CHAPTER - I
INTRODUCTION AND DESIGN OF THE STUDY

1.1. INTRODUCTION
Group activities are considered as a basic concept for the development of Self Help Groups (SHGs) in general, which was started in 1972. This is an organised system and the life of this is very short. Based on the concept, the SHG system was started in India in 1980s. Now this system is growing in arithmetic progress. An SHG is a group consisting of minimum 10 members and or maximum of 20 members formed small in size for sustainable human development. Mostly this group is formed by peer groups. It is reviewed that the need and service of the women SHGs are very much felt in the society for social
development. The service of SHGs has been in ascending order. In recent times they have many organisations. Their main objective is to provide managerial empowerment skills to all weaker sections of women. Though their members are illiterates and inexperienced fused in managerial activity, they manage their organisation successfully. Therefore it is need based to study the managerial skills of SHGs women entrepreneurs in Madurai district.

From times immemorial, the concept of empowering women in Tamilnadu, particularly in Madurai has been continuing and in vogue. The Ithikasas, The Puranas and The Hindus Shastras speak about the role of women and their functions and their livelihood. The ‘Puranic Scriptures’ eulogised the functioning of women for their better living conditions and their attempts in uplifting their economic status.

Hence, the concept of women empowerment and woman entrepreneurship started in ancient period and thus this system is not a new one to Tamilnadu, particularly Madurai district. The multifaceted dimensions of the concept of woman SHGs got its derivates from the ancient Puranas and modified in such a way to suit this present study. It is admitted that the present study “Woman SHGs” have its origin from the early times of human habit and got proved with a historical evidence of The Thiruvilayadal Puranam.

At this juncture, it is an important and pertinent point that The Thiruvilaiyadal Puranam talks about the women empowerment. That speaks about the importance of women and their indigenous methodology of pursuing
their entrepreneurship at various levels. It is awesome to remember the historical incident associated in the life of the king of Pandianadu and the counterpart of the event an old woman by name “Pittuvani Ammaiyar”.

With waters of Vaigai raising alarmingly, The Pandya king sent out clear instructions. One male from every family in Madurai should come to build a bund to keep the flooding Vaigai out of the city and the temple.

There was this lady called Pittuvani Ammaiyaar who made a living by making and selling Pittu (puttu). And she was very pious and didn't have any other relatives. So she prays to Lord Shiva to help her out.

A vagabond comes over to her and agrees to represent her to build the bund if she can feed him free puttu. Now on the whole the vagabond eats puttu and sleeps, and doesn't go well with the soldiers of the Pandya king, who summons this vagabond to the palace. Pandya king gets very angry with the vagabond and canes him in the back, which immediately results in a lash on every living beings back leaving the mark of a cane, including the king, the old lady and even Maanikkavaachagar who was in prison! Shiva laughs and tells the Pandya that this game of his was to avenge the torture Maanikkavaachagar underwent. With that he vanished.

At this juncture, it has more relevance to admit that the present SHGs concept is not a new one but a replica of the previous one. But at the same time it is admitted his due to modern approach and the needs of the communities in Madurai underwent so many changes and the present study reveals the ongoing
development of “Woman SHGs” in Madurai district. This study has many
prosperities through with new ideologies could evolve so that the
conceptualisation of ‘Woman SHGs’ could find a new history in the days to come.

Self Help Group is a people’s movement that evolved from the peripheral level
of the rural India with inspiration and help from the government and people with
social consciousness and missionary zeal. This movement has been bringing about
dramatic changes in the lives of lakhs of women. Pandit Nehru in his ‘tryst with
destiny speech’ emphasised the immediate need for initiatives for eradication of
poverty\(^1\) ensuring equality and equity.\(^2\) India got independence from the British
imperialists but she has yet to relieve citizens from the evils like poverty,
illiteracy, diseases, debts, religious and communal fanaticism, extremism,
superstition, corruption and so on. The worst hit of these evils are the millions of
the rural poor India.

Mahatma Gandhi lamented that poverty is the worst form of violence and
all the nations of the whole world are conscious of the worst consequences of this.
Decades ago, many nations initiated series of efforts to eradicate poverty with
innumerable welfare projects. However, the success rates vary from country to
country. Mohamad Yunus in Bangladesh made hectic efforts with the mission to
help the poor women of Bangladesh to overcome poverty and to become
economically independent. During the process, he suffered great difficulties and
humiliation.
At last he succeeded in his mission through the formation of women groups with the help and support from the Grameen Banks. The world recognised and appreciated his services when he was honoured with the world renowned Nobel prize for his missionary services. Similar activities were carried out with great zeal in many countries in the African continent and self help group movement is a success story in India.

