



MICRO FINANCE THROUGH DWCRA GROUPS WITH REFERENCE TO WARANGAL DISTRICT IN ANDHRA PRADESH

V.Vishnukanth Rao¹, B. Madhavi²

¹Department of Business Studies, Nizwa College of Technology, Nizwa, Sultanate of Oman.

²Tirumala Engineering College, Bogaram, Kesara, R.R.District, Andhra Pradesh.

Corresponding Author E-Mail: ¹vishnu1301@gmail.com

ABSTRACT

Microcredit is the grant of small loans to groups of poor people, especially women, for the purpose of investing in self-employment programs, improving earning ability and standard of living of the poor, in this process DWCRA program has experienced a remarkable growth during last few years. In this paper, an attempt has been made to study the impact of DWCRA program on the lives of women living in rural areas and to understand the importance of micro finance as an instrument for poverty alleviation. Respondent's role and responsibilities, to study how the respondents overcome the problems after joining DWCRA groups and comparison between other DWCRA groups have been tested by applying Mean and Standard Deviation in relation to age and caste separately. The results show that DWCRA women were able to provide added income to their families to overcome some of the social and family problems.

Key words: DWCRA, microcredit, self-employment programs, poverty alleviation.

Introduction

Microcredit is the grant of small loans to groups of poor people, especially women, for the purpose of investing in self-employment programs, improving earning ability and standard of living of the poor. There is a greater reduction in poverty when microcredit programs are combined with increased access to basic social services than the programs focus on credit alone. When microcredit is connected with access to basic social services and key social development messages, the health and nutrition of borrowers' children – mainly girls – improves; school enrolment increases; safe water and sanitation use expands. This combined approach, therefore, is an important strategy for achieving the year 2000 goals for children. Microcredit also empowers women, by enabling them to make economic decisions and become the source of increased household income. Experience shows that with the empowerment of women some significant improvements in children's survival rates, health, nutrition and development observed. Successful experiences with microcredit involve a combination of credit and savings.



In September 1982, the Government of India (GOI) launched the Development of Women and Children in Rural Areas (DWCRA) program under the Integrated Rural Development Program (IRDP). Though the program was not successful in the rest of the country, but it was successful in Andhra Pradesh. The Government of Andhra Pradesh has taken up the theme of women's empowerment as one of the strategies to tackle the socio-economic poverty. Women have taken up DWCRA movement through savings as a mass movement – a path selected by them to shape their destiny for improvement. Development Agenda of the State in the last few years placing the people, especially women in the fore – front has enabled formation of a huge number of SHGs and DWCRA groups throughout the State and majority of women are saving one rupee a day. The State Government is consciously making an effort to support SHGs and DWCRA groups by providing Revolving Fund/Matching grant under various programs.

Women were increasing awareness towards their rights and socially responsible. According to newspaper reports, DWCRA had made rural women realize the significance of education. The number of girls going to schools also increased due to this awareness.

SHGs – A Movement in Andhra Pradesh

There are around 4.65 lakhs women SHGs in Andhra Pradesh covering nearly 61.70 lakhs poor women. Andhra Pradesh alone has about half of SHGs organized in the country. The SHGs are generally called DWCRA Groups, and this name became popular after the DWCRA program (Development of Women and Children in Rural Areas) through which women's groups were helped initially. The SHGs are not only resorting to saving but also taking small loans from the corpus available with the group. The group corpus consists of savings, government assistance and also bank loan. Members use the loan out of group corpus for their personal needs initially. However in the long run such loans are utilized for income generation activities. Since inception these groups mobilize an amount of Rs.1956.90 crores as corpus.

FEATURES OF SHGs

Generally, SHGs encompass several activities of men and women but the Indian focus is on financial aspects of SHGs, in addition to India, this financial SHG concept is being encouraged in Bangladesh, Indonesia, Thailand, Philippines, Nepal, Srilanka, etc. the salient features of SHGs are.

