

A CASE STUDY OF SELF-HELP GROUPS IN DHARMAPURI DISTRICT

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Abstract

Self-Help Group is a well-known concept in recent trends. The main aim of SHG is to improve economic conditions. All the SHGs members are women in the study area. The SHG groups comprise of 12-20 members. The first SHG was introduced by Grameen bank of Bangladesh by Dr.Mehmud Yunus, Professor of Economics in Chitgaon. The credit is provided for both consumption and other productive purposes. The SHG institutions primarily have women as their target group. The group approach focuses on organizing the people into small groups for micro-financing. To tries to alleviate the poverty and to empower the women, the micro-finance has emerged as a powerful instrument in the new economy.

Key Words: *SHG, Women Empowerment, Microfinance.*

I. Introduction

**“Self-help is when a Person takes responsibility for themselves
But we cannot take responsibility for ourselves in a vacuum.”**

- Betsy Wilson

The Origin of SHGs is the brainchild of Grameen Bank of Bangladesh, which was founded by Mohammed Yunus. SHGs were started and formed in 1975. 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 of status of women as participants, decision-makers and beneficiaries.

Self-Help Groups were formed in MYRADA (Mysore Resettlement and Development Authority) in 1984-85 and initially called credit management groups. In 1987, NABARD sanctioned a grant to MYRADA for the intuitional capacity building of the SHGs and to match the groups' savings. In fact several NGO's notably PRADHAN working in Rajasthan and Tamil Nadu realized that the IRDP (Integrated Rural Development Programme) system of provision or 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 NGOs with donor support. 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 is ensured. 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.

Women Empowerment in India

The woman is the basic fabric of any family and society. The development of women alone would determine the success of major part of Indian workforce. Empowerment can serve as an instrument in attaining upward social and economic mobility by the women members. Women empowerment is a global issue, which has gained momentum in recent decades. The year 1975 was declared as "the Year of Women" by the United Nations. In order to give equal status to women and empower them on educational, economic and social frontiers

From time immemorial, women faced the challenges of coping with a male dominated society. Even after several years of planned development in India, the status of women in our country is low and their socio-economic conditions are much more depressed than that of men. Swami Vivekananda is of the view that women must be imparted education, training and they have to be left free to decide their own future. He emphatically asks the reformers, "Hands off, who are you to decide their future"? Women empowerment is possible with the blend of modern science education with our traditional culture. Any development should sprout from within the group to whom the target is fixed.

Statement of the Problem

Dharmapuri District is a backward area. The women in Dharmapuri area is beset with socio-economic problems. The Self Help Groups play a major role in enhancing the capabilities of women. The position of women in terms of education, social recognition and their contribution to the economic life of the society in general and to the family is generally underestimated and under reported. The researcher considers the questions of their capability building, skill-set enhancement and improvement in their socio-economic conditions.

Objectives of the Study

The researcher has framed the following objectives to analyze the study area

1. To study the Demographic profile, Socio-Economic and Psychological conditions of women in Self-Help Groups
2. To analyze the growth of Self- Help Groups and Micro-Finance in the study area
3. To offer suggestions to improve Women Empowerment through Self-Help Groups

Hypotheses

The researcher has framed the following null hypothesis to test the above objectives.

There is no significant association between the demographic, social and economic variables of the respondents and their performances in SHG activities.

Sampling Technique

The researcher has employed the stratified random sampling technique for collecting data from the women SHG respondents belonging to Dharmapuri district. The district has eight blocks which have been treated as eight stratum. A total of 65 respondents were selected from each block (Stratum). So, respondents from each block have been contacted and cumulatively it comes to 520 samples.

Limitations

1. The results of the study are only applicable to Dharmapuri district.
2. All women respondents may not give accounts details due to ignorance and fear.

II. Review of Literature

Many researchers have undertaken to study Self-Help Groups and their impact on the women in rural areas. It has added more knowledge to the particular field and the existing review of literature has been vast. It consists of SHG's development, micro finance, women empowerment through SHG and developing socio-cultural value.

The State Bank of India's financing scheme for self-help groups have been quite encouraging. The branch officials themselves encouraged the poor to form self-help groups in a number of centers. The study asserts that self-help groups may eventually be the only viable units of source on account of low transaction cost, high percentage of recovery and mobilization of rural savings through the informal system [1].

"Self Help Groups in the Life of Rural Poor – A Philibhit Case study," stated that most of the membership of the Self-Help Groups consisted of small landholders and agricultural laborers. Out of the 74 Self-Help groups studied, 57 were women groups and 17 men groups. The strength varied from ten to twenty and weighed heavily towards the larger figure [2].

