

Economic Well Being Of Women Through Self Help Groups (SHGs): A Study In Dharmapuri District Of Tamil Nadu

* *R. Lakshmi*

** *Dr. G. Vadivalagan*

INTRODUCTION

Women are the victims to multiple socio- economic and cultural constraints; they face discrimination and exclusion in all spheres of life. In almost all societies, women have less power than men, have less control over resources. Emancipation of women is a prerequisite for the economic development and social upliftment of any nation because women constitute fifty percent of the total population and one-third of the human resource of every society; they can be of greater instrument in the development of human resources than men. Developing countries lay more stress on women development and their active participation in the main stream of development activities (B.V. Chalapathi, B.V. Raghavalu and P. Hari Prasad). Self-help groups have stories of women who not only are better off economically as a result of access to financial services, but who are empowered as well. It is widely recognized that apart from managing the household, rural women bring income by indulging in productive activities ranging from traditional work in the fields to working in factories or running small businesses, they prove to be better end managers.

SOME PREVIOUS STUDIES

P. Dhavamani (2010) in a study has inferred that there is a significant difference in the family income and bank savings of the self-help group members. **H.M. Chandrasekhar (2009)** in his study clearly reveals that the SHGs have the power to create a socio- economic revolution in the country. The study by **Preeti Sharma (2008)** revealed an increase in social recognition of self, status of family in the society, size of social circle and involvement in intra family and entrepreneurial decision making. The performance of women self-help groups in Moradabad was analysed by **S. K. Kaushal (2007)** and he found that a greater percentage of women were impacted positively by being members of SHGs.

STATEMENT OF THE PROBLEM

Several studies indicate that self help group programmes often in the form of credit or micro credit schemes, and savings have succeeded in changing the lives of poor women by making way for enhanced income and increased self-esteem. This is evident from the mushrooming growth of self- help groups in the state. This study is undertaken to analyze the impact of self-help groups on the women in Dharmapuri district, Tamil Nadu. The main focus of this study is to examine to what extent SHGs are an effective instrument in enhancing the economic position of women, the way in which they are empowered and to identify the challenges which they meet.

OBJECTIVES OF THE STUDY

The objectives of this study are:

1. To study the socio- economic profile of SHG women.
2. To compare the changes in income, expenditure and savings of members before and after joining self help groups.
3. To find the benefits derived by women after joining the self help groups.

* *Research Scholar in Management Studies*, Research And Development Centre, Bharathiar University, Coimbatore, Tamil Nadu. E-mail: lakshmi_vmb@yahoo.co.in

** *Director*, Dhanalakshmi Srinivasan Institute of Management, Perambalur, Tamil Nadu.
E-mail: dr.gvmbadirector@yahoo.com

METHODOLOGY

The study is an analytical one, based on collection of data from both primary and secondary sources. Primary data was collected from a well-structured questionnaire. Secondary data was obtained from various published and unpublished records, books, journals and information given by the Mahalir Thittam office Dharmapuri. Multi stage purposive and random sampling was adopted for the present study. At the first stage, all the five taluks were selected for the study. 20 women self-help groups (WSHG) established in not less than 1 year were randomly selected from each taluk. 6 respondents who were members of the group for at least one year and had availed at least one loan were randomly selected from each group. Thus, 600 respondents were selected for the present study.

CONCEPT OF SELF HELP GROUPS

Central to the idea of self-help is the formation of groups, a concept of a 'community' and the development of egalitarian relationships that will promote people's well-being. SHG is defined as a group of members who voluntarily come together to form a group with an objective of empowering economically and socially, contribute savings and thrift, invest the savings in productive enterprises or lend the saving among the group members to sustain the habit of savings in future (N. Manimekalai).