- i) Homogenous in terms of economic status, interest and affinity group.
- ii) Small in size and their membership per group range from 10 to 20 people.



- iii) They are non-political, voluntary and follow democratic culture.
- iv) They hold weekly meetings and mostly during non-working hours.
- v) They have the transparency among themselves and they have the collective accountability of financial transactions in the group.

FUNCTIONS OF SHG

- i) Conduct regular weekly meetings
- ii) Promote saving attitude habit among the members.
- iii) Indulge in credit management.
- iv) Build common fund slowly and systematically and
- v) Establish linkage with bank and government department.

Microcredit to DWCRA Groups

MICRO credit summit conducted in 1997 in Washington resolved to reach 100 million poor women by 2005 all over the world. In Andhra Pradesh alone, 61.70 lakh women were covered under microcredit with a saving of a rupee per day and the financial institutions extending loans up-to 4 times to the amount of group savings.

Economic Empowerment of DWCRA Groups

Nearly 60% of the women take up economic activities related to agriculture and related activities. Land lease for growing agriculture crop is a common practice in the 9 Telangana districts (except Hyderabad). Food crops and pulses, Vegetable and Flower cultivation, oil seeds cultivation is taken up on leased lands. Similarly rearing of ram lamb, calves, chicks, piggery and duckery, dairy, value addition to milk and milk products are preferred by women agriculture labourers. Uneducated and unskilled women engage in small business activities. Nearly 20% of the DWCRA members are artisans and engaged in making handicrafts and handloom products.

Impact of DWCRA Program

According to reports, DWCRA program had a positive impact on the lives of the rural women. According to a study undertaken by the government, DWCRA women were able to provide an extra income to their families. This improved the standard of living of the families



and reduced their dependence on moneylenders to a great extent. It was also reported that women who were members of DWCRA are aware of the need for immunization and were open to ideas such as family planning and education of the girl child.

However, most of the people were convinced about the success of the DWCRA program. Some analysts were critical about the role played by the government. They felt that the government was using DWCRA as a political weapon rather than to change the lives of the rural poor. They also pointed out that lack of training and failure to adapt to industry's needs, would lead to the unavoidable failure of some of the DWCRA groups. In spite of all these criticisms, it was generally accepted that the DWCRA program had been successful in bringing about much needed change and awareness among the rural women.

The present study gives an overview of the DWCRA program in Pembrothy village, its influence on the lives of rural women living in the village and to understand the importance of micro finance as device for poverty alleviation in rural areas.

REVIEW OF LITERATURE

Vijay D.kulkarni has described in his article "*Empowerment of women through self help groups*", the difference between women who have become part of SHGs and those who are not members of the SHGs from the same village. Empowerment has taken place across caste/class. It has also helped to some extent to go beyond caste politics and brought them together as women (Vijay D.kulkarni 2000-2001, pp-32-36).

Barik.B.B and Vannan.P.P in their work "*Promoting self-help groups as sub-system of credit co-operatives*" have stated that SHGs can be developed as a sub-system to primary agricultural co-operative societies at village level. They have also discussed that by and large SHGs have been linked with commercial banks in the rural areas. However, the linkage with the co-operative credit system is proverbially poor, as such need of the hour is to make an earnest effort to bring about effective linkage with the co-operatives (Barik.B.B and Vannan.P.P 2001, pp-305-311).

J.P.Misra, R.R.Verma and Singh made an attempt to study the "*Socio-economic analysis of rural self-help groups scheme.*" The objectives of the study are to examine the socio-economic characteristics of self-help group, to examine the function and impact on generation of income, and employment, to identify the major constraints and problems of the group. The study



concludes that the major problems faced by the member of SHGs were lack of training, credit, marketing facilities, entrepreneurship, social evils and high rate of interest. It is suggested that the banks and credit societies should come forward to help the rural poor through the SHGs and provide liberalized credit facilities at cheaper rate of interest (J.P.Misra, R.R.Verma and Singh 2001, pp-44-47).