Sridhar Seetharaman (2005) assessed the socio-economic impact of SHGs through field level data. The Study revealed that creation of income-generating activities through loans availed from banks have made a significant impact on the overall economic status of the group members. Additional employment generated through the collective functioning of the groups has provided scope for the further increase in the household income [3].

Paradigm shift in rural banking is a case of microfinance movement in India through SHG-bank linkage program. NABARD is trying to free the small rural borrowers from the clutches of local money lenders by providing loans to them at affordable rates through 750 NGOs and 3,64,000 client managed self help groups. Average loan size provided by these SHG is less than \$22. Recovery performance is considered good. These savings led self help group program of NABARD is really an innovative one [4].

Sudhin Kumar Bera (2011) the annual household expenditure of majority of members has been increased due to increase in their annual income. Thus, it is plausible to conclude that SHGs definitely helped in improving the purchasing power of the rural households. It is found that beside economic improvement the social outlook of rural women has undergone a radical change [5]. The involvement in the group significantly contributed in improving the self-confidence of the members. About 95 percent of beneficiaries believed that they receive recognition in respect of various decision making process in the family. The members were more assertive in confronting social evils and problem situation. As a result, there was a fall in the incidence of family violence. Further, female SHG members were asked about various aspects of their public participation, like attending village meetings, fight against drug and attending health care forum. Significant improvement was observed in post-SHG situation. In fact, some degree of transformation of social outlook is observed.

The role played by these institutions towards financial inclusion of the groups/regions excluded from the formal financial system was analyzed. In this connection, the study by Sabarwal et al also discusses the geographical spread of micro finance institutions, access and affordability of micro finance for poor borrowers and movement of poor borrowers out of SHGs. The findings of this study reflect the significantly limited scale and spread of micro finance in India [6].

The research of Uma Narang (2012) on “Self-Help groups an effective approach to women empowerment in India” Shows that Women Empowerment refers to an increase in the overall strength of women such as spiritual, political, social and economic. The most common explanation of “Women’s’ Empowerment” is the ability to exercise full control over one’s actions. Thus, women empowerment occurs in real sense when women achieve increased control and participation in decision making that leads to their better access to resources. It often involves the empowered developing confidence in their capacities [7].

iii. Profile of the Study Area

The study was conducted in Dharmapuri district of Tamil Nadu. Dharmapuri earlier known as Tagadur is bestowed with the bountiful Western Ghats. The total geographical area of Dharmapuri district is 4,497.77 sq.km, accounting for 3.46 per cent of the geographical area of Tamil Nadu. Dharmapuri district, which came into existence on 02.10.1965. Population density of Dharmapuri district is 332 per Sq.Km as per census 2011. The sex ratio was 946 female for 1000 male. The male and female population are 7, 72,490 (51.4 per cent) and 7, 30,410 (48.6 per cent) respectively. The literacy rate in Dharmapuri District is 64.71 per cent, i.e, male 69.16 and female 60.03 per cent as per census 2011.

It is one of the backward districts in Tamil Nadu. Hence the need for external help in the form of bank loan and government welfare measures is needed. The literacy level of the people is not up to the mark. This requires the proper level of up gradation and level is the need of the hour.

Table 1 Geographical Area

Taluk Name	Geographical Area	
	In Hect.	Percentage
1. Dharmapuri	78,451	17
2. Pennagaram	1,13,027	25
3. Palacode	73,267	16
4. Harur	1,10,354	25
5. Pappireddipatti	74,678	17
Total	5,62804	100

Source: www.dharmapuri.tn.nic.in/profile.htm

The district has been divided into five taluks, the biggest one being Pennagaram, followed by Harur. Pennagaram block has the highest area (1, 13,627) under its coverage. Palacode has the lowest area (73,267 Hec.)

IV. SHG – A Tool of Women Empowerment

SHG is the tool for the development of any society and this could be resorted to a number of ways and this would help their emancipation to a larger extent. This could be assessed by a number of factors like

the number of family members, the educational level, age, supporting agency and their activities. This would throw light on the actual conditions and the steps that should be taken to re modify their life and system could be known.

