to ‘women empowerment’. The paradigm of women development have actually come a long way by way of moving from growth to growth with equity, from bureaucratic delivery of services to people’s participation, from economic development to human development and from services endowment to empowerment.

The Ninth Five Year Plan (1997-2002) adopted a strategy of Women’s Component Plan (WCP), and directed both the Central and State Government to ensure not less than 30 per cent of the funds and benefits are earmarked in all the women’s related sectors. The process of organizing women into Self-Help Groups (SHGs), started during the Ninth Plan to provide them an opportunity for articulating their needs and contributing their perspectives to development, has made tremendous progress as it brought into action more than a million SHGs all over the country as per the Planning Commission. The Government of India declared the year 2001 as “Women’s Empowerment Year” to focus on a vision where women are equal partners like man.
The Tenth Five Year Plan (2002-07) will continue to promote SHG mode to act as the agents of social change, development and empowerment of women. The strategy of the Tenth Plan is a sector specific three fold strategy for women empowerment, based on the perceptions of the National Policy for Empowerment of Women (2001). They include social empowerment, economic empowerment and gender justice.

The Eleventh Five Year Plan (2007-12) acknowledges women’s agencies and tries to ensure that their needs, rights and contributions are reflected in every section of the plan document. In the history of Indian planning for the first time there is an attempt to move beyond empowerment and recognize women as agents of sustained, rapid and more inclusive socio-economic growth and change.

The planning process was evolved over the years from purely welfare oriented approach where women were regarded as objects of development programmes and currently to their empowerment. In the decade of 1960s the issue was for the welfare of the women. In 1970s there was a shift from the welfare to development of women. In 1980s and onwards the shift took place from the development to the empowerment of women.

1.1 Women Empowerment

Empowerment of women means creating economic independence, self reliance, political, social and legal awareness, self confidence and positive attitude among women. It enables women to face any situation and to participate in the development activities of the nation. Women empowerment is an issue relating to the process of economic development, which has gained momentum in recent decades. In India, besides ratification of international conventions, there are provisions in the constitution and several legislative acts have been passed to ensure women empowerment. Empowerment provides legitimacy and social justice for human development.

The women’s empowerment as a development goal is put into perspective. It is emphasized that empowerment is beyond mere poverty reduction; it should be seen as both a process and outcome of women’s agency primarily, in challenging and changing, over time, social structures that perpetuate gender inequality.
1.2 Approaches to Women Empowerment

Approaches and strategies of the empowerment of women offer an understanding on the need for empowering women, concept and framework for women’s empowerment. In the contemporary world, no country can feel empowered unless all its citizens feel sustainable development in all walks of personal life. The term empowerment literally means “becoming powerful”. Empowerment in its social form means the manifestation of redistribution of power that challenges patriarchal ideology and the male dominance. The empowerment approach was first clearly articulated in 1985 by Development Alternatives with Women for a New Era (DAWN). Empowerment is a process that enables women to gain access to and control of materials as well as information resources.

Women empowerment must involve the transformation of power relations in six different levels, namely-- individual, family group, organization, village, community and society. Batliwala (1994) has identified three approaches to women’s empowerment: (i) the integrated development approach, which focused on women’s survival and livelihood needs; (ii) the economic development approach, which aimed to strengthen women’s economic position; and (iii) the consciousness approach, which organized women into collectives that address the sources of oppression.

Empowerment is a comprehensive process, and is not therefore, something that can be given to people. The process of empowerment is both individual and collective, since it is though involvement in groups that people most often being to develop the awareness and the ability to organize to take action and bring about change.

1.3 Categories of Empowerment

The approaches for empowerment of rural women can be divided into five broad categories.

1.3.1 Health Empowerment
1.3.2 Educational Empowerment
1.3.3 Economic Empowerment
1.3.4 Social Empowerment
1.3.5 Political Empowerment
1.3.1 Health Empowerment

Health and nutrition are two very important basic needs for empowerment of rural women. To achieve real and quick development in health sector, an extensive and as well as intensive Health Education and Awareness Campaign (HEAC) needs to be given top most priority and it should mainly stress on nutritional education, benefits of immunization, family planning etc. women should have access to comprehensive, affordable any quality health care. Healthy women can lead the family healthily and again it leads to healthy society and further overall healthy country. A healthy environment can lead the country economically forward.

1.3.2 Educational Empowerment

Although education is essential for everyone but in case of women it is particularly significant. Education is the key for liberate and equip women to take control of their lives. Education plays an important role in bringing about awareness on women’s rights. Educating women is one of the most effective means to counter gender discrimination and enhance status of women and higher education would contribute much more effectively in abolishing gender inequality. Education helps women to know their rights and to gain confidence and develops their skill and knowledge. They have gain better jobs and through that gain better income and they recognize the importance of the health care and lead healthy families. Education is not only to open up vast avenues and opportunities for growth but affects families and future generations as well.

