

## **Impact of SHGs on a Particularly Vulnerable Tribe (The Chenchus)**

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**Abstract:** *The chenchus are a primitive Tribal group inhabiting Nallamala forests of Andhra Pradesh and Telangana. The livelihoods of the tribal group are based on primitive agriculture and forestry. The social development indicators of the country with very high levels of illiteracy, high MMR, IMR and high morbidity rate, the chenchus are a declining tribe in terms of population. Sustained efforts made by the government of Andhra Pradesh have resulted in the mobilization of these households into SHGs. This paper deals with how multiple interventions implemented through SHGs have impacted the livelihoods of the Chenchus. The SHG model has contributed significantly to the assets, income, consumption, housing and empowerment of the Chenchus. This study covering a sample of 106 chenchu households and drawn from 16 SHGs from 4 districts was conducted as part of Ph.D. work during 2014-2015. The study establishes the sustainability of SHG approach to the development of Tribal communities.*

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### **1. INTRODUCTION**

The Chenchus are an aboriginal tribe of the central hill regions of erstwhile combined state of Andhra Pradesh, spread over the six districts of *Kurnool, Prakasam, Mahabubnagar, Guntur, Nalgonda and Ranga Reddy*. The 121,000 strong Chenchu tribal households, who are spread across six districts, are considered among the poorest of the poor. The Chenchus are referred to as one of the Primitive Tribal Groups (now called particularly vulnerable tribes) that is still dependent on forests and do not prefer to cultivate land but hunt for a living, although the government has allotted them substantial extent of land for cultivation. However, consequent on reserving vast tracts of *Nallamala* forest and reserving a part of it as Wild life reserve, the livelihoods of the Chenchus have been affected. The *Chenchus* have responded unenthusiastically to other government efforts to induce them to resettle and take-up other activities.

The Government of Andhra Pradesh (GoAP) has implemented SHG-centered development programme for the Chenchus under its flagship programme of Velugu (earlier called Indira Kranthi Patham). However, SHGs and federations of Chenchus promoted during 2001-2009 did not produce the desired results. Most of the SHGs and VOs became dormant and there was no perceptible improvement in the livelihoods of the Chenchus. The GOAP then adopted a comprehensive development plan for the Chenchus, but within the SHG and federation framework with effect from 2008. Instead of mobilizing the Chenchus into mixed SHGs, exclusive institutions of the Chenchus were promoted and provided support. This has had a significant impact on certain aspects of Chenchu livelihoods. An attempt is made in this paper to assess the impact of Chenchu-SHG development initiatives implemented by the erstwhile GOAP under its Velugu programme from April 2009 to March 2013.

### **2. NEW CHENCHU DEVELOPMENT INITIATIVES**

Given the thin scatter of their habitations in the remote and interior areas of *Nallamala* forests, mobilizing them into the SHG framework and initiate development activities proved to be a formidable task in the initial years. Despite several efforts, the SHGs and federations of the Chenchus (along with others in some cases) remained dormant and their livelihoods could not be promoted in a sustained manner. It was in this context that the GOAP (through Society for Elimination of Rural Poverty-SERP) designed a special Chenchu Development package encompassing the Chenchus in 17 mandals of 4 districts within the overall project framework to promote:

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- functionally effective SHGs, exclusive VOs and MSs of the Chenchus;
- sustainable NTFP/forest based livelihoods of the Chenchus;
- food security of the Chenchus through a food credit line with part of the funds dovetailed from the community grain bank scheme of the GOI;
- investments in a range of income generating assets through CIF and bank linkage; and
- comprehensive social development activities including health (nutrition centers and CHWs) housing (bridge financing), education (loans) and sanitation (ISLs) initiatives.

### 3. OBJECTIVES OF THE STUDY

The Chenchu development initiatives had been implemented from April 2009 to March 2013 involving investment of substantial amount of resources through the SHGs and their federations. These funds were meant for promoting food security, livelihoods and social development of the Chenchus. In view of the substantial amount of resources invested in the development of Chenchus through their SHGs, the present study seeks to assess the impact of these initiatives on the Chenchus.

The objective of the study is to assess the impact of Chenchu development initiatives undertaken during 2009-13 on the Chenchu households. More particularly, the objectives of the study were:

- to assess the impact of Chenchu initiatives development on the functioning of Chenchu SHGs;
- to analyze the impact on savings, internal borrowing, loans utilized and repaid, grants received and utilized;
- to examine the access of Chenchu SHGs to bank loans and their utilization and repayment;
- to assess the access of Chenchus to CIF for livelihoods, health, education, housing and home needs;
- to assess the impact of initiatives on household assets, income and such other parameters; and
- to examine the contribution of Chenchu SHGs to the empowerment of women.

