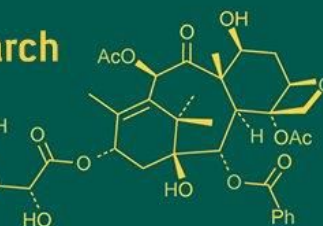
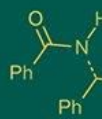


International Journal of Advanced Biochemistry Research



ISSN Print: 2617-4693
ISSN Online: 2617-4707
NAAS Rating (2025): 5.29
IJABR 2025; SP-9(8): 1007-1011
www.biochemjournal.com
Received: 01-05-2025
Accepted: 05-06-2025

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Critical assessment and performance evaluation of women self-help groups in Andhra Pradesh

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DOI: <https://www.doi.org/10.33545/26174693.2025.v9.i8So.5294>

Abstract

Persistent poverty remains a major challenge in India, with women constituting a significant part of the rural workforce. Self-Help Groups (SHGs), particularly under the microfinance model, have emerged as a key strategy for women's socio-economic empowerment. This study evaluated the performance of women SHGs in Andhra Pradesh, focusing on group maintenance, entrepreneurship development, and linkage and social development activities. The research employed an ex-post facto design and purposively selected Kurnool and Anantapur districts of the Rayalaseema region, covering 120 SHGs and 360 women respondents. Data were collected through a pre-tested structured interview schedule during 2024-25. Results revealed that 67.5% of SHG women exhibited high performance in group maintenance, 53.88% demonstrated medium performance in entrepreneurship development, and 92.5% recorded high performance in linkage and social development activities. Overall, 63.33% of SHGs achieved high performance, influenced mainly by strong group maintenance and social linkage activities, though entrepreneurship performance was moderate. The findings underscore SHGs' pivotal role in improving rural women's livelihoods and fostering community development, while highlighting the need for targeted interventions to enhance entrepreneurship capacities.

Keywords: Self-help groups, women empowerment, microfinance, performance evaluation, rural development

Introduction

Persistent poverty remains one of the fundamental challenges for any nation, and India is no exception. The holistic development of a country largely depends on sustained economic growth, which, in turn, plays a critical role in reducing poverty levels. In the Indian context, poverty eradication is closely linked to economic progress, facilitated by the proper flow of credit to both rural and urban communities. Women, as a vital segment of the workforce, significantly contribute to societal development and the national economy (Salia *et al.* 2018) ^[1]. Despite their hard work, many women struggle to earn enough to adequately support their families, highlighting the need for strong financial assistance to alleviate poverty and empower their lives. To address this, several policies and schemes have been implemented, among which the microfinance scheme holds particular importance. Microfinance aims to provide timely financial services and easy access to credit for low-income households and individuals (Ferdousi, 2015) ^[2]. By enabling self-employment opportunities, the scheme seeks to enhance the living standards of its beneficiaries and promote sustainable economic empowerment.

According to NABARD, the term microfinance is defined as "provision of credit, thrift and financial services offered to the poor customers to meet their financial requirement in rural, semi-urban and urban areas; with only qualification that (a) transactions value should be small and (b) customers should be poor". Microfinance scheme as a banking service has involved in rural advancement, self-employment generation, women empowerment and wealth creation (Zheng and Zhang, 2021) ^[3]. In India, Microfinance scheme was originated in various phases viz., social banking, financial systems approach and financial inclusion. In each phase, various microfinance models were initiated like Association model, Community banking model, Cooperative model, Credit union model, Individual banking model, Grameen joint liabilities groups, Self-help groups model, Village banking model, Rotating savings and credit model, Kisan credit card scheme (Sri and Srisailam, 2025) ^[4]. Among various models of microfinance, bank linked SHG program was the most important one for empowering

women in the rural areas. The bank linked SHGs in India originated from the Grameena Bank of Bangladesh, founded by Professor Mohammed Yunus in the year 1975 for providing credit to the rural households in Bangladesh (Rahman *et al.* 2017) [5]. The SHG model governs microfinance program in India. Self-help groups are small homogenous and informal groups of not more than 20 members in each group. The basic goal in forming up self-help groups was to promote credit, savings and thereby empower women beneficiaries in improving their living standards (Natung *et al.* 2025) [6].