1.3.3 Economic Empowerment

Economic empowerment is undoubtedly the key and it may leads to all other kinds of empowerment. Economic empowerment endorses women’s sense of work, the right to determine choices, the power to control their own lives within and outside home and their ability to influence the direction of social change and to create a just social and economic order nationally and internationally. Economically empowered women contribute to the wealth and wellbeing not only of their families but also of their nations.
1.3.4 Social Empowerment

To attain social empowerment all women should have the social equality, which includes equality in treatment, in respect, in opportunity, in recognition and above all equality of status. It basically entails a change in perception, attitudes and values. Empowering women socially contributes to social development. Economic progress in any country whether developed or under developed could be achieved through social development.

1.3.5 Political Empowerment

Till the end of the nineteenth century women in India were crushed under the weight of customs. They were socially suppressed, economically dependent and politically powerless. Politically women are less conscious, less articulated and less active. The educational, social and economic empowerment leads to the further attainment of political empowerment among women. Then only women can move forward towards political issues and understand their rights and get freedom in the society and it will lead women participation in politics and economic growth.

After independence, the Government of India realized the importance of the development of women, as they constitute nearly 50 per cent of the total population, and attempted to integrate women with the main stream of socio-economic development. Nevertheless, women are lagging behind in getting their rightful share in all developmental activities. The reasons are: economic dependence, low literacy and education, poverty, existing social structure and discrimination against women. A significant step in the political empowerment of women was also made through 73rd and 74th Amendments of 1993 for the advancement of women with the reservation of 1/3 of the seats in local bodies in rural areas as well as in urban areas for women.

1.4 Self Help Groups and Women Empowerment

For the development of women the Government of India evolved many women centered development programmes. The benefits derived from these programmes remained a challenge. To meet the inadequacy in response, the strategy in the 1990s shifted from development of women to women empowerment by giving them a voice in the decisions that affect their lives. It leads to implement the group
strategies for women empowerment. Empowerment of women through SHGs strategy is a novel approach in development planning. Self-Help Group is considered as a strategy evolved by the developing nations to empower women especially rural women to leap from the state of powerlessness to powerfulness. The vision of the Self-Help Groups’ movement is to empower rural poor women for overall development of the country.

The movement of SHG was started with the introduction of DWCRA programme in Andhra Pradesh. The mission of this movement is to make women manage themselves for social mobilization, to create self confidence, rise their self esteem through participation in socio-economic and political spheres of life. Lastly to institutionalisation of the SHG programme, it was proposed to sustain the groups. The formation of SHGs of women with participatory approach has been started overcoming the social barriers of religion and caste for working together harmoniously for economic betterment and empowerment of women.

Self-Help Group Programmes are currently being promoted as a key strategy for simultaneously dealing with both poverty alleviation and women’s empowerment. Self-Help Group is a small and economically homogeneous and affinity group of 10-20 members, mostly women belonging to rural poor, voluntarily coming together for mutual benefit and support with thrift and credit as entry point. Approach of the group towards poverty alleviation should be self-help others, that is they should help the poor to help themselves. Women SHGs play an essential role in enhancing the knowledge, skill and good attitude of their members in working together for social and economic uplift of their families and communities.

People’s participation in credit delivery and recovery and linking of formal credit institutions to borrowers through intermediaries of SHGs have been recognized as a complementary mechanism for providing credit support to the rural poor. In India SHGs are mushrooming in almost all parts of the country. The microfinance programme in India has emerged as not only the fastest growing and also the largest in the world having covered over 103 million poor households’ access to a variety of sustainable financial services from the banking system by becoming members of nearly 8 million SHGs by end of March 2012. The balance in the saving accounts of
the banks at the end of March 2012 stood at Rs. 6,551.41 crore. Among the regions, southern region is highest at Rs. 10,080 per SHG.

However, many studies reveals that still there exists a wide gap between the goals enunciated in the constitution, legislation, policies, plans, programmes, and related mechanisms on the one hand and the status of women in India, while Indian economy has grown up since 1991, the participation of women in this economic growth has been negligible and the trickle down effects of macroeconomic policies have failed to resolve the problem of gender inequality. After independence, India’s economic growth is remarkable in its reach and impressive for pulling millions out of poverty but women are still missing at almost in every level of life. Hence, the loss in Gross Domestic Product (GDP) that India incurs as a side effect of low female economic participation is a major drag on its overall economic performance. In many parts of India women are viewed as an economic liability despite contributing in several ways to our society and economy. India’s policies and projects for women are found to be woefully inadequate. Women are discriminated socially because of lack of education and experience. Despite rapid economic growth, the lack of ability of women to play a part in the Indian economy remains as deep and persistent as ever.

