CHAPTER - III
THEORETICAL PERSPECTIVES AND FUNCTIONING OF SELF HELP GROUPS

This chapter has been divided into two sections for the purpose of convenience. Section-I is devoted to discuss the theoretical perspectives relating to Women Empowerment and Self Help Groups. In Section-II, an attempt is made to study the performance of women Self-Help Groups in Tamil Nadu with reference to Tiruchirappalli District.

SECTION-I

3.1 THEORETICAL PERSPECTIVES RELATED TO WOMEN EMPOWERMENT AND TO SELF-HELP GROUPS

3.1.1 Concept of Women Empowerment

The concept of empowerment of women is of recent origin. The word empowerment has been given currently by UN agencies during recent years. Empower means to make one powerful or equip one with the power to face it challenges of life to overcome the disabilities handicaps and inequalities. Empowerment is an active, multi dimensional process which should enable women to realize their full identify and powers in all spheres of life. It would consist in providing greater access to knowledge and resources, greater autonomy in decision making, greater ability to plan their lives, greater control over it circumstances that
influence their lives and freedom from to shackles imposed on them by custom, beliefs and practice.

Empowerment as a concept was first brought at the International women’s conference 1985, at Nairobi. The conference concluded that empowerment is a redistribution of power and control of resources in favour of women through positive intervention.

Broadly, empowerment means individuals acquiring the power to think and act freely, exercise choice, and to fulfill their potential as full and equal members of society. Women empowerment is a process by which women gain greater control over materials and intellectual resources which will assist them to increase their self reliance, and enhance them to assert their independent right, are challenge to ideology of patriarchy and the gender-based discrimination against women.

3.1.2 Approaches to Women Empowerment

Women’s empowerment involved the transformation of power relations at six different levels- individual, family, group, organization village, community and society. In order to empowerment the rural poor, especially women, female development workers must empower themselves.

Three approaches to women’s empowerment the integrated the development approach-which focused on women’s survival and livelihood needs; the economic development approach, which aimed to strengthen women’s economic position, and the consciousness approach, which organized women into collectives that addresses the sources of oppression.
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It is contrasted to gender and micro enterprises developments the market approach, which aimed to assist individual women entrepreneurs to increase their incomes and the employment approach, which aimed not only the increase the incomes, but also the bargaining power, of poor producers through group activities. The empowerment approach includes the costs in terms of time outside the home and in decision making.

3.1.3 Characteristics of Women Empowerment

Women empowerment possesses certain characteristics. They are the following:

i. Women empowerment is giving power to women; it is making women better off. It enables a greater degree of self-confidence and a sense of independence among women.

ii. Women empowerment is a process of acquiring power for women in order to understand her rights and to perform her responsibilities towards oneself and others in a most effective way. It gives the capacity or power to resist discrimination imposed by the male dominated society.

iii. Women empowerment enables women to organize themselves to increase their self-reliance and it provides greater autonomy towards.

iv. Women empowerment means women’s control over material assets, intellectual resources and ideology. It challenges traditional power equations and relations.
v. Women empowerment abolishes all gender-based discriminations in all institutions and structures of society. It ensures participation of women in policy and decision-making process at domestic and public levels.

vi. Women empowerment means exposing the oppressive power of existing gender and social relations.

vii. Empowerment of women makes them more powerful to face the challenges of life, to overcome the disabilities, handicaps and inequalities. It enables women to realize their full identity and powers in all spheres of life.

viii. Empowerment also means equal status to women. It provides greater access to knowledge and resources, greater autonomy in decision-making, greater ability to plan their lives and freedom from the shackles imposed on them by custom belief and practice.

ix. Women empowerment occurs within sociological, psychological, political, cultural, familial and economic spheres, and at various levels such as individual, group and community.

x. Empowerment of women is an on-going dynamic process which enhances women’s abilities to change the structures and ideologies that keep them subordinate.

xi. Women empowerment is a process of creating awareness and capacity building.

3.1.4 Various Dimensions of Women Empowerment

Women Empowerment has mainly five important dimensions such as economic, political, social/cultural, personal and familial.
i. Economic Empowerment: A woman is said to be economically empowered when she gains power as a result of increased access to economic resources. The means of achieving economic empowerment are: increase in income, access to finance, ability to make decisions regarding the utilization of money/credit etc.

ii. Political Empowerment: A woman is said to be politically empowered when she has the awareness and power to act in accordance with the rights and rightful role of women in society and polity. The means of achieving political empowerment are: political awareness, participation in political activity, membership in political parties, position of power etc.

iii. Social/Cultural Empowerment: A woman is said to be socially/culturally empowered when has the power to participate in collective/cultural activities in the society. The means of achieving social/cultural empowerment are: social status, mingling with others, access to various organisations, social involvement, participation in cultural activities/seminars/competition etc.

iv. Personal Empowerment: A woman is said to be personally empowered, when she has the power to increase her own self-reliance and self-strength. The means of achieving personal empowerment are economic freedom, freedom of action, ability and involvement in decision-making, self-esteem, gender equality, improvement in health and knowledge etc.

v. Familial Empowerment: A woman is said to have familial empowerment when she has the power to increase her own family welfare. The means of achieving familial empowerment are improvement in family income, support from the
spouse, improvement in family relationship, education to children, medical care to family members, improvement in basic facilities and amenities etc.

3.1.5 Components of Women Empowerment

The components of empowerment are as follows:

- Women’s and men’s sense of internal strength and confidence to face life,
- The right to make choices,
- The power to control their own lives within and outside the home, and
- The ability to information the direction of social change towards the creation of a more just social and economic order nationally and internationally.

Educational empowerment for women, interprets empowerment as a “socio-political concept that goes beyond formal political participation and consciousness raising. A full definition of empowerment must include cognitive, psychological, political and economic components that:

- The cognitive component refers to women having an understanding of the conditions and causes of their subordination at micro and macro levels. It involves making choices that may go against cultural expectations and norms.
- The economic component requires that women have access to and control over productive resources, thus ensuring some degree of financial autonomy. However, she notes that changes in the economic balance of power do not necessarily alter traditional gender roles or norms.
- The political entails that women have the capability to analyse, organize and mobilize for social change, and
• The psychological component includes the belief that women can act as personal and social levels to improve their individual realities and the society in which they live.

It is noted that there is general agreement that these components are interrelated.

3.1.6 Process of Women Empowerment

Empowerment as an individual and collective process is based on the following five principles:

• self-reliance,
• self-awareness,
• collective mobilization and organisations,
• capacity building, and
• external exposure and interaction.

Empowerment is a long process. It has to pass through different stages. In the first stage, women should be trained to look into the situation from a different perspective and recognize the power relations that perpetuate their oppression. At this stage, the women share their feelings and experiences with each other and build a common vision and mission. In the second stage, the women tried to change the situation by bringing about a change in the gender and social relations. In the third stage, the process of empowerment makes them more mature to realize the importance of collective action. As empowerment seeks to alter the gender and power relations, there could be a certain social or gender conflicts. The process of empowerment could also face certain obstacles emanating from the patriarchal system, traditional beliefs and political system. The results of empowerment,
however, will not be confident to women. The other member of the families will also benefit from the empowerment process.

### Three Fold Constraints’ of South Asian Women

<table>
<thead>
<tr>
<th>Personal constraints</th>
<th>Family constraints</th>
<th>Community constraints</th>
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<tbody>
<tr>
<td>Illiteracy</td>
<td>Overburdened household work</td>
<td>Overloaded women’s ideas</td>
</tr>
<tr>
<td>Lack of knowledge skill and responsibility</td>
<td>Lack of family support</td>
<td>Lack of equal perceiving attitude towards women</td>
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<tr>
<td>Lack of self-confidence</td>
<td>Large size family. Lack of household responsibility sharing</td>
<td>Male domination</td>
</tr>
<tr>
<td>Lack of access to finance and resources</td>
<td>Caste system of the family limiting access</td>
<td>Lack of legal clarity</td>
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<tr>
<td>Dependent socialization</td>
<td>Family rich and poor stratification</td>
<td>Insensibility of political parties</td>
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<td>Poverty</td>
<td>Deprivation</td>
<td>Political sabotage</td>
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#### 3.1.7 Measures of Women Empowerment

Empowerment is a planned one and its nature and quality of relationship over time can be assessed. Changes in power relations were a definite part of the empowerment process. There was a tendency to progress from dependency through independence towards increased interdependence. It is not difficult to measure empowerment; but the difficulty lies in achieving it. The Gender Empowerment Measure (GEM) used variables constructed explicitly to measure the relative empowerment of women and men in political and economic spheres of activities namely participation, decision-making and power over resources. Any meaningful
attempt to measure empowerment would have to go beyond measuring the transfer of resources (physical, financial, human) to the least powerful. The phases of empowerment process are illustrated in Scheme 3.1.