Bharat Dograhas presented in his article “*Women self help groups*” that almost all these women are from poor families, mostly from dalits and backward classes; while the increase of income is important, it is not the only aspect of these SHGs which is emphasized in undertaking several existing problems of villages and ways of over coming for the long-term success of self help groups that loans should be returned promptly (Bharat Dogra 2002,pp-40-42).

PrasantSarangihas mentioned in his article “*Self help groups*” that the self-help groups in our country have become a source of inspiration for women welfare. He has also highlighted that now a days, formation of SHG is a viable alternative to achieve the objectives of rural development and to get community participation in all rural development programmes. SHG is also a viable organized setup to disburse micro credit to the rural women and to encourage them to enter into entrepreneurial activities (PrasantSarangi 2003, pp-30-32).

Objectives of the Study

The study has been carried out with the following specific objectives:

1. To study the working and impact of DWCRA groups in the sample village.
2. To review the changes with regard to role and responsibilities of the respondents after joining in DWCRA groups.
3. To find out the major problems faced by the respondents.
4. To offer suggestions on the basis of the results of the study.

Methodology: The present study uses a blend of case study and survey methods. This case study was adopted to make a detailed analysis of micro-finance through DWCRA groups in Pembarthi village, Jangoanmandal, Warangal district, Andhra Pradesh. The researcher visited



the village in the months of August and September 2010. Data has been collected both from primary and secondary sources. Primary data was collected through an administered questionnaire, which was circulated to the selected respondents. This has been followed by personal interviews of informal nature. Secondary data is collected through various journals, books, Internet etc.

Sampling: Pembrothy village consists of 27 DW CRA groups out of which 25 groups are operational, on an average each groups has 10 members. A sample of 75 respondents was selected from 15 DW CRA groups spread over the village. As the researcher survey only one village so he took 60% of DW CRA groups, 50% respondents in each group and 30% of the total respondents as the sample of the study. Respondents for the study were selected by using random sampling technique. Statistical tools used for the study are percentages, mean, Standard deviation etc.

Analysis and Results: The results of the study are presented in three sections, viz. (1) Social Background (2) Profile of the DW CRA Groups (3) Role and Responsibilities of Respondents after Joining the DW CRA Groups.

I. Social Background of the Respondents: It is evident from Table 1 that it describes about the age classification of the respondents. Out of 75 respondents, 24% respondents are in the age group of 41-50 years and 21% respondents are in the age group of 31-40 years.

Table1: Age wise classification

Age	Frequency	Percent	Valid Percent	Cumulative Percent
Below 20	5	6.7	6.7	6.7
21 - 30	26	34.7	34.7	41.4
31 - 40	16	21.3	21.3	62.7
41 - 50	18	24.4	24.4	86.7
51 and above	10	13.3	13.3	100.0
Total	75	100.0	100.0	

This is quite interesting to note that older women are interested to join DW CRA groups. With regard to the remaining age groups, below 20 years has 7%, 21-30 has 35% and 51 and above has 13%. Hence, it can be observed that all irrespective of age are inspired to join DW CRA



group. Therefore, it is concluded that age is one of the important factor, which enables them to think clearly and act positively.

In Table 2 it gives the caste wise classification of the sample respondents. 59% of the respondents belong to B.C community. 24% of the sample respondents are established by S.C, 11% by O.C and 6% by S.T Communities. The sample village is dominates by B.C. community for this reason there are more B.C respondents.

