



A study socio-economic impact of Self-help groups in Tamil Nadu

Mahesh V

Research Scholar, Department of Commerce, Annamalai University, Annamalai Nagar, Tamil Nadu, India

Abstract

Self-help Groups have been playing considerable role in training of Swarozgaris, infrastructure development, marketing and technology support, communication level of members, self confidence among members, change in family violence, frequency of interaction with outsiders, change in the saving pattern of SHG members, change in the cumulative saving pattern of SHG members per month, involvement in politics, achieving social harmony, achieving social justice, involvement in community action, sustainable quality and accountability, equity within SHGs, defaults and recoveries, and sustainability - financial value. The main aim of this paper is to examine the socio- economic impact of Self- Help Groups members in Tamil Nadu.

Keywords: economic awareness, women empowerment, problems of SHGs

Introduction

In developing economics, helping the rural poor and meeting their basic needs have been goals of the governments. Several programmes have been initiated by the government to eradicate poverty and for the development of rural areas. But these programmes have not met with success and these programmes were target oriented rather than beneficiary oriented. The multiplicity of programmes resulted in lack of proper social intermediation, absence of required backward and forward linkages, repayment problem, and improper creation of assets. Initially, it was assumed that various poverty alleviation programmes were able to enhance income level of the rural masses, but people's participation and involvement in planning and implementation of these programmes was totally lacking. Thus began a search for alternative to fulfill the requirements of the poorest households. Therefore, the approach to poverty alleviation should be self- help; others need to help the poor to help themselves. Most of the countries in the South-East Asia including India are predominantly agricultural, and greater part of their populations is concentrated in the rural areas and is dependent upon the soil for their livelihood (Jayanthi *et al.*, 2017) [5].

India has set a goal of becoming a developed nation and a knowledge super power country by 2020. If India really wants to achieve this goal, men and women must work together with equal participation in all efforts. Even in many developing countries like India, their access to income generating activities is decreasing with the trend away from rural enterprises and cottage industries and towards large- scale urban production. When attempts have been made to reverse this trend by introducing measures to promote small rural industries, these have often been directed at men, with the result that men have taken over from women many traditional industrial activities of women. It is an established fact that economic growth of a nation alone cannot prevent the growth of mass poverty. Therefore, there is a need to promote

women's access to income generating activities by developing and supporting small- decentralizing enterprises.

Statement of the Problems

The SHG is creating social and economic awareness among the members. The social awareness enables the members to lead their life in a sound hygienic environment and pursue a better living. The women members involve themselves more in taking decisions regarding the education of their children, the investment of the family, managing the economic assets of the family and bringing up cohesion among the members of the family and others for a better living. On the economic front both men and women work together to increase the income of the family. Some member's sort of small business and some others improve their agricultural activities. Every member of SHGs has felt the need for more involvement in economic activities. The spirit for social and economic upliftment of members is the significant contribution of every SHG. However, the members of the self-help groups face untold problems. Therefore, the researcher thinks it is worth to study problems of self- help group's credit.

Objectives of the Study

To study the socio- economic impact of Self- Help Groups members in Tamil Nadu.

Concept of Self- Helps Groups

In India since independence there has been an aggressive effort on the part of the government to improve the access of the rural poor to formal credit system. Despite the various development schemes, the deplorable condition of women continues unabated and nearly half the indebted rural households are still outside the ambit of the institutional credit system. Access of the poor to banking services is important not only for poverty alleviation but also for optimizing their contribution to the growth of the regional as well as the national economy. Many rural poor feel reluctant to approach

the banks or financial agencies as they require small but regular urgent loans whereas their options are restricted to programmes designed and approved by the government. They approach the moneylenders for meeting their consumption and production needs in the absence of institutional support. Some of the poor, who have not got access to the vast network of the institutional credit delivery system, have organized themselves into Self-Help Groups and many such groups have come into existence either spontaneously or with the active involvement of the NGOs which motivated the rural poor to pool their meager financial resources for meeting their small and frequent consumption and production credit needs.

The government recognized the necessity of the empowerment of women by involving them in the economic activity. Once, they participate in the development process, they are providing their ability on par with men. The development process has given women not only a new sense of dignity and confidence to tackle their problems with a sense of solidarity to work together but also a measure of economic independence. It helps them to improve their living conditions and acquire small assets. It has also been demonstrated that the poor women's creativity, groups' dynamics and Self-management are major elements in tackling the gender and equity issues.