For ages, the women in India suffered crisis of identity amidst male chauvinism. Indians hold the Goddesses in high esteem. But in real life, they subjugated and subordinated the women making them confine to the household chores and procreation of children. They are dependent for everything on men and become the symbol of tolerance and silence. The silent woman suffered all sorts of atrocities perpetrated against them by the activities of their male counterparts. All efforts to emancipate these women at different stages were of no use. However they created awareness about the status and rights of women all over the world. And the Self Help Group movement has been championing the causes of women with considerable success in India, especially in Tamilnadu.

The various terms, plans and huge outlays of funds with high-sounding slogans could not achieve in improving the life of the poor in India, especially the women of India these self help groups have been achieving. The governments also have realised the ground reality and they are enthusiastic in supporting these SHGs by all means and encouraging the non-governmental agencies and banks which help in functioning and management of the SHGs.
The SHGs movement in India, especially in Tamilnadu has crossed many milestones and is poised for a spectacular growth. The government institutes revolving funds besides the regular programmes to the SHGs\(^4\). Hence many women SHGs are being formed everywhere in the state, and this movement has fascinated the men also and therefore men’s SHGs are also being formed in many places in Tamilnadu.

In the study area of Madurai district, the SHGs movement has got itself established and is progressing with success and vision. It is a heartening fact that the members of the SHGs in the district are becoming self–reliant and the women are empowered. Their silence is broken today and they are vociferous in Panchayat unions and other forums.

**1.2 STATEMENT OF THE PROBLEM**

Self Help Group is a prospective means to bring in a meaningful reformation in the society with the main objectives of eradication of poverty, creation of income generating sources and empowerment especially of the rural women and so on. Millions of SHGs have evolved and they have been serving the members and the society at large in numerous ways successfully.

The members who associate themselves with SHG movement stand to benefit from the services of SHGs and therefore an attempt has also been made to evaluate various entrepreneurial aspects of SHGs and the resultant impact of SHGs on the socio-economic conditions of the members.
The attitude of the members towards SHGs is bound to change from the period before becoming entrepreneur and after becoming entrepreneur as, the members experience a positive impact on the socio-economic aspects of their life in this regard.

A large number of SHGs exist in India. The total number of SHGs is more than one million and their members are 20 millions. Out of which 96 per-cent is women from which 50 per-cent women are practicing entrepreneurial activities. It is observed from bank recovery statement that the recovery ratio is 98 per-cent. This means that 98 per-cent of SHGs are performing well and prompt in management of repayment of loan. On the other hand, they also provide entrepreneur training to women. Therefore, it is considered that conducting a study on “Managerial Skills of women Entrepreneur” is a time bound study needed at present.

The study, in this regard has made an attempt to assess the level of attitude of the members towards the various aspects and functioning of entrepreneur of SHGs. SHGs have been serving the cause of millions of rural women making dramatic changes in their lives. However, SHGs may have inherent problems which need to be addressed and solutions to be found.

The success or failure of an institution largely relies on the managerial skills management of the activities. SHGs entrepreneur movement has been a recent phenomenon and therefore, there arises a need to make an assessment of various aspects of SHGs’ entrepreneur started managing with help of SHGs, needs
different skills among the entrepreneur. The recent data reveals that the women entrepreneurs of SHGs are very prompt in repayment of loan, success in taking policy decision, creating linkage with various institutions, having good in managing enterprises with confidence and the like. In this context it is necessary to state that the listed below become relevant to the study.

1. A comprehensive general skill of the women entrepreneur.

2. The administrative skill of the women entrepreneur in taking decision on policy matters.

3. The entrepreneurial skill of the women entrepreneur possessed for self assessment.

4. The assessment of economically empowering skill of women entrepreneur focusing the economical status of them.

5. Challenges in managing skill showing day to day problems in general.

1.3 REVIEW OF LITERATURE
Review of literature helps the researcher to have a wider focus and better comprehension of the subject of this study. Such reviews help the researcher to improve the treatment of his subject, analysis, documentation and methodology.

The researcher has reviewed many literatures relevant to the subject of this study “Managerial Skills of Women Entrepreneurs in Madurai” with women SHGs and a brief account of the review of literature is presented here.
A brief attempt has been made here to review the existing literature in relation to the issues dealt with in the study with special focus on four areas such as empowerment of the poor, micro entrepreneurship, sustainable development and bank and institutional linkages.

1.3.1 Studies in Foreign Countries
SHG is an emerging concept in many foreign countries now-a-days. Many researchers have been conducted on the SHG movement and few studies are there on the management aspects of the SHGs in those countries.