### 4. SAMPLE DETAILS

A multi-stage random sampling method was adopted to identify sample households from the four Chenchu districts of *Kurnool*, *Prakasam*, *Guntur* and *Mahabubnagar*. Four representative MSs were selected. These were *Atmakur*, *Pullalacheruvu*, *Durgi* and *Balmur*. From each MS, two VOs were chosen on a representative basis. Thus, 8 VOs were selected at the third stage. From each VO, two representative sample SHGs were chosen later. From each SHG, 6 to 7 members and their households were selected for intensive study. Thus, a total of 106 households were selected and detailed data collected on various aspects. The sample details are presented in the *Tables-1 & 2*. The focus of the study is on tracking the perceived difference between the pre and post intervention situation as described by the sample households during April 2009 – March 2013. The study was conducted during 2014-15 as part of a Ph.D. research project.

**Table1.** *Size and Distribution of Sample SHGs*

S. No.	District-Mandal	Names of Villages	No. of Sample SHGs
1.	Prakasam - Pullalacheruvu	▪ Garapenta ▪ Chennapalem	4
2.	Guntur - Durgi	▪ Terala ▪ Raja Nagar	4
3.	Kurnool - Atmakur	▪ Indreswara Gudem ▪ Nagaluty Gudem	4
4.	Mahabubnagar - Balmur	▪ Chenchu Ggudem ▪ Gudibanda	4
5.	Total		16

**Table2.** *Size and Distribution of Sample Households*

S. No.	District-Mandal	No. of Sample Households	Percentage to Total Sample HHs
1.	Prakasam-Pullalacheruvu	25	24
2.	Guntur-Durgi	29	27
3.	Kurnool-Atmakur	24	23
4.	Mahabubnagar-Balmur	28	26
5.	Total	106	100

## **5. SAMPLE CHARACTERISTICS**

All sample households belong to the Chenchu community, a primitive tribal group. All except one sample household were Hindus in terms of religious belief. All belong to BPL category of households. The Chenchu families were predominantly nuclear in nature. In the sample, 87% were nuclear families and the rest joint families. There were no extended families. The average size of the sample households was <5. The average age of the sample women respondents was 5.5 years. About 80% of the respondents were either illiterate or neo-literate. However, the relatively young male members of the households had primary or upper primary school level education. The main occupation for the Chenchu households was agriculture, agricultural labour and collection of minor forest produce. Sample households had access to agriculture land, which was either assigned by the government or under the possession of the households without a valid title. The agriculture was largely subsistence oriented. The principal crops grown were paddy, groundnut, green gram, red gram, Bengal gram, castor and plantation crop of mango. Being largely rain-fed, the productivity of crops was very low, despite the support from ITDA. The Chenchus faced recurrent risks arising from production and price uncertainties for the crops grown. In order to supplement household income, the Chenchus also depended on collection of minor forest produce and hunting, which were once their primary source of livelihood. With the emergence of MGNREGS, wage income had become a significant supplementary source of livelihood for several households. A majority of the sample households indicated NREGS as secondary source of livelihood.

## **6. BENEFITS RECEIVED FROM CHENCHU CBOs**

### **6.1. Duration of SHG Membership**

The 16 sample SHGs selected had an average age of 8.5 years, with the oldest being 13 years of age and the youngest 4 years of age. The average duration of membership of the sample beneficiaries is also 8.5 years. The period is long enough to capture the developmental impact of the Chenchu initiatives since 2009.

### **6.2. Saving**

One of the principal benefits expected of the SHG is to promote member savings. Adherence to regular saving norm and the amount saved are an indication of the impact of the CBO on the members. Of the 16 sample SHGs, 10 were saving regularly as per the agreed norms. The monthly saving norm varied between Rs.30/- and Rs.100/- per person. The cumulative amount of saving per sample member at the end of Mar.'13 stood at Rs.2,920/-. However, there was a great deal of disparity between members in different SHGs. The cumulative saving was as high as Rs.4,797/- per member at the end of Mar.'13 for some members. The amounts could have been higher if some SHGs had not adopted the undesirable practice of distributing corpus among members at frequent intervals. Notwithstanding such limitations, the SHG membership facilitated regular savings by members which is the basis for borrowing from the corpus.

### **6.3. Internal Loans Accessed**

Poor access to credit markets has subjected the Chenchus to multiple types of exploitation by the trader-financiers. The practice of taking tied loans from informal market at high rates of interest with unfavourable produce buyback arrangements has kept the Chenchus in perpetual poverty. Creating access to SHG internal loans is an attempt to break this vicious circle of poverty. The advantage with the internal loan facility is that it can be accessed at very short notice from the CBO at low rates of interests and without having to produce any security. The other advantage with the internal borrowing is that it can be accessed multiple times subject to the conditions laid down by the SHGs for this purpose. Thus, it can be observed that some members borrowed multiple times depending on their need and availability of funds. The sample household data furnished in *Table-3* indicates that each sample member on the average was able to borrow Rs.4,518/- from the SHG's own funds at 12% rate of interest. This is a significant contribution to the Chenchus facing severe credit constraint. However, only 41% of the members borrowed from the SHG corpus. The number of borrowers needs to be increased by preventing corpus sharing practices and minimizing the overdue repayments.

