

ANALYSE THE SOCIO-ECONOMIC DEVELOPMENT OF SELF-HELP GROUPS ON RURAL HOUSEHOLD WOMEN IN TAMIL NADU

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ABSTRACT

In this study Self Help group to support the Women empowerment is a process in which women challenge the existing norms and cultural, to effectively promote their well-being. The participation of women in self-help group (SHGs) made a significant impact on their empowerment both in social and economic aspects this study addresses women empowerment through self-help groups in TamilNadu. The information required for the study has been collected from only secondary sources has been followed full paper. The SHGs have had greater impact on both economic and social aspects of the beneficiaries.

Keywords:

Socio-economic development, Self Help Group

INTRODUCTION

Self-Help Group or in-short SHGs is now a well-known concept. It is now almost two decade old. Self-help groups (SHGs) play today a major role in poverty alleviation in rural area. It is reported that the SHGs have a role in hastening country's economic Development. SHGs have now evolved as a movement. Mainly, members of the SHGs are women. Consequently, participation of women in the country's economic development is increasing. They also play an important role in elevating the economic status of their families. Women constitute around fifty percent of the total human resources in our economy. This has led to boost the process of women's Empowerment. Yet women are subservient to men as they are subject to many socio- economic and cultural constraints. The situation is more severe in the rural and backward areas. Women development activities must be given importance to eradicate poverty, increase the economic growth and for better standard of living. The SHG promotes small savings among its members. Self-Help Group (SHG) is a small voluntary association of poor people, preferably from the same socio-economic background. This paper attempts to identify the role of SHGs in providing income and saving to rural poor household in Tamil Nadu.

OBJECTIVES OF SHGs

- ☐ To analyze the role of SHG in developing socio economic status of rural women
- ☐ To eradicate rural poverty and increase employment opportunity
- ☐ To improve income generating activities in rural household women

METHODOLOGY

The present paper is primarily based on secondary sources of data. Present study focus on Tamil Nadu self-help group's impact and movement. Secondary data were collected from Tamil Nadu Corporation for Development of Women (TNCDW), Annual reports, the statistical supplements, and operational statistics of Tamil Nadu State, Government Website, Published sources include Government publications, and other publications like research articles published in journal available.

State –wise spread of the SHG-Bank Linkage programme

States	SHGs	Savings (in lakhs)	% of SHGs	% of savings
Andhra Pradesh	1418676	349962.18	19.09	35.36
Arunachal Pradesh	2588	153.01	0.034	0.02
Assam	285327	11289.51	3.84	1.14
Bihar	268721	16466.57	3.62	1.66
Chhattisgarh	11184	18283.52	1.51	1.85
Goa	8170	1313.37	0.11	0.13
Gujarat	196510	16872.00	2.64	1.70
Haryana	43029	4539.47	0.58	0.46
Himachal Pradesh	37634	2732.43	0.51	0.28

Jammu& Kashmir	873	40.74	0.01	0.004
Jharkhand	86386	8932.95	1.16	0.90
Karnataka	709171	108757.29	9.55	10.98
Kerala	601325	56942.49	8.09	5.75
Madhya Pradesh	157481	13010.41	2.12	1.31
Maharashtra	692274	74805.53	9.32	7.56
Manipur	9039	94.92	0.12	0.009
Meghalaya	7230	536.65	0.10	0.04
Mizoram	187	4.46	0.002	0.00
Nagaland	2437	210.08	0.03	0.021
New Delhi	2901	660.57	0.04	0.06
Odisha	517391	45733.95	6.96	4.62
Punjab	23041	2283.98	0.31	0.23
Rajasthan	257262	17906.61	3.46	1.80
Sikkim	343	35.49	0.004	0.00
Tamil Nadu	942469	105145.21	12.69	10.62
Tripura	9148	558.00	0.12	0.06
Uttar Pradesh	379270	43858.84	5.10	4.43
Uttarkhand	37294	3903.04	0.50	0.39
West Bengal	591464	81406.51	7.96	8.23
A & N Islands	4824	115.58	0.06	0.01
Puducherry	24454	2406.41	0.33	0.24
Chandigarh	468	13096	0.01	1.32
Lakshadweep	229	648.81	0.003	0.07
Total	7429500	989741.54	100	100

