



SOCIO – Economic Conditions of Self Help Group Members in Pollachi Taluk

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ABSTRACT

Government of India is very much interested in poverty alleviation and women empowerment. The formation of Self Help Group among the working women in an unorganized sector is the latest dimension of poverty alleviation programme in rural India. The rural poor women living in neighbourhood with similar socio-economic background form groups. The size of the groups ranges from 10-15 members. The women in groups take up economic activities suited to their skills and local resources. In this way, they stand in their own legs and contribute the economic development of nation. Hence, a study was conducted to highlights the socio-economic conditions of the Self Help Group members in Pollachi Taluk. The current study focuses on the income level of SHG and training facilities to SHG, marketing channels adopted by SHG, role of financial institutions in financing SHG and problems faced by SHG. Constructive suggestions are also given to improve the socio-economic conditions of SHG members based on the findings of the study. The primary data have been analyzed with the help of percentage analysis and chi-square test.

Keywords : Socio-economic, Pollachi taluk, self help group

INTRODUCTION

Women constitute a significant population of the world. But, still, women are not empowered in relation to men in the decision making in relation to the house-hold affairs and society in general. The existence of gender inequality in the working place persists even today. The empowerment of women is the main motive force for the emergence of Self Help Groups (SHGs). Its evolution is now a precursor to a force of self employment. It starts with economic self reliance. SHG is defined as a "voluntary association of the poor with a common goal of socio-economic empowerment". The purpose behind the formation of self help group is to pool in the resources of members to meet their economic and social needs. Groups are homogenous and democratically functioning. The habit of thrift and contributing to common funds mobilized to mitigate the urgent needs of the members and ensuring the prompt recovery required for better functioning of SHG's, stands as prerogative.

Non-Government Organisation (NGO) is a voluntary organisation established to assist in undertaking social intermediation, mainly for organizing the SHGs of micro entrepreneurs entrusting them to the interested banks. Some NGO's borrow funds from financial institutions for extending financial assistance to SHG's and for social intermediation. The financial assistance together with promotional and developmental activities of SIDBI played a catalytically role in the upliftment of small and tiny sector for a self - sustained growth. They have set up Micro - Credit Scheme (MCS) in March 1994, and financial assistance was provided to the rural poor, particularly to women through NGO's for taking up income generating activities at micro - level.

CONCEPT OF SELF – HELP GROUP

Self – Help Groups are mostly informal groups where members pool their savings themselves on a rotational basis. These groups hold common perception of need and impro-

vide collective action. Many such groups form around specific production activities or income generating activities, promote savings among members and use the pooled resources to meet various credit needs of members (even consumption needs). There is a great incentive to form a SHG if people feel that it is the only source (apart from the omnipresent and exploitative moneylender) for access to credit. A strong savings programme enables group members to acquire financial support and expertise in credit and expenses management.

Role of SHG Members

1. Attending SHG's meetings promptly, 2. Participating fully in SHG's meetings and voice opinion clearly and freely, 3. Sharing responsibility of SHG's collectively like going to banks by rotation and 4. Repaying SHG's loans promptly.

SHGs are coming up on their own, or through the intervention of Voluntary Agencies (Vas) / NGOs, or by officials of financing agencies like banks. The size of the group is normally less than thirty members divided into five to six sub-groups for better coordination and control. Peer pressure keeps the group members in line and contributes to the collective strength of the group.

ENROLMENT CRITERIA

All women who are below poverty line, married, unmarried but elderly women, widows, physically challenged and self interested people. Nabard also introduced a scheme in the year 1992 for linking of SHGs with banks in order to strengthen the efforts of NGOs and improvement of financial position of SHGs. Therefore, a SHG is a small, economically homogeneous and affinity group of the rural poor, who are voluntarily joining together for the following reasons:

1. For saving small amounts of money regularly.
2. Mutually agree to contributing to a common fund.
3. Meeting their emergency needs, of group members.

4. Collective decision making.
5. Solve conflicts through collective leadership and mutual discussion and
6. Provide collateral free loans with terms decided by the group at market driven rates.

OBJECTIVES OF THE STUDY

The following are the specific objectives of the study.

