

Mahalir Thittam – a Bank Linkage Programme to Empower Women Through Self Help Groups



Commerce

KEYWORDS: Self Help Group, Mahalir Thittam, Economic Empowerment of Women.

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ABSTRACT

In recent years, women have joined hands for their development and self employment in the form of Self Help Group. Mahalir Thittam is intended to promote economic and social empowerment of the poorest women through a network of "Self Help Groups" formed with active support of NGOs. SHG – Bank Linkage Programme has significantly improved the access to financial services for the rural women and has considerable positive impact on the socio-economic conditions and the reduction of poverty of SHG members and their households. This paper studies the socio-economic profile and examines the empowerment of the respondents who are members of Ma Thi in Virudhunagar District.

INTRODUCTION

In recent years, women have joined hands for their development and self employment in the form of Self Help Group. This movement comes from the women's desire to meet their needs and determine their own destinies through the principle "by the women, for the women and of the women". Self Help Group is a small economically affinity group of the rural poor voluntarily coming together to save small amounts regularly, which are deposited in a common fund to provide collateral free loans as decided by the group to meet the emergency needs of members. It enhances the equality of status of women participants, decision makers and beneficiaries in the democratic, economic, social and cultural spheres of life. To focus on women empowerment, Mahalir Thittam which is based on "Self Help Group" approach is implemented in partnership with the Non-Governmental Organisations (NGO). The endeavour is to combine the wide research and resources available to the State, with the grassroots presence, goodwill, commitment and innovative work of the NGO's, together with support from NABARD and credit from banks and other funding sources. Table 1 shows the progress of SHG Bank Linkage in India during the past 11 years.

Table 1. Progress of SHG Bank Linkage in India

Year	No. of SHGs linked	Growth Percentage
2000-01	263825	100
2001-02	461478	174.92
2002-03	717360	271.91
2003-04	1079091	409.02
2004-05	1618456	613.46
2005-06	2238565	848.50
2006-07	2924973	1108.68
2007-08	5009794	1898.91
2008-09	6121147	2320.15
2009-10	6959250	2637.83
2010-11	7461946	2828.37

Source : NABARD Annual reports and SHG Bank Linkage Data of Different Years

Table 1 reveals that there is an increase of 2728.37% of SHGs in 2010-11 as compared to 2000-01.

MAHALIR THITTAM IN TAMIL NADU

Mahalir Thittam is (Ma Thi) a Government project run by the Tamilnadu Corporation for the Development of Women Ltd. (TNCDW). Ma Thi is intended to promote economic and social empowerment of the poorest women through a network of "Self Help Groups" formed with active support of NGOs. Government of Tamilnadu started SHG approach in a small way in Dharmapuri district in 1989 with the assistance of the International Fund for Agricultural Development (IFAD). Later, the scheme was extended to Salem and South Arcot districts in 1991-92 and

further extended to Madurai and Ramanathapuram in 1992-93. Following the success of the IFAD project, Ma Thi project was launched with the State Government funding from 1997-98 and was progressively included in all the districts of the State. Ma Thi has added methodologies for group assessment for ease of bankers, added possible credit products and features and provided a sound training component combined with NGO support and guidance.

- The major objectives of Mahalir Thittam are:
- To create the savings habit of the women
- To meet out the internal credit by themselves
- To repay the credit properly
- To improve standard of the family by earnings of women
- To make arrangements to avail the bank loan
- To know the ways and means for marketing of products
- To create self confidence among the women
- To create social awareness among the public

For better functioning of SHGs, bankers play a key and major role in every activity. For the financial year 2010-11, Tamilnadu Government has fixed Rs.70 Crores as SHG Credit Linkage Target to Virudhunagar District. Ma Thi Project is implemented in Virudhunagar District with the participation of NGOs/PLFs/BLFs. These federations, by pooling in talent and resources and availing economies of scale in production and marketing can benefit SHG members immensely. To improve PLF credit system, bulk loans are provided without collateral securities. SHG – Bank Linkage Programme has significantly improved the access to financial services for the rural women and has considerable positive impact on the socio-economic conditions and the reduction of poverty of SHG members and their households.