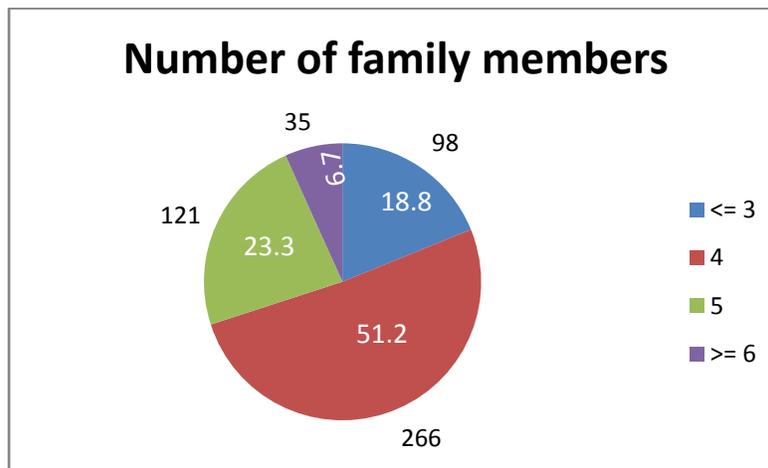
Table -2 Number of family members

Number of family members	No. of respondents	Percent
<= 3	98	18.8
4	266	51.2
5	121	23.3
>= 6	35	6.7
Total	520	100.0

Source: Primary data

Table 2 indicates the number of family members of women self help groups under study. It shows that the large number of SHG members do not live in joint family system. Only 6.7 percent of women self-help group, members live in joint family system. The population stabilization has also taken its strong roots in the minds of family members. More than 50 per cent of the members belong to the family size of 4 members. As far as small family is concerned, 18.8 per cent of the respondents belong to it.

Chart 1 Number of Family Members



The chart provides the number of family members of the SHG members. Most of the members have family in the range of 4 members.

Table -3 F test for family size and Functional Area

Hypothesis: There is no significant relationship between the size of the family of the respondents and the functioning of SHG.

Functional Area	Family size	Mean	Std. Deviation	F value	P value
Usage of micro-finance	<= 3	11.90	2.481	0.604	0.612
	4	12.24	2.368		
	5	12.02	2.740		

	>= 6	12.31	1.728		
Supporting Agency	<= 3	38.39	10.037	2.599	0.52
	4	37.28	8.230		
	5	35.30	8.316		
	>= 6	37.77	8.268		
Managerial Capability	<= 3	24.73	6.238	1.786	0.149
	4	25.92	5.432		
	5	25.17	5.355		
	>= 6	24.31	4.227		
Leadership Quality	<= 3	32.01	4.326	10.230	0.000
	4	32.64	5.071		
	5	29.73	5.477		
	>= 6	33.06	4.352		

The table 3 presents the relationship between the family size of the respondent and their functional abilities with the SHG. It was found that there is no significant relationship between the family size and functioning of SHG in the case of usage of microfinance, supporting agency and managerial capability, because the calculated ‘F’ values are lesser than the critical values and the calculated ‘P’ values are greater than the significance level of 0.05. But the leadership quality was found to be related with the family size of the respondents. The calculated ‘F’ value for this is greater than the its critical ‘F’ values and it was found that the significance level value lies within 0.05. The larger the family size more would be the functioning of SHG with respect to usage of micro finance, supporting agency and managerial capability. Hence the null hypothesis stating no significant relationship between the sizes of the family and functioning of SHG is rejected.

Table- 4 Age Group (in years)

Age Group	No. of Respondents	Percent
Below 25	101	19.4
Between 25-30	159	30.6
Above 30	260	50.0
Total	520	100.0

Source: Primary data

Table 4 shows the age group details of the sample respondents of women self help group members. They are classified into three age category. It was found that 50 per cent of the members of SHG fall under the age group of above 30 years of age. The members who fall under the age category of 25 to 30 years come 159 and they contribute 30.6 per cent to the total respondents. Only 19.4 per cent of the respondents are below 25 years old. The married respondents have family financial commitment joined the SHG and benefited. Most of the respondents belong to the age group of above 30. This may be due to their financial need and the proper understanding of the concept and use of Self-Help Groups.

Table 5 Relationship between the age of the respondents and SHG activities

Hypothesis: There is no significant relationship between age of the respondents and SHG activities.