1. To assess the general status of SHG.
2. To study about the income level of SHG.
3. To find out the training facilities available to SHG.
4. To study about the distribution channels and marketing place of their product.
5. To study about the role of financial institution providing loan to SHG and
6. To study about the problems faced by the SHG and offer suggestions.

SCOPE OF THE STUDY

The study was undertaken mainly to understand the economic condition of the self help group members. It helps to understand various factors related to success of SHG such as training facilities, loan facilities, general benefits, monetary benefits and gives a clear cut idea as to know how far the members are satisfied with their working in group environment. The researcher has made sincere efforts in extracting information and has done required analysis. Suitable suggestions have been given to the Government that enable the Government to identify the needs of SHG and women's development by skill and economic empowerment. It helps to understand the standard of living of the people those who are living below the poverty line in that area only.

METHODOLOGY

Primary data for the study was collected using sampling technique. Multistage random technique was used to select taluk, villages and sample respondents. Ten villages were selected at random. List of villages having more SHG's in the taluk was obtained from local authorities. Each village 10 SHG's were selected at random. Thus, multistage simple random sampling procedure was followed and ultimately the sample size of 100 SHG's were selected. Field survey was conducted during the months of November 2011 to February 2012.

The percentage analysis was used to study the general characteristics like age-wise distribution, occupational status, number of SHG members in different sectors, income level, training facilities, distribution channels, place of purchase of raw materials, place of marketing, financial institutions and credit facilities.

Chi-square analysis was used to find out whether there was any association between community and education, age and income. The formula used to find out chi-square test is prepared below.

$$c^2 = \frac{\sum (O_{ij} - E_{ij})^2}{E_{ij}}$$

LIMITATIONS OF THE STUDY

It is a micro level study and as such that, the findings of the study may be applicable to that study area only. Based on the interview schedule, data pertaining to training, marketing, purchasing of raw materials are collected. As the data was not available in respect of expenses incur in different items for the study period are not computed for calculating net profit. Sample size has been restricted to 150 due to time and resource constraints.

RESULTS AND DISCUSSION

TABLE 1

Age wise distribution

Sl. No.	AGE	NUMBER OF RESPONDENTS	PERCENTAGE
1.	20 – 30 years	59	39.4

2.	30 – 40 years	51	34.0
3.	40 – 50 years	35	23.4
4.	50 – 60 years	5	3.2
	TOTAL	150	100.0

Source: Primary Data

The above table reveals that the age wise distribution of the respondents. 59 (39.4%) respondents were between the age of 20 and 30 and 5 (3.2%) respondents were between the age of 50 and 60. Majority of the respondents were between age group of 20 and 30.

TABLE - 2
OCCUPATIONAL STATUS

Sl. No.	OCCUPATION	NUMBER of Respondents	PERCENTAGE
1.	Coolie	54	36.0
2.	Coconut thread	4	2.7
3.	Broom Stick	12	8.0
4.	Handloom	34	22.7
5.	Coir & Dohra	12	8.0
6.	Tamarind	4	2.7
7.	Quarry	4	2.6
8.	Other works	14	9.3
9.	No works	12	8.0
	TOTAL	150	100.0

Source: Primary Data

The above table reveals the occupational structure of the respondents. Coolie is the occupation of 36% of the respondents, handloom weaving is the occupation of 22.7% of respondents and the third main occupation of the respondents is broom stick and coir and Dohra equally at 8%.

TABLE 3
SECTOR WISE SHG members

Sl. No.	SECTOR	NUMBER OF RESPONDENTS	PERCENTAGE
1.	Agriculture	90	60.00
2.	Cottage Industry	39	26.00
3.	Other Sector	21	14.00
	TOTAL	150	100.00

Source: Primary Data

The above table reveals that the sector wise activity of the respondents. Sixty percentage of the respondents are belong to agriculture sector and 14% of the respondents are belong to other sectors. From the table we conclude that the majority of the respondents are included in the agricultural sector

TABLE 4
Income Level OF THE RESPONDENTS

Sl. No.	INCOME LEVEL	NUMBER OF RESPONDENTS	PERCENTAGE
1.	Rs.500 - Rs.1000	40	26.67
2.	Rs.1000 – Rs.1500	70	46.67
3.	Rs.1500 – Rs.2000	16	10.66
4.	More than Rs.2000	24	16.00
	TOTAL	150	100.0

Source: Primary Data

The above table reveals the income distribution of the respondents. 40 (26.67%) respondents belong to the group of the income of Rs.500 - Rs.1000 and 16% of the respondents belong to the group of the income of more than Rs.2000. From the above table we infer that the majority of the respondents were between the income group of Rs.1000 - Rs.1500.

