

Self-help groups: An evaluation with special reference to Erode district

Dr. M Nirmala

Associate Professor, Department of Commerce, P.K.R. Arts College for Women, Gobichettipalayam, Tamil Nadu, India

Abstract

Women empowerment is a continuous process of enabling them to fight the forces that oppress them, provide them equal access to the resources and opportunities and control over the resources. Women empowerment refers to the process by which those women, who have been defined as the ability to make strategic life choices. The term women empowerment refers to a range of socio-economic activities which focus on strengthening the economic position of poor women, creating confidence among them and extending full support for their all-round development. In recent years, women self-help groups have emerged as an effective means of entrepreneurship development among women. Entrepreneurship has a strong potential for socio-economic empowerment of women. Self-Help Groups (SHGs) are increasingly becoming very important method of organizing women to take action and transform their situation. The strength of Self Help Groups is based upon the fact that the people who are facing problems are likely to be the most committed to solve them. Self-help groups are instrumental in developing women empowerment. Self-help groups play an important role in the empowerment of women. In our rapidly growing economy, self-help groups play a pivotal role in women empowerment. Based on the findings, various suggestions have been offered. If suggestions are seriously considered the self-help groups will pave for women empowerment.

Keywords: self-help groups (SHGs), women empowerment

Introduction

Women empowerment is a continuous process of enabling them to fight the forces that oppress them, provide them equal access to the resources and opportunities and control over the resources. Women empowerment refers to the process by which those women, who have been defined as the ability to make strategic life choices. The term women empowerment refers to a range of socio-economic activities which focus on strengthening the economic position of poor women, creating confidence among them and extending full support for their all-round development. In recent years, women self-help groups have emerged as an effective means of entrepreneurship development among women. Entrepreneurship has a strong potential for socio-economic empowerment of women.

Statement of the Problem

Self-Help Groups (SHGs) are increasingly becoming very important method of organizing women to take action and transform their situation. The strength of Self Help Groups is based upon the fact that the people who are facing problems are likely to be the most committed to solve them. Self-help groups are instrumental in developing women empowerment. Hence, it is of considerable interest to study the role of Self-Help Groups in the empowerment of women in Tamil Nadu. Against this background, the present study is an attempt to answer the following questions:

1. What are the facilities availed through SHGs?
2. What is the impact of training programme on SHG members?
3. What are the problems faced by SHG members?

Review of Literature

Rao (2005) ^[1] examined the benefits and gains of Self Help

Groups in Midnapore district of West Bengal. He found that there is increase in self-confidence and social status, improvements in leadership qualities and managerial skills and they become part of decision making process in family and community. Further, there is better understanding of immunization of children.

Panda (2006) ^[2] studied 80 tribal Self Help Groups in Kandhamal district and reported that the highest number of Self Help Groups (numbering 30 and constituting 37.5 per cent) were formed with a view to receive economic benefits followed by 20 Self Help Groups (25 per cent) for upgrading traditional occupation and relieving debt burden.

Swain and Wallentin (2007) ^[3] studied Self Help Groups in 5 states (Orissa, Tamil Nadu, Andhra Pradesh, Uttar Pradesh and Maharashtra) and concluded that there is significant increase in the level of women empowerment over a period of time (2000-2003). However, it does not mean that every woman has been empowered to the same degree, but on an average, the Self Help Group members were empowered over this period.

Suja (2012) ^[4] found that Association in Self Help Groups has enabled women to gain greater control over resources like material possession, intellectual resources like knowledge, information, ideas and decision making in home, community, society and nation. The SHGs have paved attention on skill improvement, facilitating invention, gaining access to credit from financial institutions for micro enterprises / projects, inculcating frugality and distribution of credit for the economically destitute sections of women.

Bali Swain *et al.*, (2013) ^[5] evaluated the impact of economic and non-economic factors on women's empowerment of Self-Help Group (SHG) members. The researchers estimated a structural equation model (SEM) and corrected for ordinality in the data to account for the impact of the latent factors on

women’s empowerment. Their SEM results reveal that for the SHG members, the economic factor is the most effective in empowering women. Greater autonomy and social attitudes also have a significant women empowerment impact.

Geetamma Bulla (2013) [6] studied that the Micro finance through Self Help Group (SHG) has been recognized internationally as the modern tool to combat poverty and for rural development. Micro finance and SHGs are effective in reducing poverty, creating awareness which finally results in sustainable development of the nation.

Rajasekaran and Sindhu (2013) [7] made a study on entrepreneurship and small business with reference to Women SHGs in Coimbatore City. Their analysis clearly shows that the role of women entrepreneurs’ contribution to the society is commendable.

Thangamani and Muthuselvi (2013) [8] made a study to identify women empowerment through Self Help Group in Mettupalayam Taluk. It is found that the socio- economic factor has been changed after joining the Self Help Groups. But the saving is increasing at earlier stage of life. There are emerging issues that need to be addressed to make the role of women in the long run. It is the clear that by involving voluntary organizations in social mobilization and creating an enabling policy environment, micro fiancé can achieve a vast scale and can become a rational movement. The self-help group is important in re-strengthening and bringing together of the human race.

