

A Study on Performance of Self Help Group at Valmalpalayam Village in Manachanallur Taluk of Tiruchirappalli District, Tamilnadu, India

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Abstract

Self-Help Group (SHG) is homogeneous affinity groups with common objective of enhancing their economic conditions. Theorists view SHG as the homogeneous group of poor village people formed with at least five members. In reality, the SHG groups comprise of 12-20 members of nearly same economic conditions and aspirations. This is not based on strict rules, even though rules are framed for the smooth conduct of SHG meetings and the routine money regular. The credit is provided for both consumption and other productive purposes. SHG members can leave a small amount of money collectively and they can lend, it as collateral-free loans to their members at a reasonable rate of interest. All decisions are taken in collective manner by the SHG members. The Philosopher, Fahreet 1 states that the society has to be formed into small groups and to be engaged in productive activities. The basic principles of the SHGs are group approach, mutual trust, organization of small and manageable groups, group cohesiveness, sprit of thrift, demand based lending, collateral free loan, women friendly, peer group pressure in repayment, skill, training capacity building and empowerment. Rural Development is doubtless the main pillar of India's progress. It has lagged behind in many aspects of development even after six decades of independence. Rural and urban India accounts for 40 per cent and 23.62 per cent of people below the poverty line respectively. The rural masses still depend on non-institutional credit agencies for their financial needs such as marriage, illness, consumption, buying productive assets, etc. The objectives of the present study are as follows (a) To evaluate the performance of the sample SHGs selected for the study in in Valmalpalayam of Manachanallur Taluk, Tiruchirappalli district of Tamil Nadu (b) To identify the income and expenditure pattern of the members of SHG.

Key words: Marketing, Women, Financial, Products

INTRODUCTION

Rural Development is doubtless the main pillar of India's progress. It has lagged behind in many aspects of development even after six decades of independence. Rural and urban India accounts for 40 per cent and 23.62 per cent of people below the poverty line respectively. The rural masses still depend on non-institutional credit agencies for their financial needs such as marriage, illness, consumption, buying productive assets, etc. Although the formal credit system is present widely in rural India, it could not overcome poverty and raise the economic status of poorest stratum of the economy. The foremost need is to redeem the poor from the ferocious cycle of poverty and misery to enable them to lead a life with pride, competence and self-esteem. It is obvious that any country's economic development is led by social development and both the factors are mutually dependent.

The important role of Non-Government Organizations improved the status of women through Self-Help Groups. NGOs given training its members in women as well as rural developmental activities. Building on the Non- Government Organizations working with poor rural villages, the Tamil Nadu Women's Development project (1990-1998) of the International Fund For Agricultural Development(IFAD) recruited 27 Nongovernment Organizations to work with women self- help groups, which were expected to save money and set up a particular loan system for small emergency loans among members. Due to the efforts of the NGOs 4602 Self- Help Groups were formed in eight districts with 1, 08, 300 women members. In the same way the post - Harvest technology Centre, Coimbatore in collaboration with many national and international organizations carry out the following activities which ensure women empowerment Processing and preservation of the different varieties of food products to the market. Encouraging model plants to promote small-scale entrepreneurs along with women self -help groups Based on the above-mentioned activities free trainings are granted to Women Self -Help Groups. The origin of SHGs is the brainchild of Grameen Bank of Bangladesh, which was founded by Prof. Mohammed Yunus. SHGs were formed in 1975. In India, National Bank for Agricultural and Rural Development (NABARD) initiated the starting of the SHGs in 1986-87. But the real effort was taken after 1991-92 with the linkage of SHGs with the banks. A SHG is a small, economically homogeneous affinity group of the rural poor voluntarily coming together to save small amount regularly, which are deposited in a common fund to meet the emergency needs of members and to provide collateral free loans decided by the group. It has been recognized as useful tool to help the poor and as an alternative mechanism to meet the urgent credit needs of the poor. SHG is a media for the development of

saving habits among the women. It enhances the equality status of women as participants, decision-makers and beneficiaries. Self-Help Groups were formed in Mysore Resettlement and Development Authority (MYRADA) in 1984-85 and initially called Credit Management Groups. In 1987, NABARD sanctioned a grant to MYRADA for the institutional capacity building of the SHGs and to match savings of the groups". In fact, several NGO"s, notably Professional Assistance for Development action (PRADHAN) working in Rajasthan and Tamil Nadu realized that the Integrated Rural Development Programme (IRDP) system of provision of credit to the poor was running the banks as well as the poor. They experimented with lending to groups and persuaded banks to lend to such groups.