**Table3.** Amount of Internal Loans Received by Sample Members

In Rs.

S. No.	District	First Time		Second Time		Third Time		Total Amount
		Amount	Out-standing	Amount	Out-standing	Amount	Out-standing	
1.	Prakasam	82250	46746	27125	0	8750	8750	118125
2.	Guntur	79625	51188	20913	1355	25160	17500	125697
3.	Kurnool	2450	2450	0	0	0	0	2450
4.	Mahabub-Nagar	62248	43575	27125	9625	4375	0	93748

**7. ACCESS TO BANK LOAN**

Bank loan is a significant source of credit to the members. The sample data indicates that 59% of the members had accessed bank loan at an average rate of Rs.15,120/- per person. The highest average loan amount was accessed in *Guntur* (Rs.22,467/-) followed by *Prakasam* (Rs.19,444/-). The lowest amount of loan was observed in *Mahabubnagar* (Rs.3,500/-). Some beneficiaries accessed bank loan more than once. The inter-district disparities point to the need for making additional efforts to step-up bank loans, which is emerging as a principal alternative to CIF. It is only through sustained bank linkage effort that the economic status of the sample households can be improved.

**Table4.** Bank Loan Received (In Rs.)

S. No.	Category	% of Members Received Bank Loan	Amount Received - First Time	Amount Received - Second Time	Total	Average Loan Size per Member
1.	Prakasam	63	140000	35000	175000	19444
2.	Guntur	138	339787	176978	516765	22467
3.	Kurnool	175	173250	63000	236250	9844
4.	Mahabubnagar	44	24500	0	24500	3500
5.	Total	103	677537	274978	952515	15120

**8. REPAYMENT OF BANK LOANS**

The members had a tendency to repay the bank loans as per schedule in order to be eligible for further loans. Thus, among the 158 loans advanced to the sample beneficiaries 84% of the loans were either fully paid or being repaid as per schedule. The proportion of loans being repaid irregularly is relatively small.

**Table5.** Repayment Status of Bank Loans

S. No.	Category	Prakasam	Guntur	Kurnool	Mahabub-Nagar	Total
1.	Not Repaid	0	0	4	0	4
2.	Fully Repaid	16	25	32	12	84
3.	Being Repaid as per	0	23	26	0	49
4.	Irregular Repayment	2	18	2	0	21
5.	Total	18	65	63	12	158

**9. ACCESS TO CIF (LIVELIHOOD)**

The principal contribution of the project to the livelihoods of the Chenchus is the access it has provided to CIF loans for undertaking diversification and deepening of livelihood assets. Of the 106 sample beneficiaries, 63 members were able to access the CIF for livelihoods at an average rate of Rs.38,136/- per person. The rate of interest charged on CIF (livelihoods) was 6%, which was the lowest compared to any other source. However, interest subsidy is provided on bank loans, if the loans are repaid according to schedule. CIF is the largest amount of financial support accessed from any source. However, the other members of the sample did not access CIF livelihoods, but some of them had accessed CIF (food security, health, education, housing and home needs). It is interesting to observe that the beneficiaries from *Mahabubnagar* received highest average per capita amount of Rs.56,131/- followed by *Kurnool* (Rs.40,640/-), *Prakasam* (Rs.26,999/-) and *Guntur* (Rs.21,000/-). The districts which had recorded lowest per capital bank loan viz., *Mahabubnagar* and *Kurnool* received relatively high CIF. Thus, there is a built in element of equity in the distribution of CIF.

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**Table6. CIF/Livelihood Fund Received**

S. No	District	First Time		Second Time		Third Time		Total Amount	Total Outstanding
		Amount	Out-standing	Amount	Out-standing	Amount	Out-standing		
1.	Prakasam	298499	71153	121749	40084	38749	23021	458997	134258
2.	Guntur	225750	142450	26250	21875	0	0	252000	164325
3.	Kurnool	129500	109156	299460	170966	140000	96996	568960	377118
4.	Maha-bubnagar	604625	434348	280000	68273	238000	70320	1122625	572941
5.	Total	1258374	757108	727459	301198	416749	190337	2402582	1248643

**Table7. CIF/Livelihood Fund Received**

S. No.	District	Sample Size	No. of Members Received Loans for LH	No. of Loans	% of Members Received LH Loans	Total Amount	Average Loan Received Per Member	Average Loan Outstanding Per Member
1.	Prakasam	25	30	44	119	458997	26999	13424
2.	Guntur	29	21	21	72	252000	21000	18258
3.	Kurnool	24	25	42	102	568960	40640	29010
4.	Mahabub-Nagar	28	35	56	124	1122625	56131	28646
5.	Total	106	110	163	103	2402582	38136	24012

### 10. REPAYMENT STATUS OF CIF (LIVELIHOODS)

Most of the sample beneficiaries of CIF were regular in their repayment. It is interesting to note that 63% of the sample beneficiaries had either repaid fully or repaying as per schedule along with interest charges. The remaining 37% of the beneficiaries were either not repaying as per schedule or had not started their repayments. A portion of the not repaid component of the CIF loans could be over dues. Notwithstanding the high percentage of repayments, there is scope for improving repayment of CIF as per schedule, such that the funds can be advanced to other uncovered beneficiaries.

