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## A Silent Revolution of Financial Inclusion: Progress of Women SHGs in Andhra Pradesh

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In Andhra Pradesh, the SHG movement gained momentum during the implementation of Development of Women and Children in Rural Areas (DW CRA) in 1982 under the Integrated Rural Development Programme (IRDP). Under this initiative, women were encouraged to form Self-Help Groups (SHGs) consisting of 25 members, undertaking common economic activities, and were provided financial assistance of ₹15,000 per group along with training and marketing support (Ranadive, 2004).

This movement got a major fillip when Anantapur district introduced key modifications by allowing women within the same group to pursue different economic activities, while thrift and savings were promoted as the binding force among group members. Subsequently, the National Literacy Mission and the anti-arrack movement in Nellore district further accelerated the spread of SHGs across the state. A significant milestone was achieved in 1992 when NABARD's SHG-Bank Linkage Programme successfully persuaded banks to extend credit to the SHGs (Ranadive, 2004; Ramesh, 2007).

Recognising the transformative potential of SHGs, the Government of Andhra Pradesh took a proactive role in poverty alleviation by establishing the Society for Elimination of Rural Poverty (SERP) in 2000 and launched Velugu or Indira Kranthi Patham (IKP) (Ramesh, 2007).

From then onwards, across rural Andhra Pradesh, millions of women are quietly rewriting their economic destinies through SHGs. These collectives have emerged as powerful instruments of financial inclusion, livelihood security, and social empowerment. One of the core objectives of SHG formation is to bring the rural poor, especially women, into the formal financial system. This is achieved by encouraging regular savings and strengthening access to institutional credit. In Andhra Pradesh, this mission has taken deep root.

Between 2014–15 and 2022–23, the number of SHGs linked with banks in the state increased steadily from about 8 lakhs to over 10 lakhs. Today, the state accounts for nearly one-fourth of all SHGs in the southern region of India (NABARD Annual Reports, 2014-15 to 2022-2023).

### A surge in savings and credit access

The most striking success of SHG movement in Andhra Pradesh is reflected in the growth of savings mobilised by women's SHGs. Total savings with banks rose sharply from around ₹2.6 lakh crore in 2014–15 to nearly ₹18.6 lakh crore in 2022–23 (NABARD Annual Reports, 2014-15 to 2022-2023). This remarkable increase reflects not only improved incomes but also growing financial discipline and confidence among rural women.

Alongside savings, access to bank credit expanded significantly. The total loan amount disbursed to SHGs in the state increased from about ₹6,000 crore in 2014–15 to more than ₹40,000 crore by 2022–23 (NABARD Annual Reports, 2014-15 to 2022-2023). Andhra

Pradesh's share in SHG loans rose both at the southern regional level and at the national level, highlighting the maturity and credibility of its SHG movement.

### Strong growth with healthy repayment

An important concern in any large credit programme is loan repayment. In this regard, Andhra Pradesh presents an encouraging picture. Although the outstanding loan amount of SHGs increased from around ₹16,000 crore to nearly ₹60,000 crore during the study period, this growth remained proportionate to the expansion in credit (NABARD Annual Reports, 2014–15 to 2022–23). More importantly, the gross Non-Performing Assets (NPAs) of SHGs declined sharply from about ₹960 crore in 2014–15 to nearly ₹250 crore in 2022–23 (NABARD Annual Reports, 2014–15 to 2022–23). The state's share in gross NPAs at both the southern and national levels fell drastically, indicating strong repayment culture, effective group monitoring, and better financial management at the grassroots.

### Conclusion

The progress of SHG movement in Andhra Pradesh goes beyond impressive statistics and reflects a quiet revolution across rural financial inclusion. SHGs have become spaces where rural women save regularly, access affordable credit, invest in livelihoods and supports each other. The sharp increase in savings, expanding credit access and declining NPAs together tell a story of trust between women, banks, and institutions. The experience of Andhra Pradesh demonstrates that women, when organised, supported, and trusted, financial inclusion can be both inclusive and sustainable. The success of women's SHGs in the state stands as a strong reminder that meaningful development often begins at the grassroots, through small savings, collective effort, and the quiet determination of rural women.

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