Though SHGs empowered women to some extent, the success rate was an issue to be analysed thoroughly to assess the levels of empowerment in all aspects i.e., social, economic, psychological and political (Sinha and Navin, 2021) [7]. There were many studies on SHGs, women empowerment and microfinance but the literature on overall assessment of women performance by SHGs and impact of women empowerment by SHGs for strengthening the role of SHGs was not available (Mahato and Jha, 2025) [8]. So, it was a requisite to study the role of SHGs and their performance. Women empowerment was considered as one of the prime tasks for development of economy and the state government of Andhra Pradesh had been uplifting SHGs by engaging more women in rural areas (Apat and Mohapatra, 2025) [9]. Hence there was a need to study the role of self-help groups in women empowerment and their performance.

Methodology

For the present study, an ex-post facto research design was adopted. Andhra Pradesh was chosen as the study area since it ranked third in India in terms of the total number of self-help groups (SHGs) and their membership (Yadav *et al.* 2024) [10]. Within the state, the Rayalaseema region was purposively selected, as it accounts for nearly 42% of SHG formations. Two districts, Kurnool and Anantapur were chosen based on recommendations from the Society for Elimination of Rural Poverty (SERP), considering SHG density, performance levels, and frequency of loans availed. From each district, three mandals were purposively selected, based on their status as the first to implement the SHG programme under the United Nations Development Programme (UNDP). This resulted in a total of six mandals. Villages within these mandals were selected using a random sampling method. Five villages were chosen from each mandal, ensuring variation in distance from the mandal headquarters—one located close to the headquarters, one in the interior, and three situated in between. This yielded a total of 30 villages (15 from each district). From each selected village, four SHGs were chosen, and within each group, three members (one leader and two members) were randomly selected. This provided a sample of 12 women respondents per village. In total, 60 SHGs with 180 respondents were covered in each district, making a combined sample of 120 SHGs and 360 women respondents across both districts. Required information for the study was collected using a well-structured and pretested schedule through personal interview method. Data was collected during the year 2024-2025. Performance of self-help groups managed by the SHG women beneficiaries related to group-related activities for improving their living standards was analysed through this study. After comprehending the relevant literature, self-help group performance was

evaluated using group maintenance, entrepreneurship development activities, and linkage and social development activities. To evaluate SHGs performance, a set of statements were prepared with dichotomous responses 'Yes' or 'No'. A score of '2' was given for the response 'Yes' and a score of '1' was given for the response 'No'. Scores marked under all the subcategories were added for knowing the performance of self-help groups individual members (Mondal *et al.* 2025) [11]. All the selected beneficiaries were categorized into three groups namely high, medium and low by using standard deviation and mean score.

Results and Discussions

Performance among the Women SHGs Members

Group Performance

Group performance indicates the maintenance of SHGs by members in terms of meetings, attendance, record updating, account updating, member gatherings, regular savings etc. It could be seen from Table-1 that, more than two-thirds (67.50%) of SHG women respondents had high level of group performance. Less than one-fourth (21.38%) of the women respondents had medium level of performance in group maintenance and only 11.11 percent of the women had low level of group performance. It could be concluded that, majority (67.50%) of the SHG women perceived high-level performance in group maintenance. In both the districts, majority of the respondents had high level of performance in group maintenance i.e., Kurnool (58.88%) and Anantapur (76.11%). In Anantapur district, 11.66 percent of the respondents had medium-level performance, followed by 12.22 percent of low-level performance in group maintenance activities.

In the selected women self-help groups, group meetings were conducted regularly once a month (during the Covid-19 period) and all the members of the group attended group meetings. During monthly group meetings, a certain amount of funds were collected regularly by each member of the SHG as savings (however savings varied from group to group and place to place). The selected self-help groups-maintained records like bank passbooks, loan register, attendance register, savings register regularly and promptly. It was noticed that group activities of self-help groups were executed based on interest of all the members. All the members of the group had the right to make decisions regarding SHG activities (Survase and Gohil, 2024) [12]. Group maintenance activities were carried out promptly by leaders based on recommendations of the group members of SHG. All these factors might be the reasons for higher-level performance of women SHGs in group maintenance.