**Table8. CIF/Livelihood Fund (Repayment Status)**

S. No.	Category	Number				
		Prakasam	Guntur	Kurnool	Mahabub-Nagar	Total
1.	Not repaid	0	0	11	7	18
2.	Fully repaid	21	5	9	18	53
3.	Being repaid as per Schedule	19	5	11	14	49
4.	Irregular repayment	4	11	12	18	44
5.	Total	44	21	42	56	163

### 11. STATUS OF ASSETS PROCURED WITH CIF SUPPORT (LIVELIHOODS)

It is gratifying to note that about 80% of the assets procured with CIF support were intact. The assets were held intact by most of the beneficiaries in all sample districts. Assets here include livestock assets such as sheep, goat, milch cattle and buffaloes as well as other assets such as bore wells, engines and other movable assets. Only a small proportion of the beneficiaries reported that they did not possess the assets either due to death of the animal or theft. Some were able to replace the assets, but admitted to not replacing the asset.

**Table9. CIF/Livelihood Fund (Asset Status)**

S. No.	Category	Number				
		Prakasam	Guntur	Kurnool	Mahabub-Nagar	Total
1.	Asset not procured	2	2	0	5	9
2.	Asset intact	33	16	35	46	130
3.	Asset sold and not replaced	4	4	4	2	12
4.	Asset dead and not replaced	4	0	4	2	9
5.	Asset replaced	2	0	0	2	4
6.	Total	44	21	42	56	163

## 12. CIF-HEALTH FUND

The other major benefit from CIF was the borrowing for meeting health related expenditure at a concessional interest rate of 3%. However, only 21 out of 106 sample members had availed the loan for health purposes. The average amount borrowed per member was Rs.11,485/-, with *Prakasam* accounting highest per capita of Rs.22,167/- followed by *Kurnool*. It is important to note that there appeared to be certain amount of diversion of CIF borrowed for health purposes, although the VOs granting the CIF loan did take into account the actual medical requirements. It was found that the VOs were granting the loan only after examining the medical records. The health CIF is a unique facility as it provides access to community based support for health emergencies. This is an addition to CIF being allocated for H-N mandals. The repayment of health CIF was also encouraging as only three members could not repay the loan due to family emergencies. All others had either repaid fully or partially.

**Table10.** Benefits Received from CIF-Health Fund

S. No.	District	Sample Size	Members Availing Health Fund	% of Members	Amount	Average Per Member	Amount in Rs.
							Total Loan Outstanding
1.	Prakasam	25	5	21	66500	22167	30625
2.	Guntur	29	7	25	31500	7875	11463
3.	Kurnool	24	2	7	17500	17500	17500
4.	Mahabub-nagar	28	7	25	22313	5579	5672
5.	Total	106	21	19	137813	11485	65259

## 13. CIF-HOUSING FUND

Housing was another purpose for which loans were available for beneficiaries from CIF. The subsidized housing program *viz.*, IAY/*Indiramma* required the individual beneficiary households to supplement a part of the resources required in the form of contribution. However, the poor Chenchus were not able to mobilize required amounts towards contribution. Further, as payments were made at several stages of construction, the beneficiaries required certain initial advance amount to facilitate construction. The CIF-housing fund was a response to meet such requirements. Out of the 106 sample beneficiaries, 11 reported to have borrowed about Rs.157,500/- from the CIF-housing fund at an average rate of Rs.14,318/-. Two members are reported to have delayed the repayments in *Guntur* district, while others were making the payments. The sample members have indicated that this facility has freed them from high cost borrowing. But for this facility, they would have borrowed from informal sources at high rates of interest.