1.3.1.1 Australian Study
G. Sablok Smith in his paper “Self Help as a Strategy for Women’s Development in India” states that SHG movement in India has been a successful strategy for social development which places emphasis on self-reliance, human agency and action. The article states that SHGs are designed to stand on two pillars—credit (condition) and social reform (position) and they inspire the women to “think big”. It also states that group power has been found to be a potent force in giving collective empowerment and voice to the poor women in rural areas, but has not necessarily empowered them beyond the confines of patriarchy.

1.3.1.2 Studies in America
L. Richard Meyer and Seagio Navajas present “The Challenge of Growth for Micro-Finance Organisations”. This paper focuses on the difficulties inherent in the prudent management and growth of micro finance organisations and on potential limits to the increased efficiency, profitability and sustainability that could typically be expected from their growth. This paper has illustrated the
comparatively successful performance of Bancosol in terms of outreach and sustainability and has identified likely determinants of such success. The concluding section attempts to derive some general lessons for micro-finance organisations about how best to address the challenge of reaching the gains from avoiding the dangers from the accelerations of growth.

In CGAP\(^7\) the paper “Commercialisation and Mission Drift in the Transformation of Micro-finance in Latin America” addresses the impact of commercialisation on the strategy and performance of micro-finance institution (MFI) in Latin America. Another important objective of this paper is to evaluate the major achievements of micro-finance in Latin America not only against the initial mission of many micro-finance institutions in the region but also to generate employment and develop entrepreneurship.

1.3.1.3 Africans Studies
Ezra Anyango\(^8\) et al, together have presented “Village Saving and Loan Associations”. The objective of the study is to examine the performance of VSLA groups in Zanzibor after several years of operations independent of CARE or other non-governmental organisations (NGOs). It also sought to understand the outreach of the programme to the poorest members of the community and its ability to provide useful service and thereby having about a remarkable transformation in their lives.

B.V. Marjan Doorsma Facet\(^9\) presented “Community Based Micro-finance Models in East Africa” and the rural finance scheme in Tanzania. This study will
be useful to those involved in the promotion of community based micro-finance initiatives elsewhere.

Carolyn Barnes and Erica Cogh, in their study entitled\textsuperscript{10} “The Impact of Zaimbuko’s Micro Enterprise Programme in Zimbabwe, Baseline Findings” identified the impact of participating in the Zambuko programme upon clients and their households and highlighted the great scope for capturing the clients ability to save. The reality of hungry seasons and periodic shortages of working capital are responsible for their poverty which could be addressed with savings or insurance products. Easier access to group funds could help women to overcome periodic crisis and might prevent some existing problems too.

Gupta and Davaloks\textsuperscript{11} in their study on “Micro–enterprise Development Project” have attempted to evaluate the impact of micro enterprise loans on enterprises and poverty alleviation in Jamaica and they concluded that micro enterprises could make a strong economic source for the poor women in the study area.

Churchill\textsuperscript{12} undertook a study entitled “An Assessment of the Impact of Micro-enterprise Credit on Small Scale Enterprises” and studied the living conditions of the entrepreneurs and their families on benefits to the next generation in programmes of Get Ahead Foundation in South Africa. He pointed that micro – credit has a positive impact on monthly earnings but little impact on job creation.
Nail and Kabeer\textsuperscript{13} in their study on “Women’s Empowerment” conducted in South Asia, observed that opinions on the impact of micro-finance have been divided between those who see it as a ‘magic bullet’ for women’s employment and those who consider their abilities as a panacea for development. This paper seeks to examine the empirical evidence on the impact of micro finance with respect to poverty reduction and empowerment of poor women.

1.3.1.4 Bangladesh Studies
Pitt and Kandkar\textsuperscript{14} have analysed the impact of “A Group Based Lending Programme for the Poor on Household Behaviour in Bangladesh”. They found that credit had a significant impact on boys’ schooling, but not on girls’ schooling and expenditure on food and non food items. After joining SHG, many children of the poor families were able to get proper food three times a day.

Montgomery Bhattacharya and Hulme\textsuperscript{15} in their study “Resource Development and Employment Programme of Government” have analysed the impact of the credit programme on income, productivity and poverty in Bangladesh.

Manfred Zeller\textsuperscript{16} et al, in their study “Group-Based Financial Institutions for the Rural Poor in Bangladesh at Institutional and Household Level Analysis” mainly focuses on two model groups. One is Omilla model of rural development and the other is Grameen Bank model of a targeted group-based credit programme for the poor. Though the two model analysis are of poverty, food insecurity and under nutrition, this study aims at the level of group-based financial institutions
focusing on determinates of placement, outreach, and performance and at the level of households exploring the impact of access to such institution on household income generation as well as on welfare outcome. This study also tries to investigate the micro finance outreach to the poor, financial sustainability and impact. This study justifies the fact that the household income of the model has increased considerably.

