CHAPTER – II

PROFILE OF THE DISTRICT AND THE SELF HELP GROUPS

2.1 INTRODUCTION
Self Help Group as a people's institution has been universally acclaimed as a means of alleviating the sufferings of the poor women of rural society. The poorest of the poor still remain languishing in poverty, misery, illiteracy, debts
and diseases and therefore, they need immediate redresses and relief. And in this context, Self Help Group movement has come as a beacon light and a lantern of hope to the millions of poor people in many countries. The salient feature of the movement is that it evolves from the grassroots level and gets established rather than being thrust upon by the government like any other programmes. Self Help Groups are formed and managed by the members themselves\(^2\), of course with financial assistance and continuous encouragement of the government. The NGOs, NABARD and the banking institutions and their services in this regard are highly laudable.

This chapter discusses the concept of the SHGs as a movement and its management practices by defining and highlighting the various aspects of SHGs like formation, organisation, and overview of SHG in India, Tamilnadu, their functioning, cost analysis and the like.

2.2 DISTRICT PROFILE

Madurai\(^3\) district is situated in the South of Tamilnadu. It is bounded on the North by the districts of Dindigul, Thiruchirapalli and on the East by Sivagangai and on the West by Theni and South by Virudhunagar. North Latitude: Between 9°30.00 and 0°30.00 East Latitude: Between 77°00.00 and 78°30.00.
Area: 3,741.73 km² (1,444.69 sq mi), Population (2011): 3,041,038, Pin code: 625001, Telephone code: 0452, Sex ratio: ♂-50.5%/♀-49.5%, Languages spoken are Tamil, Telegu, Sourashtra, English and Hindi.

For better comprehension of the overall profile of the district in which the study area is located, a geographic map of the district is presented here in Figure 2.1.
Figure 2.1

Madurai District
2.3 PROFILE OF SHGs

Self-Help Group, in the true sense, is a concept or philosophy\textsuperscript{4} SHG profiles for alleviating poverty, emancipating women and ensuring economic independence. Mahatma Gandhi said that ‘India lives in the villages’ but unfortunately the rural Indians have been constantly languishing in misery and poverty. They have been illiterates and have been in the grip of debts and diseases without hope for prosperity and happiness.

When there seems no hope for the redemption of these misfortunes, the concept of SHGs has dawned with the rays of hope. These concepts have serious concern for the poor, especially the rural women. They have been subjugated and subordinated by the male chauvinists and this poor woman suffers a lot in the domestic and social life. They have to depend on their male counterparts for anything and everything. This economic dependence caused the women to accept everything in silence, and is silently bearing all the atrocities perpetrated by the male dominated society. Even the birth of a girl child is viewed as a symbol of troubles and suffering and that is how inhuman practice of infanticide became rampant.

Today a new awakening has come in the form of Self-Help Groups with the support of the governments, banks and NGOs. SHGs have all the basic qualities and traits for its best elements to ensure economic independence\textsuperscript{5}, emancipation, empowerment, entrepreneurship to women and thereby to create an egalitarian society.
Self-help group (SHG) is defined as an association of people belonging to similar socio economic characteristics residing in the same locale. SHG concept is most appropriate and can succeed in our country only if a holistic approach is imbibed in the promotion of SHGs as self-sustaining local organisations. According to Aloysios Prakash Fernadez, it is defined as a “group preferring to meet as a small independent group where members shared common concerns and a feeling that they could trust and work with one another⁶.”

Mahalir Thittam in Tamilnadu states that “Self Help Groups are small (Membership 12 to 20) groups of homogeneous poor people drawn from the same hamlet or from the nearby hamlets⁷”. These definitions outline the features of SHGs such as, small membership by the empowerment of the wave and trusting each other.

SHG is small in size, and so easy to manage; the composition is mostly of a particular sex either male or female: The members could meet each other frequently in SHG meeting which is held once in a week. The group encourages its members to have internal saving and provides internal credit to them and practises internal lending out of the pool of funds mobilised⁸. Therefore it is summarised that self help group is “a small homogenous group which is formed on mutual understanding and voluntary membership to address their ideas and needs on their own, wherein they arrive at a decision by them and they help themselves”.

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It is organised among a group of poor people or weaker section in a society with a common objective of joining together to work for their economic, social and personality development. It consists of 20 people from a homogeneous class working in unison for themselves and getting they empowered to face the economic crunch.

2.3.1 Features
The basic components of SHGs are their members. SHGs are small in size, sharing homogenous conditions, voluntary membership and mutual responsibility.

2.3.1.1 Size of SHGs
Size of an organisation tells upon the quality of administration. An organisation small in size, is easily managed and always remains within the control. The possible inherent problems also are less in number and the same could be solved easily. It is the same with SHGs also. When the group is small with less number of members, there is active participation by the members which will help to make correct fast decisions and ensuring smooth functioning of the groups. It also helps to develop strong interpersonal relationship. Therefore small size is more convenient for the effective management of SHGs. The group size of SHGs varies from 15 to 20 members. The maximum number of members should be restricted to 20 and the requirements of Company Act 1956 are not violated. If an SHG has more than 20 members, it can be divided into two separate entities.

2.3.1.2 Homogenous in Nature
Members of SHGs sharing common traits contribute more constructively for the development of SHGs. Some of the identical character among the members
are same language, same sex, same income level\textsuperscript{10}, same living place, same age group and of nearly the same clan. Such a homogenous group does not allow any divisive factors to prop in which that would play havoc on SHG organisation. Homogeneity safeguards the interests of the organisation and all the members will put their mind and heart together to develop their groups with single minded devotion.