**Table11.** Benefits Received from Housing Fund

S. No.	Name of the District	No. of Members Availed Home Loans	Amount In Rs.	Repayment Status			Outstanding Amount In Rs.
				Fully	Partially	Not Repaid	
1.	Prakasam	2	52500	2	0	0	0
2.	Guntur	5	43750	0	2	4	42000
3.	Kurnool	4	61250	0	4	0	60288
4.	Mahabubnagar	0	0	0	0	0	0
5.	Total	11	157500	2	5	4	102288

## 14. CIF-HOME NEEDS

Borrowing for the purpose of meeting home needs is a common requirement among the Chenchus. This includes borrowing for meeting expenditure on life cycle rituals, repayment of old debt and release of mortgaged land and other assets. The CIF also responded to such home needs of the Chenchus by creating a sub-facility under the CIF. Thus, 17 out of 106 beneficiaries had availed loans for home needs at an average rate of Rs.6,370/- per member. Seven borrowers had either fully or partly repaid the loan and only one had an overdue amount. This is another intervention that has minimized the dependence of the Chenchu households on high cost informal credit. In view of the extensive need for consumption loans, the size of the facility could be enhanced and the individual amounts lowered such that a larger number of members can be covered.

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**Table12.** *Benefits Received from Home Needs*

S. No.	Name of the District	Members Availing Loans for Home Needs	Amount In Rs.	Repayment Status			Outstanding Amount In Rs.
				Fully	Partially	Not Repaid	
1.	Prakasam	11	90125	4	7	0	75250
2.	Guntur	2	7000	2	0	0	0
3.	Kurnool	2	8750	0	0	2	8750
4.	Mahabubnagar	2	2417	2	0	0	0
5.	Total	17	108292	8	7	2	84000

## 15. HOUSEHOLD LEVEL CHANGES

### 15.1. Asset Purchase

One of the significant changes observed in the Chenchu households is in terms of asset diversification. Apart from Velugu, MGNREGS, ITDA, SGSY and the Forest Rights Act have resulted in certain important improvements to their asset holding. The total dry land under the possession of the tribal families recorded an absolute increase of 98 acres in respect of 25 sample members. While the change in the asset holding is due to changes made to the Forest Act, the contribution of Velugu was in terms of enabling the eligible member households to apply for issue of appropriate titles. Further, it was also observed that in respect of 3 members in *Mahabubnagar* district, there was an increase in the holding of wet land by 5 acres. This was made partly possible by Velugu through its CIF support for improving irrigation facility. ITDA had also provided part assistance towards energisation of the bore wells. In fact, irrigation holds a good deal of potential for development in respect of certain other farmers as well. However, convergent action is required on the part of several agencies to provide multiple types of assistance for this purpose. For example, support is required for drilling bore well, pump sets, energisation, land leveling and development *etc.*

**Table13.** *Change in the Household Asset Status (Dry Land): Sample*

S. No.	District	Before Velugu	Now with Velugu	Change in Land Holding	
				Acres	No. of Members
1.	Prakasam	87	111	36	11
2.	Guntur	16	16	0	0
3.	Kurnool	35	99	96	20
4.	Mahabubnagar	44	54	15	8
5.	Total	182	280	147	39

### 15.2. Change in Movable Assets: Livestock

Improvement in livestock assets was reported by a large number of households. Prior to Velugu, the 106 sample households had only 21 heads of milch cattle. Now with more than 5 years of Velugu support through CIF and bank linkage, the number of milch cattle increased to 73 in *Mar. '13*. The beneficiaries attributed the improvement in milch cattle stock to CIF, ITDA support and bank linkage. However, the members indicated that there is no milk collection infrastructure in the tribal villages, affecting the viability of the household dairy. The project may explore the possibility of setting up bulk milk cooling centers or linking the villages to the existing dairy infrastructure. The later appears to be a better alternative.

In addition to milch cattle, an increase in the stock of plough bullocks was reported by the sample households. The stock of bullocks had increased from 11 in the pre-project period to 31 in *Mar. '13*. The beneficiaries attributed the improvement to CIF and ITDA support for purchase of bullocks and agriculture. The assignment of forest land to some households also acted as a catalyst.

In respect of sheep and goats, the stock situation remained more or less the same, although there is a change in the inter-district stock situation. There is a sharp improvement in *Prakasam* district, while there was a substantial decline in the number of sheep and goat in *Kurnool* district. The beneficiaries reported that the sudden decline in the number of sheep and goats in *Kurnool* was due to high mortality. Further, the households indicated that they keep selling their sheep and goats to meet family consumption in needs as well as for life domestic consumption. However, with the increase in market price for meat, the value of stock reported at 2 points of time shows a substantial increase.

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**Table14.** Change in Livestock Assets (Milch Animals): Sample

S. No.	District	Before Velugu		Now with Velugu	
		No.	Value in Rs.	No.	Value in Rs.
1.	Prakasam	10	81375	18	234500
2.	Guntur	4	73500	22	479500
3.	Kurnool	6	105000	9	222250
4.	Mahabubnagar	1	17500	24	719250
5.	Total	21	277375	73	1655500

**Table15.** Change in Livestock Assets (Bullocks): Sample

S. No.	District	Before Velugu		Now with Velugu	
		No.	Value in Rs.	No.	Value in Rs.
1.	Prakasam	3	77000	21	645750
2.	Guntur	0	0	0	0
3.	Kurnool	4	105000	4	112000
4.	Mahabubnagar	4	105000	6	140000
5.	Total	11	287000	31	897750