1.3.1.5 Studies on SHGs in India

There are some empirical studies on Self Help Groups in India. Review of such studies suggests that no full scale investigation on SHG has been made till 2000. Of late, great enthusiasm has been shown by various institutions in the growth of SHGs in India, and a review of relevant literatures on SHGs in India has been presented herein.

An unpublished doctoral thesis of Dr.P.Ponramu entitled “A Study on Management of Self Help Groups in Krishnagiri District”, is a monumental research work which elaborately discusses the origin and development of SHGs in Krishnagiri district. This study exhaustively talks about the other trends in updating SHGs and its functional management of SHGs.

Sangwan\(^\text{17}\) in his article, “Financing through SHGs – An Experience of a Commercial Bank in Dehradun” states that the group approach is cost effective so far as seeking institutional credit is concerned. The group approach ensured wider coverage of poor families through bank credit. Also, the members of the group
learn to approach independently the bank for bigger loans due to direct interaction and guidance from the banks.

M.D. Modkey \textsuperscript{18} in his article, “SHGs and Micro Credit: Sustaining Rural Women” analyses the impact of micro credit on the economic aspects of life of the rural women and points out that SHGs themselves collectively ensured repayment of bank loans. The study also indicates that the loan amount was properly utilised and promptly repaid at low transaction cost. SHGs thus provided access to the credit for the poor. The transaction cost was low. Because of constant and effective supervision, the loan was properly utilised and repayments were prompt.

Malcom Harper\textsuperscript{19} in his study “SHGs – Some Issues from India Small Enterprises Development” points out that SHGs work out a new concept in development and in the recent years these SHGs have been emerging as a major strategic force for the promotion of informal credit to the poor.

Y.C. Nanda\textsuperscript{20} Chief General Manager NABARD at a Seminar on “Linkages of SHGs with Financial Institutions” held at Dhaka in Bangladesh stated that SHG or the thrift and credit groups were mostly informal groups which had a common perception of need and impact on collective action. Many of those groups got formed around specific promotional activity. And the linkages of SHGs with various financial institutions like banks have heralded new era of hope for the SHGs.

Balakrishnan\textsuperscript{21} in his article “Micro Credit Opportunities and Challenges” discusses the objectives of SHGs, formation and the mode of functioning of SHGs.
It also dwells on length the importance of micro credit in enhancement of the quality of life of the millions of the rural poor in the country. The study also points out the challenges that SHGs have to encounter during the course of their functioning.

Mano Thangaraj\textsuperscript{22} in his article “The SHG Movement in Kanyakumari District” pointed out that the district witnessed a silent revolution with the help of the SHG movement. SHG not only enhances the members’ livelihood but also provide them an opportunity to improve the rural economy. Be it handicrafts, goods or utility products or producing organic manure, SHGs have forged into almost all fields and are well networked.

Mahalir Thittam\textsuperscript{23} in the study entitled “Standard of Linkage of SHG Members” refers to the interim evaluation report by operational research groups which clearly point out that the standard of living of SHG members in their society and participation of women members in decision-making in their families and community have improved significantly pointing out the successful achievements of social empowerment of women.

NABARD\textsuperscript{24} in an article “Women were emerging as an Effective Medium of Delivery of Credit” states that besides creating social awareness, it also paved the way for empowerment of the rural people through the concept of regular savings and linkages to the financial sector. This, in turn helps in improving the standard of life and as such SHGs could be supported by those agencies concerned with rural development and poverty alleviation programme.
K.G Kamarkar\textsuperscript{25} in his study “Supplementary Rural Credit Delivery Systems” explains the Self Help Group concepts operated in Thailand in which emphasises the requirements of the respective rural clientele and studies for replication. The Grameen Bank models of SHGs have been extensively replicated in the USA and other countries.

R.V.M. Kumaran\textsuperscript{26} in his M.A. Sociology project report entitled “Socio–economic Background of SHG Members” contended that the poor were creditworthy and asserted that if given an opportunity and professional encouragement, the rural poor would excel in gaining access to management control over their own financial resources and would help themselves in their social, political and economic development.

A. Abbas Manthiri\textsuperscript{27} in his study on “Socio-Economic Impact of Women Self Help Groups in Madurai District” evaluates the changes in the occupational income, asset position, saving and independence of the members and in the rate of interest on loan, housing conditions and the impact of SHG programme on economic and social outcome and empowerment of women.