Source: NABARD: Status of Micro Finance in India 2013-14

The allocation of funds for the SGSY scheme by both central and states' governments was Rs.1, 472 cr. in 1999 – 00, the first year of the program. The total amount allocated for the program during 10 years is Rs.14, 467 cr. It is less than half of the budgetary allocation of Rs.30, 100 cr. for NREG in just one year, i.e. 2009 – 10. The principal reason for stagnation in funds allocation is non-cooperation of banks. The allocated meager amounts were not fully utilized even in one year during the last 10 years program period. Total utilization is 74% of funds made available as a result the program is often known as subsidy oriented program. In India, Aim of the SHGs is to give social empowerment to women. In 1991-92 NABARD started promoting self-help groups on a large scale. And it was the real take-off point for the 'SHG movement'. In 1993, the Reserve Bank of India also allowed SHGs to open saving accounts in banks. State wise linkage programmed loan scheme and saving amount show the table. Self-help groups (SHGs) play today a major role in poverty alleviation in rural India. A growing number of poor people (mostly women) in various parts of India are members of SHGs and actively engage in savings and credit, as well as in other activities (income generation, natural resources management, literacy, child care and nutrition, etc.). The S/C focus in the SHG is the most prominent element and offers a chance to create some control over capital. Empowerment

of the poor encompasses three basic dimensions-reduction of poverty, creation of employment, and erasing inequality. The self-help group approach in India has taken strong roots as an effective and viable channel to take the poor to a new domain of economic empowerment and social upliftment. India is poised to provide pragmatic solutions by demonstrating the success of micro finance for eliminating total poverty in the coming decade. Now nearly 560 banks like and more than 3,024 NGOs are collectively and actively involved in the promotion of SHG movement.

SELF –HELP GROUPS MOVEMENT IN TAMIL NADU

Tamil Nadu is the 11th largest state in India and spread over 1, 30,000 sq kms. It has 35 million female in its total population of 72 million in 2011. This was taken not only as a social welfare group but also a centre for economic improvement of women. Hence the concept of “Women Groups for Self Employed” emerged in Tamil Nadu. It was called “Mahalir Sangam” or Mahalir Kuzhu” or Mahalir Mandram.

The status of self-help group below show the table.

Status of SHGs in Tamil Nadu (2014)

SL No	District	Groups formed	Women enrolled	Saving (Rs lakhs)
1	Ariyalur	6708	106969	3527.14
2	Chennai	23620	366110	9948.75
3	Coimbatore	14879	235545	8525.18
4	Cuddalore	17705	281372	10294.39
5	Dharmapuri	8005	127481	7247.89
6	Dindigul	13569	215707	4950
7	Erode	15431	243908	8944.75
8	Kancheepuram	23491	372339	13087.07
9	Kanniyakumari	14129	222067	11918.2
10	Karur	9750	154849	11826.2
11	Krihnagiri	9911	157964	8792.5
12	Madurai	14420	228363	8513.81
13	Nagapattinam	13608	216620	8930.45
14	Namakkal	11818	187382	8935.25
15	Nilgiris	7266	114378	4238.7
16	Perambalur	4016	63975	952.4
17	Pudukkottai	11324	180438	21450.02
18	Ramnad	9928	157893	8086.58
19	Salem	18464	291668	7167.5
20	Sivagangai	10333	164582	5883.7
21	Thiruvannamalai	17647	280945	5208
22	Thirunelveli	18985	300162	9859.6
23	Thanjavur	17308	274981	10102.1
24	Theni	10960	173080	5228.05

25	Thiruvallur	16728	264564	8400.98
26	Thiruvarur	10919	173884	4224.74
27	Thirupur	11752	185672	7191.96
28	Thoothikudi	15038	238487	7514.74
29	Thrichy	15330	242822	5962.94
30	Vellore	16488	262390	9358.56
31	Villupuram	19529	311120	5075.45
32	Virudhunager	12250	194589	5453.39
	Total	441311	6991366	256800.99

Source: www, tnwomen development corporation.org

The group should have limited number of members which will be congenial to the successful functioning. In this regard it will be appropriate to have 15 to 20 members. The member will be benefited by having free, track and open discussions before arriving at any decision regarding the execution of the different activities of the groups. The groups can function effectively and successfully by consulting each other and sharing of thoughts through periodical meetings at the particular place. The attendance register and the recorded minute's book will expose the group solidarity of the member.

Table 3: SHGs Which Received Bank Loan in Tamil Nadu (2010-2014)

Received Bank Loan in Tamil Nadu	Average No. of Members per SHG	Savings (Million Rs.)	Average Savings per SHG (Rs.)	Loan Disbursed to SHG during 2010-14		
				No. of SHG	Loan Amount (Million Rs.)	Average Loan Amount per SHG (Rs.)
Public Commercial Banks	15.2	6,739	11,954	171,671	18,939	110,321
State Bank of India	18.0	1,558	9,496	32,459	3,749	115,500
Indian Bank	15.2	1,760	13,497	64,435	8,336	129,371
Canara Bank	17.4	321	3,125	17,109	1,724	100,766
Indian Overseas Bank	12.2	2,314	24,981	22,960	3,318	144,512
Others	9.9	786	10,629	34,708	1,812	52,207
Private Commercial Banks	12.6	201	3,662	7,886	806	102,206
Regional Rural Banks	6.6	438	5,824	21,816	1,556	71,324
Pandayan Grama Bank	3.7	204	3,661	15,483	504	32,552
Pallavan Grama Bank	15.2	234	12,008	6,333	1,052	166,114
Cooperative Banks	NA	1,660	12,492	57,788	4,311	74,600
Salem DCCB	13.3	151	9,741	3,852	331	85,929
Tiruchirapalli DCCB	13.5	194	14,245	5,318	457	85,935
Villurupam DCCB	19.0	35	3,001	8,889	531	59,737