Objectives of the Study

1. To analyse the facilities availed by the member respondents of SHGs.
2. To examine the problems faced by the respondents and
3. To offer suitable suggestions based on findings.

Period of Study

This study is totally based on primary data. Hence the data collection period i.e., July 2014 to February 2015, is presumed as the period of study.

Samplind Design and Methodology

The study is confined to scheduled caste women belonging to self-help groups in Erode district. The study is based on primary data collected by the researcher. Interview schedule has been used to collect data from the sample respondents using random sampling. The study is based on data collected from 250 respondents¹.

Limitations of the Study

Though the researcher has taken all possible efforts to make the study complete, their lies certain limitations which are presented below:

1. The study is confined to Erode District only.
2. The size of the sample size is restricted to 250 only.

Analysis and Interpretation

i) Source of Information about SHG

Source of information about SHGs is shown in Table 1.1

Table 1: Source of Information about SHG

Source of Information	No. of Respondents	Percentage
Friends	78	31.2
Mahalirhittam	84	33.6
Neighbours	88	35.2
Total	250	100

Source: Primary Data

Table 1 shows that 78 (31.2%) respondents are aware about SHG through Friends, 84 (33.6%) of the respondents through Mahalirhittam and 88(35.2%) through neighbours.

ii) Reasons for Joining SHG

Reason for joining the SHG is shown in Table 2.

Table 2: Reason for Joining SHG

Reasons	No. of Respondents	Percentage
For getting loan	60	24
For promoting savings	90	36
Social status	45	18
Other reasons	55	22
Total	250	100

Source: Primary Data

Table 2 shows that 90(36%) respondents became members in SHG for promoting savings, 60(24%) for getting loans, 45(18%) for enjoying social status and 55(22%) for other reasons.

iii) Real Purpose of Raising Loans through SHG

Table 3 focuses the real purpose behind raising loans through SHGs.

Table 3: Real Purpose to Raise Loans through SHG

Purpose Behind The Loan	No. of Respondents	Percentage
Business	100	40.0
Marriage	80	32.0
Repay old loan	49	19.6
Medical	21	8.4
Total	250	100

Source: Primary Data

Table 3 shows that 40% of respondents availed loans for business purpose, 32% for their own marriages or marriages of their siblings/children, 49% to repay the old loans to make themselves eligible for fresh loans and 21% to defray medical expenses. Though the main purpose is ‘business promotion’, other purposes mentioned above are permissible to keep the borrower in the chosen venture by satisfying certain family obligations.

iv) Monthly Family Expenditure of the Member after Joining SHG

Monthly family expenditure of the member after joining SHG is shown in Table 4.

¹ www.Erode.tn.nic.in/dh1112/dh1112-1.pdf.

Table 4: Monthly Family Expenditure of the Member after Joining SHG

Monthly Family Expenditure	No. of Respondents	Percentage
Below Rs.1000	25	10
Rs.1001 -2000	135	54
2001-3000	50	20
Rs.3001- 4000	40	16
Total	250	100

Source: Primary Data

Table 4 shows that 135(54%) respondents’ monthly family expenditure is between Rs.1001 and 2000, 50(20%) respondents monthly family expenditure is between Rs.2001-3000, 40(16%) respondents monthly family expenditure is between Rs.3001 - 4000 and only 25 (10%) respondents monthly family expenditure is below Rs.1000. Majority of the respondents(54%) monthly family expenditure is between Rs.1000 and Rs.2000.

v) Loan Availed by Members after Joining the SHG

Quantum of loan availed by members after joining SHGs is shown in Table 5.

Table 5: Loan Availed By Members after Joining SHG

Loan availed by members after joining SHG	No. of Respondents	Percentage
Less than Rs5000	50	20.0
Rs5001-Rs10000	98	39.2
Rs10001-15000	97	38.8
Rs15001-20000	5	2.0
Total	250	100

Source: Primary Data

Table 5 shows that 98 (39.2%) respondents availed loans between Rs 5001 and Rs 10000, 97(38.8%)availed in between Rs 10001 and Rs15000, 50(20%)less than Rs5000 and only few 5(2%)availed between Rs 15001 and 20000.

vi) Instalment Mechanism to Repay Loan Amounts

The prevailing loan repayment mechanism among SHG members is shown in Table 6.

Table 6: Loan Repayment Mechanism

Instalment Period	No. of Respondents	Percentage
Monthly	115	46
Weekly	105	42
Bi – weekly	30	12
Total	250	100

Source: Primary Data

Table6 shows that 115(46%) of respondents are repaying the loan in monthly installments, 105(42%) are paying weekly and only 30(12%) of them paying bi-weekly. It is an internal arrangement among the SHG members and usually repayment is made on monthly basis to the lending bank.

vii) Repayment Policy of Self-Help Group Members

Repayment policy of self-help group’s members is shown in Table 7.