The group members are encouraged to make voluntary thrift on a regular basis. The pooled resources are used to make small interest bearing loans to their members. The process helps them imbibe the essentials of financial intermediation, including prioritization of needs, setting terms and conditions, and accounts keeping. This gradually builds financial discipline in all of them. They also learn to handle resources of a size that is much beyond individual capacities of any of them. The SHG members begin to appreciate that resources are limited and have a cost. Once the groups show this mature financial behavior, banks are encouraged to make loans to the SHGs in certain multiples of the accumulated savings of the SHG. The bank loans are given without any collateral and at market interest rates (Progress of SHG--Bank linkage in India NABARAD).

SHGs IN INDIA

The SHGs in India have come a long way, since its inception in 1992. The first effort was taken by NABARD in 1986-87, when it supported and funded an action research project on "Saving and Credit Management of Self Help Groups" of Mysore Resettlement and Development Agency (MYRADA). Then, NABARD launched a pilot project to provide micro-credit by linking SHGs with banks in 1991-92 (Devendra Prasad Pandey). The spread of SHGs in India has been phenomenal. It has made dramatic progress from 500 groups in 1992 to 16,09,586 groups that have taken loans from banks. About 24.25 Million poor households have gained access to a formal banking system through SHG-bank linkage programme and 90% of these groups are only women groups.

THE SHG -BANK LINKAGE PROGRAM

The SHG-Bank linkage programme, by adopting simple and formal mechanisms has now evolved as a core strategy for extending credit to the rural, poor and encouraging them to indulge both in thrift and credit activities. The SHG-bank linkage model is one of the world's largest microfinance initiatives in terms of outreach. The formal agencies providing credit through this programme are the commercial banks, regional rural banks and district co-operative

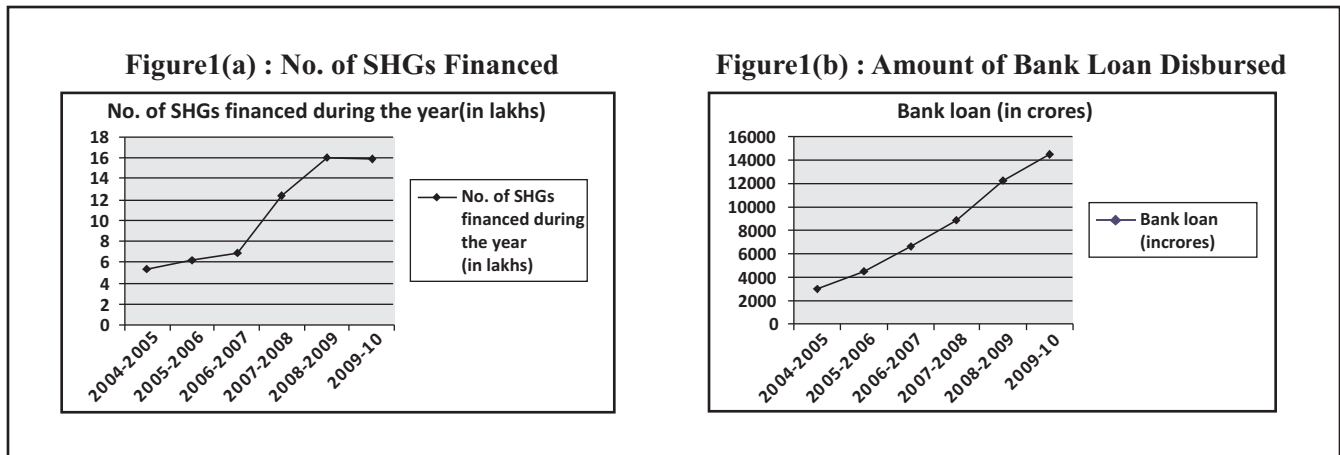
Table 1: Progress of SHG Bank Linkage Programme

Year	No. of SHGs financed during the year(in lakhs)	Cumulative No. of SHGS financed (in lakhs)	Bank loan (in crores)	Cumulative bank loan(in crores)
2004-2005	5.39	16.18	2994.26	6898.46
2005-2006	6.20	22.38	4499.09	11397.55
2006-2007	6.87	29.25	6570.39	17967.94
2007-2008	12.39	34.00	8849.26	26817.20
2008-2009	16.09	50.09	12253.51	39070.71
2009-10	15.87	65.96	14453.30	

Source: NABARD

banks. The linkages of SHGs with banks aims at using the intermediation of SHGs between banks and the rural poor for cutting down the transaction costs for both banks and their rural clients.