Table 1: Perceived group maintenance performance of the respondents

S. No	Category	Kurnool (N = 180)	Anantapur (N = 180)	Total (N = 360)
1	Low	18 (10.00)	22 (12.22)	40 (11.11)
2	Medium	56 (31.10)	21 (11.66)	77 (21.38)
3	High	106 (58.88)	137 (76.11)	243 (67.50)
Total		180 (100)	180 (100)	360 (100)

(Figures in the parenthesis indicates percentages to the total)

Entrepreneurship Development performance

It could be seen from Table-2, that, 53.88 percent of the SHG women respondents had medium level of performance in entrepreneurship development. About 30 percent of the women respondents expressed a high level of performance in entrepreneurship development, followed by (15.55%) low-level performance. It could be concluded that majorly (53.88%) SHG women perceived medium-level performance in entrepreneurship development activities. In both the districts, majority of the respondents had medium level of performance in entrepreneurship development activities with 49.44 percent in Kurnool and 58.33 percent in Anantapur. Percentage of respondents who had high and low levels of entrepreneurship development performance in Kurnool district was 32.22 percent and 18.33 percent respectively. In Anantapur district, 28.8 percent of the respondents had high-level performance, followed by 12.77 percent of low-level performance in entrepreneurship development activities. Most of the members of selected self-help groups had monthly savings of Rs. 100-Rs. 250 per month. Apart from this savings, an amount of Rs. 200 per year was collected as common fund from each respondent of the SHG, for meeting their traveling expenses incurred to attend meetings, for repaying the loan and savings amount in bank and for visiting NGO, SERP office.

After six months of self-help group formation, auditing is done by YSR KRANTHI PADAM (YKP-DRDA) to check account status of self-help group. If the status of SHG is good in repaying loan amount and in monthly savings regularly a basic amount of Rs. 50, 000 was sanctioned to self-help group by the concerned bank. Remittance history of the loan amount was monitored by YKP, regularly. After finishing repayment of loan amount SHG will be eligible for second grading (SHG was eligible to take higher loan amount of Rs. 1 lakh to 3 lakhs). Up-gradation of SHG to higher loan amounts made women start their own enterprises with the objective of entrepreneurship development.

YKP monitored SHG activities in monthly meetings and cross-checked the purpose of loan taken by members regarding the enterprise. YKP trained SHG members in running their enterprise in a profitable way. Most of the respondents revealed that, through SHGs they started their own enterprise, earned considerable profits, improved savings patterns, and repaid loan amounts promptly. All these factors were the reasons for medium level of

performance in entrepreneurship development activities (Biju and Tantia, 2024) ^[13]. Higher level of entrepreneurship development performance was due to achievement motivation, economic motivation, and credit orientation of SHG members.

Table 2: Perceived entrepreneurship development performance of the respondents

S. No	Category	Kurnool (N = 180)	Anantapur (N = 180)	Total (N = 360)
1	Low	33 (18.33)	23 (12.77)	56 (15.55)
2	Medium	89 (49.44)	105 (58.33)	194 (53.88)
3	High	58 (32.22)	52 (28.88)	110 (30.55)
Total		180 (100)	180 (100)	360 (100)

(Figures in the parenthesis indicates percentages to the total)

Linkage and social developmental performance

During pandemic outbreak, most of the self-help group women participated in coronavirus awareness programs, sanitation work, distribution of masks, clustering covid affected areas, and conducting vaccination drives in their villages (Mundra *et al.* 2025) ^[14]. Successful SHG women members named as 'Resource Person' were selected by the YKP-NGO and were sent to other countries (Israel, Iran, Sri Lanka, Andaman & Nicobar) for a period of three months for guiding, mobilizing, and motivating women who were below the bottom of pyramid level. Resource person shared their experience on how joining SHG had improved their standard of living. Through SHGs, women also addressed social issues like child labour, child marriage, women harassment, and superstitious beliefs (Muyal *et al.* 2025) ^[15]. All these factors influenced women respondents' performance in linkage and social development activities (Mawalla and Isaac, 2025) ^[16].

It could be seen from Table-3, that, 92.5 percent of the SHG women respondents expressed a high level of performance for linkage and social development activities and less than one-tenth (7.5%) of the women had low-level performance in linkage and social development activities. In both the districts, percentage of women respondents expressed high (92%) and low-level (7%) performance in linkage and social development activities was the same.