**Scheme 3.1**

![Scheme 3.1](image)

If empowerment was to be measured in changed relationships, change would need to be detected in both sides of the relationship. Those who were involved in the process of empowerment were the right persons to measure their empowerment.

### 3.1.8 Indicators of Women’s Empowerment

The Draft Country Paper India for the Fourth World Conference on Women held at Beijing in 1995 proposed the following qualitative and quantitative indicators for evaluating women’s empowerment:
Qualitative Indicators

- Self-confidence understands what she wants, expresses it and tries to get it, feels proud of herself has positive self-image
- Articulation, Awareness about health, nutrition, legal rights, political activities, government policies and programmes
- Less burden of work and more leisure time
- Changing role and responsibilities within the family
- Decrease in violence within the family
- Changing attitudes towards tradition and customs like child marriage and dowry
- Physical mobility - walk freely within the village, go to city or town, to banks, post-office, go for shopping, cinema, exhibition and visit relatives
- Become member of women’s group or any other people’s organisation
- Self-identity - identifies herself positively
- Decision-making power within the family regarding number of children
- Education of children, marriage of children, budgeting of the family, income and purchase or sale of family property
- Changed attitudes towards women’s participation in politics and willingness to participate in the politics
- Control over individual and family income
- Access to resources like land, house, jewellery, house-sites, etc.
- Access to information, knowledge and skills.

Quantitative Indicators

- Increase in age at marriage
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- Reduction in fertility rate or number of children
- Becoming beneficiaries of development programmes
- Visible changes in physical status / nutritional status
- Improvement in literacy level and
- Becoming member of a political party or local self-government.

3.1.9 National Policy and Programmes for Women Empowerment

India is a country of extreme diversities in language, religion, caste and socio-economic class. The Constitution of India provides equality for all irrespective of gender, caste, religion, race, and place of birth and is considered as the vehicle for social transformation to realize the goals of the independence movement, which aimed at socio-economic emancipation of millions of Indians. India is also the first country to have given voting rights for women along with independence.

The Constitution of India guarantees several rights for Indian women. As a part of this effort, special target programmes have been brought forth, over the years, leading to action plans and programmes in several spheres.

1. The National Plan of Action for Women (NPA) adopted in 1976 became a guiding document for the development of women till 1988 when a National Perspective Plan for Women was formulated.

2. The National Perspective Plan for Women (NPP) (1988-2000) drafted by a core-group of experts is more or less a long term policy document advocating a holistic approach for the development of women.
3. ‘Shram Shakti’ - the report of the National Commission on Self-employed Women and Women in the Informal Sector (1988) examines the entire gamut of issues facing women in the unorganised sector and makes a number of recommendations relating to employment, occupational hazards, legislative protection, training and skill development, marketing and credit for women in the informal sector.

4. The National Expert Committee on Women Prisoners (1986) examined the condition of women prisoners in the criminal correctional justice system and made a series of recommendations relating to necessary legislative reform, prison reforms and reforms of other custodial institutions and rehabilitation of women prisoners.

5. The schemes support for Training and Employment Programme (STEP) aims to raise the incomes of rural women by updating their skills in the traditional sectors, such as dairy development, animal husbandry sericulture, handloom and social forestry. Since its inception in 1987, this programme has benefited 4,48,000 women.


7. In January 1992, the National Commission for Women was set up by the Government of India with the mandate to study and monitor all matters relating to the constitutional and legal safeguards provided for women, for
reviewing existing legislation and suggesting amendments where necessary and for looking into complaints involving deprivation of the rights of women.

8. A Legal Literacy Manual was brought out in 1992 with the aim of educating women about the laws concerning their basic rights. These manuals have been written in a simple and illustrated format and cover a wide range of subjects, namely, laws relating to working women, child labour, contract labour, adoption and maintenance, Hindu, Muslim and Christian marriage laws and rights to property.

9. The National Nutritional Policy (NNP) (1993), articulates nutritional consideration in all important policy instruments of government and identifies short-term and long-term measures necessary to improve the nutritional status of women, children and the country as a whole.

10. Another initiative to empower women by raising their economic status is the scheme of Mahila Samridhi Yojana (MSY) launched in October 1993. The MSY scheme aims to promote the habit of saving among rural women with the objective of improving their financial assets. The government offers an incentive of 25 per cent on a deposit of ` 300 kept for a lock-in period of one year.

11. Setting up of a Rashtriya Mahila Kosh - a National Credit Fund for women in 1993 is yet another innovation. The fund aims to reach the poorest of the poor women who are in need of credit but cannot reach the formal banking or credit system. This credit fund has helped in the development of a national network of credit services for women in the informal sector.
12. Indira Mahila Yojana (IMY) was launched in 1995 in over 200 blocks of India, for the holistic empowerment of women. IMY is being implemented in 238 blocks and till now, 40000 women’s groups have been formed under the scheme. Of these 4000 groups were formed in 2004-05.

13. A new scheme, called the Trade Related Entrepreneurship Assistance and Development (TREAD), was launched by the Government of India in 1998. It was designed to generate self-employment for 45000 women in rural and urban areas. The package involves financial assistance and services through NGOs in the non-farm sector.

14. Rural Women’s Development and Empowerment Project (Swa-Shakti Project), was launched in 1998, for strengthening the process of empowerment of women in six States through the establishment of Self-Help Groups.

15. Swarna Jayanthi Gram Swarozgar Yojana (SGSY) scheme, the amended and merged version of the erstwhile Development of Women and Children in Rural Areas (DWCRA), Integrated Rural Development Programme (IRDP) and Training of Rural Youth for Self Employment (TRYSEM) were launched for women empowerment, as one of the major objectives.

16. The Jawahar Rozgar Yojana (JRY), (1989-90), provides facilities for women through training and employment. The Indira Awas Yojana (1985-86), a part of the JRY, aims at providing houses free of cost to poor people. The houses are allotted to female members, or in the joint names of the husband and wife to enable women to own assets.
17. The Government of India has finalized a proposal to set up the National Resource Centre for Women which will act as an apex body for promoting and incorporating gender perspectives in policies and programmes of the government. A pilot project to test the concepts and methodologies underlying the National Resource Centre has been successfully implemented recently.

18. The National Bank for Agriculture and Rural Development (NABARD) links banks with Self-Help Groups with the objective of meeting the credit needs of the poor. As many as 85 per cent of the groups linked with the banks are women’s groups.

19. Mahila Vikas Nidhi (MVN) is a specially designed fund for economic empowerment of women. Training and employment opportunities are provided to them through creation of necessary infrastructure. Besides supply of improved inputs, production and technological improvements are also covered under the MVN scheme. The progress of this scheme has been noteworthy. By March 2005, as much as 345 NGOs were supported benefiting over 34000 women with an aggregate assistance of ` 872.69 lakh.

20. In addition to these, there are many other women-related policies like the National Policy on Education (NPE) 1966, National Health Policy (NHP) 1983, National Commission for Women’s Act (NCW) 1990, which have been influencing the welfare and development of women and children in the country.

21. Health and Nutrition: Apart from the extensive network of primary health care infrastructure, India has also the world’s largest Integrated Child Development
Services (ICDS) programme which offers a package of supplementary nutrition, immunization, health care, growth monitoring, pre-school education and health and nutrition education. Along with special initiatives like the Universal Immunization Programmes (UIP) these interventions have helped India substantially reduce the infant mortality rate and also bring malnourishment under control.

22. Education for All: Recognizing the fact that it is the girl child who is compelled to leave school at an early age, special efforts are being made to increase enrollment and retention of these children in school. Combining a programme of non-formal education for the working children and supported with a massive adult literacy effort, India is geared to meet the target of Education for All by the end of the current decade.

3.1.10 Five Year Plans and the Women Empowerment

The intervention of the planning mechanism of the Government of India came as a boon to the development of women in the country.

The First Five Year Plan (1951-56) outlined the philosophy to promote the welfare of women so that they can play their legitimate role in the family and in the community. As a result the Central Social Welfare Board (CSWB) was set up in 1953 and it undertook a number of welfare measures through the voluntary sector.

The Second Five Year Plan (1956-61) organized women into Mahila Mandals to act as focal points at the grass-root levels for development of women.

The Third and Fourth Five Year Plans and other Interim Plans (1961-74) accorded high priority to education of women and introduced measures to
improve maternal and child health services including supplementary feeding for children and nursing mothers.

The **Fifth Five Year Plan (1974-80)** saw a shift in the approach for women’s development from welfare to development to cope with several problems of the family and the role of women in the society. The new approach aimed at an integration of welfare with development services.

