



A Credit for Women Empowerment- A case study on Self Help Groups in North Tamil Nadu

KEYWORDS

Self help Group, Poverty, and Unemployment.

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ABSTRACT Poverty and unemployment are the major problems of any under developed countries, to which India is no exception. Women and SHGs in many parts of the country have achieved success in bringing the women to the main stream of decision making. The SHG in our country has become a source of inspiration for women's welfare. 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 set up to disburse micro credit to the rural women and encouraging them together into entrepreneurial activities. In India, at the end of ninth five year plan 26.1% of the population was living below poverty line. In the end of IX plan various schemes has been implemented to reduce poverty and to promote the gainful employment. But the more attractive scheme with less effort (finance) is "Self Help Group". It is a tool to remove poverty and improve the rural development.

Introduction

Poverty and unemployment are the major problems of any under developed countries, to which India is no exception. Women and SHGs in many parts of the country have achieved success in bringing the women to the main stream of decision making. The SHG in our country has become a source of inspiration for women's welfare. 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 set up to disburse micro credit to the rural women and encouraging them together into entrepreneurial activities. In the end of IX plan various schemes has been implemented to reduce poverty and to promote the gainful employment. But the more attractive scheme with less effort (finance) is "Self Help Group". It is a tool to remove poverty and improve the rural development.

SHGs

SHG means a group which represents a financial intermediation. But the financial intermediation is not the only primary objective of the groups. The idea is to combine the access to low cost financial services with a process of self management and development. They are usually formed and supported by NGO or government agencies. A SHG is a small economically homogeneous affinity group of the rural poor voluntarily coming together to save small amount regularly, which are deposited in a common fund to meet members emergency needs and to provide collateral free loans decided by the group. They have been recognized as useful tool to help the poor and as an alternative mechanism to meet the urgent credit needs of poor through thrift. SHG is a media for the development of saving habit among the women. SHGs enhance the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of building empowerment.

Working of SHGs

SHGs are working in democratic manner. The upper limit of members in a group is restricted to 20. Among them a member is selected as an 'animator' and two members are selected as the representatives. The animator is selected for the period of two years. The group members meet every week. They discuss about the group savings, rotation of sangha funds, bank loan, repayment of loan, social and community action programmes.

Objectives of the study

The overall objective of the present study is to analyse the economic empowerment of women through SHGs in the

north districts of Tamil Nadu. However more specifically:

1. To know the income, expenditure and savings of the members after joining SHGs.
2. To know the role of SHGs in providing rural credit.

Methodology

The present study has covered only four villages from north districts of Tamil Nadu Viz., Yellagiri Hills of Vellore District, Vengikal Village of Thiruvannamalai District, and Paparapatti Village of Dharmapuri District and Soolagiri village of Krishnagiri District. The primary data were collected with the help of specially prepared interview schedule. The schedule include the questions related to the general information about the income, expenditure, savings and loan schemes available to SHGs' members. Totally 372 respondents were selected from 34 SHGs of four districts by simple random sampling method. This is purely a descriptive study. Therefore only percentage and average analysis tools were used for the analysis.

Analysis and Interpretation

Table 1 – Members in SHGs

Sl. No.	Name of the village	No. of SHGs	Total Members
1.	Soolagiri(Krishnagiri District)	8	80
2.	Paparapatti(Dharmapuri District)	7	76
3.	Yellagiri Hills(Vellore District)	10	120
4.	Vengikal(T.V.Malai District)	9	96
	Total	34	372

In the study area totally 34 SHGs are functioning with 372 members (Table-1). From the 372 members 100 respondents were selected for the study.

Age Group of f SHGs members

Table-2 Age Group of Members of SHGs

Sl. No.	Age Group	No. of respondents	Percentage
1.	Less than 20	5	5
2.	20-30	22	22
3.	30-40	24	24
4.	40-50	27	27
5.	50-60	13	13
6.	Above 60	9	9
	Total	100	100.00

Source : Primary Data

Age and socio-economic activities are inter-related. The

young and middle age group people can actively participate in the socio-economic activities, which is true in the activities of SHGs in the study area. In the four north districts of Tamil Nadu, 20-30 and 30-40 age groups are actively participating in the SHGs activities (Table -2). The aged people (40-50) are also in the SHGs, their role is also important for SHGs. They can only control and solve the problems arising in the groups.

Reasons for Joining SHGs

Table - 3 Reasons for Joining SHGs

Sl. No.	Reasons	No. of respondents	Percentage
1.	For getting loan	43	43
2.	For promoting savings	15	15
3.	For social status	33	33
4.	For other reasons	9	9
	Total	100	100.00

Source : Primary Data

The major aim of the SHGs is to promote savings and to credit for the productive and consumption purposes. This is true because many people in the study area joins the SHGs for getting loan and promote their personal savings, in addition to get social status (Table - 3). In the study area many people (43%) joins the SHGs for getting financial assistance, 33% of the respondents joins the SHGs for the social status, because SHGs give the identity to the members. 15% of the respondents join for improving their savings. For social, cultural and political improvement (other reasons 9%) some members join in the SHGs.