SHGs have varied origins, mostly as part of integrated development programmes run by Non Government Organisations (NGOs) with the support of donor. The major programme involving financial intermediation by SHGs is the SHG-bank linkage programme. This programme was launched in 1992 by NABARD, the apex bank for rural development in India. By March 2002, the programme covered 7.8 million families with 90 per cent women members on time repayment of loans as over 95 per cent for banks participating in the programme. It also involved 2,155 Non-Government organizations (NGOs) and other self-help promoting institutions. NABARD"s corporate mission is to make available microfinance services to 20 million poor households, or one third of the poor in the country, by 2008. However, there is at present a high degree of concentration in the southern states, with just two states, Andhra Pradesh and Tamil Nadu accounting for more than 66 per cent of the SHGs linked to banks.

MODUS OPERANDI OF SELF HELP GROUPS

A **self-help group (SHG)** is a financial intermediary committee usually composed of 10 to 20 local women or men between 18 to 40 years. Most self-help groups are in India, though SHGs can be found in other countries, especially in South Asia and Southeast Asia. SHG is nothing but a group of people who are on daily wages, they form a group and from that group one person collects the money and gives the money to the person who is in need.

Members also make small regular savings contributions over a few months until there is enough money in the group to begin lending. Funds may then be lent back to the members or to others in the village for any purpose. In India, many SHGs are 'linked' to banks for the delivery of micro-credit.

CONCEPT OF WOMEN EMPOWERMENT

Women's empowerment is the process of empowering women. Empowerment can be defined in many ways, however, when talking about women's empowerment, empowerment means accepting and allowing people (women) who are on the outside of the decision-making process into it. Women's empowerment is the most crucial point to be noted for the overall development of a country. Many celebrities are all for girl power such as Liza Koshy and Lilly Singh (who has her own late night show and has won many awards and also raised money for girllove and other charities) "This puts a strong emphasis on participation in political structures and formal decision-making and, in the economic sphere, on the ability to obtain an income that enables participation in economic decision-making." Empowerment is the process that creates power in individuals over their own lives, society, and in their communities. People are empowered when they are able to access the opportunities available to them without limitations and restrictions such as in education, profession and lifestyle. Feeling entitled to make your own decisions creates a sense of empowerment. Empowerment includes the action of raising the status of women through education, raising awareness, literacy, and training. Women's empowerment is all about equipping and allowing women to make life-determining decisions through the different problems in society

SELF-HELP GROUPS AN OVERVIEW

Rural Development is doubtless the main pillar of India's progress. It has lagged behind in many aspects of development even after six decades of independence. Rural and urban India accounts for 40 per cent and 23.62 per cent of people below the poverty line respectively. The rural masses still depend on non-institutional credit agencies for their financial needs such as marriage, illness, consumption, buying productive assets, etc. Although the formal credit system is present widely in rural India, it could not overcome poverty and raise the economic status of poorest stratum of the economy. The foremost need is to redeem the poor from the ferocious cycle of poverty and misery to enable them to lead a life with pride, competence and self-esteem. It is obvious that any country's economic development is led by social development and both the factors are mutually dependent.

Different theoretical results by Ghatak and Guinnane (1999) had shown that in closed communities where group members are known to each other, group lending promotes screening, monitoring, state verification and enforcement of repayment. Ghatak (1999) had shown that in closed village communities in-group formation stage, the members could choose

safer partners that reduce their effective cost of borrowing and improve rate of repayments of loans to avoid the social sanction of his peer group (Basely and Coate (1995)). Experiences of Grameen bank in Bangladesh have shown that availability of collateral free tiny loans for income generating activities for poor have a significant impact on the lives of poor families. A study by Pitt and Khandekar (1998) considered the impact of Grameen Bank and two other group-based micro credit programmes in Bangladesh on labour supply, schooling, household expenditure and assets. They found that the programme credit has larger positive impact on the behaviour of poor if the borrowers are women rather than men.

Coleman (1999) in a study considered the impact of group lending programmes in North East Thailand. This survey had shown that the impact of village banks that provide group-loans in villages is insignificant on physical assets, savings, productions, and productive expenditures and on other variables. However, it has positive impact on women's high interest debt because a number of members had fallen into vicious circle of debt from moneylenders in order to repay their loans on village banks. It has positive significant impact on women's lending out with interest because some members engaged in arbitrage, borrowing from village bank at low interest and then lending out money at mark up. A study by Ahlin and Townsend (2003) considered the presence of joint liability loans versus individual loans on the basis of data gathered from Thailand. Their study showed that the wealth level; showed a 'U' shaped relationship with group loans, and it was also found that the lower the probability of success of the project, higher is the likelihood of taking a group loan.