NABARD is the pioneering agency of the SHG-Bank Linkage Model. It partly finances the cost of SHG promotion, provides 100% refinancing to participating banks and offers revolving fund assistance on a selective basis to NGOs, SHG Federations, credit unions and other organizations providing microfinance for on-lending. NABARD also provides capacity-building support to bank officials, NGO staff, government officials and SHG members. The Table 1 shows the SHG- Bank Linkage programme in India.



SELF HELP GROUPS IN TAMIL NADU

Andhra Pradesh and Tamil Nadu are the pioneer States in the country in establishing SHGs. But Tamil Nadu is the only State that has a systematic policy to cover each and every habitation and family that is poor. *"It is a self-driven movement working through a network of NGOs. Now, it is impacting not just the rural poor, but the urban poor as well"* (TNCDW).

In Tamil Nadu, SHG movement was started in a small way in Dharmapuri district in 1989 with the help of 450 NGO partners. The project was assisted by the Funding Agency for Agriculture Development (IFAD)- The success of the Project encouraged extending the project to all the rural areas in the State in a phased manner. When the IFAD pulled out in 1996, the State government stepped in with its Mahalir Thittam, and this gave thrust to the movement. It spearheaded the Self Help Group (SHG) concept with the now popularly called *"Mahalir Thittam"* project, which was launched during 1997-98, with State Government funding and was progressively extended to all the 30 districts.

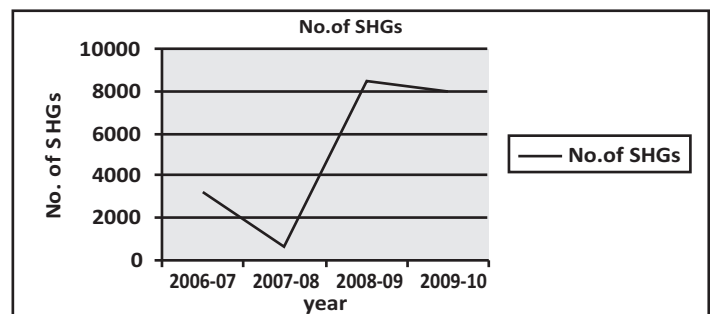
The state government's intervention had led to a massive increase in credit linkages for women's self-help groups in Tamil Nadu. As many as 4,41,311 groups with strength of 69.91 lakh members are functioning across the state. Tamil Nadu government had decided to provide a subsidy to all the eligible 1.5 lakh SHGs in 2008-09, and ₹ 150 crore was earmarked for the purpose. The government also gave revolving fund subsidy to urban groups to the tune of ₹ 30 crore, in 2009-10.

Table 2 : Year Wise Credit Linkage Details In Dharmapuri District

Year	2006-07	2007-08	2008-09	2009-10
No. of SHGs	3219	628	8452	8005

Source: DRDA (Mahalir Thittam), Dharmapuri

Figure 2 : Year Wise Credit Linkage Details In Dharmapuri District



BRIEF PROFILE OF THE STUDY AREA

The present study has been conducted in Dharmapuri district of Tamil Nadu. This district has been chosen, as it had the history of SHG movement being started in a small way in Dharmapuri district in 1989 in the entire state. The success of the Project encouraged extending the project to all the rural areas. The total geographical area of Dharmapuri District is 4497.77 Sq Kms, i.e. 3.46% of Tamil Nadu and has a population of 2,856,300 (as of 2001 census). More than 70% of the population is engaged in agriculture. Dharmapuri district comprises of two revenue divisions - Dharmapuri and Harur. There are five taluks namely - Dharmapuri, Palacode, Pennagaram, Harur and Pappireddipatti. Even though the number of self-help groups linked during the year 2007-08 came down to a level of 628, it drastically increased to 8452 in 2008-2009. In 2009-2010, the number of groups was 8005.