The **Sixth Five Year Plan (1980-85)** was a landmark in the history of women’s development by initiating a special approach with a three pronged thrust on health, education and employment.

In the **Seventh Five Year Plan (1985-90)** the developmental programme for women continued with the major objective of raising their economic and social status to bring them into the mainstream of national development. A significant step in this direction was to identify the beneficiaries in different developmental sectors that extend direct benefits to women.

The **Eighth Five Year Plan (1992-97)** launched in 1992, marked a shift from development to empowerment in approach to women development schemes. It promised to ensure that the benefits of development from different sectors do not bypass women. Women must be enabled to function as equal partners and participants in the developmental process.

The **Ninth Five Year Plan (1997-2002)** is a progressive extension of the Eighth Five Year Plan. Some major steps towards gender justice and empowerment of women are being taken. This approach of the plan is to create an enabling environment where women can freely exercise their rights both within and outside
The home, as equal partners along with men. This plan is an attempt at the convergence of existing services, resources, infrastructure and manpower available in both women-specific and women-related sectors. It has suggested that a special vigil be kept on the flow of the earmarked funds or benefits through an effective mechanism to ensure that the proposed strategy brings forth a holistic approach towards empowering women.

The **Tenth Plan (2002-2007)**, reinforced commitment to gender budgeting to establish its gender-differential impact and to translate gender commitments into budgetary commitments. This plan approach aims at empowering women through translating the recently adopted National Policy for Empowerment of Women (2001) into action and ensuring survival, protection and development of children through rights-based approach.

The **Annual Plan 2002-03**, being the first year of the Tenth Plan, has initiated and brought into effect the thrust areas, relevant policies and programmes. For annual plan 2002-03, a total outlay of ₹ 2220 crores has been provided for the women and child development as against ₹ 1650 crores made available in 2001-02.

The theme of the draft approach to the **Eleventh Five Year Plan (2007-12)** titled, ‘Towards Faster and More Inclusive Growth’ is indeed very attractive. At this stage of development, India definitely needs faster and more inclusive growth. The question, however, is whether the strategy underlying the approach paper ensures a more inclusive growth or not. That is whether the underlying approach will be able to include the excluded poor, the women, dalits and others.
3.1.11 Indian Status of Women Empowerment

Women are vital part of the Indian economy and represent 50 per cent of the total population. But inequality in the status between men and women has stood in the way of society’s granting recognition to women.\(^1\) Women have been subordinated to men almost always and everywhere. Women are still found generally to lag behind men in many respects. They are forced into a disadvantageous position in getting the information and opportunities that they need in order to work more productivity for themselves and for the society. Women in India still perform only their traditional roles and do not engage in any of the economic activities without assistance from their men folk due to socio cultural, traditional practices and convention and taboos. Article 14 of the Indian Constitution confers equal rights and opportunities on men and women in the political, economic and social spheres. Article 15(3) of the Constitution empowers the State to make affirmative discrimination in favor of women. However, the question of women’s development in terms of raising their social and economic status received low priority in government programmes till the mid seventies. In the 73rd Constitution Amendment Act 1992, provision is made for one-third reservation for women in each and every step of Panchayat. The Government of India has declared the year 2001 as Women’s Empowerment year. The need of the hour is mobilization of women to fight for their equal share in all spheres. In this context, **Self Help Groups** has emerged as the most successful strategy in the process of participatory development and empowerment of women.

3.1.12 Government Policies for Women Empowerment

The Government of India having felt the urgency of SHGs in the process of uplifting the economic and social status of women, the Government of India has been formulating policies for them. State governments have also followed such policy of the central government. The Government of India is committed to the welfare of women through empowering them which is acknowledged from ‘to adopt an integrated approach towards empowering women through effective convergence of existing services, financial and human resources and infrastructure in both women specific and women related sectors’. With a view to fulfilling such commitment the Government of India has been implementing policies of which some are directly and others are indirectly relevant for Self-Help Groups. These schemes include (1) Rastriya Mahila Kosh (1993), (2) Swa-Sakti Project (2000-01) (3) Swayamsidha (2001) and (4) Swarnajayanti Grama Swarojgar Yojana (SGSY) (1999-2000). The basic features of the schemes to SHGs are as follows:

**Rastiya Mahila Kosh (1993)**

It is also known as the National Credit fund for women. It provides micro-finance to the poor women to start income generating activities. These poor women can from SHGs to have better access to the sources of finance.

**Swa-Sakti Project (2000-01)**

It was started as a pilot project in Tamil Nadu (erstwhile Rural Women’s Development and Empowerment Project, 1988). It is designed to provide interest-bearing loans to beneficiary groups like SHGs. This project aims at enhancing women’s access to resources for better quality of life.
Swayamsidha (2001)

It is an integrated project for the development and empowerment of women through SHGs. It emphasizes covering services, developing access to micro-finance and promoting micro-enterprises.


Swarnajayant Hindi Gram Swarojgar Yojana Scheme is a holistic approach towards poverty eradication in rural India through creation of self-employment opportunities to the rural Swarozgaries. This scheme is implemented in the country through District Rural Development Agencies. The Centre and State fund this program in the ratio of 75:25. It is designed to help poor rural families cross the poverty line. This is achieved through providing income generating assets and inputs to the target groups through a package of assistance consisting of subsidy and bank loan. SGSY came into existence in 1999-2000 duly merging the schemes of Integrated Rural Development Program (IRDP), Training for Rural Youth under Self Employment (TRYSEM) Development of Women & Children in Rural Areas (DWCRA) and Supply of Improved Toolkits to Rural Artisans (SITRA). The scheme aims to bring every assisted poor family above the poverty line by ensuring appreciably sustainable level of income over a period of time. This objective is to be achieved by organizing the rural poor in to Self Help Groups (SHG) through the process of social mobilization, their training and capacity building, and provision of income generating assets through Training, Infrastructure, Revolving fund to SHGs and Subsidy for Economic Activity.
3.1.13 International Status of Women Empowerment

Fourth World Conference on women at Beijing, 1995 have demanded the governments for an agenda for development that will empower people, eradicate poverty, create sustainable livelihoods, build stable lives, and healthy communities and promote peace on a long-term basis. Therefore, policy and planning are no longer content with women’s absence as substantive subject of development and as social agents in poverty eradication programmes. It is now increasingly understood that the goal of development is not simply one of increasing income (or GDP) but one of transforming economic and social relations, in particular, gender relations.

The Asia division of IFAD is playing a vital role in supporting Grameena Banks micro – credit for women since the early 1980’s. Since then, it has continued Asian Institute of Technology organized its concern for rural and indigenous women’s advancement. A workshop in Thailand to define IFAD, Asia division’s gender analyses approach in May 2000. In which five case studies from Nepal, India and China was presented. Almost all the case studies have a common feature of women subordination. They opined that the women have capabilities to transform societies. They also stated that micro-credit has broadened that arena of women’s decision-making and improved women’s well-being.²

The Bangladesh Rural Advancement Committee (BRAC), one of the World’s largest NGO’s has organized over one million women into over 30,000 village level organizations. One of the distinctive components of BRAC’s Integrated Rural

² Workshop Report, Defining IFAD, Asia Division Gender analysis approach, Gender, Technology and Development. 4: 495-514.
Development Programme is its sub-sector approach to promoting economic opportunities for women whereby BRAC collaborates with both village women and Government of the Bangladesh to build the necessary infrastructure and provide the necessary services to promote large-scale employment opportunities in key sub-sectors of the economy.

In Sri Lanka, thousands of poor rural women have turned local societies into a network of rural women’s development and rural bank, which can assist them to overcome economic hardships. The individual banks, which have changed their lending system on that of the Grameena Banks in Bangladesh, are giving women access to credit. This enabled them to establish small enterprises, which resulted in the creation of more income. This increased ability to contribute to family income has raised their esteem within the family and the community and lead to an increase in women’s self-confidence.

On similar lines, women’s empowerment programme is implemented with workbook approach in Nepal. It caused the establishment of thousand rural banks. Women’s empowerment in Nepal has not only resulted in the upliftment on economic front but also made them aware of the social problems. Women, as a group, have been fighting against dowry, sale of girls, domestic violence, and child marriages etc.³

The SHG approach was introduced in Kenya in 2005 by KNH through Pact Kenya with a focus of empowering very poor women in various parts of the

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country. In 2006, 11 local organizations were chosen to promote the approach in different parts of Kenya, coordinated nationally by Pact Kenya. The process resulted in the formation of 539 SHGs by June 2009 with a total membership of 9,492 women. The women have mobilized savings of Kenya shillings (Kshs.) 10,598,577, and initiated credit facilities from these savings - advancing loans amounting to Kshs. 48,370,086 cumulatively- which have promoted income generating activities among poor women in these groups. This has brought more economic independence to these women and their families, resulting in the improved welfare of their families which include more than 30,102 children. The formation of these SHGs has also facilitated discussions on many issues pertaining to their socio-economic, educational and health status. This process has led to increased confidence in the women and strengthened their leadership abilities.