\textbf{2.3.1.3 Voluntary Membership}

The basic concept of SHGs envisages voluntary enrolment as a positive step towards the sustained growth of SHGs and there is no coercion or temptation with freebies to become members of SHGs. Individual with interest in SHGs and its objectives can become members and such members only can contribute much for the successful establishment of SHGs.

\textbf{2.3.1.4 Empowerment}

Empowerment means the process of challenging the existing power relating to gaining greater control over the sources of power\textsuperscript{11}. That power is either mental or physical. SHG should provide its members some basic training in social, economical, political and legal aspects to empower them.

\textbf{2.3.1.5 Mutual Trust}

In a group, mutual trust is very essential to gain confidence of every member. Without mutual trust, no member cooperates in its affairs, and no unity can be sustained. There is every possibility of threats from different sources to disunite the group or keep it in clutches. If there is mutual trust in the group, no external force can influence or act upon the group.
2.3.2. A Profile of SHG Women Entrepreneurs
This study concentrates on women entrepreneurship of Madurai district. SHGs of women entrepreneurs have been implementing many activities and programmes. Educational activity, sanitary improvement, women health management, family managerial skills, developing leadership qualities and entrepreneurship development. Of all these programmes, women entrepreneurs’ development is an important one to be highlighted here. This programme highlights the sale of member, mobilisation of capital, identification of business like manufacturing, trading and servicing. The selected members are given due training and the training includes planning, organising, coordination, communication skills and controlling.

2.3.2.1 Selection of Members
Members in the group come forward with their willingness to be selected for training and other means of programmes. They identify specifically the trade in which they are more interested.

2.3.2.2 Mobilisation of Capital
The members for loan from their own saving funds in SHGs and banks and also from their personal savings for the capital investment.

2.3.2.3 Identification of business
Members are given counselling to adopt business of their own traditional one, and also they listen to the directions of SHGs in choosing the business. This has been clearly discussed in the SHG meeting.
2.3.2.4 Manufacturing
Those who select manufacturing business, they come with the thorough knowledge of the supply of raw materials, availability of labour production aspects and production cost. The directions for taking up all these assignments are well discussed in the meetings of SHGs.

2.3.2.5 Trading
Members who have the liking and wants of taking up trading come to the SHG meetings for further classification of ideas and ideals associated with trading activities. They study the people who come as customers, the areas of marketing at local, regional, national and international levels and products of industrial goods or consumer goods (FMC). They study about the feasibility of joint business by having one or two as business partners among the members.

2.3.2.6 Serving
Servicing includes sanitary aspects associated with cleanliness in hospitals, factories, public transportation, hotels, government offices, marriage function, educational services, cleaning the toilets in Southern Railways, temple maintenance, training the juniors in SHGs and so on. Servicing is an important factor in the identification of business which plays a key role in the activities of the woman empowerment.

2.4 Functions of SHGs
The origin of SHGs is traced from the brainchild of Grameen Bank of Bangladesh, which was founded by Mohammed Yunus. It was started and formed in Bangladesh in 1975. In India NABARD was initiated in 1986-1987. But the real effort was taken after 1991-1992, with the linkage of SHG with banks. SHG is a
small economically homogeneous affinity group of the rural poor voluntarily coming together to save small\textsuperscript{12} amount of money regularly which is deposited in a bank account to meet members’ urgent needs and to provide collateral free loans decided by the groups. They have been recognized as a useful tool to help the poor and as an alternative mechanism to meet the urgent credit needs of poor through thrift. SHG is a media for the development of savings habit among the women. SHGs enhance the quality of status of women as participants, decision-makers and beneficiaries in the economic, social and cultural spheres of life. The basic principles of SHGs are group approach, mutual trust, organisation of small and manageable group cohesiveness, spirit of thrift, demand based lending and collateral free women friendly loans. Peer group puts pressure in repayment, skill training, capacity building and empowerment. At present 2.57 lakhs groups are functioning with 46.26 lakhs members in Tamilnadu and many men also are enthusiastic about forming SHGs\textsuperscript{13}.

The following are the functions of SHGs:

1. Creating a common fund by the members through their regular savings.
2. Flexible working system and pool the resources in a democratic way.
3. Periodical meeting and decision making through group meeting.
4. Resource mobilisation and issuing loans to the members at affordable rate of interest varying from group to group and loan to loan.

However the rate of interest charged in SHGs is little higher than the banks but lower than the money lenders.
The above functions are rendered by SHG members in the following manner:

1. SHG members decide to make regular savings. Their elected head keep these savings in cash or the money is deposited in the accounts.

2. The members start to borrow individually from their group on terms and at interest rates decided by the group themselves.

3. SHG opens a savings account in the group's name with the bank for such funds as needed by members, or in order to qualify for a loan from the bank.

4. The bank makes a loan to SHGs in the name of groups which is then used by the group to supplement its own funds for lending to its members.

2.5 Formation of SHGs

SHG is a group endeavour to form an organisation of members of homogeneous nature on mutual trust and to work for mutual benefits. The group transcends all the social and economic disparities that exist in the already fractured and fragmented society. In such a context, formation of SHGs is an onerous task to the members. In the process of formation of SHGs, concentration, initiative and volunteerism are a necessary basis for getting started. Formation of SHGs could be achieved through database and participatory rural appraisal method (PRA).