1.5 Research Problem

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. The role of women in development is most intimately related to the goal of comprehensive socio-economic development and it is a strategic way for the development of all societies. Any development strategy that neglects the need for enhancing the role of women cannot lead to comprehensive socio-economic development. The point of importance is to recognize the role of women as a dynamic factor and a valuable asset for the overall process of development. Empowerment of women in health, education, economic, social and political spheres is expected to bring the change in development of a country.
The Self-Help Group approach is a new paradigm into the field of rural development whose main objectives are to increase the well-being of the poor people, provide access to resources and credit, increase self-confidence, self-esteem and increase their creditability in all aspects of lives. Self-Help Group is a voluntary and self-managed group of women, belonging to similar socio-economic characteristics, who unite together to promote savings among themselves. The poverty alleviation intervention of the SHG is in the form of undertaking economic programmes to provide employment, giving micro finance services to the poor so that they can get themselves acquainted with skills and occupational diversification. Further, micro-credit through SHGs is expected to play an ever increasing role in approaches to poverty alleviation and women’s emancipation. From its inception, micro-credit through SHGs generated a great deal of interest from economic theorists. Though, few, sought to explain the economic foundations of this novel lending mechanism. Yet empirical research testing these theories was for a long time largely absent. Recently, the area has seen a surge of empirical work. The impact of a particular micro-credit through SHGs has remained, by and large, distinct from the existing body of theory.

A theoretical framework for this study is that explains the decline in poverty in the absence of productive economic opportunities and to show that SHG member households are likely to perform independently towards productive opportunities as compared to the situation before they become SHGs (control households). Based on the discussion in the study with a simple analytical framework presents the effect of SHGs on household poverty. More specifically, this study examines why and how a household’s participation in a SHG may influence a household’s ability to combat poverty.

Absence of productive economic opportunities faced by low-income households increase their vulnerability making poverty even more unbearable. India’s National Bank for Agriculture and Rural Development (NABARD) initiated Self-Help Group programme, which is at present the largest and fastest growing microfinance programme in the developing world, has been aggressively promoted as a way of combating poverty. This is to investigate how far SHG participation results in reducing poverty and improved the status of women. A theoretical framework is
developed to examine the mechanism through which the monetary and non-monetary effects of the SHG programme on the beneficiaries’ earnings and empowerment influence their households’ ability to manage to realize their potential.

The impact of the SHG programme can be seen in two dimensions. The first is in poverty alleviation. This impact cannot be captured at one point of time in a conclusive manner. There has to be a sustained upward trend in moving away from poverty for the families of targeted members and the process of poverty alleviation should be studied. The second dimension of the impact of programme is the empowerment of the poor and of women in particular. An increase in income, assets of livelihood do not necessarily lead to ‘empowerment’ in the true sense. Any intervention, such as participation in a SHG and access to micro credit, will shift five spaces in a person’s life--economic, physical, socio-cultural, political and mental. Impact will lead to empowerment if the non-mental spaces are instrumental in increasing mental spaces in such a way that action and voice are generated to improve the quality of life.

1.6 Need for the Study

Micro finance through Self-Help Groups has become the primary policy tool used by the post liberalization state to fulfill the credit needs of the poor. Andhra Pradesh (A.P) stood first among all the states in women empowerment programmes starting from equal property rights for women, implementation of reservation in jobs and educational institutions as well as political reservations in local self Governments. The DWCRA programme in Andhra Pradesh has been rated number one in the country in terms of mobilizing women for social, political and economic development of the poorest of the poor families in rural areas. With the World Bank funding, the Government changed the name of the DWCRA programme as “Velugu” and later on the Government changed it to as Indira Kranti Patham (IKP) in 2005. Society for Elimination of Rural Poverty (SERP) is implementing Indira Kranthi Patham. At present there are 1,16,31,866 SHG members, who are organized and formed as in 10,60,846 SHGs organized into 38,821 Village Organizations (VOs) and 1099 Mandal Samakhyas (MSs).
At the same time in Andhra Pradesh as per 2011 census, nearly half of the total percentage of population is women and 70 per cent of them residing in rural areas. According to National Human Development Report 2001, Andhra Pradesh got 10th rank in the Human development Index (HDI) with the HDI value of 0.416 among the 15 major states in India. According to Andhra Pradesh Human Development Report 2007, Andhra Pradesh’s Human Poverty Index (HPI) value is 0.469, Gender Development Index (GDI) value is 0.620 and Gender Empowerment Measure Index (GEMI) value is 0.618. Hence, Andhra Pradesh is in below the average level in both the HDI and HPI and there is above average level in the GDI and GEMI. This shows that still there exists a wider gap between the goals enunciated in the policies, and the status of women in Andhra Pradesh, while economy has bloomed since 1991, the participation of women in this economic growth has been negligible and the trickle down effects of macroeconomic policies have failed to resolve the problem of gender inequality. After independence, economic growth in the country and as well in the state is remarkable in its reach and impressive for pulling millions out of poverty but women are still missing at almost in every level of life.