Narathiwat, a predominantly Muslim province in southern Thailand, which provides some useful insights into the potential of community-based self-help groups run by women. The Department of Skills Development of the Ministry of Labour and Social Welfare has reported that following attendance at skills development courses run by the Department, several self-help groups were formed to manufacture products such as batik and embroidered articles. Start-up funding for equipment and materials was also made available. These groups have made good progress and now have markets for their products in tourist resorts and in Malaysia. The Internet has also been successfully used for commercial transactions. At the household level, family members have been mobilized to help in packaging and transport, and the younger members (including young men) help in designing goods. The status of these women within their households is reported to have been

Empowerment of Rural Women through SHG: A Study in Tiruchirappalli Dt
enhanced. At the community level, some members of the women’s groups are reportedly engaged in local community management structures and issues. With the decentralization of development funds, such as the Village Fund scheme, women from these groups, having demonstrated their ability to engage in business activities, are able to find their place in fund

Empowerment is a measure of people’s capacity to bring about change, whether this is modest or far-reaching in its impact. The last decade has seen significant movement on the world stage with regards to women’s development. The Second Asian and Pacific Ministerial Conference on Women in Development held in Jakarta in 1994 identified several critical areas of concern like the growing feminization of poverty, inequality of women’s access to Status of Women’s Empowerment in the Poorest Areas of India, economic resources and decision-making, violence against women, denial of women’s human rights etc. The Jakarta Declaration suggested measures to tackle the inequities faced by women in the Asian Pacific region.

The International Conference on Population and Development (ICPD) held in Cairo in September 1994 expanded the narrow focus on family planning to the larger, holistic and gender sensitive concept of Reproduction Health (RH) as an integral component of general health.

One of the key events on the women’s development map was the Fourth World Conference on Women (FWCW) which was held in Beijing in September 1995. The FWCW came up with a concrete Platform for Action (PFA) that was to be implemented by the participating government in the years to come. The PFA
exhorted governments, United Nations and civil society organisations to take strategic action in the following critical areas of concern:

✧ The persistent and increasing burden of poverty on women.
✧ Inequalities and inadequacies in and unequal access to education and training.
✧ Inequalities and inadequacies in and unequal access to health care and related services.
✧ Violence against women.
✧ The effects of armed or other kinds of conflict on women, including those living under foreign occupation.
✧ Inequality in economic structures and policies, in all forms of productive activities and in access to resources.
✧ Inequality between men and women in the sharing of power and decision-making at all levels.
✧ Insufficient mechanisms at all levels to promote the advancement of women.
✧ Lack of respect for and inadequate promotion and protection of the human rights of women.
✧ Stereotyping of women and inequality in women’s access to and participation in all communication systems, especially in the media.
✧ Gender inequalities in the management of natural resources and in the safeguarding of the environment.
✧ Persistent discrimination against and violation of the rights of the girl child over the last decade the PFA has been the strategic touchstone for strategies and policies in women’s development.
Another important milestone in the international movement for women’s empowerment is the Convention for Eradication of all forms of Discrimination Against Women (CEDAW). The draft optional to the protocol was discussed in the Forty-first session of the Commission for the Status of Women (CSW) in March 1997. Various governments, NGOs, inter-governmental organisations debated on the same during the meet. The replies indicated that on the whole there was wide support for the protocol. The 42nd CSW meet in 1998, discussed the broad them of ‘Women and Human Rights’ along with critical areas such as violence against women, women and armed conflict and rights of the girl-child.

The Women 2000 session was held at the United Nations between 5th and 9th of June 2000. This meet aimed to review the progress made on the PFA implementation by governments. The meet was marred by the slow pace of work, lack of adherence of most governments to the commitments on the PFA and the inherent tensions in the United Nations at that time. The North-South divide was perhaps at its peak at that time. In spite of these hurdles some policies were accepted by various governments including:

1. Need to make legal and policy changes would have to be undertaken to ensure elimination of all forms of gender discrimination by 2005.
2. Developing the country budgets to include provisions for achieving the commitments made at the international level.
3. Ratification of CEDAW and the optional protocol to CEDAW.
Chapter - III

Theoretical Perspectives & Functions of SHG

5. Promotion of a nationwide campaign for elimination of violence against women.

The year 2005 was to see celebrations of the tenth anniversary of the historic Fourth World Conference on Women (FWCW). In fact the as per tradition the 5th World Conference on Women was to have been held this year. It was not to be. The two main reasons are that:

1. The global political scenario has changed drastically after 9/11. It has changed the focus to terrorism. The relations between the United States of America and the United Nations have also altered. The USA has taken a stand on the issues of poverty and trafficking.

2. The progress by most countries on the implementation of the promises and commitments embodied in the Platform for Action (PFA) that resulted from the FWCW, Beijing has been tardy. In fact the murmurs from some quarters seem to demand dilution of the PFA. This dilution would have proven to be a significant setback to the women’s movement. This view was challenged by the European Union and some of the G77 countries of Asia and Africa. In this scenario the fifth WCW would only result in more paper being created defending the lack of progress. Most women’s organisations round the world did not want this tokenism. That the 5th WCW was not being held meant that the CSW 2005 meet assumed great importance. In this meet the focus was on two issues.

i. Effective and speedy implementation of the PFA commitments and

ii. Trafficking of girls.
One aspect was abundantly clear: the focus of governments has shifted to the Millennium Development Goals (MDG) and as a result there is silence on some key issues that came out of the Beijing PFA. The ‘politics of silence’ and ‘politics of neglect’ was evident throughout the process of the 2005 CSW.

Over the last three decades in India a significant shift has been apparent in the approach of government and NGOs towards women’s development. Starting with ‘Welfare’ in the fifties to ‘Development’ in the seventies and ‘Empowerment’ in the nineties. The Women in Development (WiD) approach was very popular in the 1970s and aimed to ‘integrate women in development’. This approach often missed out the fact that women were involved in development processes anyway. This lead to projects being classified as ‘Women’s Projects’ thereby alienating men. In many a cases women were left off worse than earlier.

The Gender and Development (GaD) was more thorough and examined the roles and needs of women and men and how these related to each other. It also raised questions about women’s access to resources and decisions over their use in relation to men. It also questioned gender-based inequalities in all areas. The GaD therefore soon emerged as a more reliable framework of planning in gender. Human Resource Development was one of the major thrust areas in the Eighth Five-Year Plan and a special focus was placed on women and children. With children attention was focused on their ‘survival, protection and development’ especially for the girl child whereas for women the focus was on economic independence and self-reliance.
Empowerment of Women is a major objective of the ninth five year plan. This was the first plan which involved women’s groups from around the country in a consultative process. The plan aimed to create an enabling environment with requisite policies and programmes, legislative support, exclusive institutional mechanisms at various levels and adequate financial and human resources to achieve the objective. An integrated approach was to be used for the same. This implied that the efforts made on various fronts like social, economic, legal and political would be harmonized. Further a strategy to earmark funds as ‘women’s component’ was to be adopted to ensure that the flow of resources was adequate. The plan also called for the expeditious adoption of the ‘National Policy for Empowering Women’ along with a well-defined ‘Gender Development Index’ to monitor progress made towards improving women’s status in the society.

The Human Development Report 2002 for the state of Maharashtra for instance identifies a lot of gaps and concerns on the issue of women’s development. Some of the more significant ones are the issue of the rapidly declining sex ratio leading to missing girl children and the increasing incidence of violence against women.

3.1.14 Empowerment of Rural Women in Self Help Groups

Since independence India has made a significant progress in various sectors of rural development through socio-economic transaction in rural India. It adopts an integrated approach towards improving the quality of rural poor and ensuring equity and effective people’s participation. In this approach non-governmental organizations, self-help groups and Panchayat Raj institutions have been accorded

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important role in rural development (India 2000) and of these SHG is a people’s scheme and its organization is a significant step towards empowering women (Mittal, 1999). SHGs gain importance from the human resource development point of view. According to Gore (1998) development is Social+Economic+Political+, so development is incomplete without developing the human resource of a given community.