TABLE 5
Training Facility

Sl. No.	TRAINING	NUMBER OF RESPONDENTS	PERCENTAGE
1.	SHG, EDP, A&R	24	16.0
2.	SHG	97	64.6
3.	SHG & Special	29	19.4
	TOTAL	150	100.0

Source: Primary Data

The above table reveals the training undergone by the respondent. 97 (64.6%) respondents have undergone SHG training and 16 % of the respondents have undergone SHG, EDP and A&R training. We infer from the table that majority of the respondents have taken SHG training.

TABLE - 6
Distribution Channels

Sl. No.	DISTRIBUTION CHANNEL	NUMBER OF RESPONDENTS	PERCENTAGE
1.	Wholesale	65	43.3
2.	Retail	11	7.3
3.	Wholesale / Retail	5	3.4
4.	No Marketing	69	46.0
	TOTAL	150	100.0

Source: Primary Data

The above table reveals the distribution channels used by the respondents. 65 (43.3%) respondents sold their products through wholesale marketing and 3.4% of the respondents sold their products through both wholesale and retail. Majority of the respondents were not marketing their products because they are coolie workers. But most of the respondents are marketing their products only in wholesale.

TABLE 7
Place of Purchasing OF Raw Materials

Sl. No.	PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
1.	Absence of purchasing	66	44.0
2.	Own Village	41	27.4
3.	Near by village	1	0.6
4.	Town	35	23.4
5.	Own village / near by town / village	7	4.6
	TOTAL	150	100.0

Source: Primary Data

The above table reveals the place of purchasing of raw materials by the respondents. 44% of the respondents were not purchasing the raw materials due to coolie work and 0.6% of the respondents were purchasing the raw materials from near by village. From the above table it was conclude that majority of the respondents do not purchase any raw materials because of financial problems and they are coolie workers.

TABLE 8
Place of Marketing

Sl. No.	MARKETING PLACE	NUMBER OF RESPONDENTS	PERCENTAGE
1.	Town	54	36.0
2.	Own Village	7	4.6
3.	Near by village	1	0.7
4.	Own / near / town	19	12.7
5.	No market	69	46.0
	TOTAL	150	100.0

Source: Primary Data

The above table reveals the place of marketing by the respondents. 36% of the respondents market their products in the town and 0.7% of the respondents market their products in the near by village. From the above table it was inferred that most of the respondents market their products in the town.

TABLE 9
Details of Financial Institutions

Sl. No.	FINANCIAL INSTITUTIONS	NUMBER OF RESPONDENTS	PERCENTAGE
1.	PACB Karumapuram	25	16.6
2.	PACB Thempakuthu	54	36.0
3.	PACB Ramanathapuram	38	25.3
4.	Bank of Baroda Pollachi	5	3.4
5.	State Bank of India	28	18.7
	TOTAL	150	100.0

Source: Primary Data

The above table reveals the details of financial institution helping the respondents. 36% of the respondents were financed through PACB Thempakuthu and 3.4% of the respondents were financed through Bank of Baroda Pollachi. It was concluded that majority of the respondents are getting financial assistance from PACB Thempakuthu.

TABLE 10
LEVEL OF Credit Facilities RECEIVED BY THE RESPONDENTS

Sl. No.	CREDIT FACILITIES	NUMBER OF RESPONDENTS	PERCENTAGE
1.	Rs.10000 – Rs.25000	43	28.6
2.	Rs.25000 – Rs.50000	15	10.0
3.	Rs.50000 – Rs.75000	-	-
4.	Rs.75000 & Above	29	19.4
5.	No Loan	63	42.0
	TOTAL	150	100.0

Source: Primary Data

The above table reveals the level of credit facilities received by the respondents. 28% of the respondents have received loan between Rs.10000 and Rs.25000 and 10% of the respondents have received loan between Rs.25000 and Rs.50000. Majority of the respondents have not taken any loan.

