



THE GROWTH OF SELF HELP GROUPS AND ITS IMPACT IN WOMEN EMPOWERMENT IN RURAL AREAS OF TAMIL NADU

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ABSTRACT

Self Help Groups (SHGs) are one of the important modes to protect the lower income group to avail the benefit the finance assistance and to save the money. Self Help groups empowers the women and increases the livelihood of many rural areas. A Self Help Group is voluntary forms a group with 10 to 20 people who contributes every month some amount as contribution and avail the benefit of financial aid from SHGs. The SHGs lend loan through the consolidated contribution of all members as well as borrow from banks. It is to create self-reliant. This study analyzed the growth the self help groups and women empowerment in rural areas. The study found that the age group of 31 to 40 benefited through the Self Help groups. The educational qualification of below school level is the members of the SHGs.

Introduction

Most of the human being requires financial assistance in the world. Some may require huge financial assistance and some may require less. It's all varies on the needs of a person. There is no assurance for everyone that all the person those who require financial assistance will get assisted to it. For the financial requirements, there are financial institutions who could able to

provide financial assistance in terms of loan. Anyhow, it is not easy to avail loan from financial institutions as there are lot of formalities and procedures which consumes lot of time as well as many of the loans also gets rejected. The applicants who got rejected approaches indigenous. While applying for financial assistance in financial institutions, it is neither complicated nor tough for higher income group category but to the lower income group naturally questionable. In order to overcome the hurdles of getting assistance from banks for lower income group, the government has started a new initiative under NABARD in 1989. NABARD started research projects that provide grants to all Non Government Organizations. With the unstinted support of NABARD in the year 1990, a new platform that got initiated is

SELF HELP GROUPS (SHGs) a credit model. SHGs is a forum through which the state and

central government lend loan to the members of SHG. In 1992, NABARD framed guidelines that permits the bank to lend the loan to Self Help Groups.

SHGs are the small forum of lower income groups. The problem of lower income groups are mostly associated with the common problem especially unemployment. SHGs is an initiative of the governments to create employment opportunities for the group of people under a common platform. SHGs are created to provide financial assistance for their livelihood of its member. SHGs help one another and promote the small savings of their members as well. It is a group of members where they contribute a small



amount as contribution every month to its SHGs. All the members contributions deposited into the bank in its SHGs name. In case of requirement of financial assistance for the member, they can avail the loan from their contributions. Later on, the member has to repay the loan borrowed.

Self Help Groups promoted by NABARD provides financial assistance for the members to create job as well as innovation. SHGs approaches the bank for the loan which will get paid collectively of its members. SHGs gets loan at lowest interest rate from central and state banks. The purpose of forming SHGs is to set the small scale industry or cottage industry to create employment opportunities for its member. The members of SHGs work unto the business under a unique name of SHGs and get profited. Later on the profit will be distributed amongst members of SHGs. To start the small scale or cottage industries, the SHGs approach the central and state government for the financial assistance. NABARD supports the SHGs and deposit the loan amount to the account of SHG through its bank.

As it is based on the NGOs, there is no need for registration also. It can have 10 to 20 members in its SHGs. The meeting of the SHGs should be conducted regularly by its members. Either weekly or monthly once, the meeting of the members should be conducted. All the members of the SHGs should be presented during the meeting. Every resolution is decided on the basis of the voting of the members. If majority of the votes of members goes for a particular resolution, it can be approved. Otherwise, if the majority of the votes are not given for

a particular resolution it cannot be passed in the meeting. The group has to maintain the attendance register and meeting note books properly in order to authenticate their work.

At the same time, the SHGs should maintain simple and clear accounts note, recording all the financial transactions of the groups. It has to main loan register as well as saving books separately. Individual member's passbook is also to be maintained for the outstanding of the loan and to know their savings. The members under SHGs regularly save a small amount every month. "Saving first and Credit later" is the Motto of every Self Help Groups. There will be coordinator for SHGs in District wise from the government. He/ She has to monitor and authorize all the activities of SHGs. If there is any problem unto the SHGs, it is the duty of the Coordinator of the district to bring to the notice of the government immediately. Any problems encountered between the members should be settled with coordinator.

Under SHG, Magalir Thittam is very famous in Tamil Nadu where more females formed a group. Magalir Thittam under Self Help Group helps to boost the women empowerment. Women Empowerment is much debated issue in India. Anyhow, Self Help Group is one of the forum that uplift the women in society. The women empowerment through SHGs brings benefits not only to women groups but also to their families and society as well. In recent days Tamil Nadu Corporation for Development of women (TNCDW)



identified six women SHGs and promoted their product in online platforms.

Review of Literature

The study of Puhazhendhi and Satyasai find in their study empowerment of rural women through self helps groups – An Indian experience collected 223 SHGs functioning in 11 states of four regions. The study made an attempt on pre and post SHG were analyzed. The study collected and analyzed the variables such as asset structures, social empowerment, behavioral changes etc. It is also found that the SHGs could possibly contribute to the economic and social empowerment of the rural areas. Pankaj Sinha and Nitin Navin analyzed the performance of Self help Groups in India and revealed that there is a steady growth in SHGs in India. There is a link between the women empowerment and self help groups in India as micro finance helped the women to contribute to the society by empowering women. Community participation and local self government are very active but the financial dependence , social inequality and inadequate community participation in some regions are also found in the study of Atrayee Saha and Kasi Eswarappa.