- SHGs should fulfil the following essential minimum criteria to consider it for credit.
- SHG should have been in active existence for over 6 months.
- Size of the SHG should be in the range of 10 – 20 members.
- SHG meetings should have been conducted at regular interval.
- For 6 months or more SHG should not be a defaulter with any institution.
- The recovery of internal loans and external loans should not be less than 85%.
- At least, 50% of group members should have taken internal loans from group fund.
- Savings by all members in the group fund should be on a regular basis.
- The group should have maintained proper books of accounts.
- The group must have well – defined rules and regulations approved by proper resolution.

After passing in the credit rating credit linkage will be provided under the following schemes MAHALIR THITTAM- URBAN RF, MAHALIR THITTAM- YOUTH RF, DIRECT LINKAGE – NABARD and so on

OBJECTIVES OF THE STUDY

- To find the socio-economic profile of the respondents who are members of Ma Thi in Virudhunagar District.
- To examine the empowerment of the respondents through Ma Thi in Virudhunagar District.

SCOPE OF THE STUDY

The current study has been conducted in Virudhunagar District in Tamilnadu. The SHG in the District are formed through NGOs. TNCDW direct each District, to organize “College Bazaar” to create awareness about the products manufactured or marketed by the members of the women self-help groups across the colleges and to provide support by Business Management students to the SHGs by doing case study analyses about the sustainability and viability of the women’s business proposals. The main objective of conducting college bazaar is to create new marketing avenues for the women. With this sort of exposure, the women can learn what their customers want and tailor their production according to the demand. The primary data has also been collected from women members of SHGs in College Bazaar organized at colleges in Virudhunagar District.

METHODOLOGY

The primary data has been collected through the interview schedule method through convenience sampling method. The sampling unit comprises of 30 SHG members. The statistical tools like Growth Percentage, Rank Matrix Data Analysis and Students t-test are used for the data analysis.

ANALYSIS OF DATA

SOCIO-ECONOMIC PROFILE OF THE RESPONDENTS

The revolutionary trend, in the introduction of SHG has uplifted the members, economically by boosting their income level, which enables them to meet their daily and household expenditures. Saving habit and saving potentials of the members of the SHGs is another important indicator of financial inclusion. SHG

members make monthly or weekly investments in bank regularly. The money saved in banks is provided as loan to the needy members in the form of internal loan. There are considerable changes occurred in the size of the loan taken from banks by the SHG members. Distribution of the respondents on the basis of family income, amount of savings, internal and bank loans before and after joining SHG is presented in Table 2.

TABLE 2: SOCIO-ECONOMIC PROFILE

S.No.	Particulars	Classification	No. of respondents	
			Before joining	After joining
1	Monthly Income (₹)	Below 2000	4	2
		2000-3000	12	4
		3000-4000	8	8
		4000-5000	3	8
		5000 & above	3	8
		TOTAL	30	30
2	Amount of savings (₹)	Below 2000	6	3
		2000-3000	12	5
		3000-4000	9	9
		4000 & above	3	13
		TOTAL	30	30
3	Internal Loan (₹)	Below 4000	22	13
		4000-6000	5	14
		6000 & above	3	3
		TOTAL	30	30
4	Bank Loan (₹)	Below 10,000	13	7
		10,000-25,000	10	15
		25,000 & above	7	8
		TOTAL	30	30

Source: Primary data

Table 2 reveals that after becoming the members of SHG, only 2 respondents had less than Rs.2, 000 as monthly income. Hence, it is evident that, after becoming members of SHG, the respondents’ income has been increased substantially. The saving potential is increased and around 13 respondents have more than Rs. 4,000 as their savings now. 14 respondents took internal

loan between Rs.4000-6000 for further expansion. The amount of bank loan availed by the respondents has also increased.

PURPOSE OF GETTING LOAN

The researcher has analysed the purpose of getting loan by the respondents. The analysis reveals that the main purpose of getting loan by them is to start business which secured highest score of 140. Table 3 illustrates the results.