Table 7: Repayment Policy of Self-Help Group Members

Repayment Policy	No. Of Respondents	Percentage
Repayment in time	125	50
Repayment in advance	120	48
Delayed repayment	5	2
Total	250	100

Source: Primary Data

Table 7 shows that 125(50%) respondents are repaying the loan in time, 120(48%) are repaying in advance and only 5(2%) of the respondents are not paying as per the schedule drawn at the time of borrowing.

viii) Problems in Getting Loan

Problems in getting loan is shown in Table 8

Table 8: Problems in Getting Loans

Problem	No. Of Respondents	Percentage
Delay	115	46
Inadequacy	135	54
Total	250	100

Source: Primary Data

Table 8 shows that ‘Delay’ (46% of respondents) and “inadequacy” (54% of the sample population) are the major problems encountered by SHG members while borrowing. As the banker is stand on certain formalities to be adhered before sanction, ‘delay’ is inevitable. As members’ needs are evergrowing in nature, ‘inadequacy’ is yet another problem to be sorted out in the long run only.

Findings

1. It is found that 78 (31.2%) respondents are aware about SHG through Friends, 84 (33.6%) of the respondents through Mahalirthittam and 88(35.2%) through neighbours.
2. 2.90(36%) respondents have become member in SHG for promoting savings, 60(24%) for getting loan, 45(18%) for social status and 55(22%) for other reasons.
3. 3.100(40%) respondents availed business loan, 49(38%) availed loan for repayment of old loan, 80(20%) availed marriage loan and only 21(8.4%) availed medical loan.
4. 4.135(54%) respondents’ monthly family expenditure is between Rs.1001 and 2000, 50(20%) respondents monthly family expenditure is between Rs.2001- 3000, 40(16%) respondents monthly family expenditure is between Rs.3001 - 4000 and only 25 (10%) respondents monthly family expenditure is below Rs.1000. Majority of the respondents(54%) monthly family expenditure is between Rs.1000 and Rs.2000.
5. 5.98 (39.2%) respondents availed loan between Rs 5000 and Rs 10000, 97(38.8%) availed between Rs 10000 and Rs15000, 50(20%) less than Rs5000 and only 5(2%) availed between Rs 15000 and 20000.
6. 6.115(46%) of respondents are repaying the loan in monthly installments, 105(42%) are paying weekly and only 30(12%) of them paying bi-weekly. 125(50%) respondents are repaying the loan in time, 120(48%) are repaying in advance and only 5(2%) of the respondents are not paying in time.

7. 7.135(54%) respondents are getting loan after lot of enquiry and 115 (46%) are getting loan after long delay. Majority of the respondents (54%) who are members in the SHG are getting loan after lot of enquiries.

IOSR Journal of Business and Management. 2013; 8(6):17-24.

Suggestions

1. It is found that the scheduled caste women in the study area are suffering from cumbersome procedures in availing loans from banks and financial institutions. Access to micro finance will have a significant positive impact on women's economic and social empowerment in terms of ability to access loans, own productive resources, engage income generating activities, decision making and increased mobility.
2. It is suggested that the 'Swayamsidha' which is an integrated programme for the empowerment of women through the network of self-help groups of women by ensuring their direct access to and control over resources can be extended all over the country.
3. It is suggested that the Government should develop SHG estates so that infrastructure like buildings, water, electricity, warehouse etc., should be made available to the SHGs. The Government should directly develop a well-organized market for the products of SHGs.
4. A separate act may be passed to provide legal framework for the functioning of SHGs in the country.
5. It is suggested that financial education need to be promoted.

Conclusion

Self-help groups play an important role in the empowerment of women. In our rapidly growing economy, self-help groups play a pivotal role in women empowerment. Based on the findings, various suggestions have been offered. If suggestions are seriously considered the self-help groups will pave for women empowerment.

Reference

1. Rao MV. Socio-Economic Development of Women: A case study of Self Help Groups in Midnapore District", In Purnendu Sekhar Das (Ed.) Decentralised Planning and Participating Rural Development New Delhi: Concept Publishing, 2005, 155-172.
2. Panda. Development of Tribal women through Self Help Groups, *Rural Development in India*, New Delhi: Serials Publications, 2006, 87.
3. Swain Ranjula Bali, Fan Yang Wallentin. Does Micro finance Empower women Evidence from Self Help Groups in India". Working paper, 2007,
4. Suja. Self-help group", *Global Management Review*. 2012; 6(3):58-60.
5. Bali Swain, Ranjula Wallentin, Fan Yang. Impact of economic and non-economic factors on women's empowerment of Self-Help Group members, *International Review of Applied Economics*, 2013, 25-30.
6. Geetamma Bulla K. Microfinance through self-help groups, *Golden Research Thoughts*, 2013; 1:14.
7. Rajasekaran, Sindhu. *Global Journal of Management and Business Studies*. 2013; 3(7):703-710.
8. Thangamani S, Muthuselvi S. A Study on Women Empowerment through Self- Help Groups with Special Reference to Mettupalayam Taluk In Coimbatore District,