Madurai DCCB	13.0	39	3,418	4,929	94	19,071
Tiruvannamalai DCCB	NA	58	5,654	3,376	352	104,265
Others	NA	1,183	16,797	31,424	2,546	81,021
Tamil Nadu total	NA	9,038	10,932	259,161	25,612	98,827
All India	NA	61,987	8,915	1,586,822	144,533	91,083

Source: NABARD [2015]. Note: DCCB means District Central Cooperative Bank.

As soon as a capital is formed, for availing or providing loans to the needy of SHG members certain steps are taken. The formation of the capital could be carried out even by habit of thrift or small savings which is a fundamental prerequisite for the members and that will assist the formation of a sound common fund for the successful functioning of the SHGs. NABARD recognized the potential of these groups and realized that they are constrained only due to the meagerness of their financial resources. It was started as a pilot project in 1992 and has come a long way since then. As of 2012- 2015, there were 7.4 million SHGs under this scheme covering over 10 crore households with savings balance of over Rs.39,375. About 49 lakh of these SHGs have also accessed bank credit and have over Rs 51,545 crore as outstanding credit from the banking system.

Self Help Group – Bank Linkage Programme (SHG-BLP)

Based on the observations of various research studies and an action research project carried out by NABARD, the model of ‘SHG-BLP’ has evolved as a cost-effective mechanism for providing financial services to the unreached and underserved poor households. What started as a pilot to link around 500 SHGs of poor to the formal financial institutions during the year 1992-93 has now become the largest microfinance programme in the world, in terms of the client base and outreach. The SHGs which follow ‘Panchsstras’ viz. conduct of regular group meetings, regular savings within the group, internal lending based on the demand of members, timely repayment of loan and maintenance of proper books of accounts are considered to be of good quality and over years have proved themselves to be good customers of Banks.

The NGO sector has played a prominent role of working as a Self Help Group Promoting Institution (SHPI) by organizing, nurturing and enabling credit linkage of SHGs with banks. NABARD later coopted many others as SHPIs including the rural financial institutions (RRBs, DCCBs, PACS), Farmers’ Clubs (FCs), SHG Federations, Individual Rural Volunteers (IRVs) etc.

These stakeholders were encouraged to take up promotion of SHGs by way of promotional grant assistance from NABARD. This savings led microfinance model has now become the largest coordinated financial inclusion programme in the world covering almost 100 million households in the country. With more than 84% of the groups being exclusively women groups, the programme has provided the much needed push to empowerment of women in the country other than championing the movement and providing promotional support, NABARD has enabled an entire ecosystem of support through policy advocacy at Bank and Government level, organising and sponsoring a large number of training & capacity building programmes, seminars & workshops for the benefit of all the stakeholders viz. the bankers, the

Government agencies, the NGO partners and more importantly the SHG members themselves. Banks are also provided 100% refinance support by NABARD for financing of SHGs

Product level changes like allowing voluntary savings in the group, sanction of cash credit/ overdraft system of lending to SHGs, allowing formation of JLGs within SHGs, improving risk mitigation systems, building second tier institutions of SHGs, etc. were brought subsequently to address operational issues emerging from time to time. Further, to enable SHG Members to take up livelihood activities, NABARD has been supporting Micro Enterprise Development Programmes (MEDPs) and Livelihood and Enterprise Development Programmes (LEDPs) for SHGs

NABARD is implementing and supporting implementation of various Schemes announced by Govt. of India viz. Promotion of Women SHGs (WSHGs) in backward and Left-Wing Extremism affected districts of Ministry of Finance, National Rural Livelihoods Mission (NRLM) of Ministry of Rural Development

CONCLUSION:

This is a very significant indicator of impact. Self Help Group is an important tool which helps the rural women to acquire power for their self-supportive life. SHG Programme clearly plays a central role in the lives of the poor. Empowering women is not just for meeting their economic needs but also more holistic social development. There is evidence of increased household income. Standard of living for the program participants have increased and also the food security is much more for the program clients. Microfinance is playing a significant role in alleviate poverty and rural development. Since women are the sole family caretaker, proper emphasis should be given to the rural women and for empowering the rural women finance is required. Microfinance to the rural SHGs is a way to raise the income level and improve the living standards and economic independence of the rural women. The impact on their lives is not just an economic one -gaining more self-confidence is often a more lasting achievement that forms the basis for social and economic improvements.

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