Table 2: Distribution of respondents by caste

Social Class	Frequency	Percent	Valid Percent	Cumulative Percent
S.C	18	24.0	24.0	24.0
S.T	5	6.7	6.7	30.7
B.C	44	58.6	58.6	89.3
O.C	8	10.7	10.7	100.0
Total	75	100.0	100.0	

II. Profile of the DWCRA Groups: In Table 3 it presents the period of establishment of the DWCRA groups in the village. This also enables us to understand whether the establishment of the DWCRA groups encouraging the respondents or not. For the purpose of analysis the time period is taken from 1990 to 2010 above. But in that village the DWCRA groups were started from 1996 onwards. Out of 15 groups, 5 groups started during 1996-98, three each between 1999-2001 and 2008-2010. And the two groups are in between 2002–2004 and 2005-2007. It may be concluded that about 33% of groups are started before 1999 and encouraging the respondents.

Table 3: Period of establishment of the DWCRA groups

Year of Establishment	Frequency	Percent	Valid Percent	Cumulative Percent
1996 – 1998	5	33.3	33.3	33.3
1999 – 2001	3	20.0	20.0	53.3
2002 – 2004	2	13.3	13.3	66.6
2005 – 2007	2	13.3	13.3	80.0
2008 -- 2010	3	20.0	20.0	100.0
Total	15	100.0		

Table 4 indicates that family members and relatives played a major role in introducing them to DWCRA group with 36% and 29% respectively. Own initiation (18.7%) and leaders (16%).

**Table 4: Introduction to DWCRA group**

Members	Frequency	Percent	Valid Percent	Cumulative Percent
Own	14	18.7	18.7	18.7
Family members	27	36.0	36.0	54.7
Relatives	22	29.3	29.3	84.0
Leaders	12	16.0	16.0	100.0
Total	75	100.0	100.0	

Respondent's expectations in joining DWCRA groups are described in table5. For the purpose of analysis four factors are taken into consideration such as social security, economic conditions, combined benefit and no opinion, 48% of the respondents revealed that DWCRA groups should help them to achieve combined benefit, where as 28% for economic conditions and 17% for social security. And 7% of them had no opinion on expectations. From the table it may be concluded that almost all respondents are aware of the DWCRA group benefits.

Table 5: Respondent's expectations in joining DWCRA groups

Factors	Frequency	Percent	Valid Percent	Cumulative Percent
Social security	13	17.3	17.3	17.3
Economical conditions	21	28.0	28.0	45.3
Combined benefits	36	48.0	48.0	93.3
No opinion	5	6.7	6.7	100.0
Total	75	100.0	100.0	

Monthly savings of the respondents is examined in the table6. Nearly 70% of the respondents saved Rs.51 – 100 per month. Only one respondent saved Rs. 151 – 200. 24% and 5% saved below Rs. 50 and Rs.101 – 150. As rural areas have limited opportunities it is difficult for them to save more money after meeting bare necessities and it is proved by the study. It can be inferred from the table that all respondents are fulfilling the DWCRA norm of saving one rupee per day.

Table 6: Monthly savings of the respondents

Amount	Frequency	Percent	Valid Percent	Cumulative Percent
Below 50	18	24.0	24.0	24.0
51-100	52	69.3	69.3	93.3
101-150	4	5.3	5.3	98.7
151-200	1	1.3	1.3	100.0



Total	75	100.0	100.0	
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Matching grant received from government, bank, and others by DWCRA groups is shown in table 7. 73% of the respondents revealed that their group is receiving matching grant from authorities. The rest 27% of the respondents are not receiving the matching grant. For this reason 71% of the respondents took loans from DWCRA groups.

Table 7: Matching grant received from authorities

Opinion	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	55	73.3	73.3	73.3
No	20	26.7	26.7	100.0
Total	75	100.0	100.0	

Financial help received from DWCRA groups by the respondents is shown in table 8. 71% of them took loan from DWCRA groups and remaining 29% did not avail this opportunity.