Relationship Age groups With SHG activities	Chi-Square Value	df	Significant	Result
Age groups and SHG members are helpful	5.013	4	0.286	Ho accepted
Age groups and Rate the success of SHG	20.153	4	0.000	Ho Rejected
Age groups and Social status enjoyed	1.152	4	0.886	Ho Accepted
Educational qualifications and motivational level	9.940	4	0.041	Ho Rejected
Education qualification and SHG members are very helpful	20.487	6	0.000	Ho Rejected

Source: Computed by the Researcher

The table 5 presents the chi-square results showing the relationship between different variables such as the relationship between age and SHG activities. It was found that there is no significant relationship between age groups of SHG members and members' helpfulness and the age groups of SHG members are significantly related to the success of SHG. Regarding the age groups and social status enjoyed there is no significant relationship between them. It also found that there is significant relationship between educational qualification and motivational level and helpfulness of SHG members.

Table -6 Educational Qualification

Educational Qualification	No. of Respondents	Percent
Illiterate	224	43.1
Upto SSLC	191	36.7
HSc	57	11.0
Graduate	48	9.2
Total	520	100.0

Source: Primary Data

The table 6 portrays the educational qualification of the sample respondents. Among the different types of educational qualifications the respondents who are illiterates contribute 43 percent to the total respondents. The respondents who are having HSC and graduation as their educational qualifications are only 11 per cent and 9.2 percent respectively. It was found that nearly 80 per cent of the respondents fall under the category of SSLC and illiterates. The highly qualified women opt for various jobs and their contribution to the SHG is very low. But the sample respondents who are not highly qualified want to earn increased amount of income. Therefore, the SHG attracts them and it provides supplement financial assistance to the women.

Table -7 Relationship between the age of the respondents and SHG activities

Hypothesis: There is no significant relationship between age of the respondents and SHG activities.

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Age groups and Rate the success of	20.153	4	0.000	Ho Rejected

SHG				
Age groups and Social status enjoyed	1.152	4	0.886	Ho Accepted
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Source: Computed by the Researcher

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Table -8 F test for Education and Functional Area

Hypothesis: There is no significant difference between educational qualification of the respondents and the functioning of the SHG.

Functional area	Education	Mean	Std. Deviation	F value	P value
Usage of micro-finance	Illiterate	12.29	2.547	2.979	0.031
	Upto SSLC	12.18	2.145		
	HSc	12.16	2.094		
	Graduate	11.15	3.189		
Supporting Agency	Illiterate	38.58	7.822	7.041	0.000
	Upto SSLC	35.00	9.008		
	HSc	38.77	8.864		
	Graduate	36.17	9.145		
Managerial Capability	Illiterate	26.24	5.833	5.293	0.001
	Upto SSLC	25.32	5.307		
	HSc	24.42	4.594		
	Graduate	23.08	5.082		
Leadership Quality	Illiterate	32.32	4.812	16.815	0.000
	Upto SSLC	32.00	4.534		
	HSc	33.54	3.065		
	Graduate	27.29	7.760		

Source: Primary data

The table 8 exhibits the one-way analysis variance results showing the relationship between educational qualifications of the respondents and the usage of micro finance, supporting agency, managerial capability and leadership quality. The ‘P’ values for these factors were found to be less than the significance level. Therefore the null hypothesis is rejected and it was concluded that there is evidence of relationship between the educational qualification of the respondents and different factors considered under the functioning of SGF. The calculated ‘F’ Values confirm the rejection of the null hypothesis

V. Suggestions

Generally a number of SHGs are formed by different Poor people. After becoming members of a particular SHG, an individual gets a loan for undertaking some economic activities like marinating family and carrying on small business.

The present study covering the SHG and sample members have been undertaken to analyses the socio-economic development of members through the SHGs, in Dharmapuri district. The study is mainly empirical in character eliciting information from the members with the help of an interview schedule. The findings of the study will be highly helpful to decision making to improve the performance of the SHGs. However, based on the experience of the researcher, the Micro Finance contributed towards increase in savings by women in their own name.

They were able to influence their family members to contribute to savings. Many were happy to say that savings in their name gave some social status at home and in the community. Women, however, commented that the burden of their domestic work had not been reduced, their earlier spare time was now utilized for business purpose.

VI. Conclusions

Self-Help Groups occupy a pivotal role in the economic development of the society and helps in the economic empowerment of women members. It has been useful in changing the lives of thousands of women members from the mundane work of household alone and has made their activities directly contributing for the benefit for their uplift and the society alike. Hence the formation of social groups may be encouraged to a large extent by the infusion of entrepreneurial skills, finance and actively engaging them in marketing activities. The Self-Help Groups have acted as the real change agent and the medium of dissemination of various information and the services to the development. Their services may be utilized in the implementation of various social welfare programmes.

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