3.1.15 Concept of Self-Help Groups

- It is a homogeneous group of rural poor women.
- It is a formal or informal group.
- Not more than 20 members.
- Democratic functioning.
- It has bye-laws.
- Regular (weekly) meetings are conducted.
- It promotes small savings among members.
- The savings are utilized lending to the members for their emergency needs.
3.1.6 Need for and Objectives of Self-Help Groups

The SHGs hold the power and serves to overcome the helplessness of the poor. The group savings serve a wide range of objectives other than immediate investment. It improves discipline on group members in developing the savings habit. It also enhances self-confidence of the individual that reflects sign of group encouragement and the strength of unity of members and group cohesiveness. The following are the objectives of the SHGs.
• To organize poor women.
• To raise the level of social consciousness of its members.
• To work for social and economic empowerment.
• To bring about gender equality in the society.
• To inculcate and to improve the saving habits among women.
• To increase the total family income.
• To improve the economic standards through self-employment of women.
• To enable utilization of bank loans and government welfare schemes.
• To help the members to escape from the clutches of moneylenders.
• To mobilize financial resources for promotion of economic activities.

3.1.17 Formation and Functions of Self Help Groups

Self-Help Groups broadly go through three stages of evolution:

✧ Group formation (Formation, development and strengthening of the groups to evolve into self managed people’s organisations at grassroots level).
✧ Capital formation through the revolving fund, skill development (Managerial skills for management of their organisations as well as the activity).
✧ Taking up economic activity for income generation.

The group formation keeps in view the following broad guidelines:

i) A Self-Help Group consists of 10 to 20 persons. The group cannot have more than one member from the same family.

ii) A person should not be a member of more than one group. The group should elect a leader/office bearer and devise a code of conduct (group management norms).
iii) It should have regular meetings (weekly or fortnightly) conducted in a democratic manner allowing free exchange of views and participation of the members in the decision-making process.

iv) The group should be able to draw up an agenda for each meeting and proceed with discussions as per the agenda.

v) The group should be able to collect a minimum amount as voluntary savings from all the members regularly as per the bye-laws of Self-Help Groups. The savings so collected, will be the group corpus fund.

vi) The fund should be used to advance loans to the needy members.

vii) The group should be able to process the loan applications, fix repayment schedules, fix appropriate rate of interest for the loans advanced and closely monitor the repayment of the loan installments.

viii) The group should operate a bank account so as to deposit the balance amount left with the group, after disbursing loans to its members. The group should maintain simple basic records such as minutes book, attendance register, loan ledger, general ledger, cash book, bank pass book and individual pass book.

ix) The Self-Help Group is an informal group. However, the group can also register itself under the Societies Registration Act, the State Cooperative Act or under the partnership firm.

x) The Self-Help Groups can be further strengthened and stabilized by federating them at the village level. This would facilitate regular interaction and exchange of experiences including flow of information from District Rural Development Agencies (DRDA) and other departments.
About 50% of the groups formed in each block should be exclusively for the women. In the case of disabled persons, the groups formed should ideally be disability-specific wherever possible. However, in case sufficient number of people for formation of disability specific groups is not available, a group may comprise of persons with diverse disabilities. By and large, the SHG will be an informal group. However, the groups can also register themselves under the Societies Registration Act, the State Cooperative Act or as Partnership firm. The SHGs can be further strengthened and stabilized by federating them at village level. This would facilitate regular interaction and exchange or experiences including flow or information from DRDAs and other departments.

3.1.18 Role of Self-Help Group Members

- To promptly attend SHG meeting.
- To fully participate in SHG meeting and voice opinion clearly and freely.
- To share responsibility of SHG collectively like going to banks by rotation.
- To prompt repayment of SHG loan.
- To participate in village and social action programmes.
- To ensure unity and mutual trust between all members and adopt the principle of ‘give and take’.
- To ask questions/doubts openly and ensure that the SHG functions transparently.
- To ensure prompt annual reelection of at least representatives and also animators.
- To promptly attend training programmes and ensure implementation of good practices.
- To share problems, experience, feelings and ideas with all members of the SHG.
Although SHGs can be for men, women or men and women combines, SHGs of women are found to be more effective and SHGs of women constitute about 95% of the groups functioning in the state.

### 3.1.19 Functioning of Self-Help Groups

- The Self-Help Groups generate common fund where each member contributed her savings on a regular basis.
- SHGs meet periodically (weekly) collect the money saved by their members and lend to the needy members for production purposes and also for subsistence and consumption needs.
- Loaners are decided by consensus. Loan amounts are small with low interest rate and for short duration. Loan procedure is very simple and flexible.
- SHGs also take loans from banks or voluntary agencies or any other promotional institutions to meet the requirements of the members.
- The group itself with help of Non-Government Organisation (NGO) makes assessment of individual credit needs of its members and submits to the bank for sanction of collective loans in its name. The group collectively ensures repayment of bank loans.
- NGO helps the SHGs in procuring raw materials and also marketing of the produce.

An external facilitator working closely with the communities at grass root level, can play a crucial role in the group formation and development effort. The facilitator may be either from a government organisation or non-government organisations. The self-help group formation stages are outlined in Table 3.1.
## Table 3.1

### Stages of Self-Help Groups

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Stage</th>
<th>Duration</th>
<th>Role of NGOs</th>
<th>Role of SHGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Preparatory Stage</td>
<td>3 months</td>
<td>Initiator</td>
<td>• Attend meetings of organized by NGOs</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Identify poor through PRA method</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>• Get awareness about their role</td>
</tr>
<tr>
<td>2.</td>
<td>Forming and Storming Stage</td>
<td>3-24 months</td>
<td>Promoter</td>
<td>• Organise groups</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Selection of leaders and office bearers</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Evolve SHG norms and bye-laws</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Pooling of savings and loan operations</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Repayment of loan</td>
</tr>
<tr>
<td>3.</td>
<td>Stabilization Stage</td>
<td>24 to 60 months</td>
<td>Facilitator</td>
<td>• Attend training programme</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>• Develop skill</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>• Link with banks</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Shift from consumption to production loans</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Streamline accounting system</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Formation of new groups and stabilization of old groups</td>
</tr>
<tr>
<td>4.</td>
<td>Expansion/Growth Stage</td>
<td>60 to 96 months</td>
<td>Advisor</td>
<td>• Handling of SHG transaction independently with less support</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Formation of cluster association</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>• Link with Panchayat Union Office</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>• Take up community issues</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Take up income generation programmes.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Become financially viable</td>
</tr>
<tr>
<td>5.</td>
<td>Stage of Autonomy</td>
<td>After 8 years</td>
<td>Withdrawal</td>
<td>• Self-propeller federation to be formed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Linkage with banks to get intensified</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Participate in wider developmental and political process</td>
</tr>
</tbody>
</table>

Empowerment of Rural Women through SHG: A Study in Tiruchirappalli Dt

**Scheme 3.3**

**Activity of the Self-Help Groups of Women**

1. **Social and Economic Empowerment**
2. **Thrift and Credit Programme**
3. **Decision of group 10 to 20 each group**
4. **Income generating activities through IRDP / Trysem DWDRA**
5. **Convergence of support services**

**Literacy Improvement among Members**

1. Back to school programme for their children, family planning activities.
2. Health of mother and child care programme immunization, ORS, nutrition, Vitamin A.
3. Protection against Sex discrimination.
5. Conservation activities and creation of community services facilities.
3.1.20 Best Practices in Self-Help Groups

Getting a group formed takes time and skills. Development workers must pay frequent visits to the community where the group is to be formed and devote time to talk to the people and getting to know them. Some sort of investigation into the problems of people and their response patterns, beforehand will surely help. There is no one best way to form groups, however, the following sequence of events have been found to be consistent in yielding good results:

✧ A meeting with local opinion leaders and elders to develop mutual confidence.
✧ Use of rural mass media like burrakatha, street plays, puppet shows, folk songs, etc. for sensitizing and motivating community members.
✧ Providing clear picture about the theme of Self-Help Group programme soon after the cultural event.
✧ Enlisting the support of community volunteers for animation purposes and to do the talking with people.
✧ Holding of focus meetings of interested members to clarify doubts and address fears.

3.1.21 Membership in Self-Help Groups

It is important that people from poor households are made aware and made to recognize the significance of collective efforts in solving problems that seem impossible with individual efforts, by voluntarily deciding to put their efforts together to help increase their access to financial services, economic services like technology, training in skill and enterprise management, material support and marketing facilities etc. besides a host of other social services.
3.1.22 Homogeneity Factor

The greater the extent to which individuals share activities, the more they will interact and the higher the probability that they will form a group. Interaction enables people to discover common interests, likes and dislikes, attitudes or sentiments. There are other important factors which encourage homogeneous group formation viz.,

- **Gender**: Gender focus of groups has been quite successful in promoting gender concerns, particularly in the context of economic empowerment of women.
- **Neighbourhood**: People who live in the same neighbourhood are likely to form stronger groups than people who live in different areas.
- **Community**: People with similar social background exhibit similar coping behaviour in times of crises hence will be able to extend mutual support.
- **Occupation**: People in similar occupation tend to be cohesive and group action is often found successful in confronting common problem.