Aloysius Prakash Fernandez\textsuperscript{28}, Executive Director of Myrada, in his study on “Myrada Experience Alternative Management System for Savings and Credit” which happens to be the first study on the SHG movement speaks of the effective management of SHGs, micro-credit and its management,

The study conducted in Tamilnadu and Karnataka establishes the fact that the SHGs are functioning effectively with well defined objectives and efficient
management practices. The study also indicates that savings in almost all SHGs consistently improved and the members got benefitted through internal borrowing for income generating activities.

V. Pughazhendi and P.C. Jayaraman\textsuperscript{34} undertook a study on “Women’s Participation and Employment Generations among the Rural Poor” through informal group of MYRADA (Mysore Resettle and Area Development Agency) in Chitradurga district in Karnataka and Erode district in Tamilnadu. The analysis of these groups in different stages of development show that in Tamilnadu the share for non-productive purposes is reduced to 76 per cent in old groups and 43 per cent of the household state that there is an increase in the net income of about 0.5 per cent during the groups’, post-formation stage. The additional employment generated through informal group works, out to 172 days per member. The negative factor which affects the performance of the group is found to be lack of effective leadership, involvement of NGO and consumption oriented loan.

The Action Aid India, the NGO Factor\textsuperscript{29} “Saving and Credit” periodical states that credit for women must be seen in the broader context of empowerment and if women become the borrower, it automatically alters their status within the family. It also states that they are more responsible and are less likely to use the credit for wasteful expenditure.

Greeley Guinea\textsuperscript{30} in his study, “The Impact of Enterprise Providing Micro-credit on Participants” has analysed the impact on enterprise providing micro-
credit on participants. Enterprise performance on individual performers has come to the following conclusions.

(a) Micro-credit has a positive impact on enterprise income for repeated borrowers. But there is no impact on assets and employment.

(b) At the household level there is no overall impact on the household assets including the impact on children’s education.

C.K. Mehrotra\textsuperscript{31} has made a comparative study of the “State Bank’s Performance with SHGs”. In his view, the State Bank of India’s financing scheme for SHGs has been quite encouraging with officials themselves encouraging the poor to form SHGs in a number of centres. He has stated that SHGs have promptly repaid 80 per cent to 90 per cent of finance given to the small scale units by the branches. He has also stated that self help groups may eventually be the only viable units of source on account of low transaction cost, high percentage of recovery and mobilisation of rural saving through the informal system.

K.G. Karmakar\textsuperscript{32} studies the “Performance of the Credit Linkage” of SHG, NGO and the Banks in Orissa upto March, 1995. One of the findings shows a few NGOs start saving and credit programmes to the marine fishing folk through SHGs. The study also states that the NGO is also a potential source of money for SHGs.

Nilanian Sengupta\textsuperscript{33} in 1998 “Empowerment A Socio-Psychological Approach to Self Help Group Formation” stated that community organisations
which involve people’s participation for their empowerment play a vital role in this regard. He also discusses social learning as an empowerment strategy for measuring the participation of people at grassroots level. According to him, social awareness among the group members have to be created first and then, they could move towards economic empowerment. The researcher feels ensure the development of skills and consciousness for sustainability in quality in the long run, social and psychological empowerment are the pre-requisites.

Y.C. Nanda in his study the role of the “Linkages with Banks, SHG and NGO in India”. He observes that the model NGOs which act as facilitators continue to be the most popular non-governmental organisations in this respect.

D.Nagayya in his paper “Micro-finance for SHGs” reviews the initiatives taken at the national level with an institutional arrangement to support this programme for poverty alleviation among the poor with special focus on women.

Jeya Anand in his study entitled “Micro Finance in Kerala” examines the community development society model in 1993 for the emancipation of the poor women of Alappuzha in Kerala state. It is evident from this study that those members who have some unit activity could use micro credit effectively for expansion, modification and reaped the maximum benefit.

K.G. Karmakar examines the paper “Rural Credit and SHG Micro Finance Needs” in India with special reference to the credit of the rural poor. He studied the importance of micro credit needs for tribal women in rural areas and
the micro enterprises in the non farm sector in Orissa. This study focuses on the availability of credit requirements and the problems faced by the tribal people in availing of it. It is felt that the setting up of micro enterprises particularly in the non-farm sector would go a long way in reducing poverty in rural areas. According to him the micro-credit approach through SHG would be the best mechanism to deliver credit to the rural poor.

N.P.Y. Raman stated his recent experience on the “Primary Agricultural Co-operative Society, Kerala with SHG”. His study showed that though both groups availed the loan for the same purpose, the recovery of loan from the SHGs was 95 per cent to 100 per cent while it was 60 per cent to 70 per cent from the members of the primary agricultural co-operative societies. The reason cited is that the members of the SHGs were to pay only a 4.5 per cent rate of interest against the usual 9.5 per cent interest after deducting the state governments incentive of 5 per cent. The low rate of interest and the government incentive makes a large difference between the income and profitability of members covered under SHGs and the others not covered by the SHGs. He proves in his study that SHG concept has not only apparently reduced the poverty but also yielded encouraging results. It can as well as be stated that SHG concept has created further positive impact on the functional efficiency of the primary agricultural co-operative society.

