



# Impact of Income Generating Activities on Self-Help Groups Members of Mahabubnagar District of Telangana, India

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## **Authors' contributions**

*This work was carried out in collaboration between both authors. Both authors read and approved the final manuscript.*

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## **ABSTRACT**

Whereas there is ample evidence that the Self-Help Groups (SHG) approach is a very effective, efficient, and relevant tool for organizing and empowering the poor, do arise with the design, development, and introduction of programs to promote income-generating activities (IGAs) that will generate sufficient, sustainable and regular income. Mahabubnagar district is one of the 33 districts in the Indian state of Telangana. The district is situated in the Southern Telangana region of the state. The administrative headquarters of the district is situated at Mahabubnagar Urban. The wide range of agricultural activities and allied sources undertaken by the SHG members in the study 11.11 per cent of respondents had dairy and 8.33 per cent of respondents had piggyery meager

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proportion of respondents 6.66 per cent had gone for goattery production. A maximum of less than half 34.44 per cent of the respondents had paddy cultivation as their primary occupation followed by vegetable cultivation engaged by 22.77 per cent of the respondents and 20.00 per cent of SHG members were also involved in sugarcane cultivation. More than one-tenth 15.00 per cent of respondents had gone for banana cultivation whereas a meager proportion of respondents 7.22 per cent had gone for vermicompost production. Several respondents were engaged in individual sources apart from their group to be involved in tailoring 18.88 per cent, pickles making 16.66 percent and toys making 13.88 per cent, Regarding group based activity, napkin preparation 15.00 per cent, curry leaf powder preparation 11.12 cent, foot mat preparation 10.00 per cent and areca plate preparation 10.55 per cent were the major income generating activities found in the study area.

*Keywords: Income generating activities; self-help groups.*

## 1. INTRODUCTION

“This SHG is the dominant microfinance methodology in India. The operations of 15-20 members SHGs are based on the principle of revolving around the member's savings. External financial assistance MFIs or banks- augments the resources available to the group-operated revolving fund. Saving thus precedes borrowing by the members. In many SHG programs, the volume of individual borrowing is determined either by the volume of member savings or the savings of the group as a whole” [1]. “Self-help groups (SHGs) play today a major role in poverty alleviation in rural India. A growing number of poor people (mostly women) in various parts of India are members of SHGs and actively engage in savings (in actual term Thrift) and credit (S/C), as well as in other activities (income generation, natural resources management, literacy, child care, and nutrition, etc.)” [2,3]. “The S/C focus in the SHG is the most prominent element and offers a chance to create some control over capital. The SHG system has proven to be very relevant and effective in offering women the possibility to break gradually away from exploitation and isolation. Almost all major donor agencies support SHGs in India in one way or another and many success stories are available, describing how membership in an SHG changed the life of a particular individual or group for the better. Many NGOs are promoting the SHG mechanism and linking it to various other development interventions. Whereas there is ample evidence that the SHG approach is a very effective, efficient, and relevant tool for organizing and empowering the poor, do arise with the design, development, and introduction of programs to promote income-generating activities (IGAs) that will generate sufficient, sustainable and regular income” [4,5].

## 2. METHODOLOGY

This chapter of the study describes the details of methods and procedures followed during the present investigation. This also includes the construction of measuring devices used for data collection and statistical analysis. Mahabubnagar district is one of the 33 districts in the Indian state of Telangana. The district is situated in the Southern Telangana region of the state. The administrative headquarters of the district is situated at Mahabubnagar Urban. The state Telangana is selected as purposive sampling as the researcher is well acquainted with the regional language i.e., Telugu which would help to build a good rapport and also facilitates for in-depth study through personal observation and interview to carry out the research. There are 33 districts in the Telangana state, out of that Mahabubnagar district is selected through purposive sampling based on the highest number of self-help groups. Mahabubnagar consists of 15 mandals out of which six Mandals were selected through a purposive sampling method based on a maximum number of registered SHGs. There are 316 villages in the selected Mandals out of that 36 villages were selected through a purposive sampling method based on the maximum number of SHGs.

## 3. RESULTS AND DISCUSSION

### 3.1 Income from Agricultural and Allied Sources

Table 1 reveals that a wide range of agricultural activities and allied sources were undertaken by the SHG members and found that 11.11 per cent of respondents had dairy and 8.33 per cent of respondents had piggery meagre proportion of respondents 6.66 per cent had gone for goattery

production. It was observed that 34.44 per cent of the respondents had paddy cultivation whereas in vegetable cultivation engaged by 22.77 per cent of the respondents and 20.00 per cent of SHG members were also involved in sugarcane cultivation. It was also found that 15.00 per cent of respondents had gone for banana cultivation and a meager proportion of respondents 7.22 per cent had gone for vermicompost production. These findings are similar to the findings of Mary et al [6].