ANALYSIS OF DATA

Average and percentage analysis was carried out to draw meaningful interpretations of the results. Paired 't' test was employed for analysis of income, savings and expenditure pattern of pre SHG and post SHG.

Table 3 : Distribution of The Respondents On The Basis Of Age

Age	Number	Percent
< 20 Years	14	2.3
20-30 Years	164	27.3
30-40 Years	212	35.3
40-50 Years	161	26.8
50-60 Years	45	7.5
Above 60 years	4	0.7
Total	600	100%

Source: Primary Data

Table 4 : Distribution Of Respondents On The Basis Of Education

Education	Number	Percent
Illiterate	52	8.7
No formal education	39	6.5
1-5 classes	86	14.3
5-9 classes	115	19.2
SSLC	110	18.3
H.Sc	140	23.3
Under graduate	52	8.7
Others	6	1.0
Total	600	100

Source: primary data

Table 5: Distribution Of Respondents On The Basis Of Occupation

Occupation	Number	%
Agriculture	136	22.7
Cattle rearing	40	6.7
Non agri & cattle rearing	32	5.3
Employed	70	11.7
Labour	50	8.3
Unemployed	272	45.3
Total	600	100

Source: Primary Data

❖ **Distribution Of The Respondents On The Basis Of Age:** Majority of the respondents (see Table 3) - 35.3% belonged to the age group of 30 to 40 years. 27.3% of the respondents were between the age group of 20 to 30. Respondents in the age group of 40 to 50 years were 26.8% . 7.5% of them belonged to the age group of 50 to 60 years. The participation of women below 20 years was only 2.3% and women above 60 years of age was the lowest, with 0.7% .

❖ **Distribution Of Respondents On The Basis Of Education:** Majority of the respondents (see Table 4) - 23.3% had education upto higher secondary (class 12) level. 19.2% of the respondents were educated from classes 5-9. 18.3% of the respondents had education upto SSLC (class 10). Those who received education from class 1-5 were 14.3%. Both the undergraduates and illiterates were 8.7% each. 6.5% of the respondents had no formal education. 1% were educated on other schemes.

❖ **Distribution Of Respondents On The Basis Of Occupation :** As per Table 5 , around 45.3% of the respondents were unemployed before joining the SHGs. 22.7% were self employed in agriculture. 11.7% of them were employed with a salaried job. Labourers accounted for 8.3% of the respondents. 6.7 % were involved in cattle rearing and 5.3% were self -employed in non agriculture and non cattle rearing.

❖ **Income Earned Per Month In Pre- SHG And Post- SHG Period :** The Table 6 shows that 2.7% had no income prior

Table 6: Income Earned Per Month In Pre- SHG and Post- SHG Period

Income	Pre SHG		Post SHG	
	Number	Per Cent	Number	Per Cent
Nil	16	2.7	2	0.3
Below 1000	390	65.0	40	6.7
1000-2000	90	15.0	164	27.3
2000-3000	60	10.0	158	26.3
3000-4000	34	5.7	116	19.3
4000-5000	10	1.7	46	7.7
Above 5000	-	-	74	12.3
Total	600	100	600	100

Source: Primary Data

to joining the SHG, but after joining the SHG, only 0.3% were left without any income . Most of the respondents' (65%) income before joining the SHG was below ₹ 1,000, but after joining the SHG, the respondents who had income level below ₹1,000 went down to 6.7%. Only 15 % respondents had their level of income between ₹ 1000-₹ 2000 in the pre SHG period, but in the post SHG period, this figure went up to 27.3% . Only 10% of the respondents' income was between ₹ 2000- ₹ 3000 before joining the SHG, but after joining the SHG, 26.3% of the respondents were in this income bracket. None of the respondents had an income of more than ₹ 5,000, before joining the SHG, but after joining the self-help group, 12.3 % respondents came in this category. The Table 7 reveals that there is a significant difference in the mean score on the income earned per month between before and after joining of the SHG. The mean score is higher after joining the SHG, than it is before joining the SHG among the respondents.