Although Self-Help Group Programmes are taken as a key strategy for dealing with poverty alleviation and women’s empowerment, its impact on the overall women development is found to be a subject matter of discussion for many researchers. The government of Andhra Pradesh has said to be a role model in initiating this programme more effectively when compared to other regions. Yet despite the attention paid to the programme, the result remains a bit of a mystery. In this background there is a need to study the impact of SHGs on the changing status of women in backward districts of Andhra Pradesh where the programme initiated two decades ago and it is the time to make suggestions to the existing policy. The timely correction of policy measures will lead to success of the programme.

Further, there is dearth of literature regarding the impact of SHGs on the changing status of women in recent past. Against this background it is proposed to study the impact of SHGs on women empowerment and on the eradication of poverty in the selected backward districts of Andhra Pradesh with the following objectives.
1.7 Objectives of the Study

The major objectives of the present study are as follows:

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 women.
3. To examine the impact of Micro-credit through SHGs on poverty.
4. To assess the impact of SHG programme on women empowerment.
5. To identify the problems of SHGs so as to suggest the remedial measures for their sustained growth and contribution to the empowerment of women and poverty eradication of rural women.

1.8 Hypothesis

Following hypotheses have been empirically tested:

H1. SHGs are playing crucial role in the changing status of women in Andhra Pradesh.

H2. The impact of SHGs on poverty and the standard of living is positive.

H3. SHGs improve the empowerment of Andhra Pradesh rural women.

1.9 Selection of the Study Area

The study area includes geographical area noted as Andhra Pradesh Political area. Andhra Pradesh is selected as the study area based on the following reasons. Andhra Pradesh in India is the first state that started the DWCRA programme in 1983. Later it was developed as the SHG-Bank Linkage Programme (SBLP). In the year 2005 it was named as Indira Kranthi Patham. Andhra Pradesh is the first state in the implementation of SHG programme in India. It has the half of the share in number of SHG groups and Andhra Pradesh is in the forefront under SHGs promotion through micro-credit. The major share holders in this movement are rural women.

1.9.1 Sampling Design

A stratified multi stage random sample method is used for the purpose of the study. In the first stage, state is divided into three geographical regions based on the socio-economic levels of development. Then districts in each region is ranked on the basis of Gender Empowerment Measurement Index, Gender Development Index, the total number of women SHGs in Andhra Pradesh, the total Andhra Pradesh women
SHG population and the percentage of female population in Andhra Pradesh covered by SHGs as per 2011 population census. Andhra Pradesh Human Development Report (APHDR, 2007) is the main source used to get the GEMI and GDI ranks of all districts in Andhra Pradesh. While the SHG information is taken from the Society for Elimination of Rural Poverty (SERP) report as on 31st March, 2011. Based on the rankings as shown in table 1.1 three districts are selected as sample districts from the three regions of Andhra Pradesh. From each region one district is chosen as the sample district; Srikakulam district is selected as sample district from Coastal Region, Mahabubnagar district is chosen from Telangana Region and Ananthapur district is selected from Rayalaseema Region. Totally three districts are represented as the sample districts from the whole Andhra Pradesh. The ranking of the sample districts is given in the table 1.1.

Table-1.1
District Ranking

<table>
<thead>
<tr>
<th>Region</th>
<th>District</th>
<th>Gender Empowerment Measurement Index Ranks (GEMI)</th>
<th>Gender Development Index Ranks (GDI)</th>
<th>Total Number of SHGs Ranks *</th>
<th>Total Number of SHG Women Members Ranks *</th>
<th>Female population covered by SHGs Ranks**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coastal</td>
<td>Srikakulam</td>
<td>14</td>
<td>21</td>
<td>15 (45,014)</td>
<td>14 (4,18,672)</td>
<td>4 (32.77)</td>
</tr>
<tr>
<td>Telangana</td>
<td>Mahabubnagar</td>
<td>23</td>
<td>23</td>
<td>11 (52,833)</td>
<td>7 (5,13,599)</td>
<td>11 (29.66)</td>
</tr>
<tr>
<td>Rayalaseema</td>
<td>Ananthapur</td>
<td>17</td>
<td>19</td>
<td>8 (54,421)</td>
<td>11 (4,55,571)</td>
<td>15 (25.58)</td>
</tr>
</tbody>
</table>

Note: i. * figures in parenthesis are numbers.
ii. ** figures in parenthesis are percentages of female population covered by SHGs as per 2001 population census.