Table 3: Perceived linkage and social developmental performance of the respondents

S. No	Category	Kurnool (N = 180)	Anantapur (N = 180)	Total (N = 360)
1	Low	13 (7.30)	14 (7.77)	27 (7.50)
2	Medium	-	-	-
3	High	167 (92.70)	166 (92.22)	333 (92.50)
Total		180 (100)	180 (100)	360 (100)

(Figures in the parenthesis indicates percentages to the total)

Overall Performance perceived by SHG women

It could be seen from the Fig-1 that, more than fifty percent (63.33%) of the SHGs had high-level performance, followed by medium-level (25%) and low-level (11.66%) performance. In Kurnool district, 61.11 percent of women expressed high performance, followed by 26.66 percent of medium and 12.22 percent of low-level performance. In Anantapur district, 65.55 percent of women had high performance, followed by medium (23.33%) and low (11.11%) levels of performance. Higher performance of SHGs in group maintenance activities and linkage of social development activities and medium performance in entrepreneurship development would have been the influencing factors for the high overall performance of SHGs as perceived by the women beneficiaries of self-help groups (Kapoor and Saikia, 2025) ^[17].

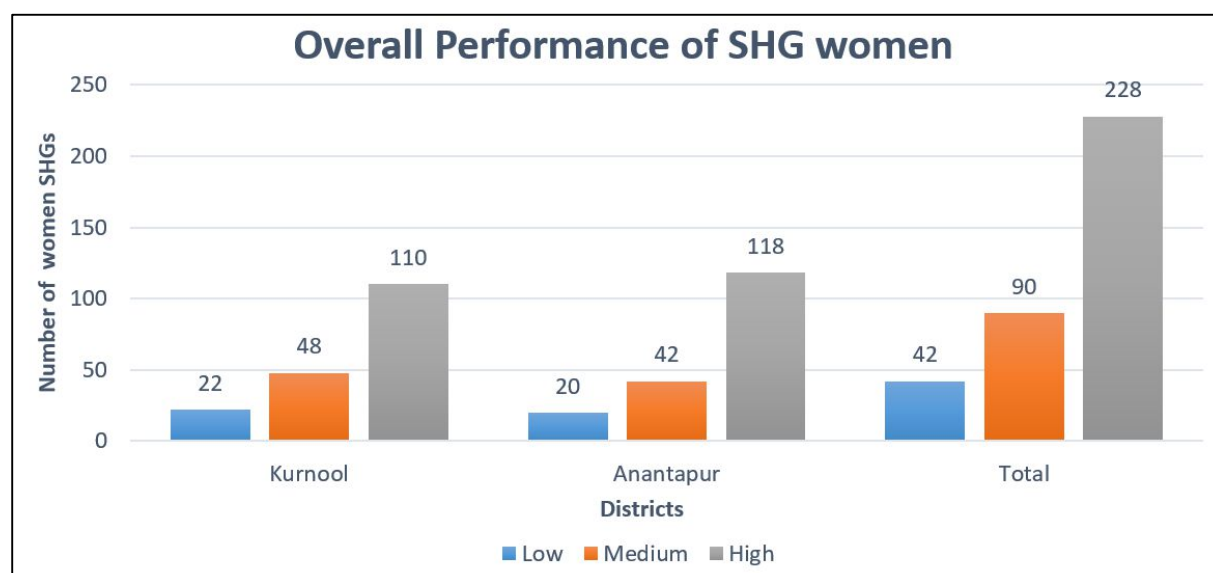


Fig 1: Overall Performance of SHG women

Conclusion

Results revealed that more than two-thirds (67.5%) of the SHG women respondents opined for a high level of group maintenance performance and 53.88% of the SHG women respondents had medium level of performance in entrepreneurship development. It could be concluded that, 92.5 percent of the SHG women respondents had high level of performance for linkage and social development activities. More than fifty percent (63.33%) of the SHGs had high-level performance followed by medium-level (25%) and low-level (11.66%) performance. Higher performance of SHGs in group maintenance activities and linkage of social development activities and medium performance in entrepreneurship development would have been the influencing factors for the high overall performance of SHGs as perceived by the women beneficiaries of self-help groups.

Conflicts: No conflicts of interest.

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