2.5.1 Database

All the relevant information about the people of the community could be collected from various sources like Village Administrative Office, Union Office, Collectorate, Social Welfare Office, Statistical Investigation Office and Mahalir Thittam Office. Such information is sorted, analysed and consolidated, and the
same can be retrieved as and when it is needed during the process of formation of SHGs.

2.5.2 Participatory Rural Appraisal (PRA)

Participatory Rural Appraisal is a technique related to the way of learning with the people in their situations, problems and opportunities. This way of learning presupposes the cultivation of certain attitudes crucial to support people’s participation, innovation, opinions and aspirations. The objective of PRA technique is to know about the unknown but existing information from the people who belong to the relevant area. The formation of SHG through PRA method could be achieved in two different ways. They are the social mapping and wealth ranking or classification of economic status.

2.5.3 Social Mapping

Social mapping is an important tool to be used appropriately in the formation of SHGs. Detailed information about the entire family like age, occupation, education, economic status, specific needs and the like and details about the number\textsuperscript{\textdagger}, type, distribution of households, civil amenities, nature of social stratification, sensitive issues and problems prevalent if any and the general demographic nature of the society under study have to be collected and analysed.

These particulars will help for the successful functioning of SHGs conforming to the objectives of mutual benefits for which they are formed. Social mapping helps the functionaries of SHGs to deal with sensitive and specific issues in the particular society with care, avoiding any untoward happenings. Moreover
social mapping helps the functionaries to plan their activities to serve on the basis of priorities of needs of the individuals.

2.5.4 Wealth Ranking
Wealth ranking is a tool that is constructed with the help of social mapping. This tool helps us to understand the economic status of various households and the glaring economic inequality that prevails among the members. It also helps to understand the causes for the economic imbalance. It is based on the data generated from the social map. It requires a smaller group (2 to 3 persons) to classify or rank the households in a village into categories such as high income household, middle income household or average income household, poor, and very poor. The tool could be used to classify the households on any economic or social characteristic such as occupation, landholding, livestock, children, education and medical treatment. The grades of A, B, C and D are awarded to the four classifications vide the rich, middle, poor and very poor respectively. According to the economic status of the people, they could be brought under SHGs D, or SHGs C, respectively.

2.6 STAGES IN DEVELOPING SHGs
SHGs become fully fledged and begins to function very effectively after passing through many stages in its evolution. The most important stages in its evolution are the performing stage, formation stage, stabilisation stage, and growth stage. Self help group promoting institution (SHPI) normally takes about a month for the completion of the ground work for the formation of SHGs.
Performing stage\textsuperscript{16} is the foremost step in the process of forming SHGs. At this stage, SHPI’s staff visits the area where they wish to form SHGs. They assess the social and economic status of people in the selected areas. Simultaneously they build a rapport with the rural people through interactions.

After completion of the performing stage, the formation stage starts. The formation of SHG is on database method or Participatory Rural Appraisal Method. Twenty members are selected from the group. After the formation of SHG, one or two meetings are conducted to empower the members and cultivate the habit of saving among them. A bank account is also opened in the nearest bank to deposit the money in the name of SHG saving account.

The stabilisation starts at the point where the formation stage ends. During this course of time external credit facility is arranged and training for the members is also provided.

2.7 HURDLES IN FORMATION STAGE

The successful formation of SHGs is comparatively a tough task. The promoters have to identify the groups, appraise them of the benefits of the scheme, convince them and activate them to become integral in the scheme. There is no tempting component like subsidies or free offers being periodically offered by the government. The prospective members have to be oriented properly for the attitudinal and behavioral changes.

The promoters have to analyze the data and assess the merits of the members to be selected. In rural areas, any innovative venture is looked upon with
suspicion by the people and those who do not show any interest in SHGs do counter propaganda campaign against the efforts. The members must be convinced that SHG scheme is a noble endeavour to empower themselves for economic independence and social equality.

Before the year 1991, the problems in forming SHGs were acute and troublesome. There were instances when different communities stoutly refused to join with one another to form SHGs. Social stratification was an obstacle for members to unite themselves with the people of other communities and caste. And communities became the iron walls among the people of various section of the society. Therefore the promoters had to prevail upon all section of the society selected for SHGs and convince them to become generous and tolerant and work tirelessly for mutual benefits with utmost understanding and communal harmony. Initially the woman members showed less interest and were reluctant to join as members for various reasons like cultural taboos.

In the past, the NGO staff only arranged meetings of SHGs and the books of accounts were maintained by the NGOs themselves. The field staff of the NGOs constituted with more number of men worked among the women in the remote area for the formation of SHGs. Some of the women members had their own reservations and inhibitions to be frank and candid to the NGO staff.

Another impediment in the quick formation of SHGs was the bank's hesitation to open accounts for SHGs on the ground that SHGs do not maintain
proper accounts system. Moreover the money contributed by the members was handled by the NGO staff only.

Members once enrolled in one SHG could not be transferred to another SHG, for such a practice involves many difficulties from uncommon identity to the amount of money saved by the members. Provision for enrolling a new member from the other SHGs had to be made after careful analysis and assessment of the situation.

Another impediment was that only married women were eligible to become members and the young, energetic and dynamic bachelors were refused membership.

Dual membership which was forbidden by byelaws was allowed and no parameters were prescribed to prevent this. The NGO became more active and jubilant over starting innumerable number of SHGs even by advertising in local TV channels for forming SHG.