In the first stage one district which has lowest rank in terms of selected parameters is chosen from each region such that three districts are selected on the basis of ranking from each of the three regions of Andhra Pradesh. One district is selected from each region. In the second stage one mandal is selected at random from the selected district. In the third stage one village is selected at random from the selected mandal of each district. In the fourth stage hundred SHG members, who have taken minimum of four bank linkages and above are selected at random from each village. A proportionate random sample is used while choosing the hundred SHG
women respondents such that sample respondents of different castes selected in proportion to their total SHG members in that particular sample village. Finally, a sample of three hundred women SHG members is randomly selected under SHG scheme from the selected districts of Andhra Pradesh. The sample design is presented in the following table 1.2.

Table-1.2
Sample Design

<table>
<thead>
<tr>
<th>Name of the Region</th>
<th>Name of the District</th>
<th>Name of the Mandal</th>
<th>Name of the Village</th>
<th>Total Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coastal</td>
<td>Srikakulam</td>
<td>Rajam</td>
<td>Boddam</td>
<td>100</td>
</tr>
<tr>
<td>Telangana</td>
<td>Mahabubnagar</td>
<td>Waddepalli</td>
<td>Rajoli</td>
<td>100</td>
</tr>
<tr>
<td>Rayalaseema</td>
<td>Ananthapur</td>
<td>Gooty</td>
<td>Chetnepalli</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total 300</td>
</tr>
</tbody>
</table>

1.10 Source of Data

Both primary and secondary data used for the analysis of the study. Information regarding to the before and after the credit programme is collected. The primary data collected from three hundred sample members of SHGs by personal interview. This study tries to address two broad areas of enquiry: the role of SHGs in poverty eradication and empowerment of women. The importance pertaining to women’s age, education qualifications family status, number of family members, family income, expenditure, and women subsidiary income, women’s participation in health, education, economic, social and political aspects are collected by using a well structured questionnaire through schedule method. The data collection has done during December 2011 to May 2012.

The secondary data is obtained from various books, journals, articles, published Government reports from National Bank for Agricultural and Rural Development (NABARD), Society for Elimination of Rural Poverty (SERP), Indira Kranthi Patham (IKP), District Rural Development Agency (DRDA), Ministry of Rural Development (MoRD) and various Census Reports, Statistical Abstract of Andhra Pradesh and Government Organizations, etc.
1.11 Analytical Techniques

For the statistical analysis of the data pertaining to the study, major part of the thesis is based on tabular analysis. Percentages and mean figures are used to analyze the data. The descriptive and analytical statistical techniques are used to estimate the impact of microfinance through SHG programme. Index number method is used for estimate the indices of Poverty Eradication Index (PEI) and Women Empowerment Index (WEI). Constructing the Poverty Eradication Index and Women Empowerment Index based on the primary data will help to assess the working of the SHG programme in eradicating the rural poverty and empowerment of women.

1.12 Organization of the Study

The total study is organized into nine chapters. Introduction to the study is presented in Chapter-I. Chapter-II represents the review of literature of the past studies done on the women empowerment through SHGs. Chapter-III deals with profile of the study area. Chapter-IV analyzes the origin, growth and structure of SHGs. Chapter-V deals with the socio-economic profile of the sample SHG members in the study area. Chapter-VI studies the organization and management of Self-Help Groups and its impact on socio-economic status of women. Chapter-VII corresponds to the estimation of the impact of SHGs on poverty eradication. The impact of SHGs on women empowerment is analyzed in Chapter-VIII. Summery, conclusions and suggestions will be given in the Chapter-IX.

1.13 Limitations of the Study

The study has taken with a sample size of hundred SHG members in each district, thus three hundred SHG members in all the three districts put together.

- This study is based on the data collected from the field and on the published secondary data.
- The study findings are based on the limited coverage of three districts.
- The facts presented are based on the information provided and discussion held with the stakeholders.
- Empowerment is assessed on the basis of opinion of the respondents.
- Since objective of this study was to carry out detailed assessment of aims and objectives of the study, being a sample study, district wise analysis may be able to give skewed results.