**Table16.** Change in Livestock Assets (Sheep and Goats): Sample

S. No.	District	Before Velugu		Now with Velugu	
		No.	Amount In Rs.	No.	Amount In Rs.
1.	Prakasam	10	35000	94	341250
2.	Guntur	124	164500	127	495250
3.	Kurnool	253	105000	118	344750
4.	Mahabubnagar	44	78750	92	350875
5.	Total	431	383250	431	1532125

Along with the ITDA, the project has contributed to a significant increase in household equipment including equipment used in agriculture such as electric motors, pump sets, ploughs, forest produce collecting equipment etc. In addition, the households also reported a significant increase in other household valuables such as TV, cell phones, two wheelers, small gold ornaments etc. While the value indicated may not be exact, there was certainly an increase in the household articles, both in terms of number and value.

**Table17.** Change in Livestock Assets (Equipment and Others): Sample

*In Rs.*

S. No.	District	Equipment		Others	
		Before Velugu	Now With Velugu	Before Velugu	Now With Velugu
1.	Prakasam	0	17500	0	17500
2.	Guntur	14000	249375	5250	326637
3.	Kurnool	3500	686700	1225	158375
4.	Mahabubnagar	67025	434875	24675	159722.5
5.	Total	84525	1388450	31150	662235

### 15.3. Change in Housing Status

The project has also contributed to a significant change in the status of housing of the beneficiaries. Before Velugu, the Chenchus were living predominantly in semi-pucca and kutcha housing. With sustained ITDA support and with supplementary assistance provided by Velugu, the housing status has improved significantly. The percentage of households living in pucca houses has improved significantly and the proportion of those living in kutcha and semi-pucca housing has declined. However, a substantial proportion of sample beneficiaries (25%) continued to live in kutcha houses.

**Table18.** Household Immovable Asset (House Type) (March 2009)

S. No.	Category	Prakasam	Guntur	Kurnool	Mahabub-Nagar	Total
1.	None	3	1	1	3	8
2.	Kutcha	13	5	6	3	27
3.	Semi-pucca	0	3	4	3	10
4.	Pucca	9	20	13	19	61
5.	Total	25	29	24	28	106



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**Table19.** Household Immovable Asset (House Type) (March 2013)

S. No.	Category	Prakasam	Guntur	Kurnool	Mahabub-Nagar	Total
1.	None	1	1	1	3	6
2.	Kutchra	13	4	5	2	24
3.	Semi-Pucca	0	1	1	2	4
4.	Pucca	11	23	17	21	72
5.	Total	25	29	24	28	106

### 15.4. Change in Income Status

Notwithstanding the problems involved in quantifying household income based on the recall method, an attempt was made as part of the sample study to assess the change in the household income and the sources of change thereof. No attempt was however made to adjust the income with reference to the base year. The beneficiaries from all sample districts indicated a significant rise in household income, arising from agricultural labour, animal husbandry and MGNREGS. The change in income attributed to agriculture and animal husbandry are largely due to Velugu interventions. Even in respect of MGNREGS, the Velugu has facilitated the implementation of the scheme by making suitable advance payments. However, it is important to note that these are indicative estimates to suggest the direction of change in income over the last five years.

**Table20.** Total Annual Household Income from Different Sources: Sample (In Rs.)

Category	Prakasam		Guntur		Kurnool		Mahabubnagar	
	Before Velugu	Now with Velugu	Before Velugu	Now with Velugu	Before Velugu	Now with Velugu	Before Velugu	Now with Velugu
Agriculture	247625	693000	100625	124250	283500	651000	197750	656600
Agri. Labour	64750	77000	324800	653625	95375	190750	169750	472500
EGS	0	386750	0	507500	0	479500	0	498750
NTFP	13125	0	45500	76475	233625	296625	84875	78750
Pension	0	16800	0	21000	0	12600	0	4200
Vidya Volunteer	0	21000	0	30625	0	0	0	0
Animal Husbandry	0	24500	21000	176750	17500	35000	5250	21000
Micro Enterprises	0	0	35000	236250	0	0	10500	122500
Others	0	0	8750	21000	0	0	132125	307300
Total	325500	1219050	535675	1847475	630000	1665475	600250	2161600

## 16. PERCEIVED BENEFITS FROM CBOs

An attempt was made to assess the perceived benefits derived and experienced by members from being in the CBOs promoted under the project and accessing the benefits received through them. A series of 8 FGDs were conducted in different project locations to ascertain the opinions of the sample members. In addition, an FGD was conducted at the meeting of the *Maha Samakya* in Mar.'13. In all 72 members participated in the FGD. The key benefits and problems perceived by the sample members are summarized in the following.