Table 7: Mean Score On Income Earned Per Month And Paired 't ' test

	Mean	SD
Before joining SHG:	1.560	1.020
After joining SHG:	4.120	1.447
Mean Difference :	-1.740	
Standard Error :	.041	
t - value:	-42.048**	DF: 599 P: .000

** Significant at 1 % level

Table 8 : Savings Per Month In Pre- SHG And Post- SHG Period

SAVINGS	Pre SHG		Post SHG	
	Number	Per Cent	Number	Per Cent
Nil	14	2.3	-	-
Below 100	380	63.3	18	3.0
100-200	130	21.7	162	27.0
200-300	4	0.7	187	31.2
300-400	6	1.0	99	16.5
400-500	-	-	62	10.3
Total	600	100	600	100

Source: Primary Data

❖ **Savings Per Month In The Pre- SHG and Post- SHG Period :** The Table 8 reveals that respondents who had no savings before joining the SHG comprised of 2.3% of the respondents, but after joining the SHGs, none of the respondents were without savings . 63.3% of the respondents saved less than ₹ 100 as savings per month before joining the SHG, but after joining the SHG, the number of respondents whose savings were below ₹100 drastically decreased to 3.0% . In the post SHG period, most of the respondents' (31.2%) saving was between ₹ 200 - ₹ 300, but in the pre SHG period, the respondents who were saving between ₹ 200- ₹ 300 were only 0.7% of the total respondents, which is a very small number. None of the respondents had a monthly saving of more than ₹ 400 before joining the self- help group, but in the post SHG period, the respondents' saving between ₹ 400-₹ 500 per month rose to 10.3%.

Table 9: Mean Score On Savings Per Month and Paired ' t ' test

	Mean	SD
Before joining SHG:	1.473	.823
After joining SHG:	3.385	1.349
Mean Difference :	-1.912	
Standard Error :	.041	
t - value:	-46.239**	DF: 599 P: .000

** Significant at 1 % level

The Table 9 reveals that there is a significant difference in the mean score on the savings per month between before and after joining the SHG. The mean score is higher after joining the SHG than before joining the SHG among the respondents.

❖ **Expenditure per month in Pre SHG and Post SHG Period :** Before joining the SHGs, 67% of the respondents'

Table 10 : Expenditure Per Month In Pre SHG and Post SHG Period

EXPENDITURE	Pre SHG		Post SHG	
	Number	Per Cent	Number	Per Cent
Nil	12	2.0	-	0.0
Below ₹ 1000	402	67.0	49	8.2
₹ 1000- 2000	152	25.3	253	42.2
₹ 2000-3000	24	4.0	158	26.3
₹ 3000-4000	8	1.3	92	15.3
₹ 4000-5000	2	0.3	28	4.7
Above ₹ 5000	2	0.3	20	3.3
Total	600	100	600	100

Source: Primary Data

expenditure was below ₹ 1,000 and in the post SHG period, only 8.7% of the respondents expended less than that

figure. In the pre SHG period, 25.3% of the respondents spent between ₹1,000- ₹ 2,000, and in the post SHG period, this figure rose to 42.2%. In the pre SHG period, 1.3% of the respondents spent between ₹ 3,000 - ₹4000 and in the post SHG period, this figure rose 26.3% . The amount spent between ₹ 4,000 - ₹ 5,000 was 0.3% in the pre SHG period, while in the post SHG period, 4.7% spent that amount. The expenditure of above ₹ 5,000 was reported by 0.3% of the respondents in the pre SHG period, while in the post SHG period, 3.3 % of the respondents expended that sum.

The Table 11 reveals that there is a significant difference in the mean score on expenditure per month between before and after joining the SHG. The mean score is higher after joining SHG than before joining SHG among the respondents.