K.R. Lakshmikandan in his study of “Self Help Groups in the Life of Rural Poor” A case study of Philiphit District in Northern Part of Uttar Pradesh
recommends to provide more loans to SHGs and marketing service and production management. The literacy rate of the members of SHG has increased from 5 per cent to 90 per cent. This study concludes that the standards of living of the rural poor also get increased.

N. Manimekalai and G. Rajeswari\(^4\) analyse “The Empowerment of Women through Self Help Group” and the women SHG formed by the NGO in rural areas of Tiruchirapalli district for the purpose of empowering rural women through self employment. The NGO namely Society for Education and Village Action Empowerment (SEVAE) has been working in 362 villages and helping almost one lakh people successfully.

A.Suriakanthi\(^4\) analyses “Need for Literacy of SHG Social Welfare”. A random survey of 120 groups showed namely 95 per cent of the members and 75 per cent of the office bearers as illiterates. 50 per cent of SHGs survey shows that only literate members prepare the minutes and accounts on behalf of the office bearers who are illiterates. It is found that illiterate members do not even know the amount saved by them. He strongly insists on the necessity of imparting basic education to all members of SHGs.

S. Sundari and N. Geetha\(^4\) examined the “Poverty, Credit and Micro Enterprises” and stated that the empowerment of poor rural women would be possible only if they are trained and imparted skills for a certain employment. According to this, skill training included enterprise development, increases access
to credit, new approach to markets, socio-economic and political strategies and the like.

T.R. Gurumoorthy\textsuperscript{44} in his study made on observation about the “SHGs Economic Empowerment through Self Reliance Social Welfare”, the micro-credit funding agencies and the amount sanctioned by them. Out of 27,000 SHGs 54,00 are linked with banks and the banks advanced credit to them to the extent of Rs.9 crores. In his view SHGs have power to create a socio-economic revolution in the rural area of the country.

R.M. Mohan Rao\textsuperscript{45} in his study entitled “A Study on Women SHGs in Andhra Pradesh” shows that there is a positive input on the members’ households in respect of building self-confidence and social development skill and social empowerment of members. He concludes that the self confidence level of SHG members had considerably increased.

R.K. Ritu Jain. Kushawaha and A.K. Srivastava\textsuperscript{46} in the study “Socio Economic Impact” speak about the functioning of SHGs in Kanpur Dehat District. Twenty five women SHGs are selected as sample for the study. Ten women members from each self help group and ten non members from the same village had been selected as respondents to study the impact of SHGs on their socio-economic status. The result shows that the movement has a lasting impact on the socio-economic aspects of the life of SHG members.
M.V. Gadgil, Managing Director NABARD, in his study “Studies on Self-Help Groups of the Rural Poor” has stated that the Seventh Five Year Plan has emphasised the need for associating voluntary agencies closely with rural development programmes, particularly the poverty alleviation efforts.

Thomas Fisher et.al. have presented a study entitled “Beyond Micro-credit”. This book analyses, Indian micro finance system in depth. It sets out how micro-finance could be designed in practice, to contribute to a wide range of developmental objectives like providing social and economic security, promoting livelihoods, building democratic people organisations and empowering women.

Tamilnadu Corporation for Development of Women Ltd, Chennai has conducted training for “micro enterprise development and micro credit”. Trainers’ training programme for extension workers of non-governmental organisation was conducted from 24th January to 7th February 2000. The objective of the programme was to help the participants understand the process of rural entrepreneurship development. The training focused on profitable micro enterprises.

Entrepreneur Development of India (EDI) conducted a study on “Micro-credit Delivery Systems” for NGOs from February 9-13, 1998. The report states that the poor have little access to the banking credit for their consumption, production and they sought resource from informal channels of credit like money lenders and pawn brokers even at a high rate of interest.
Entrepreneur Development of India (EDI)\textsuperscript{51} conducted a study on “Micro Entrepreneurship Development” training programme from 16\textsuperscript{th} - 28\textsuperscript{th} August 1999. The main theme of the programme was effective promotional methods for generating interest amongst rural people in entrepreneurship development programmes. This study has assessed entrepreneurial potential amongst the rural poor using modified behavioural interview techniques.