Besides these, other factors like age, physical or social disability, management of community resource/asset are also being tried out for building up community organisations.

3.1.23 Membership Requirements

- Size of group is normally restricted to 15-20 members to facilitate participatory processes.
- Members of a group should be at least 18 years of age.
- Members should be aware of rights and obligations of membership.
- Members must share understanding on objectives and vision of group.
Finally, membership by mutual selection is a solitary means to build group solidarity.

Mutual selection process entails the participant to expressly indicate the list of all people who could be trusted with their money. Persons with negative characteristics tend to be left out of such formed trust groups and those with the positive attributes tend to be included.

### 3.1.24 Rights and Obligations of Members

- Every member has a right to determine goals, objectives and vision of the group.
- Every member has a right to participate in every activity of the group.
- Every member has a right to participate in group meetings and decision-making.
- Every member has a right to participate in the leadership function.
- Every member has right to access loans from the pooled corpus funds of the group.
- Every member has a right to share in the group’s wealth.
- Every member has a right to scrutinize group’s records and inspect property.
- Every member has a right to withdraw from membership in genuine circumstances.
- Every member is under obligation to accept goals, objectives and vision of the group.
- Every member is under obligation to participate in all group activities.
- Every member is under obligation to make oneself aware and abide by group norms and rules.
• Every member is under obligation to participate in group meetings and decision-making.
• Every member is under obligation to contribute minimum agreed thrift amount to the group.
• Every member is under obligation to act with diligence in discharge of group responsibilities.
• Every member is under obligation to discharge debt liability contracted by the group.
• Every member is under obligation to participate in supervision of group finance/businesses.
• Every member is under obligation to defend the group at all for all.

It is quite interesting to note that the rights and obligations of members are almost convergent mainly on account of Self-Help Group being a member owned, managed and controlled institution. Every ordinary member is also a part of management. Hence, transparency is the watch word.

3.1.25 Governance in Self-Help Groups

Strong savings and credit groups owned and managed by the community itself need competent and committed development facilitators, strong cadre of leaders, and enlightened and alert members. Hence the governance of Self-Help Groups that promotes democratic traditions is crucial for its success. Evolution of norms or rules and regulations for self-governance, participatory decision-making, diligence and self-discipline among group members coupled with strong enforcement mechanism are sufficient conditions for transparency in group
operations. These rules are regulations are not mere statements but reflect the understanding of group norms by members through their conduct in group activities. Rules and regulations of the group, therefore, need to apprehend conflict situation in day-to-day functioning of group and provide ready solutions. These could broadly cover:

- Groups to have unique name to give it a distinct identity.
- Goals and objectives of group formation.
- Membership issues - optimal size, entry norms, exit policy.
- Extraordinary issues concerning membership - expulsion and cooption of members.
- Leadership structure - positions, roles and responsibilities.
- Positioning of leaders - tenure, selection and change process.
- Financial services - savings and credit products.
- Fund management - cash management, interest rates, and expenditures.
- Decision-making - decision-making apparatus, styles and record-keeping.
- Enforcement of decisions made by the group.
- Enforcement of group norms - discipline procedure.
- Relationships management with service agencies - Banks, SHPI/DRDA etc.

While stability of group membership is strongly encouraged, it is possible that a few members could be co-opted into the groups to attain optimality in group size, alternately delinquent members could be expelled, in which case the groups could undertake a situational analysis and take appropriate decision. However, core objectives of the group and rule for self-governance should not be lost sight of.
3.1.26 Leadership Responsibilities

It is apt to realize that leadership in a Self-Help Group is a verb and not a noun. The range of leadership responsibilities include the following:

- Providing guidance for group activities.
- Assisting in information sharing among group members.
- Helping define problems and identify solutions.
- Facilitating appraisal of group performance.
- Encouraging members to offer ideas and opinions.
- Resolving conflicts and disputes between group members.
- Conducting meetings and facilitating group decisions.
- Organising, implementing and coordinating group plants.
- Facilitating financial transactions during group meetings.
- Maintaining and keeping records of accounts.
- Maintaining a bank account on behalf of the group.
- Representing the group’s interests to outside bodies.
- Conducting negotiations and doing business with other organisations.
- Rendering truthful and correct accounts to members.

Considering the wide ranging responsibilities of leaders in Self-Help Groups, responsibility sharing mechanism by assigning different leadership roles to several members must be worked out. This entails:

- Grouping of leadership responsibilities and identifying leader positions.
- Affording clarity in roles and responsibilities of different leadership positions.
- Selecting leaders for discharging expected leadership roles on consensual basis.
• Developing systems and procedures where ordinary members are required to assist leaders in discharge of routine functions.

• Providing in built mechanism for rotation of leadership at least once in two years with clear succession plans for smooth change-over of leadership, similar to that found in rotary clubs.

• Adopting a methodology for changing leaders in case of non-fulfilment of expected roles.

3.1.27 Self-Help Group Meetings

Group meetings include times when members gather either periodically or at short notice to discuss the activities of the group and decide on its future actions. All activities in Self-Help Group revolve around meetings at which members access savings and credit services, share experiences, learn from each other and also receive education and training.

• Meeting is a forum for group action and facilitates information sharing among members.

• Meetings are to be convened at regular intervals as per the convenience of the members.

• While frequency of meetings is guided by the convenience of members, the critical determinant is the ability of members to discharge financial obligation to the group. In other words, thrift, credit and record keeping functions must converge with the meeting at least one a month.
Meetings must be held at a mutually decided place, date and time. In other words, meetings are conducted at the same place, on the same day and at the same time each time they are held.

In the absence of a common meeting place, meetings could be held at the house of each member by rotation.

Active participation in the deliberations by all members must be encouraged with expression of free and frank views. However, involvement of non-members in the decision-making process should be strictly objected to.

Structured agenda for group meeting with definite sequence of activities to be pursued (viz., attendance, review of decisions of previous meeting, thrift, repayments, loans and social issues) will make meetings effective.

Deliberations on other social and community issues together with routine financial matters are found to consolidate group dynamics.

Sharing of various responsibilities among the members during the meeting process.

Attendance of members taken before commencement of deliberations at the meeting enables effective member participation.

Meetings should have near-full attendance of members, any absence of members must be viewed seriously.

Penal provisions like fines, penalties, etc. must be enforced for late coming/leave without prior intimation.

Chronic absenteeism in meetings are generally discouraged by withholding or delaying other pecuniary benefits to members.
3.1.28 Savings Function

Poor look for saving services from formal financial institutions. Without a safe place to put their savings, the poor tend to invest it in assets such as gold, silver, livestock etc. which can be pawned or sold in times of need. Thrift contributions by members to the group must be perceived as a savings product serving long term financial security needs. As such savings are generated by poor households either by refraining from consumption or postponement of their not so urgent needs. The thrift contributions reflect confidence of members on the group and is seen as an index of their stake in the process. Thrift management is, perhaps, the most important function in a Self-Help Group. Some of the best practices in this include:

- Thrift collection could commence from first meeting itself.
- Periodicity and quantum of thrift decided by group members themselves keeping in view the ability of poorest member among them to pay the agreed amount at predetermined intervals.
- Minimum compulsory thrift contributions to be made by all members.
- Withdrawals against compulsory thrift contributions are not permitted unless the member withdraws from primary membership.
- Groups must insist for on-time contribution by members.
- Groups must collect thrift contribution in the presence of all members during the meetings only.
- Thrift collections must be utilized for lending to group members and must not be kept idle.
• Penal provisions like fines, penalties, etc. must be enforced against late payment or default in thrift.

• Chronic default in on-time thrift contributions by members is generally discouraged by withholding or delaying other pecuniary benefits to members. At times penalties for late/non-payment include fees, denial of higher loan amounts or longer waiting periods for loans.

• Delayed thrift contributions must not be received outside meetings.

• Additional or seasonal savings are encouraged by a few number of groups. But it is again desirable to have equal savings without interest implications keeping in view the weak fund management capability of many groups. However, whenever optional savings are offered it is suggested that suitable compensation (interest) is provided to address the equity question among various members.

• It is desirable to make payment of thrift amount to a member withdrawing from the group for genuine reasons.

• Continuity of thrift is the regular of Self-Help Group process and any attempt to obstruct or discontinue it after receipt of Revolving Fund, Subsidy, Grant or even a Bank Loan can only be a self-inflicting move.