Government of India has made use of the various voluntary organizations in implementing rural development programmes, because the performance of these organizations is quite encouraging in the successful implementation of action-oriented development programmes. Some voluntary agencies have discovered, through field experience, that unless the poor give up alcoholism, child marriages and superstitions like generation programmes would not be effective. So social awareness is an integral part of their action programme, along with poverty alleviation and employment generation.

Functions of Self-Help Groups

In order to achieve the main objective, the SHGs undertake various activities. These activities are:

- **Small Savings Mobilization:** howsoever small they may be should be made in order to mobilize financial resource. The idea is to generate the habit of saving from whatever income is earned in the household.
- **Arrangement of Funds:** in smaller quantities but in time. As a micro-finance institution the SHG should be able to provide credit to the members. It is also expected that the members return the money borrowed in time, in full, and with interest so that other members also benefit;
- **Records and Account:** is the most crucial aspect of management of the SHG as well as of confidence building among the members. The SHG has to ensure that all accounts and the books of account are up to date and maintained to ensure transparency and accuracy. Good accounts reflect the goodwill of the organization and ensure its credibility. Properly kept records are not only of reference value but also useful in future planning and decision-making;
- **Training and Development Activities:** Self-Help Groups need constant support, assistance, guidance and advice from the promoters and other development agencies. They need constant monitoring, training and education support

in order to help them improve their working capacities and capabilities. The members might need some exposure and interaction. They might also need some equipment and technology support. SHGs need to continue improve their capacities.

- **Members-Oriented Action Approaches:** Members-oriented action Pappaches are conceived and implemented which are recommended and demanded by the members. Most of these programmes are social and economic and even cultural. Such programmes are also usually the agenda of the development projects which promote SHGs. Programmes can be educational, additional income-generation, off-farm activities, labour-intensive activities, watershed-related and public works construction activities, harnessing water resources for drinking and irrigation, health, education, vocational training etc.
- **Linkages with Financial Institutions:** Liaison and Linkages with financial institutions /Government Organizations and other agencies. The SHG considers developing relationship with the financial institutions e.g., cooperative bank or the rural branch of a commercial bank, or others, and also relationship with the governmental organizations and other development agencies

Impact of Self-Help Group in Tamil Nadu

- **Saving and Financial Decision Making:** One of the primary benefits of participation in a SHG is the opportunity to save regularly, access formal savings institutions and participate in the management of these savings. They save regularly, have their own bank accounts and make deposits into these accounts. SHG is having a good impact on members, in their ability to save their hard earned money. Access to credit a corollary of participation in SHGs is an improvement in a woman's access to credit. Since the project is perhaps too early in its implementation to directly improve women's access to credit.
- **Employment:** The implementation of SHG has generated Self-employment opportunities for the rural poor. The progress of the program since inception assisted in formation of 35.7 lakh SHGs; assisted 1.24 Cr. Swarozgaris in establishing their own micro-enterprises. The Government of India released Rs.11, 486 Crore under the program; bank credit mobilization is Rs.19, 017; Total subsidy provided is Rs.9, 318 Cr. The program helped many participants in improving their economic conditions. After joining the self-help group the women are economically and socially empowered. This empowerment cannot be transformed or delivered it must be self-generated such that it enables those who are empowered to take control over their lives.
- **Decision-Making Within the Household:** The social impact of the SHG program increased involvement in Decision-making, awareness about various programs and organizations, increased access to such organizations, increased expenditure on Health and Marriage events, there is a Change in the attitude of male members of the families, now they are convinced about the concept of SHG and encourage women to participate in the meetings and women reported that they have savings in their name

and it gives them confidence and increased self-respect. Within family the respect and status of women has increased. Children Education has improved significantly.

- **Participation in Local Government:** In a majority of the cases, the women perceived themselves as now having some influence over decisions in the political life of village, and in a smaller number of cases, the women named their participation and influence in village political life as an important and note-worthy change. However, in general, the opportunities available to the women to participate in village life were limited, as most of the village processes were still being male-dominated and patriarchal. Though the SHGs generate positive impact on the rural economy through empowering women and enhancing the rural income of those participant households, the issue of group size has been of long standing concern.

Communication Level of Members: Microfinance movement is having a good impact on members, in their ability to express their feelings and has made people more confident to express themselves.