Langun Thanchboi Mate\textsuperscript{52} in his study “Micro-finance Strategies for Sustainable Development”, critically reviews and identifies three schools of thought in the micro-finance industry and adds a fourth dimension that is the practitioners and those stakeholders who are engaged in productive and sustainable poverty reduction enterprise for the poor and work with a more holistic approach. The critique begins by exploring the genesis and growth of micro-finance institutions in India. In addition, the paper examines the relevance of economic growth through religious banking, drawing heavily on ethnicity and culture particularly Islam, Christianity and Hinduism. Finally the paper presents a case of the Appalachian centre for economic networks for sustainable micro-enterprise development.

K.P.Kumaran\textsuperscript{53} in his study on “The Role of the Self Help Groups in Promoting Micro-enterprises” through micro-credit finds that for setting up micro-enterprises at 45.23 per cent is channelled through SHG funds, and 29.39 per cent through banks while private and own sources contributed 5.87 per cent and 8.60 per cent respectively. About 17 per cent of the micro-enterprise reports that there
is no profit and running at a loss. Among the profit maturing units, the average monthly net profit is Rs.1,235.

Y.C.Nanda\textsuperscript{54} has conducted for impact study of SHG funds that the most outstanding impact of the linkage programme could be the socio-economic empowerment of the poor more particularly, the women.

1.4 SIGNIFICANCE OF THE STUDY
Self Help Group movement has been making dramatic changes in the lives of millions of rural poor women in India. Its main objectives are eradication of poverty and empowerment of these women. In the study area of Madurai district also, SHGs have been functioning well. The governments, the NGOs and the banks are enthusiastic about offering all kinds of support and services to SHGs.

Managerial skill of women entrepreneur of SHGs is an important component in the overall growth of SHGs. Hence, it becomes imperative to make an assessment of the various aspects of managerial skill of women entrepreneur skillfully of SHGs. Because the success or failure of any organisation relies more on how efficiently the organisation is managed. Therefore an attempt has been made to study the general managerial skills which includes meetings related and decision related skill, SHGs linkages with various institutions for their capacity building, financial assistance and social welfare activities, the management of funds mobilised from savings and borrowings and issue and recovery of loans, and various problems faced by SHGs.
The study also presents a comparative assessment of the impact of SHGs on the economic and social conditions of the respondents of the sample SHGs and their attitudes towards the overall performance of SHGs. This study is significant as it assesses the overall management as the performance of SHGs. The observations and suggestions will be of immense use to enhance the quality of the performance and degree of achievement of SHGs.

This present study focuses upon the functioning of women entrepreneurs in Madurai district. The women entrepreneurs evolve many devices which become accessible to their functional modifies. Their function undergo so many evolutionary changes so that the women entrepreneurs who involve in such activities change their methods and the functions for better improvement and an elevated style of living conditions.

1.5 OBJECTIVES OF THE STUDY
1. To present comprehensive general skill of the respondents

2. To study the administrative skill of the respondents

3. To asserts the entrepreneurial skill of the respondents

4. To study the economically empowering skill of the respondents

5. To analyse the challenges in managerial skill of the respondents

6. To offer suggestions to the policy maker.
1.6 LIMITATIONS OF THIS STUDY
This study is very much confined only to the SHG women entrepreneurs in Madurai district. It does not include any functions of other women entrepreneurs in Madurai district.

1.7 OPERATIONAL DEFINITION OF CONCEPTS
1.7.1 Women Entrepreneurs
Women Entrepreneurs in Self Help Groups (SHGs) are the association of women members in Madurai district being organised voluntarily or with the help of NGOs or the bank and other institutions.

1.7.2 Non Governmental Organisations (NGOs)
NGOs are Non-governmental organisation serving the cause of the SHGs in Madurai district from the stage of inception of SHGs to their establishment.

1.7.3 Meeting
A meeting is a gathering for members with a specific agenda at a particular place and time to discuss and decide upon various aspects of management of women entrepreneurs.

1.7.4 Saving
A portion of amount is deposited with SHGs and bank by women entrepreneurs at regular intervals. The saving is the seed capital of SHGs which is used for small loan for emergency needs and for income generating business activities.

1.7.5 Loan
Loan at this counted refers to the women entrepreneurs who avail from many trading agencies including the public and banking sectors. Sometimes the women entrepreneurs get loans from their savings too.

1.7.6 Linkage
Linkages are the associations or links that SHG women entrepreneurs have with various institutions like the government, banks and NGOs for various purposes like financial support, capacity building and social welfare.

1.7.7 Common Fund
Fund generated by women entrepreneurs with the help of SHGs for financial activities like petty business, various entrepreneurial activities and so on.

1.7.8 By Laws
SHG members prepare their rules and regulations based on their social environment and conventions. These are called byelaws of SHGs in Madurai district.