There have been many studies on the working of SHGs in different parts of India. These studies mostly covered the SHGs working in the States of Orissa, Andhra Pradesh, Maharashtra, Tamil Nadu, and Uttar Pradesh.⁴ A study by NABARD covering 560 SHG member households from 223 SHGs across 11 states, showed many positive results on the impact of participation of rural poor in the SHGs. It shows that there have been perceptible and wholesome changes in the living standards of SHG members in terms of ownership of assets, borrowing capacities, income generating activities, income levels and increase in savings. It indicates that the average annual saving per household registered an increase over three-fold.

WHAT IS A SELF-HELP GROUP?

Self-help groups, also known as mutual help, mutual aid, or support groups, are groups of people who provide mutual support for each other. In a self-help group, the members share a common problem, often a common disease or addiction. Their mutual goal is to help each

other to deal with, if possible to heal or to recover from, this problem. While it has pointed out the contradictory nature of the terms “self-help” and “support,” the former U.S. surgeon general C. Everett Koop has said that self-help brings together two central but disparate themes of American culture, individualism and cooperation.

In traditional society, family and friends provided social support. In modern industrial society, however, family and community ties are often disrupted due to mobility and other social changes. Thus, people often choose to join with others who share mutual interests and concerns. In 1992, almost one in three Americans reported involvement in a support group; more than half of these were Bible study groups (“According to a Gallup Poll” 1992). Of those not involved in a self-help group at the time, more than 10 percent reported past involvement, while another 10 percent desired future involvement. It has been estimated that there are at least 500,000 to 750,000 groups with 10 million to 15 million participants in the United States (Katz 1993).

BASIC SELF-HELP GROUP MODELS

Self-help groups may exist separately or as part of larger organizations. They may operate informally or according to a format or program. The groups usually meet locally, in members’ homes or in community rooms in schools, churches, or other centers.

In self-help groups, specific modes of social support emerge. Through self-disclosure, members share their stories, stresses, feelings, issues, and recoveries. They learn that they are not alone; they are not the only ones facing the problem. This lessens the isolation that many people, especially those with disabilities, experience. Physical contact may or may not be part of the program; in many support groups, members informally hug each other.

Using the “professional expert” model, many groups have professionals serve as leaders or provide supplementary resources. Many other groups, using the “peer participatory” model, do not allow professionals to attend meetings unless they share the group problem and attend as members or unless they are invited as speakers.

Comparing the self-help peer participatory model with the professional expert model, experiential knowledge is more important than objective, specialized knowledge in the peer model. Services are free and reciprocal rather than commodities. Equality among peers, rather than provider and recipient roles, is practiced. Information and knowledge are open and shared rather than protected and controlled.

Peers can model healing for each other. By “the veteran helping the rookie,” the person who has “already ‘been there’” helps the newer member (Mullan 1992). Through peer influence, the newer member is affected (Silverman 1992). Although the newer member learns that the problem can be dealt with and how, the older member who helps also benefits (Riessman 1965).

One possible effect of this peer model is empowerment. Self-help group members are dependent on themselves, each other, the group, perhaps a spiritual power. Together they learn to control the problem in their lives.

INDIAN SCENARIO

According to Zagade Self-Help Group or in-short SHG is now a well-known concept. It is now almost two decade old. 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. This has led boost to the process of women’s empowerment.

STATEMENT OF THE PROBLEMS

Ever since independence India is suffering from several problems, like poverty, unemployment, low economic status of women, high rate of illiteracy, poor health care and low socio-economic status of poor women, out of them poverty has become a major threat to the economic development of our country. In most of the developing countries, greater emphasis is laid on the imperative need for development of rural women and their active involvement in the mainstream of development. In our country, continuous efforts are being made by the central and state government to improve the status of rural women, especially those below the poverty line through different schemes of rural development. Since the day of independence, a number of innovative schemes have been launched for the upliftment of women in our country. These have been a perceptible shift from viewing women as critical agents for socio-economic development.

Now the emphasis has shifted from development to empowerment. Indeed the target of socio-economic development of poor women can be achieved through women empowerment. Poverty and unemployment have become major threats to the economic

development of our country. Therefore, the planners and policy makers formulated various strategies against poverty and unemployment.

OBJECTIVES OF THE STUDY

The objectives of the present study are as follows

1. To evaluate the performance of the sample SHGs selected for the study in Valmalpalayam of Manachanallur Taluk, Tiruchirappalli district of Tamil Nadu.
2. To identify the income and expenditure pattern of the members of SHG.

RESEARCH METHODOLOGY

The primary data were collected only 150 sample respondents from the selected SHGs with regard to their homogeneity, regularity in conducting meetings, participation in meetings of NGOs repayment performance, decision of financial transactions, proportion off production loan to total loan, utilization of common fund, rate of savings and level of training etc., with the help of a structured interview of schedule. Data were also collected from members covering various aspects such as extent of savings and level of income generation, pattern of lending, repayment performance and other details related to socio- economic development using another interview schedule. The secondary data were collected from the books, journals, magazines and from the records of SHGs in Valmalpalayam of Manachanallur Taluk, Tiruchirappalli district of Tamil Nadu.