At the launching stage, the government encouraged to form SHGs only in selected areas, and many areas were not covered under this programme. However, after 1991, marked changes came with the guidelines issued by the NABARD to banks. This provided a credit linkage with an amount of Rs.10,000/- to each approved SHGs. Eligibility criteria for selection of members for SHGs were totally relaxed and this facilitated for the formation of many SHGs.

People became more enthusiastic about becoming members of one or more SHGs. With the formation of SHGs, the women members gained confidence with
a sense of pride about having an organisation which could empower them socially and economically. Members could start vocations of their choice in areas of their habitation and could become self-reliant and self contended.

In many cases, there was overlapping of membership which showed the measure of interest and the unflinching trust that the members had on SHG institutions.

Any new venture naturally has rebuffs and faces challenges during the formation period and SHGs are not exception to this fact. To-day, SHGs have come a long way crossing many hurdles and got established much to the benefit of the millions of Indian rural women.

2.8 MANAGERIAL ASPECTS OF WOMEN ENTREPRENEURS

Management of an organisation is to get things accomplished by all persuasive means with the help of the members. Total quality management is possible in SHGs only with mutual understanding, earnest co-operation and co-ordination and sense of dedication of the members. The managerial works of SHGs are classified as works related to organisation structure, works related to overall administration and works related to management of finance.

2.8.1 Organisation and its Structure

Self Help Group is a small size organisation consisting of 15 to 20 members. It is promoted by NGO, bank or state government and Mahalir Thittam. Once it is organised, one among its members is chosen as office bearer - as a representative for attending meeting on behalf of SHG in Cluster Level Association (CLA), Panchayat Level Association (PLA) or Apex Body. The leaders are elected or
chosen by the members by way of democratic or rotational basis. The working period of the selected individuals is designed in the bye-law of SHG.

Administrative persons include the Co-Signatory, Accounts Book writers, Secretary and President. These people lead SHG operations. Representative means each SHG selects two persons among its members and sends to Cluster Level Association (CLA) Panchayat Level Federation (PLF)\(^{18}\) Apex Body from this office is linked to the resource centre.

### 2.8.2 Planning of Women Entrepreneurs

Planning is the most crucial component of any successful organisation. Decision making and right planning\(^{19}\) are the cornerstone’s for any ventures. Decisions are made through a democratic process in the meetings of SHGs and thereupon activities are planned. Periodical schedule is followed in organising meetings besides extraordinary meetings on agendas which need immediate attention.

SHGs have to plan on their important activities like internal lending procedures, size of the loans, repayment schedules, linkages with other institutions, pre-loan and post-loan assessment, recovery of loans, mobilising funds, training to members, skill training and participation in common activities.

Women entrepreneurs plan well in advance the aspects of capital, marketing and budgeting. The planning is an important factor which determines the further course of actions for the ultimate development of women entrepreneurs.
in Madurai district. As it is considered to be the most pivotal of all, a careful in shaping up the planning is to be well designed.

2.8.3 Decision-Making
The success of SHG women entrepreneurs depends upon the decision it makes to plan the activities and execute them. All the members must be given equal opportunities to present their opinions and ideas and after detailed discussions, decisions must be taken. Individual's decision should not be thrust upon the group for collective opinion and collective bargaining yield quality decisions. Favouritism or nepotism in matters like issuing loans to the members normally gives room for problems and spoils the very atmosphere of its functioning.

Women entrepreneurs focus upon the conceptualisation of decision making. The successes of a SHG of depend on meticulous decisions. Without a right a decision making, the whole SHG would fall in trouble and it ultimately leads to the stunted growth and that would tell upon the development of SHG. Hence it is well taken, that the decision taken by the women entrepreneurs in SHG meeting should have a proven track of righteousness.

2.8.4 Supervision
SHG is an organisation of the members for the members and by the members and each member has the responsibility to safeguard the interests of SHG institutions and rights to monitor and check the functioning of the organisations. The members should ensure total transparency in the functioning of
SHGs, for their activities which involve financial transactions. The office bearers and the members have to be vigilant about the functioning of their SHGs.

2.8.5 Rotational Leadership

In SHG management, every member has equal rights. There is no discrimination among the members. Most of SHGs select the representatives, according to SHG concept of rotation for a minimum period of 6 months and a maximum of one year. The leader is selected by voting according to the serial number (members’ serial number). There are lot of problems in the selection of the leader by voting. Such voting pattern causes divisions and heartburns and thereby unity becomes a casualty. Nowadays, this system is banned. The second system, rotational leadership, is in practice in the study area. Leadership is defined as the process of influencing other people to work willingly for SHG objectives. Two or three members from the group are elected as leaders and accountants. Initially, the opinion of the leader counts. Over a period of time they are expected to take turns. The group leaders are expected to

   a) Regularly convene and conduct meetings
   b) Help members to take collective decision.
   c) Resolve conflicts among members
   d) Maintain books of accounts and update all the books.
   e) Attend the outside meeting on behalf of SHGs
   f) Conduct special meeting whenever it requires
   g) Send representative to cluster level association
   h) Arrange auditor for auditing the accounts
Due to changes of rotational leaders, the existing entrepreneurial activities could not be changed because it is a policy in principle adopted by SHGs women entrepreneurs in Madurai district.

2.8.6 Motivation

Motivation is an important aspect of any administration for its functioning and growth. The NGOs continue to motivate the members towards achieving the goals of SHG organisations. Motivation is needed for the members to work with a vision and for the accomplishment of the targets. The members work better when they are properly motivated for functions like formation of SHGs, savings, promoting income generating programmes, lending, repayment of loans, participating in meetings, training programmes and the like.