Table 8: Financial help received from DWCRA groups

Opinion	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	53	70.7	70.7	70.7
No	22	29.3	29.3	100.0
Total	75	100.0	100.0	

The loan amount taken by the respondents is depicted in table 9. Out of 53 respondents 18 respondents received Rs.5001 – 10000 loans, whose percentage is 34% and 30% below Rs. 5000. 7.5% and 4% received Rs. 10001 - 15000 and 15000 – 20000 respectively. And nearly 25% of the respondents have received a good amount of Rs. 20001 – 25000. In rural areas a cattle rearing is the best business, and it is quite interesting to note that most of the respondents took loan to purchase cattle to do petty business.

Table 9: Loan amount received by the respondents

Amount	Frequency	Percent	Valid Percent	Cumulative Percent
Below Rs.5000	16	30.2	30.2	30.2
Rs.5001 –10000	18	34.0	34.0	64.2
Rs.10000-15000	4	7.5	7.5	71.7
Rs.15001-20000	2	3.8	3.8	75.5
Rs.20001-25000	13	24.5	24.5	100.0
Total	75	100.0	100.0	



Purpose of loan used by the respondents is described in table 10. Respondents used loan for different purposes like 32% of them used loan to purchase cattle, 22.7% for petty business, 18.9% to meet family problems and 11% for house construction. About 15% of the respondents spend the loan on children education, this shows their interest towards education.

Table 10: Purpose of loan

Particulars	Frequency	Percent	Valid Percent	Cumulative Percent
Petty business	12	22.7	22.7	22.7
Family problems	10	18.9	18.9	41.6
Children education	8	15.0	15.0	56.6
House construction	6	11.3	11.3	67.9
Cattle purchase	17	32.1	32.1	100.0
Total	53	100.0	100.0	

Respondent’s achievements after joining DWCRA groups is given in table11. 27 respondents fulfilled financial problem whose valid percent is 36 and cumulative percent 50.7. Next comes family 30.7% and social 14.7%. Respondents who fulfilled to achieve all the factors are 8% and for personal 10.7%. It may be concluded that women face number of problems in their day-to-day life and DWCRA groups helped them to overcome the problems and improved their livelihood.

Table 11: Respondent’s achievements after joining DWCRA

Factors	Frequency	Percent	Valid Percent	Cumulative Percent
Social	11	14.7	14.7	14.7
Financial	27	36.0	36.0	50.7
Family	23	30.7	30.7	81.3
Personal	8	10.7	10.7	92.0
All of the Above	6	8.0	8.0	100.0
Total	75	100.0	100.0	

Most of the respondents that is 64% improved themselves through their personal effort, 5% by DWCRA leaders, 13% and 7% through DWCRA members and authorities. Finally 11% of respondents revealed that political leaders helped them in their development after joining DWCRA groups (table12). On the whole it may be concluded that DWCRA leaders, political leaders and authorities are not playing crucial role in the development of the respondents.

Table 12: Members help in respondents development after joining DWCRA

Members	Frequency	Percent	Valid Percent	Cumulative Percent
DWCRA leader	4	5.3	5.3	5.3
DWCRA member	10	13.3	13.3	18.7



Personal	48	64.0	64.0	82.7
Authorities	5	6.7	6.7	89.3
Political leaders	8	10.7	10.7	100.0
Total	75	100.0	100.0	

Suggestions: Respondents should be given training for improving knowledge and skills, appropriate and sufficient supply of information and resources creating awareness about other opportunities etc. As far as DWCRA officials are concerned field workers strength is to be increased for ensuring adequate attention to target groups. Finally, it is suggested to establish regional (mandal) level training centers to leaders and members.

Conclusion: Women were becoming aware of their rights and socially responsible. DWCRA program had made rural women realize the importance of education. The number of girls going to schools increased due to this awareness. The results show that DWCRA members were able to provide an extra income to their families, overcome some of the social and family problems etc. Rural women are to be educated about the benefits they derived after joining DWCRA groups through different agencies. Finally, it was generally accepted that the DWCRA program had been successful in bringing about much needed change and awareness among the rural women.

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