“The members of SHG could take up several income-generating activities due to the availability of easy credit and support services provided by their respective SHGs. The most common activity was found to be paddy cultivation which was taken up by one-third of the respondents. This could be due to the familiarity of women with these activities complemented by the easily mastered skills and the familiar nature of the jobs involved” Mary et al (2015).

“It may be noted that vegetables, paddy and banana cultivation have been resorted to augment sustained income levels. Much more effort are required to improve the performance of other activities like vermicompost and dairy, piggery, goattery and the sale of banana leaf. These could provide subsidiary income from agriculture”. Mary et al. [6] and Khare et al. [7] and Murry et al. [8].

### 3.2 Income from Non-agricultural Sources

The relevant data were collected on non-agricultural sources carried out by the SHG members as shown in table 2.

It is quite clear from the table that several respondents were engaged in individual sources apart from their group to be involved in tailoring 9.44 per cent, namkeen making 4.44 per cent,

pickles making 33.88 per cent and toys making 6.66 per cent, candle making 8.89 per cent and embroidery work were 10.56 per cent, petty shop 3.34 per cent and tiffin centre 1.67 per cent, terra cotta 12.78 per cent and clothes sales 2.78 per cent, fancy stores 5.56 per cent. These findings are similar to the findings of Mary et al [4].

Regarding to group based activity, napkin preparation is 15.00 per cent, curry leaf powder preparation 11.12 per cent, foot mat preparation 10.00 per cent and areca plate preparation 10.55 per cent were the major income-generating activities found in the study area.

The majority of the SHG women were engaged in traditional occupations that are appropriate for the local conditions and for which materials are readily available in the the village. Some women had taken up non-conventional activities like pickles making, toy making and the like due to the training and exposure provided by the NGOs as well as the encouragement from the family members [9-11].

In terms of group-based activities, the success rate was linked to a micro market for small-scale products. It is optional for members to participate in group or an individual activities. However, the synergy of the group provided the stimulus to undertake any venture easily. Working in groups met all of the criteria of the economic activity, from the organization of raw materials to the marketing of the end product, according to a focused group discussion with the members. They are also engaging in more individual activities to raise the family's standard of life. The activities' sustainability, however, is determined by the availability of resources and the management abilities of the partners, rather than by group or individual factors. The above findings are also in tune with the observations of Mary et al. [6] Khare et al. [7] and Murry et al. [8].

**Table 1. Income-generated activities undertaken by Self Help Group members (N=180)**

S.NO	Agriculture and allied sectors	SHGs Members	
		Frequency	Percentage
1	Dairy	20	11.11
2	Piggery	15	8.33
3	Goattery	12	6.66
4	Vegetable cultivation	41	22.77
5	Paddy cultivation	62	34.44
6	Banana cultivation	27	15.00
7	Sugarcane cultivation	36	20.00
8	Vermi compost	13	7.22

\*Multiple responses

**Table 2. Distribution of respondents according to income generated from non-agricultural enterprises (N=180)**

S.No	Particulars	Members	
		Frequency	Percentage
<b>I Group ventures</b>			
1	Printing and binding	13	7.22
2	Jute bag making	15	8.33
3	Foot mat preparation	18	10.00
4	Korai mat preparation	11	6.11
5	Napkin preparation	27	15.00
6	Stick preparation	16	8.88
7	Areca plate preparation	19	10.55
8	Nutritious powder preparation	14	7.78
9	Curry leaf powder	20	11.12
10	Biofertilizer	12	6.67
11	Ration shop	15	8.34
<b>Total</b>		<b>180</b>	<b>100.00</b>
<b>II Individual ventures</b>			
1	Tailoring	17	9.44
2	Namkeen making	8	4.44
3	Pickle making	61	33.88
4	Toys making	12	6.66
5	Candle Making	16	8.89
6	Embroidery work	19	10.56
7	Petty shop	6	3.34
8	Tiffin center	3	1.67
9	Terra cotta	23	12.78
10	Cloth sales	5	2.78
11	Fancy stores	10	5.56
<b>Total</b>		<b>180</b>	<b>100.00</b>

#### 4. CONCLUSION

Due to the availability of credit and the support services offered by each SHG, members could engage in a variety of income-generating enterprises. The income generated by group members was significantly impacted by the income-generating activities carried out by SHGs. The most prevalent activities were discovered to be paddy nursery rearing and pickle production, which were undertaken by one-third of the respondents. This could be owing to the women's familiarity with these activities, combined with the easily learned skills and remunerative pay from the occupations.

#### COMPETING INTERESTS

Authors have declared that no competing interests exist.

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