Women entrepreneurs with more enthusiasm attend the meeting and get enlightened with regard to the establishment of their SHGs with more sophistication.

2.8.7 Co-ordination

Co-ordination implies an orderly pattern or arrangement of SHG’s efforts to ensure unity of action in the pursuit of common objectives. Co-ordination in SHGs is “the orderly management of group efforts to provide unity of action in pursuit of a common purpose”. For the success of clear co – ordination, the efforts put forth by women entrepreneurs each women is much sought and this system exists in the study area.

2.8.8 Controlling Mechanism of SHG women entrepreneurs
SHGs should function strictly conforming themselves to the prescribed stipulation in the bye-law of the organisations. All the activities of SHGs are based on the decision taken in the meetings and SHG group is directed to follow the resolutions passed in the meeting. Even the leaders cannot take more privileges to act in a self styled fashion. Bye-laws are the cardinal guideline principles and all the members should follow them in letter and spirit. Some parts of the bye laws are to be amended or changed but that must also be done with the concurrence of the members of the group.

For the development of SHGs, women entrepreneurs should have a bent of mind in controlling the entire SHGs for their development. It is warranted without any iota of doubt. Any infrastructure developed in any organisation should be kept in order. Hence in accordance with the natural justice, the women entrepreneurs in Madurai district put fourth their unstinted co-operation for the full-fledged development of SHGs. A method of controlling system should have a track of perfection and women entrepreneurs do their part for the success of their entrepreneurship. They evaluate the entrepreneurs and thus take a right controlling mechanism.

2.8.9 Communication
Communication helps to build good relationship among the members, dispels misunderstanding and counter propaganda and ensures co-ordination and co-operation of the members. In SHGs, there could be a free flow of communication for better functioning of SHGs.
2.8.10 Selection of Representative

Provisionally some SHGs were using the designation of office bearers like President, Treasurer, Secretary\(^{24}\), and the like. But there was a big gap between these co-signatories and the rest of the members. These co-signatories felt themselves as higher ups in the rank compared to the rest of the members. Automatically, the rest of the members had to keep a low profile in terms of planning and decision-making. This in turn leads to willful non-cooperation in decision-making. As a sequel, NGOs learnt not to give separate designations. Instead they called the book writers and co-signatories as “representatives”. At present this method is practised in all SHGs.

2.9 RECORDS AND ACCOUNTS IN SHGs

All SHGs are managing their funds\(^{25}\) in a scientific manner with the help of different books and records like Minutes Book, Attendance Register, Cash-Book, Cash Receipt, Payment Voucher, General Ledger, Savings Ledger, Loan ledger, Members Pass book\(^{26}\), Cheque Book, and Bank Pass Book.

2.9.1 Minutes Book

Minutes Book is called the ‘Mother Book” of SHG. It is an FIR (First Information\(^{27}\) Records) of SHG. An SHG authorised representative maintains the minutes book. All decisions taken during the group meetings should be recorded properly in this book. At the end of the meeting, the decisions should be read out to the members who attended the meeting. All members should put their signatures as an approval for the decisions taken.

2.9.2 Attendance Register
It is important to maintain an attendance register in SHGs. It is maintained by the authorised representative of SHG. It confirms the physical presence of the members during the meeting. It helps the members to take part in SHG functions and decisions. Frequent absentees are strongly advised to participate in the meetings.

2.9.3 Cash Book
Cash Book is a day book of SHG. It may show that all receipts and payments are recorded in the cash book. The cash book shows the cash and bank balance of the group at the end of every day. It is a main account book in SHG. Hence, it should be maintained with great care.

In practice, in SHG they close the cash book once a month showing the closing balance of the previous month and the same balance becomes an opening balance for the succeeding month. In addition to these, women entrepreneurs maintain purchase book, and inventory ledger for the development of their SHGs.

2.9.4 General Ledger
General ledger is an individual account where individual accounts are maintained head wise and it is called ledger. The credit and debit balance are posted to the general ledger. It is like loan issue, savings ledger, loan repayment, interest account, bad debts account, or SHG expense accounts and so on.

2.9.5 Savings Ledger
Member wise cumulative savings are recorded in the savings ledger. The savings history of each member can then easily be found. If a member saves irregularly, the representative of SHG can advise the member to improve the
saving on a regular basis. The saving ledger also helps the SHG to settle the savings amount if a member does not want to be a member. If a member passes away, the legal heir will receive the money saved.

2.9.6 Loan Ledger
After meetings, based on the resolutions, the loan issued to members is recorded in the loan ledger. It contains information such as date of loan issued, purpose, repayment schedule, interest rate, repayment amount, over dues and outstanding dues. It helps the representatives of SHG to monitor the utilisation and repayment of loans by the members. Defaulters are advised to repay the loan in time, and then only SHG can function better. If a member leaves the group, his/her savings should be adjusted to his/her loan account and he/she should pay his/her outstanding loan. If a member passes away, the legal heir is responsible for repaying of his / her loan to the group. Supplement documents are cash receipt, payment voucher, member’s pass book, cheque book and the like.

2.9.7 Cash Receipts
The receipt is issued by the group on receipt of cash or cheque or demand draft or any other instrument from the members or external parties.

2.9.8 Payment Voucher
The payment voucher is received on payment of cash or cheque or demand drafts or any other instrument from the member or external parties.

2.9.9 Member’s Pass Book
The treasurer or the authorised representative of the SHG maintains the member’s pass book. In the book, saving amount, loan details of the SHG member
on receipt of the cash are recorded. It enables each member to know the cumulative savings with the SHG, the amount of loan received and repaid, available savings and credit facilities. The member's pass book is kept by SHGs for his/her reference at any time.