Income Level of the Members

Table- 4 Monthly Income of the Members Before and After Joining SHGs

Before Joining SHGs		After Joining SHGs			
Sl. No.	Monthly Income Rs.	No. of Respondents	Percentage	No. of Respondents	Percentage
1.	< 1000	12	12	4	4
2.	1000-2000	19	19	19	19
3.	2000-3000	31	31	34	34
4.	3000-4000	3	3	10	10
5.	4000-5000	8	8	25	25
6.	5000-6000	4	4	4	4
7.	Above 6000	1	1	2	2
8.	Non-earning members	22	22	2	2
	Total	100	100.00	100	100.00

Source : Primary Data

Income is the major determinant of the standard of living of the people. The SHGs member income has been increased after joining the SHGs. Hence women members of the groups are independent to meet their personal expenditure, and they contribute more to their household income. Many housewives (22%) did not earn anything before joining SHGs, but after a member of the SHGs, they are also earning reasonably. This increases the willingness to participate in the SHGs' activities (Table - 4). Many women members independently involve in the economic activities individually and with other group members after joining SHGs. Therefore they are now economically independent and contribute to increase their household income.

Expenditure of the SHG members Family

Table - 5 Monthly Family Expenditure of the Members Before and After Joining SHGs

Before Joining SHGs		After Joining SHGs			
Sl. No.	Monthly Income (Rs.)	No. of Respondents	Percentage	No. of Respondents	Percentage
1.	< 1000	34	34	16	16
2.	1000-2000	42	42	26	26
3.	2000-3000	19	19	33	33
4.	3000-4000	4	4	19	19

5.	Above 4000	1	1	6	6
	Total	100	100.00	100	100.00

Source : Primary Data

Table - 6 Monthly individual Expenditure of the Members Before and After Joining SHGs

Before Joining SHGs		After Joining SHGs			
Sl. No.	Monthly Income Rs.	No. of Respondents	Percentage	No. of Respondents	Percentage
1.	Below 100	25	25	11	11
2.	100-200	22	22	17	17
3.	200-300	23	23	23	23
4.	300-400	11	11	14	14
5.	400-500	12	12	17	17
6.	500-600	2	2	13	13
7.	600-700	3	3	3	3
8.	Above 700	2	2	2	2
	Total	100	100.00	100	100.00

Source : Primary Data

The family expenditure has been increased due to positive change in the SHGs members' income. The incremental income not only enhance the expenditure of the family but also promote the savings of the family after they join in the SHGs. Here the objective of the SHGs is fulfilled. This is an achievement of the women SHGs in the study area (Table - 5 and 6). Usually working women are being respected by the household members and the society. Nowadays the women in the SHGs are also respected by the others, because they are independent in earning the income and they are contributing to household income, expenditure and savings.

Rural Credit and SHGs

Table - 7 Types of Loans in the SHGs

Sl. No.	Types of the Loan	Maximum amount Rs.
1.	Business Loan	20,000 to 25,000
2.	Marriage Loan	Upto 20,000
3.	Repay the old Loan	10,000 to 15,000
4.	Medical Loan	10,000 to 15,000
5.	House repairing Loan	Upto 5,000
6.	Cattle Loan	5,000 to 7,500

Source : Primary Data

Table - 8 Amount of Loan Availed by the members Through SHGs

Sl. No.	Availed Loan Amount Rs.	No. of Respondents	Percentage
1.	Less than 5,000	17	17
2.	5,000 to 10,000	21	21
3.	10,000 to 15,000	22	22
4.	15,000 to 20,000	26	26
5.	Above 20,000	14	14
	Total	100	100.00

Source : Primary Data

Table - 9 Repayment of Loan by SHGs' Members

Sl. No.	Particulars	No. of Respondents	Percentage
1.	Repayment in time	64	64
2.	Repayment in advance	19	19
3.	Repayment not in time	17	17
	Total	100	100.00

Source : Primary Data

One of the reasons for joining SHGs is to avails credit, which is true from the present study. The second objective of the study is to know the rural credit by SHGs. The credit organizations like nationalized banks, Co-operative Societies and so on, follow many formalities to provide credit to the rural people. At the sometime village money lenders charge very high rate of interest. In this situation SHGs are the boon to the rural people, because instead of approaching banks, individual, SHGs can easily approach the banks and other institutions to get loan. The SHGs get loan from credit institutions then, they refinance (share) to the members in the

SHGs. The SHGs charge reasonable interest. In the study are the prevailing interest rate is 1% to 4%. All the members are responsible to repay the loan to the banks. Therefore members are repaying the loan on time. (Table – 9). Moreover banks instruct the members to save minimum Rs. 200 per month. So re-payment is very easy for SHGs. The loans can be used by individual group members for their personal needs, sometime the group may invest on any economic activities. Nowadays many SHGs are starting small business, cottage industries, food processing units etc. The SHGs in the study area grant the loan to their member for various purposes. The maximum loan amount per members is decided by the general body meeting (Table – 7). Almost all the members in the study area are availing the loan facilities from their SHGs (Table – 8).

Conclusion

The study was undertaken to analyse the women empowerment through SHGs in the north Tamil Nadu. It is found that the income of the women has been increased after joining

the SHGs. So that the monthly household expenditure has also been raised in considerable level. But the savings is increasing at slow rate, because the incremental expenditure is higher. Mostly they are spending for present consumption. The members should change it. The good practice of the women SHGs in the study area is repayment of the loan in time. Nearly 64% of the debtor paid their monthly due within the time, even some members 19% paid their due in advance. A few members do not pay in time but this is not affecting the further credit of SHGs. Since the repayment of loan is regular and within the time, it can be concluded that the economic activities of SHGs are quite success. In this way SHGs in north Tamil Nadu are very successful to empower women in rural areas and to ignore poverty.

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