REVIEW OF LITERATURE

Rangarajan S V(2018), stated in his article that the following problems were faced by the SHGs, limited financial strength hence limited borrowing capacity, lack professionalism because the members are less qualified, marketing of production posing major challenge for the SHGs and consumers reluctance to buy the products when the products produced by the MNCs are available in the market. And he gave the suggestions to SHGs that selecting right products, include qualified persons in the management, undergoing proper training in the business management and integrating all the SHGs.

Jamie Morgan's (2018) paper explores how poor rural households in India are increasingly accumulating debt through micro-finance initiatives channeled through local self-help groups (SHGs). The aim of micro-finance and SHGs is to provide a cheap source of capital for investment in self-sustaining economic practices - typified by the Velugu programme.

However, the reality of microfinance has been more complicated. It has created a class- and caste-related debt dependency and vulnerability whilst channeling poor households, and women in particular, into subordinate areas of the economy, which ultimately serve to maintain fundamental inequalities in Indian society. The initiatives may, in addition, be viewed as aspects of broader processes of financialisation.

TABLE NO.4.1

AGE WISE DISTRIBUTION OF THE RESPONDENTS

S No	Age (in year)	No.of Respondents	In % of Respondents
1	20-30	9	6
2	30-40	45	30
3	40-50	60	40
4	50-60	36	24
	Total	150	100

Source: Primary Data

The table indicates the age of the respondents, which fall under the range of 20 to 60 years. 40 per cent of the respondents came under the age or 40-50 years, the minimum age prescribed in the table that age prescribed in the table that 30 per cent of the respondents belong to the groups of 30 to 40 years 24 per cent of the respondents under age of 50 to 60 years, 6 per cent of the respondents came under the age of 20 to 30n years.

TABLE NO.4.2

RELIGION WISE DISTRIBUTION OF THE RESPONDENTS

S No	Age (in year)	No.of Respondents	In % of Respondents
1	Hindu	114	76
2	Christian	36	24
	Total	150	100

Source: Primary Data

The analysis of table shows that 76 per cent of the respondents belong to Hindu and remaining 24 per cent of the respondents belong to Christianity. It is noted that no Muslim are residing in the study area.

TABLE NO.4.7**SOURCE OF INCOME OF THE RESPONDENTS**

Source	Amount of the Earning for six Months	Total	Percentage
Cattle rearing	21	3	16
Agriculture	51	33	56
Petty Shops	18	18	24
Rural Artisans	-	-	-
House Rent	6	-	4
Total	96	150	100

Source: Primary Data

The table shows that the variable source of income of the respondents. The source were categorized as the Cattle rearing, Agricultural, Petty Shops, rural artisans and house rent. Amount of earning ranges from Rs.1000 to Rs.12,000. The table debits the number of respondents having the above sources and the earning form it. From cattle, rearing 24 respondents are having earning. In the same manner, 84 respondents earn their living and form petty shops 36 respondents. Only six respondents were having earning from house rent.

TABLE NO.4.9**DISTRIBUTION OF THE RESPONDENTS ACCORDING TO THEIR MONTHLY EXPENDITURE**

Item Expenditure	Expenditure Range in					Total	Percentage
	0-500	500-1000	1000-1500	1500-2000	2000-3000		
Food	6	9	9	6	13	33	22

Educational/ Health	6	13	13	13	13	18	12
Social Organisation	9	6	6	12	9	42	28
Miscellaneous	6	6	15	15	15	57	38
Total	27	24	33	36	30	150	100

Source: Primary Data

The above table shows that the relationship of the respondents with their expenditure range and item of expenditure range. The table shows the number of respondents and their expenditure range. The total number of respondents has been chose for this survey is 150. Respondents are member of SHG. The item of expenditure is divides into twenty-seven respondents spend a maximum amount of Rs.500 for above-mentioned four expenditure items. Twenty-four members spend the maximum amount of Rs.1000. Thirty three members allotting amount of Rs.1500 for this items. 36 and 30 members spend a maximum amount of Rs.2000 and 2500 respectively.

Conclusion

SHGs should be able to construct new identities for their members as economically active, aware persons who have been convinced and are motivated to pull out of poverty with the use of micro credit. In as much as existing identities of business and trade are reinforced, existing pockets of social capital, which is socially divisive, will not be questioned, the social capital, which SHGs should generate, should be democratic in nature and inclusive in content. Training and development of woen in SHGs are on the job for the time being. It can be formalized and professionalized to discover the potential of leadership among the women in SHGs can help them to grow in a much faster way. Let us join hands in this noble cause for the benefit of the women in SHGs and to the society.

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