CHI - SQUARE ANALYSIS

ASSOCIATION BETWEEN COMMUNITY AND EDUCATION

Aim: To find out the relationship between community and education.

Null Hypothesis: Community and education are not related among the SHG members.

Alternative Hypothesis: there is a relationship between community and education among the SHG members.

TABLE 11
ASSOCIATION BETWEEN COMMUNITY AND EDUCATION

COMMUNITY	ILLITERATE	I STANDARD AND ABOVE	TOTAL
SC / ST	45 (28)	15 (32)	60
BC / OC / MBC	25 (42)	65 (48)	90
TOTAL	70	80	150

(Figures in brackets shows that expected frequency)

Calculated Value : 32.20

Degree of freedom : 1

Table value at : 5% Level of significance is = 3.841

The calculated value is greater than the table value the null hypothesis is rejected. It is inferred that there is significance association between community and education among the SHG members.

ASSOCIATION BETWEEN AGE AND INCOME

Aim: To find out the relationship between age and income of SHG members.

Null Hypothesis: Age and income are not related between SHG members.

Alternative Hypothesis: There is a relationship between age and income among the SHG members.

TABLE 12
ASSOCIATION BETWEEN AGE AND INCOME

AGE	Rs.500 – Rs.1000	Rs.1000 – Rs.1500	Rs.1500 & ABOVE	TOTAL
20 - 40 YEARS	30 (29.33)	55 (51.33)	25 (29.33)	110
40 – 60 YEARS	10 (10.67)	15 (18.67)	15 (10.67)	40
TOTAL	40	70	40	150

(Figures in brackets shows that expected frequency)

Calculated value :3.41
Degrees of freedom :2
Table value at :5% Level of significance is = 5.991

As the calculated value is less than the table value the null hypothesis is accepted. It is inferred that there is no association between age and income among the SHG members.

FINDINGS

1. Majority of the respondents are between the age group of 20 to 30 years.
2. Thirty percent of the respondents were engaged in coolie and 22.6% of the respondents were engaged in handloom weaving.
3. Sixty percent of the respondents were members of SHG from agricultural sector.
4. Majority of the respondents were between the income group of Rs.1000 and Rs.1500.
5. Sixty four of the respondents have undergone SHG's training.
6. Forty three percent of the respondents are selling their products through wholesale marketing.
7. Twenty seven percent of the respondents were purchasing raw materials in their own village.

8. Thirty six percent of the respondents were market their products in the town.
9. Among the three banks, PACBs has given more credit facilities (77.3%) and
10. Twenty nine percent of the respondents were received loan between Rs.10,000 and Rs.25,000.

SUGGESTIONS

The following efforts should taken for improving the socio – economic conditions of SHG.

1. In rural areas, majority of the women do not know about the performance of SHGs and income from SHGs. So an awareness programme may be arranged by the Government and Non - Government organizations to the rural women.
2. More number of SHG can be formed to promote economic development in Pollachi Taluk by providing loans to women.
3. Due to family commitment the members of the SHG are not able to attend the activities of the business. They must be motivated properly which will help to improve the functioning of SHGs.
4. Facilities provided to SHGs are not sufficient. Facilities like cold storage, warehousing, etc, should be provided to the SHGs which will help to develop the income to members.
5. It is necessary to minimize the extent of formalities required for obtaining loans from banks.
6. The performance of the SHGs is disturbed by political and local personalities. This practice should be avoided and
7. The SHGs members feel difficulty in marketing the products prepared from their business activities at the maximum. Hence, the Government and NGOs should make some further arrangements to market the products manufactured by SHGs.

CONCLUSION

It is realized that NGOs can play a better role in developing the economic condition of the rural areas by way of arranging awareness programme to the members of the SHGs particularly to the rural women in Pollachi Taluk. The Government can provide some more training programmes to women in Pollachi Taluk which will help the SHG members to establish various business units in the Taluk and this will help to improve the income of the rural public. The NGOs are taking keen interest in providing micro finance through SHGs and thereby empowering poor women.

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