2.9.10 Cheque Book
After 1996, the cheque book system in the local banks for SHGs was introduced. Since then, most of SHGs have been making withdrawals through cheques only. The cheque books should be kept in the safe custody of the treasurer or authorised representative of the group. The counterfoil of the cheque book should contain information such as the payee’s name, the date of issue, the amount, the purpose, and the signature of the receiver.

2.10 GROWTH OF SHGs
Mohammed Yunus started the Grameen Bank system in Bangladesh in 1976, and the village bank system in Latin America (Solidarity Group) was functioning like this. Based on this new concept, SHG was evolved in many countries. At present 39 countries adopt the concept of SHGs in different names all over the world.

2.10.1 SHG in India
Sangamithira is considered as a base concept for the development of SHG in general. This was started in 1972. Since this was an unorganised system, the life span of this was very short. Based on idea, the organised SHG system was started in early 1980s. The first part began in 1984 when the first Self Help Affinity
Group emerged simultaneously when the co-operative model of SHG organised by MYRADA broke down due to conflict. MYRADA had formed about 300 groups and approached NABARAD for Research and Development Grant to start the pilot experiment to assess whether the group could function as a genuine institution with functions that went beyond saving and credit. It was initially called the Credit Management Group. MYRADA started supporting Self Help Groups when the government of India decided to officially accept this system in 1998-1999, based on the NABARD – MYRADA experiment. Now this system is growing in the arithmetic progress. The progress of SHGs in India is presented in Table 2.9.
TABLE 2.1
SHGs in India as on 31st Mar 2006

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of SHGs formed</td>
<td>22,38,565</td>
</tr>
<tr>
<td>Percentage of Women SHGs</td>
<td>90</td>
</tr>
<tr>
<td>Number of participating Banks</td>
<td>545</td>
</tr>
<tr>
<td>i) Commercial Banks</td>
<td>47</td>
</tr>
<tr>
<td>ii) Regional Rural Banks</td>
<td>158</td>
</tr>
<tr>
<td>iii) Co-operative Banks</td>
<td>340</td>
</tr>
<tr>
<td>Number of participating Bank Branches</td>
<td>44,362</td>
</tr>
<tr>
<td>No. of State and Union Territories</td>
<td>31</td>
</tr>
<tr>
<td>No. of districts covered</td>
<td>583</td>
</tr>
<tr>
<td>No. of NGOs</td>
<td>4,896</td>
</tr>
<tr>
<td>Bank loan (Rs. in Billions)</td>
<td>113.98</td>
</tr>
<tr>
<td>Re-finance (Rs. in Billions)</td>
<td>41.60</td>
</tr>
<tr>
<td>No. of poor households assisted (in millions)</td>
<td>32.98</td>
</tr>
<tr>
<td>Loan availed by SHGs on average (Rs. in millions)</td>
<td>50,917</td>
</tr>
</tbody>
</table>


It is observed from Table 2.9 that SHG as a movement has established itself in India with 22,38,565 SHGs up to March, 2009. The most encouraging fact about SHGs is that 90 percent of these SHGs constitute the women SHGs which would pave way for women empowerment. The banks also show enthusiasm by
participating in the SHG movement with 545 banks and their 44362 branches helping the SHG groups. Table 2.9 also indicates that as many as 4896 NGOs also are also actively involved in the SHG movement.

2.10.2 SHGs in Tamilnadu

In Tamilnadu the first SHG was promoted in Thally Block of Krishnagiri district (in the unbifurcated Dharmapuri District) by MYRADA in November 1989. SHGs are promoted since then with the financial assistance of International Fund for Agricultural Development (IFAD - it is a UNO organisation). The IFAD deals with various integral rural development programmes and creating awareness to the rural poor. The IFAD works for the people and it is engaged in literacy, health, mortality, and dependency upon agriculture for employment. This revealed that SHG members are the most disadvantaged category of people in terms of wealth and family circumstances. Their immediate requirement is support and guidance for getting empowerment to attain sustainable development, with development projects focusing on the needs of women in selected districts of Tamilnadu next to Madurai District (Unbifurcated Dharmapuri) since 1989. The IFAD project was extended to Salem and South Arcot districts in 1991-1992. In 1993-1994 this project was again extended to unbifurcated Madurai and Ramanathapuram districts thus covering five districts in Tamilnadu. However, after bifurcation the number of districts covered is eight. In these eight districts twelve of total twelve blocks were covered. The IFAD assistance came to an end on December 31\textsuperscript{st} 1998 and 5207 SHGs were formed as on that date. The success
of IFARD project led to the announcement of Mahalir Thittam scheme in 1986 in Tamilnadu. It is extended to all the districts of Tamilnadu in a phased manner. The first phase was in 1997-1998 followed by the second phase in 1998-1999, the third phase in 1999-2000, and the fourth phase in 2001-2002.