TABLE 3: PURPOSE OF GETTING LOAN

S.No.	Particulars	I	II	III	IV	V	VI	VII	Total	Total Score	Rank
1	To start business	8	4	6	4	2	2	4	30	140	I
2	To educate their children	4	6	5	3	5	4	3	30	127	III
3	To meet medical expenses	2	4	3	6	5	5	5	30	107	VI
4	To meet marriage expenses	7	5	4	3	4	3	4	30	133	II
5	To maintain house expenditure	3	5	6	4	5	3	4	30	122	IV
6	To redeem other loans	4	3	3	5	4	5	6	30	109	V
7	To meet festival expenses	2	3	3	5	5	8	4	30	106	VII

Source: Primary data

REPAYMENT OF LOAN

The repayment of the loan by the respondents shows a positive sign. The table 4 shows that 18 respondents (60 per cent) are prompt in their repayment and only 3 respondents (10 per cent) show negligence in repayment. Table 4 shows the repayment of loans by the respondents.

TABLE 4: REPAYMENT OF LOAN

S.No.	Particulars	No. of Respondents	Percentage
1.	Repayment in time	18	60
2.	Repayment in advance	9	30
3.	Delayed Repayment	3	10
	Total	30	100

Source: Primary data

ECONOMIC EMPOWERMENT

Ma Thi has also empowered women members substantially and contributed to increase self-confidence and positive behavioural changes in the post-SHG period as compared to the pre-SHG period. An attempt is made to assess the attitude of women towards economic empowerment and shown in table 5.

TABLE 5: DISTRIBUTION OF RESPONDENTS IN RELEVANCE TO ECONOMIC EMPOWERMENT

S.No.	Scores obtained – Empowerment status	Before joining SHG		After joining SHG	
		No. of Respondents	Percentage	No. of Respondents	Percentage
1.	Less than 25% (to be empowered)	18	60	4	13

2.	25% - 75% (in line with empowerment)	7	23	9	30
3.	Above 75% empowered	5	17	17	57
	Total	30	100	30	100

Source: Primary data

The above table illustrates that 18 respondents (60 per cent) come under the group less than 25 per cent status but, after becoming members the percentage has come down to 13 with 4 respondents. Similarly 5 respondents (17 per cent) were empowered above 75 per cent and after they enrolled as members, the percentage increased to 57 with maximum of 17 respondents.

HYPOTHESES TESTING

To test the significant difference in the monthly income, savings, internal loan and bank loan of the respondents before and after joining the Self Help Group through Mahalir Thittam, the following null hypotheses have been formulated and tested using Students t-test.

H0: There is no significant difference in the monthly income, savings, internal loan and bank loan of the respondents before and after joining the Self Help Group.

TABLE 6: HYPOTHESES TESTING

Variables	Calculated 't' value	d.f.	Table value at 5% level of significance	Result
Monthly Income	6.58	29	2.045	Significant
Savings	6.39	29	2.045	Significant
Internal Loan	5.67	29	2.045	Significant

Bank Loan	4.63	29	2.045	Significant
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Source: Computed data

FINDINGS

The analysis of the data collected reveals that

- ❖ Total number of Self Help Groups in India is increased enormously.
- ❖ The saving potential is increased and around 13 respondents have more than Rs. 4,000 as their savings now.
- ❖ Bank Loans are availed under Mahalir Thittam mainly to start business.
- ❖ 60 percent of the respondents repaid the loan in time.
- ❖ 7 percent of the respondents are economically empowered.
- ❖ There is a significant difference in family income, amount of savings, internal loan and bank loan of the respondents before and after joining the group.

SUGGESTIONS

- ❖ More trade fairs and exhibitions are to be conducted to create the demand for the goods manufactured by the SHG members.
- ❖ The society has to take steps to remove the disparity of gender bias to develop the SHG.
- ❖ SHG members have to come forward to utilize the facilities arranged by banks and Government.
- ❖ Latest marketing strategies, that is e-marketing can be implemented that would provide worldwide shopping facilities.

CONCLUSION

It can be concluded that today, SHG movement is a very vibrant movement spread across all districts of the state. The training by the NGOs had increased their confidence and restored self worth. Even though the members have joined the SHGs for various reasons, most of the SHG members have developed their own small businesses with the credit linkage and are standing on their own legs. Mahalir Thittam – a bank linkage program to SHGs has emerged as an effective program in extending credit to rural women to enhance rural development in par with empowerment of women.

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