3.1.29 Credit Function

Providing credit access to members of poor household on sustainable basis is the primary objective of Self-Help Group. A well conceived loan programme in a Self-Help Group will enhance its attractiveness to the members. These loans are often given for various purposes without insistence on collateral but are available at cost. There is no compulsion to avail of loan facility, as such those who avail loans
have to make a choice to pay the cost, or have no credit at all. Some of the best practices in the area of credit function management include:

- Self-Help Groups typically offer small, short-term loans for meeting emergent and consumption requirements only to their members.
- The internal lending must preferably commence from the data of first pooling of savings. Need based lending is strongly recommended by active groups.
- Loans are extended keeping in view the nature of need of particular member. Preference in borrower evaluation is, however, given to those who are regular in attendance at meetings and timely payment of thrift amounts.
- Group must have a system of giving differential priorities to several purposes for taking loaning decisions. Here urgency of purpose is given precedence while selecting a borrowing member.
- Groups must establish a process to assess of credit requirement for arriving at loan quantum, efficacy of such system need to be seen in the context of particular Self-Help Group.
- In a few groups, the loan quantum is in proportion to the individual member’s total thrift contribution. Decision of groups indicating differential loan quanta based on the purpose and person availing the loan reflects their maturity.
- All credit decisions must be taken at the meetings only after giving due consideration to opinion of all members.
- Large loans to members are suitably collateralized considering the risk perception of the group. Often, groups go in for chattel financing wherein a borrower offers a critical productive asset as security for loan.
- Terms of credit like interest rate and schedule of loan repayments are negotiated and conveyed clearly to the borrowing member.
- Flexible repayment schedules are worked out by groups taking into consideration the various income-flows of the household and repayment capacity of the member concerned.
- Monthly or even weekly repayments (wherever weekly meetings are held) of both principal and interest payments are found to be convenient to both borrowers and the group to liquidate the loan liability.
- Separate schedules for principal and interest payments may be stipulated as they are easy to comprehend even by illiterate borrowers.
- Loans could be issued to the borrowing members in the presence of other members of the group.
- Groups ensure proper end-use on credit as also management of asset, wherever created. This practice must be continued at frequent intervals till the loan is fully repaid by the borrowing member.
- Concurrent loans are generally discouraged by most groups in view of small fund base. But wherever they are given, rigorous appraisal must be undertaken on the purpose, genuine need of borrower and her performance in the earlier loan.
- Reward for on-time repayment may be given to members in the form of future access of higher loan amounts.
- Penal provisions like fines, penalties, etc. must be enforced against late payment or default in loan repayment.
- Chronic default in on-time loan repayment by members are generally discouraged by withholding or delaying other pecuniary benefits to members. At
times penalties for late/non-payment include fees, denial of higher loan amounts or longer waiting periods for further loans.

- Continuity of need based internal lending will strengthen Self-Help Group processes and any attempt to obstruct or discontinue it after receipt of Revolving Fund, Subsidy, Grand or even a Bank Loan can only be a self-destructive move.

### 3.1.30 Fund Management in Self-Help Groups

Mobilising micro-thrifts is only part of comprehensive savings service Self-Help Groups. Small savings from resource-poor households need operative protection against loss of deposits. Misappropriation in savings and credit groups as well as imprudent lending from internally generated deposits threaten the security of savings programme. They have to be shielded against the financial and non-financial risks. It is, therefore, considered necessary that high standards are set in the area of fund management which cover the following:

- Group fund generally comprises member thrift, interest earned on internal loans, fines and penalties levied on defaulting members, loans and grants received in the name of the group. The groups are not expected to discriminate between the sources of fund for meeting loaning requirements. In other words, the savings, loan repayments, interest payments, fines and penalties paid by members will be pooled in the meeting for on-lending to the group members.

- Efficient cash management in a meeting reflects the fund management capability of the group. Idle funds are a drag on the group.
• Responsibility sharing in cash management at each meeting on rotation basis for assisting the group leaders will not only promote transparency but also enhance fund management competence among group members.

• Managing of savings account with local branch is another important area in fund management. All cash collections made at a meeting may be deposited into the bank and withdrawals made for disbursing the loans. While members could take turns for depositing the cash into bank, the persons authorized and the borrower concerned could draw the money from bank. However, groups maintaining up to date records could consider extending loans out of pooled fund during the meetings itself. Periodic reconciliation of accounts with bank transactions is considered useful.

• Preparation of micro-credit plans in groups by groups improves considerably the credit absorption capacity as it entails acquisition of planning and financial skill among group leaders.

• In the initial stage only short term loans are extended, usually for periods ranging from 3-12 months, to enable larger number of members access credit facility from the group. However, insistence on monthly repayments from borrowing members will accelerate the velocity of lending within the group, which also partially reflect equity in loan access to group members.

• Groups must have a policy on interest rates. Most groups charge interest rates that are linked to contemporary market rates. It is also desirable to build in risk factor in the interest rate structure in long term.
• Generally interest is not paid to the members on the compulsory savings. Even in cases where interest is computed on compulsory thrift contributions the same is merged with the member savings rendering the very process in fructuous.

• Coming to interest rate on loans, a few groups have been charging differential interest rates to their borrowers keeping in view the purpose of loan which can be considered good. However, the groups are not expected to soften their rates in the short term with the receipt of grant or loan funds from institutional sources. It must be appreciated that the interest charged on loan is a source for raising additional capital to fund the corpus base. However, the interest may be charged on outstanding loan amounts as against interest rates charged by a few on EMI or flat rate basis.

• Members must be made aware of their cumulative thrift contributions and loan outstanding.

• Investment of pooled savings in a common asset (even a productive one) and blocking internal lending will in fact run counter to the objective of giving sustainable credit access to poor households. Further, the risk of investing entire corpus in a singular activity is fraught with risks.

• Groups incurring regular expenditure towards cost of bank transactions, honorarium to book keeper etc. could consider collecting additional amounts every month from their members to avoid erosion of loaning funds.

• A few groups have been holding small cash balance, say of ₹ 200 to ₹ 300 to give hand loans to members for meeting emergent credit requirements.
3.1.31 Record Keeping in Self-Help Groups

Record keeping is possibly the most crucial function in a Self-Help Group often confined to the periphery. An efficient record keeping assumes significance for promoting transparency in the system considering the need for providing safety of micro-deposits pooled in savings and credit programmes. An effective information system that supports their self-management efforts is sine-quo-non for sustainability of Self-Help Groups. Such system can be considered effective when it is easily understood and appeals to cognitive abilities of ignorant and illiterate community. Besides, it must be credible, verifiable and facilitate quick recall of stored information in the perception of users. Some of the best practices in record keeping area could reflect upon the following issues:

- Critical self-awareness must be created among groups on issues relating to record keeping.
- Groups must assume the responsibility for safe keeping of records.
- Group members must be trained to recognise books of accounts and their structure.
- Groups must be encouraged to discuss on nature and contents of records.
- Groups must be encouraged to hire services of local book keeper to upkeep records in case of non-availability of literate members in the group capable of writing the records.
- Groups must be strongly encouraged at compensate for services rendered by book keeper.
- Groups must ensure that books are updated while the meeting is in progress.
• Groups must ensure that book writer reads out the nothings made by him in various books.
• Groups must develop a practice of closing the books of accounts by year end.
• Cross checking of books across groups (peer audit) could be encouraged for audit purposes.
• Groups must encourage its members to learn to read and write their own books in the long run.
• Members must cultivate habit of confirming entries in member passbook.

3.1.32 Group Vigilance and Control Mechanism in SHGs

The corpus fund of a group is entirely contributed by its members and hence they alone must ensure that the fund is managed and controlled by them without any outside interference whatsoever. There is no alternative to alertness of members and their participation in group meetings. Some of the best practices discussed earlier also go in strengthening the group vigilance and control mechanism. These include:

• Responsibility sharing mechanism where members assist leader in conduct of meeting.
• Practice of leadership rotation coupled with clearly laid out succession plan.
• Preventing outsiders from handling cash, even for training purposes.
• Responsibility fixing for handling cash during meeting and holding impress cash thereafter.
• Practice of tallying cash inflows and outflows at the end of each meeting.
• Practice of clarifying memberwise cumulative savings and loans position every month.
• Responsibility to deposit cash and withdrawal from savings bank account on rotation basis.
• Practice of bank reconciliation on periodic basis.
• Ensuring end-use of credit by helping the borrowing member in purchase of assets, if any.
• Regular review of deviant behaviour of members in attendance, thrift or loan repayment.
• Enforcement of group discipline through fines and penalties system in a transparent manner.
• Practice of rotating members accompanying leader for training and review sessions.

3.1.33 Banking Relationship

Self-Help Groups are primarily savings and credit groups and availing savings and credit services from local banks is a logical extension of their growth strategy to meet increasing credit demand from members. Moreover accessing savings services from banks will provide safety to the pooled funds. It is expected that groups will demonstrate desired maturity in terms of group and financial dynamics leading to inculcation of banking habits in the groups. It would also make possible the bringing about of general improvement in the nature and scale of operations that would accelerate economic development.