### 17. BENEFITS PERCEIVED

#### 17.1. Exclusive Chenchu CBOs

Establishment of exclusive Chenchu CBOs was perceived as a significant benefit from the project by the sample beneficiaries. Apart from promoting solidarity, the Chenchu CBOs were perceived to have contributed to unity and cooperation among the Chenchus. Further, the exclusive Chenchu CBOs provided a forum for discussing all issues without hesitation. In mixed SHGs, the Chenchus were reluctant to raise and discuss their issues. The Chenchus feel that the exclusive CBOs have promoted their cultural identity and brought them recognition at the policy level. Because of the homogeneous CBOs, the women were able to raise and articulate their issues and seek redress. The Chenchu *Maha Samakya* is a visible manifestation of their identity, strength and aspiration.

### **17.2. Access to Multiple Benefits**

All FGDs indicated that the exclusive CBO structure has enabled the Chenchus to access multiple benefits from the CBOs. Apart from CIF provided concessional rates of interest of 3% and 6%, the Chenchus opined that they were able to access bank loans, benefits from ITDA, MGNREGS and other agencies. As the CBOs are accepted by the line agencies as frontline delivery mechanisms, the agencies such as DWMA, ITDA and bankers were using them as channels to provide assistance. The MGNREGS routes its funds through the VOs partly as advance payments to enable the Chenchus to make use of the EGS fully. The ITDA also transfers its assistance for IGAs through the SHGs. The CIF for livelihoods, food security, health needs, housing and home needs is routed and recovered through the CBO structure. The Chenchus are able to access benefits of *Abhayastham* and AABY by virtue of their being members of SHGs. Another significant benefit reported by the members was the improvement to their agricultural lands and undertaken with the support of NREGS. The members indicated that the land development activity has resulted in a larger proportion of land being brought under cultivation. These are tangible benefits perceived by the members from the CBOs established under the Chenchu development component of Velugu.

### **17.3. Livelihood Assets**

A majority of the participants indicated that their livelihood asset base has improved significantly during the project period. Apart from improved access to land holdings, the Chenchus were provided assistance to set up bore wells, energized pump sets, procure minor agriculture equipment and meet their critical working capital needs with the support of ITDA and Velugu-CIF. Some of them were running small micro-enterprises such as petty eateries, petty tea shops and cool drink shops, seasonal pilgrim oriented shops (sale of coconut, flowers and leaves, *agarbattis etc.*) sale of forest produce and wooden/bamboo handicrafts.

### **17.4. Empowerment of Women**

The membership of CBOs as contributed to the status of women both in the household and outside. Within the household, the Chenchu women now enjoy a greater economic space. The fact that they can access internal loans, CIF loans and NREGS advance has provided them access to certain proportion of financial resources for their personal requirements. Within the household, women now play a more important role in decision-making in the areas of asset purchase and sale, running of IGAs, housing, education and health related expenditures. In addition, a significant proportion of women frequently visit banks, participate in capacity building and training sessions, attend MS and *Maha Samakya* meetings outside their own villages. They are able to interact and negotiate with bankers, government officials and others better than before. The improved mobility and negotiation skills have contributed in some measure to the empowerment of women. The members recalled that they were able to meet the Chief Minister of the state, the Principal Secretary, Rural Development, the CEO of SERP and other officials and present their problems without fear. According to them, these developments would not have been possible without the emergence of exclusive CBOs.

### **17.5. Repayment Behaviour**

The members in the past were used to receiving subsidies and not repaying the loans received regularly. In fact, banks were totally reluctant to the Chenchus due to their poor repayment practices. The members participating in FGDs recalled that their repayment behavior has undergone a change. The members are now motivated and guided to repaying the different types of CIF loans as well as bank loans as per agreed schedule. The Chenchus attribute this change to the practices promoted in the CBOs and their realization of fact that the CIF is the community asset and will stay with the community perpetually. Further, the Chenchus now realize that they can access bank loans only if they repay the loans regularly. The observed change in the repayment culture is attributed to the Chenchu project.

### **17.6. Distress Migration**

The FGD participants indicated that there was a significant reduction in distress migration in search of livelihood among them. Apart from the grain bank provided under the ITDA, the Velugu has enabled them to access CIF loans for promoting food security. The MGNREGS has significantly improved the wage employment during best part of the year and provided them additional income. As a result, most of the Chenchus do not go to West Godavari for paddy harvest, as a means of alternate livelihoods.

More significantly, the AAY cards entitle all the Chenchu households to 35 kg of rice per month at a price of Rs.2/- per kg. Therefore, all the FGD participants admitted that the distress migration has declined significantly.