- **Self Confidence among Members:** The group formation brought out the hidden talent and leadership qualities among the members. Therefore, it can be concluded that after joining the SHG the members have improved their status in family, become helpful in family finance and sometimes helped others too. Now, most of the SHG people feel that they get more respect; not only in the village, but our own family members treated us more respectfully. People of the village now invite us for social and community functions.
- **Change in Family Violence:** Involvement with SHG has reduced this violence in 25 per cent cases especially due to reduction in economic difficulties. In most of cases the members revealed that their husbands should also be involved in SHGs.
- **Frequency of Interaction:** with Outsiders Members generally, got lesser opportunity to interact with bankers, Government officials, NGOs and others in the Pre-SHG period. It can be seen that in the Pre SHG period 25 per cent of the members were not interacting with officials whereas after associating with SHGs, 91 per cent members had interacted with the outsiders and out of total 44 per cent have interacted more than 4 times with outsiders. This interaction helped them to articulate their problems and improved their self-confidence.
- **Community Participation:** SHG members undertook a lot of community activities which they earlier could not have imagined them self to have done. They distributed school uniforms to poor students; they undertook a plantation drive, distributed pen and notebook sets to poor students and donated some money to a charity during a national calamity. They participated in several social initiatives like the "Clean Village Drive" and other such social upliftment programmes since their involvement in the SHG. They organized a small function on India's Republic day. Perspective of the Social Worker Women who have participated in this have benefited economically.
- **SHGs and Environmental Management:** Research and policy has tended to focus on the relationship between

poverty and environmental degradation in terms of pointing out that the poor are both victims and agents of environmental degradation. They are victims in that they are more likely to live in ecologically vulnerable areas, agents in that they may have no option but deplete environmental resources thus contributing to environmental degradation.

Suggestion for better implementation of socio-economic SHGs

In countries like India, there is absence of encouragement and recognition especially for women to still become entrepreneurs because they are considered weaker section of the society and also there is a feeling that they are meant to be housewives rather than successful entrepreneurs. In order to overcome this social constraint and promote more number of self-help groups, the promoting agencies should extent their boundless in the form of loans, training, orientation, etc. to catch the attention of the members as well as the society. The disputes among the members should not obstruct the smooth functioning of the self-help groups. The members should be more active, passionate and vibrant. The cooperation, coordination and proper understanding among the members will make the groups more effective. Therefore, the different of opinion among the members should be brought to the notice of the officials who are working as advisers and path makers. The group engaged in the production activities face problems in getting raw materials due to higher price, irregular supply of materials, non-availability of materials due to seasonality of nature, etc. hence, they cannot carry out their work through the year. Therefore, SHGs involved in manufacturing activities may join together and form a "purchase committee should assume the responsibility of sourcing of materials, receipt of tenders, quality check, placing purchase order, receipt and distribution of materials to the groups and ensuring the continues supply from vendors. It is advice that the family members should come out with candidness and understand their role in the economic upliftment of the family and the society too. The kind of understanding and support leads to total involvement of the members in the self- help groups. The management of family members in group activities would help to minimize the labour problems to a great extent and ultimate the family members will be economically empowerment.

Conclusion

Self- helps groups in the broader concept play an active role in social and economic transformation, income generation and other developmental activities. As a medium for social action, SHG movement in India, through financial intermediation, may in time play an important role in the reduction of poverty. Over a period of time, once the SHGs have proved that they could indeed bring about a change in the mindset of the very conservative and tradition- bound illiterate women in rural areas. With appropriate market support strategies, the members could effectively build enterprises as a source of their employment and income. Financial resources, if effectively delivered to women, is expected to help them make a meaningful improvement in their economic and social condition and reduce gender inequality in rural areas.

References

1. Anitha, HS, Ashok Revankar D. Micro credit through self-help group for rural development, southern economist, august, 2007, 17-19.
2. Chiranjeevulu T. Empowering women through self- help groups, kurukshetra. 2003; 51(5):16-19.
3. Loganathan P. Role of co-operatives in empowering women in erode district, kisan word. 2003; 30(9):23-24.
4. Padma Prakesh. Micro finance productive linkages economic and political weekly. 2004; 10:1004.
5. Jayanthi C, Pugazhendy K, Tamizhazhagan V, Sakthidasan V. Problems of women teachers in Cuddalore district, International Journal of Zoology Studies. 2017; 2(5):89-95.
6. Raja Priya. Empowerment of women through self help groups, social welfer, September. 2008; 5(6):10-14.
7. Shibalal Mehar. Impact of micro finance on poverty – a study of self help groups in Orissa, journal of rural development NIRD. 2007; 26(3):315-333.
8. Tripathy KK, Tripathy IG. Micro Finance and self-employment initiatives under SHG: A Review of Intentions and realities Productivity. 2007; 47(4):387-393.