Table 11: Mean Score On Expenditure Per Month And Paired ' t ' - test

	Mean	SD
Before joining SHG:	1.367	.888
After joining SHG:	2.062	1.155
Mean Difference :	-1.395	
Standard Error :	.036	
t - value:	-39.451**	DF: 599 P: .000

** Significant at 1 % level

ACTIVITIES UNDERTAKEN BY THE SHG MEMBERS

The income generating activities undertaken by the SHG members are wire basket making, making of paper products like file pads etc, candle making, *Agarbathi* making, Book Binding & Note Book Binding, Leaf Plate making, weaving mats , tailoring, washing powder and phenyl making, preparation of food products like pickles and *masala* powder, preparation and sale of food items, Fruits /Flowers / vegetable Cultivation, sheep and goat rearing, purchasing milch animals like cows and buffaloes and engaging in milk products sale, etc. Some women are engaged in petty businesses also. In fact, the canteen in the district collector office was being run by a women self help group.

BENEFITS DERIVED AFTER JOINING SHGs

Table 12 : Benefits Derived After Joining SHGs

S.No	BENIFITS	YES	Per cent	Rank
1	Development of the habit of saving.	576	96.0	1
2	Increase in or source of additional income.	554	92.3	2
3	Freedom from debt.	480	80.0	4
4	Access to resources and various promotional assistance.	528	88.0	3
5	Better status in family and lifts the social status.	428	71.3	6
6	Self confidence and better decision making power.	472	78.7	5
7	Social cohesion and better skill set.	392	65.3	7

Source: primary data

It is seen from the above Table 12 that the per cent of respondents who derived benefits after joining SHGs ranges from 65.3 to 96.0 %.

FINDINGS OF THE STUDY

The study reveals the following :

- ❖ Majority of the respondents (35.3%) were in the age group of 31-40 years.
- ❖ Most of the respondents(23.3%) were educated up to Higher secondary level.

- ✿ 43% of them belonged to the backward community, while 39.7% belonged to the most backward community.
- ✿ 85.3% of the respondents were married and majority of them belonged to a joint type family.
- ✿ 45.35% of the respondents were unemployed before joining the SHG.
- ✿ More than 96% of the respondents undertook income generating activities, and it was found that only 3.3% of the respondents were without any income generating activity.
- ✿ Majority of the respondents' (65%) income was below ₹ 1,000 in the pre SHG period, but in the post SHG period, only 6.7% of them had an income of below ₹ Rs1,000. Only 0.3 % of the members were without any income in the post SHG period. Income was the major determinant of the standard of living of the people. Hence, an increase in income denotes an increase in the standard of living of the respondents.
- ✿ Before joining the SHGs, 67% of the respondents' expenditure was below ₹ 1,000 and in the post SHG period, it was just 8.7%. The SHGs member income increased after they joined the SHGs. Hence, women members of the groups became independent to meet their personal expenditure, and they contributed more to their household income.
- ✿ Savings of the members in the pre SHG period showed that 63.3% of the members' savings was below ₹ 100, while the same in the post SHG period was just 0.3% .No member was left without any savings in the post SHG period. The incremental income not only enhanced the expenditure of the respondents, but also promoted the savings of the members after they joined the SHGs.
- ✿ SHG members derived certain benefits like: Development of the habit of saving money, Increase in or additional income, and Freedom from debt; Access to resources and various promotional assistance; Better status in family and society; Self confidence and better decision making power; Social cohesion and better communication skills after joining the group.

CONCLUSION

Income ,expenditure and savings are the indicators of an economic position . The improvement in them in the post SHG period is clearly revealed by the mean scores of them being higher in the post SHG period. The benefits listed prove that apart from economic benefits, women are also gaining social benefits by joining the SHGs. Getting cash into the hands of women (by way of working capital) helps them to indulge in income generating activities and can make women achieve greater economic independence and security, which in turn gives them a chance to contribute financially to their households and communities. Hence, SHGs can be a viable platform for the economic and social upliftment of women.

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