The study of Selvakumar revealed that the SHGs had more impact on social and economic aspects of SHGs members. The study attempted to measure and determine the relationship between the variables of Self-Help groups using primary data. The income of the women is increased with the help of Self help groups in the results of Dhaiya et al where he evaluated the level of women's economic empowerment through SHGs. Yoginder Singh found that the SHGs

helps the women generating their own funds and to be self-reliant. The study also highlighted that SHGs have served the cause of women empowerment, social-solidarity and socio-economic betterment of poor rural women. . The success of any strategy of woman empowerment depends upon the educational qualification, hard work, custom values, family planning, environment and collective strategies is the findings of Indumathi. Yadav revealed that the Self help groups pay their loans in time and they follow the credibility and reliability in finance. It is further noted that the household income increased after joining SHGs.

Recent Trends

The Economic Survey 2022-2023, made a special mention of Self Help Groups which is not remarkably noted by all but that has very high impact on the economic growth of India. Through Self Help groups, the banking sector has disbursed billions of rupees in last year. There are 12 million self help groups where 90% of self helps groups are women groups. It shows that our nation is moving towards women empowerment. It is also further noted that 20-25 members of villagers forms a SHGs in all the rural areas. There are also some notable projects named SHG Bank Linkage Project, SHG-BLP for livelihood of members in SHGs.

The women self help groups are the world's largest micro finance project. Through BLP of Self help groups 142 million families made a deposit of Rs.47,240 crores. The credit based SHGs made a growth of 10.8 % where the credit disbursal grown to 5.7 % in last 10 years. There is also possibly of waived the loans under SHGs. But Self help



groups – BLP hardly finds the bad ones for waived off. It is appreciable where 96% of SHGs repaid their loan that substantiated the credibility of the SHGs. Under the National Rural Livelihood Mission, the central government targeted to increase the income of the SHGs to Rs.1 Lakh by 2024.

In last year 2021, during pandemic that the collateral free loans of SHGs is Rs.20 lakhs which got increased from Rs.10 Lakhs. It is further noted, 68.5 million households and 6.3 million women got benefited in the year 2021 through Self Help groups. 75% of rural female workers employed in agricultural sector and also upskill and reskill of the women can be carried out in SHGs. Here, the Self Help Groups play a vital role in shaping the women life as it helps the women to overcome the financial burden.

Analysis of Study

The study is descriptive in nature. The study used primary and secondary data wherever it is necessary. The study collected 150 samples from rural areas of Tamil Nadu and finalized the sample size with 128. The study covered the independent variables such as age, educational qualification, income group, occupation for the analysis and used a single dependent variable of SHGs for analysis. The study also tried cover the information of family background, loan repayment status, number of membership in SHGs.

The analytical background proved that the gender women are mainly focused in SHGs. The age group of 31 to 40 gets the membership from SHGs and benefited through the various schemes offered from government. The school

level and others category played a vital role in SHGs as most of the women are illiterate and would like to render income through SHGs. The income group of below Rs.10,000 were the members in SHGs.

Findings of the Study

- Most of the women have joined SHGs due to additional source of income to the family and received financial assistance faster and at cheaper rates.
- Some of the women have taken the SHGs to have the occupation (Entrepreneurship) for the livelihood.
- The women joined SHGs belongs to the category of School level and illiterate and the age group of 31 to 40 joins the SHGs for the benefit of their families.

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Conclusions

Self Help Groups is the one of the possible way to increase the women empowerment through raising employment opportunities, self sufficient and savings among the rural women. Micro credit is another mode of support for the self help groups that brings financial aid to all SHGs. With the help of micro credit, the study had found the significant change in attitude and changes in work environment. The credibility and reliability of repayment of SHGs (96%) is another criteria to estimate the growth of self help groups. The Self help groups enabled more employment opportunities in rural areas. There are more women who started business and earned credibility society. Unemployment is reduced through SHGs and provided financial support to all families as if the women is settled in career, the family, the society and the nation gets growth automatically. The coordination between the members of Self help groups are also remarkable. If there is no cooperation among members, the SHGs cannot succeed. Micro finance can be an effective strategic instrument for poverty alleviation only if it used for income generating micro enterprise development. It is highly commendable that the self help groups is successful in rural areas of all region and uplifted the rural women economically and socially. Women are an integral part of the economic development of the country, therefore the government should give equal importance to the women contributors and their well-being in the society.

Suggestions

- As majority of the SHGs holds the educational qualification of below 10th standard, the government can prescribe a limit of some educational qualification for SHGs.
- The financial assistance should be made easy so that most of the children of rural women can be educated.
- SHGs can promote their products vigorously in all the districts of Tamil Nadu.

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