### 17.7. Change in Living Standards

The FGDs also indicated certain changes in the food habits, dress pattern, use of household articles and entertainment equipment. The participants indicated that they were in the habit of purchasing used clothes in the past. Now, the members reveal that they no longer buy used clothes. Several of them indicated that they buy new dress from the retail or wholesale shops from the nearby towns. Another change indicated was in the type of household utensils used. Most of them use steel vessels and plates for cooking and dining and a steel cupboard for storage. The use of earthenware for cooking is very rare. There is a big change in the use of entertainment equipment. A vast majority of the households were using TV with DTH facility, some reported to have been using CD players as well. Use of cell phones was on the increase even in the interior areas.

### 17.8. Change in Health and Education

Though a vast majority of the Chenchus continued to be illiterate, there is a growing realization that they should educate their children. The Chenchus are slowly being persuaded to send their children to Ashram schools/ residential hostels located in close proximity to their communities. The educational loans provided under CIF were also perceived to be a source of support for the households to send their children to higher studies. It was interesting to find that some Chenchu boys were studying B.P.Ed., and MBA. Some girls were being sent to nursing schools. In addition, there is an improvement in the housing status of the Chenchus. With the support of IAY and *Indiramma* housing programs, the proportion of semi-pucca houses built with ITDA support was reported to be on the decline. The number of pucca houses is on the increase.

### 17.9. Alcohol and Tobacco Consumption

The FGD participants, however, indicated that along with the livelihood changes, the consumption of alcohol by men has increased. The women complain that as a result of the additional income, improved access to loans and grain bank, the men spend a considerable amount on alcoholic liquors sold by illegal outlets (belt shops). The men also consume locally made alcohol out of *Vippa* flowers. The women also indicated that the men tend to spend a large amount on entertainment *viz.*, cinema, CDs, TV equipment, VCDs *etc.* A considerable amount was also reported to be spent on cell phones. The saving habit has not improved with the incremental income. On the other hand, the men were indulging in avoidable expenditure. Some women also indicated that consumption of alcohol by women was not uncommon. This also needs to be checked. The consumption of betel leaf and nut and tobacco was also reported to have increased with additional sources of income. *Udataala Edemma* of *Gayathri* SHG, *Garapenta* village, *Pullalacheruvu* mandal, a participant at the *Maha Samakya* FGD indicated that she was spending only Rs.30/- per month on purchase of tobacco, when she was getting only a pension of Rs.200/-. Now, with the pension of Rs.500/- under *Abhayastham*, the women admitted to consuming tobacco worth Rs.60/- per month. A similar perception was shared by several members. The use of tobacco products by men was also reported to have increased over the years.

### 17.10. Debt Burden

Along with the assets, the debt burden on the Chenchu households was reported to have increased as a result of larger access to CIF and bank loans. Though there was a decline in high cost borrowing, the total debt burden on the households was reported to have increased. A part of the bank loan and internal loans were reported to have been used by most households for consumption purposes including family ceremonies and life cycle rituals. Thus, the debt burden seems to have increased at a higher rate than the assets acquired through CIF and other loans. This points to the need for improving the utilization of borrowed funds.

## 18. SUMMARY

The focused efforts made by the project through the Chenchu Development Plan had positive effect. A total of 18,372 Chenchu households were brought into 1,698 SHGs. The SHGs were federated into exclusive Chenchu VOs (147) and VOs into Chenchu MSs (17). An apex federation called the *Maha Samakya* was established federating the 17 MSs into a collective body. A substantial amount of Rs.7.85 crore was allocated to the Chenchus under the CIF to meet the livelihood and other

requirements of the Chenchus (food security, health, education, home needs, NTFP and procurement and agriculture). The Community Investment Fund (CIF) covered 50% of the total households at an average rate of over Rs.15,000/- per household. In addition, 166 SHGs were bank linked up to *Mar. '13* for a total amount of Rs.2.50 crore. Dedicated implementation structures were put in place to implement the Chenchu development activities in the 17 mandals. A vast network of Community Activists (CAs) were identified, trained and utilized for nurturing the SHGs. A Community Resource Person (CRP) approach was used to build the capacities of the SHGs and federations for self-management. A wide range of activities were taken up to converge the Chenchu development plan with on-going efforts of Integrated Tribal Development Agency (ITDA), District Rural Development Agency (DRDA), MGNREGS and other agencies to bring about sustainable changes in the livelihoods of Chenchus.

The household level changes observed appeared very significant. There was a significant improvement in the housing status as well as livelihood assets of the Chenchu household. A large number of households came to possess milch cattle and small ruminants, largely facilitated by CIF and bank loans. The ITDA support dovetailed resulted in a larger proportion of agricultural land being brought under cultivation. The dependence of Chenchu household on traditional source of borrowing had declined. Even more significant was the decline in distress migration. There was a significant improvement in the income levels of the Chenchu households. However, personal habits such as alcohol and tobacco consumption and expenditure on rituals continued to be very high. A close supervision and follow-up appeared necessary to prevent asset dispossession. The community institutions of Chenchus need to be nurtured further to ensure that this primitive tribal group is completely mainstreamed into the socio-economic life of the region.

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