1.7.9 Documentation

1.7.10 Representatives
A select group of people including the Secretary and the Book Writer are called the representatives in the study area.

1.7.11 Co-signatory
SHG selects two members on rotational basis for bank operations like withdrawal of money from SHGs’ Savings Bank Account. The selected members’
specimen signatures are submitted in the bank. These operators are called co-
signatories.

1.7.12 SHG Loan Scheme
SHG on rotation lends money to its members from the collective savings of
the members. The saved amount is disbursed to the members who are in need for
entrepreneurial activities. Such loan is called SHG loan in the study area.

1.8 COLLECTION OF DATA
The present study is based on both primary and secondary data. The
primary data were collected from Self-Help Groups and its women entrepreneurs
through personal interview method. Based on physical, cultural and socio-
economic environment of SHGs in the region, interview schedule was designed,
pre–tested and finalised.

Detailed information was collected from SHGs on management aspects of
SHG entrepreneurs. The socio-economic conditions and the attitude of the women
entrepreneurs towards the performance of SHGs was collected (Vide Appendix B)
from its members. The required secondary data were collected from the balance
sheets of the sample respondent units of SHGs, publications by NGOs,
management textbooks, official records of the office of the Mahalir Thittam and
NABARD, training material published by MYRADA Bangalore, training manuals
of different NGOs of India and foreign nations, EDI Entrepreneur Development
Institute of India publications and also from the Mahalir Thittam websites.

1.9 SAMPLING DESIGN
This study is confined to Madurai district alone. The district consists of 13 blocks.

In total, there are 5,399 SHGs functioning in the district. Madurai East, Madurai West, Thiruparankundram, Melur, Kottampatti, Vaadipatti, Alanganallur, Usilampatti, Chellampatti, Sedapatti, Thirumangalam, T.Kallupatti and Kallikudi are the blocks in Madurai district which have SHGs.

The sample collected from all the blocks rose to 520 by a contribution at random from every block. Due to incomplete data and 20 samples were rejected by the researcher. Hence 500 were taken up for the study.

1.10 PERIOD OF STUDY
Primary data were collected from Self Help group members. This study was undertaken during the months of February to December 2010. Secondary data relating to meeting related skills, decision related to skills, fund managing skills, and linkage managing skills were collected from the records and balance sheets of SHGs for a period of six years from 2005–2012 to 2012-2013.

1.11 ANALYTICAL FRAMEWORK
In order to find out the SHGs women entrepreneurs managerial skill, performance towards managerial problems and factor to start the entrepreneurs, socio-economic conditions f-test., Emotional Intelligence Index and Factor analysis have been used.

To find out the level of performance of the SHGs women entrepreneurs towards the functioning of SHGs women entrepreneurship and to analyse the level of priority given by SHGs women entrepreneurs in performing management and
perception towards managerial problems and challenges in managerial skill index, Chi-square Test have been applied.

1.12 CHAPTER SCHEME
The study is divided into eight chapters. The first chapter presents the statement of the problem, reviews of the available literature, the significance of the study, its objectives, limitations, operational definition of concepts, sample design, collection of data, method of analysis, tools for analysis and chapter schemes.

The second chapter entitled “Profile of the district and the Self Help Group” includes district profile of the study area and the entire background of self help group in general.

The third chapter deals with “general skills” of entrepreneur which influences the starting of the enterprises like age of respondent, income level, family size, area of business, marital status, education, religion type of organisation, generation of enterprises, experience in management of SHGs, the business premises, day spent for business in a month, time spent for business, control by management, the marketing area, location of business, training acquiring, the member in trade association, the sources of loans and fund resource management, the status role in the SHGs, total capital type, sources of loan, avail government finance, adequate fund, separate bank account, sources income of management and expenditure of management.
The fourth chapter “Administering linkage skills” helping SHGs to take policy decision on linkage, deals with capacity building linkage, financial linkage and social welfare linkage.

The fifth chapter “Entrepreneurial skills” focusing on capability of the entrepreneur in managing enterprises, includes independent skill, determination skills, self confidence skills, risk taking skills, leadership skills, communication skills, motivation skills and dynamic skills.

The sixth chapter “Economically empowering skills”, stressing economic implication on women entrepreneur, deals with income from manufacturing, trade income, income from trading, income from services, expenditure on education, expenditure an house hold asserts, Expenditure on health care.

The seventh chapter entitled “Challenges in managerial skills, giving importance on various problem the entrepreneur faced in general, gives importance of the financial constraints, personal problems labour problems marketing problems, social problems and others in similar nature of problems.

The Eighth chapter “Findings, Conclusions and Suggestions” puts forth all findings, conclusions and suggestions in a nutshell.
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