**TABLE 2.2**

SHGs in Tamilnadu during 1989-1990 to 2005-2006

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of SHGs</th>
<th>Increase / Decrease</th>
<th>Percentage Increase / Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989-90</td>
<td>53</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1990-91</td>
<td>110</td>
<td>57</td>
<td>107.55</td>
</tr>
<tr>
<td>1991-92</td>
<td>436</td>
<td>326</td>
<td>296.36</td>
</tr>
<tr>
<td>1992-93</td>
<td>609</td>
<td>173</td>
<td>39.68</td>
</tr>
<tr>
<td>1993-94</td>
<td>1820</td>
<td>1211</td>
<td>198.85</td>
</tr>
<tr>
<td>1994-95</td>
<td>358</td>
<td>-1462</td>
<td>-80.33</td>
</tr>
<tr>
<td>1995-96</td>
<td>554</td>
<td>196</td>
<td>54.75</td>
</tr>
<tr>
<td>1996-97</td>
<td>612</td>
<td>58</td>
<td>10.44</td>
</tr>
<tr>
<td>1997-98</td>
<td>605</td>
<td>-7</td>
<td>-1.14</td>
</tr>
<tr>
<td>1998-99</td>
<td>19560</td>
<td>18955</td>
<td>3133.06</td>
</tr>
<tr>
<td>1999-00</td>
<td>22910</td>
<td>3350</td>
<td>17.13</td>
</tr>
<tr>
<td>2000-01</td>
<td>17328</td>
<td>-5552</td>
<td>-24.36</td>
</tr>
<tr>
<td>2001-02</td>
<td>39360</td>
<td>22032</td>
<td>127.15</td>
</tr>
<tr>
<td>2002-03</td>
<td>29380</td>
<td>-9980</td>
<td>-25.36</td>
</tr>
<tr>
<td>2003-04</td>
<td>41716</td>
<td>12336</td>
<td>41.99</td>
</tr>
<tr>
<td>2004-05</td>
<td>23614</td>
<td>-18102</td>
<td>-43.99</td>
</tr>
<tr>
<td>2005-06</td>
<td>29610</td>
<td>5996</td>
<td>25.39</td>
</tr>
</tbody>
</table>

Table 2.12 reflects consistent growth of SHGs in the stage from 1989–1990 to 2005–2006. The number of SHGs which was only 605 in 1997–1998 increased remarkably to 19560 making 3133.06 percent increase over the previous year 1997–1998.

Table 2.12 also indicates that there was a sudden increase in the number of SHGs formed in the state especially from the year 1998–1999. This is attributed to the fact that initially only a few SHGs were started in the state with 53 SHG in 1989–1990. In a phased manner, many districts were covered and the number of SHG also proportionately increased. By 1998–1999, SHGs were started in many districts of the state and this is how the number of SHGs in 1998–1999 was 19560.

2.10.3 SHGs in Different Districts
In Tamilnadu, SHG became a popular movement inspiring many more members to start the Self Help Groups throughout the state. In quick succession, many SHGs were formed in the state and the details about this are presented in Table 2.14.
### TABLE 2.3
District-wise SHGs Formed in Tamilnadu as on 30-11-2009

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Name of the District</th>
<th>Number of Total SHGs formed</th>
<th>Percentage</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chennai</td>
<td>108</td>
<td>0.04</td>
<td>30</td>
</tr>
<tr>
<td>2</td>
<td>Coimbatore</td>
<td>9044</td>
<td>3.59</td>
<td>11</td>
</tr>
<tr>
<td>3</td>
<td>Cuddalore</td>
<td>10419</td>
<td>4.14</td>
<td>9</td>
</tr>
<tr>
<td>4</td>
<td>Dharmapuri</td>
<td>4959</td>
<td>1.97</td>
<td>28</td>
</tr>
<tr>
<td>5</td>
<td>Dindigul</td>
<td>8691</td>
<td>3.45</td>
<td>12</td>
</tr>
<tr>
<td>6</td>
<td>Erode</td>
<td>9532</td>
<td>3.79</td>
<td>10</td>
</tr>
<tr>
<td>7</td>
<td>Kancheepuram</td>
<td>14699</td>
<td>5.84</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>Kanniyakumari</td>
<td>11933</td>
<td>4.74</td>
<td>5</td>
</tr>
<tr>
<td>9</td>
<td>Karur</td>
<td>6602</td>
<td>2.62</td>
<td>24</td>
</tr>
<tr>
<td>10</td>
<td>Madurai</td>
<td>5381</td>
<td>2.14</td>
<td>27</td>
</tr>
<tr>
<td>11</td>
<td>Madurai</td>
<td>7333</td>
<td>2.91</td>
<td>19</td>
</tr>
<tr>
<td>12</td>
<td>Nagapattinam</td>
<td>6727</td>
<td>2.67</td>
<td>21</td>
</tr>
<tr>
<td>13</td>
<td>Namakkal</td>
<td>6727</td>
<td>2.67</td>
<td>22</td>
</tr>
<tr>
<td>14</td>
<td>Nilgiris</td>
<td>4500</td>
<td>1.79</td>
<td>29</td>
</tr>
<tr>
<td>15</td>
<td>Perambalur</td>
<td>6972</td>
<td>2.77</td>
<td>20</td>
</tr>
<tr>
<td>16</td>
<td>Pudukkotai</td>
<td>8240</td>
<td>3.27</td>
<td>15</td>
</tr>
<tr>
<td>17</td>
<td>Ramanathapuram</td>
<td>6509</td>
<td>2.59</td>
<td>25</td>
</tr>
<tr>
<td>18</td>
<td>Salem</td>
<td>11638</td>
<td>4.62</td>
<td>6</td>
</tr>
<tr>
<td>19</td>
<td>Sivagangai</td>
<td>5704</td>
<td>2.27</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>District</td>
<td>Phone No</td>
<td>Rank</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>------------------</td>
<td>----------</td>
<td>------</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Thiruvannamalai</td>
<td>10654</td>
<td>4.23</td>
<td>8</td>
</tr>
<tr>
<td>21</td>
<td>Trunelveli</td>
<td>10789</td>
<td>4.29</td>
<td>7</td>
</tr>
<tr>
<td>22</td>
<td>Tanjavur</td>
<td>12554</td>
<td>4.99</td>
<td>2</td>
</tr>
<tr>
<td>23</td>
<td>Theni</td>
<td>6704</td>
<td>2.66</td>
<td>23</td>
</tr>
<tr>
<td>24</td>
<td>Thiruvallur</td>
<td>7441</td>
<td>2.96</td>
<td>18</td>
</tr>
<tr>
<td>25</td>
<td>Thiruvallur</td>
<td>8695</td>
<td>3.45</td>
<td>13</td>
</tr>
<tr>
<td>26</td>
<td>Thoothukudi</td>
<td>8176</td>
<td>3.25</td>
<td>16</td>
</tr>
<tr>
<td>27</td>
<td>Trichy</td>
<td>8536</td>
<td>3.39</td>
<td>14</td>
</tr>
<tr>
<td>28</td>
<td>Vellore</td>
<td>8028</td>
<td>3.19</td>
<td>17</td>
</tr>
<tr>
<td>29</td>
<td>Villupuram</td>
<td>12419</td>
<td>4.93</td>
<td>3</td>
</tr>
<tr>
<td>30</td>
<td>Virudhunagar</td>
<td>12107</td>
<td>4.81</td>
<td>4</td>
</tr>
</tbody>
</table>


Table 2.14 under review reflects that of all the districts, Kancheepuram has secured the first rank by forming the highest number of SHGs with 14699 accounting for 5.84 per cent. Tanjavur is ranked second with 12554 SHGs accounting for 4.99 per cent, followed by Villuppuram district with 12419 SHGs accounting for 4.93 per cent. Of all the districts, Chennai remains the last and is placed at 30th rank with only 108 SHGs accounting for 0.04 per cent. In general, there has been a steady growth of SHGs in the state with 251721 having been formed up to 30th Nov, 2009.

2.11 Mahalir Thittam
2.11.1 Organisational Structure of SHGs Formed under Mahalir Thittam

Mahalir Thittam has long term partnerships with agencies vide the State Government, Non-Government Organisations (NGOs) and Banks including (NABARD) and other financial institutions. Their endeavour is to combine the wide reach and the resources available to the state, with grassroots presence, goodwill, commitment and innovative work of the NGOs together with support from NABARD and credit from banks and other funding sources.

The Madurai Mahalir Thittam self-help groups got a brand name for their products — 'Madumathi'. It was launched by the Collector, D. Raajendiran, at a marketing workshop, organised jointly by the Women Development Corporation and the Nam Foundation, here on Wednesday. He also released a catalogue on the products made by the SHGs.

The workshop was conducted to facilitate the groups to enhance their marketing skills and equip them to face marketing challenges. Accordingly, the common brand name would go a long way in helping them market their products with ease.

There are 5,399 women SHGs comprising of 86,605 members functioning under 13 approved non-governmental organisations in the district. Of them, 4,675 groups are functioning in rural areas and 720 in urban areas, with a total savings of Rs. 1,820.31 lakhs.
In the light of the experience gained in the implementation of the (IFDA) International Fund for Agricultural Development which assisted Tamilnadu Women Development project TNWDP since 1989-1990, the Mahalir Thittam has been launched with standing fund to cover the entire state in phased manner. It is an ambitious five year project envisaging to form about 60,000 SHGs comprising 10 lakhs rural poor women below the poverty line in the state with total outlay of Rs.1440 crores.

This system was named after the then Chief Minister of Tamilnadu C.N.Annadurai and later it was renamed in his mothers’ name Smt. Bangaru Ammaiar Ninaivu Mahalir Thittam. Now this scheme covers all the 30 districts in Tamilnadu.

The objectives of Mahalir Thittam are:

a. To build the capacity of the poor and the disadvantaged women to enable them cross all social and economic barriers and thereby facilitating their full development.

b. To achieve the equality of status of poor women as participants, decision makers and beneficiaries in the economic, social, cultural and democratic spheres of life.

c. To build the capacity of the poor and the women in order that they are enabled to cross all social and economic barriers, by facilitating the full development into empowered citizens.
d. To create or re-orient democratic, economic, social processes and institutions to enable the poor women to participate fully and actively in decision making in the family, community at the local, district, state and national levels.

e. To promote and ensure the human rights of women at all stages of their life cycle.

f. To empower women to work together with men as equal partners and to inspire a new generation of women and men to work together for equality, sustainable development and communal harmony, and

g. To advocate changes in government policies and programmes in favour of disadvantaged women.

2.11.2 Women Entrepreneurship in Madurai district

About 18,116 women members underwent the entrepreneurial development training, 680 skill training, 29 members were trained in skill upgrading and 4,755 in vocational programmes.

A revolving fund of Rs.2.8 crores had so far been released to 982 groups and Rs.8.08 crores disbursed to 408 groups to encourage economic generation activities among them.

2.12 SUMMARY

This chapter discusses the district profile of the study area, SHGs’ profiles, SHGs Women entrepreneurs’ profile, records of accounts, Growth of SHGs and Mahalir thittam in Madurai district.
REFERENCES


3. “*Madurai District Potential Linked Credit Plan*” Published by NABARD, Tamilnadu Regional Office, 2009–20011, p.1.


15. MYRADA Experience Green Book Published by MYRADA, Bangalore, 1996, p.16.