• Open savings account in group’s name with the service area branch concerned.
• Regular operations in the group’s savings account will help build healthy relationship with bank.
• Groups to assess their future fund requirements and articulate the credit gap in micro-credit plans.

• Groups to have clarity on issues relating to eligibility conditions, credit entitlement and legal obligations arising out of credit linkage with banks.

• Groups and banker must hold discussions at loan appraisal stage for enabling banker to arrive at a credit decision.

• Terms and conditions of credit extended by banks including implication of joint and several liability in the event of credit linkage must be clearly understood by all members of the group.

• Groups must assimilate bank loans with their corpus fund by extending need based loans to those members who could not access loans earlier from out of pooled savings. Here, the group must take care not to deviate from the financing norms (quantum of loan, rate of interest, repayment period) already laid down for giving loans out of their pooled thrift amounts merely because outside funds are injected into the group corpus.

• Groups must ensure on-time payment of bank loans by setting aside a portion of total collections made in each meeting for honouring repayment obligation to the bank. In other words, groups will square up the default amount of any borrowing member and pass on the instalment amount to the bank as per contracted repayment schedule.

• Continuity of thrift and need based internal lending even after receipt of bank loan will strengthen Self-Help Group processes and any attempt to obstruct or discontinue it can only be a self-inflicting move.
Banks must reward for on-time repayment by means of repeat and higher finance.

SHGs also promoted democratic culture and provided women with opportunities to imbibe norms of behaviour that are based on mutual respect. Hence they were able to foster concern even in internal lending of loans based on the individual needs and priorities. It provided a firm based for dialogue and cooperation in programmes with other institutions like government departments, cooperatives, financial and Panchayat Raj Institutions.

The SHGs engaged not only in productive economic activities but also in social empowerment and capacity building of rural women. Health education, medical facilities, literacy, alternative agriculture practices, leadership qualities and team building are other activities of SHGs. Various studies revealed that SHGs ensured we feeling among the members achieving the group cohesiveness and accorded a social identity to the rural women. It also enabled them for collective bargaining while keeping up their dignity. The non-productive and non-assessed worthy, naïve village women had become agents of social change and economic development of the community through decentralized means of empowerment.

Empowerment, therefore, is closely linked to economic independence. Nothing succeeds better than the self-help. And when efforts are supported by the Government and private agencies the results could be extremely gratifying. Today, there are two lakh Self-Help Group women focused around economic activities like savings, collective marketing, promotion of individual enterprise and in the process of moving into the mean stream of society. In the process, leadership qualities...
blossom, discipline prevails and true democracy beginning to function. This also helps and value to the work they do, their families and their communities.

3.1.35 Problems of Women Entrepreneurs

✧ Women entrepreneurs do not have properties in their names to use them as collateral securities. Thus, their access to external sources of fund is restricted they have to manage on their own savings and negligible loans from friends and relatives.

✧ Due to primary household her panicities towards her family, her time gets divided between the two words. She has restricted timings for work due to which, she is not in a position to travel frequently and be away for longer period. Thus her mobility is terminate.

✧ Women have lower rate of literacy. Nearly 60% of the women are illiterate in India because of which they are not amine of the latest developments that have taken place in technology. Low level of education results in low achievements motivation amongst women entrepreneur.

✧ A woman is dominated by men in her family as well as business. Every activities she must obtain permission from men. Almost they are not treated as equals. So her freedom in herringed.

✧ From childhood, her parents take decision for her and after her husband takes over. She is protected throughout her life time. So their risk being ability is reduced.

✧ Our society does not give social recognition to women entrepreneur. They are looked as small and week.
3.1.36 Steps to Encourage Women Entrepreneurs

To encourage woman entrepreneurs the Government of India and Non-Government Organisation (NGO) promoted various schemes are promoted exclusively for women. A woman is wing of national alliance of young on the return (NAYE) which assist women entrepreneur. The following assistance provided by NAYE to women entrepreneurs:

- Providing access to capital, infrastructure and markets.
- Development of management and production capabilities.
- Identifying investment opportunities.
- Organising seminars, workshops and training programmes for giving wider exposure to women entrepreneurs.

- Commercial Banks also have women entrepreneurs to extend financial assistance to women. The IDBI has set up the Mahile Udayar Nidhi (MUN), Mahila Vikas Nidthi (MVN) schemes to help women entrepreneurs. MUN provides 15% equity assistance for a new project, its cost does not exceed ₹ 10 lakhs.

- Rashtriya Mahila Kosh (RMK) giving has been to poor women. It also organizes training, apprenticeship and orientation programmes.

- Indira Mahila Yojane (IMY) was landed in August 1995 to give education awareness income generation capacity and empowerment to women. This has to be implemented through Self-Help Groups.

- Rashtriya Mahila Yojana (RMY) was landed in August 1995 to give education awareness income generation capacity and empowerment to women. This has to be implemented through Self-Help Groups.
Several nationalized banks, SFCS, SIDO, DIC and voluntary agencies like FICCL’s ladies organisation (FLO) are engaged in protecting and developing women entrepreneurs in the rural and urban areas of the country.

3.1.37 Opportunities for Women Entrepreneurs in World Trade

Women entrepreneurs can start some of industries like agarpathi manufacturing, paper making, Bed spread making, embroidery making, and pickles making etc. There is a heavy demand available in the world trade for our Indian products. Because Indian people spread all over the world, they prefer to buy the Indian products and Indian torts. The foreigners are also like to buy Indian toys such as Rajasthan toys, Thanjavur toys and wooden made product. Therefore serious attention and a fresh look are required to reorient our developmental model and policies so that economic development and women’s development do not work at cross-purposes. Political reservations and provision of jobs for some middle class women are not sound methods for empowering women. A concerted attempt has to be made to evolve strategies for the economic independence and socio-political empowerment of the majority of poor, illiterate women, both in rural and urban areas.
SECTION-II

3.2 PERFORMANCES OF SELF-HELP GROUPS IN TAMIL NADU AND TIRUCHIRAPPALLI

3.2.1 Self-Help Groups in India

India has traversed a long distance on the road to development since independence, achieving significant success in various sectors. But somehow the country has still to do a lot to make life better in rural areas, particularly in the spheres of employment generation, self-employment opportunities, women empowerment through various socio-economic interventions and social development activities.

To correct the imbalance, remedial steps have been in the last few years to bring rural development to the forefront of national reconstruction. The Ministry of Rural development is accordingly implementing a number of programmes aimed at sustainable development of rural areas with focus on the most disadvantaged sections.

The Swaranjayanti Gram Swarojgar Yojana (YGSY) is thus the outcome of latest review and restructuring of anti poverty programmes. This Yojana is different from earlier programmes, in the sense of the strategy envisaged for implementation, SGSY has been conceived as a comprehensive programme of self-employment, through organisation of the rural poor into Self-Help Groups and their capacity building, training, planning of activity clusters, infrastructure build-up and technology and marketing support. The streamlining of government programmes through SHGs is outlined in Scheme 3.4
Scheme-3.4

Programme Route of SHGs in India

Central Government → SGSY → DWRAD → BDO/Bank → \[\text{Self-Help Groups}\] → Leaders → President, Secretary → \[\text{SHG Members}\]

State Government → Mahalir Thittam → District Project Office → NGO → \[\text{Funding Agencies}\] → Credit Programme → NGO
Programmes are streamlined through SGHs. Central government uses SHGs as a medium to disburse SGSY and state government renders ‘Mahalir Thittam’ through SHGs. The other national and international funding agencies streamline the credit programmes via SHGs.

There are two key aspects of SGSY, namely activities clusters and the group approach. Each block has to concentrate on four to five key activities based on local resource, occupational skills of the people and availability of markets, to enable Swarojgaris to earn sustainable income from their investments. The emphasis is also on organizing the poor at grass-roots levels through a process of social mobilization, which helps the poor to build their own decisions on all issues that will help them incoming above the poverty line. Since inception of the programme, about 6.23 lakh Self-Help Groups have been formed and around 22.55 lakh Swarojgaris have already been assisted. It has been decided in a National Conference held in June 2001 to setup at least one SHG in each habitation in the country by 2004. There are about 14 lakh rural habitations in the country.

3.2.2 Progress of Self-Help Groups in India

Growths in the number of Self-Help Groups and the amount of loan disbursed to them are the two indicators to judge the success of the programme. The pilot project started in 1992 has turned into a national movement, linking more than one million SHGs with bank credit. Cumulative progress of SHGs linked with banks from 1992 onwards is shown in Table 3.2 and in Chart-1.
### Table-3.2
Cumulative Progress of SHGs linked with Banks from 1992 onwards in Physical Terms

<table>
<thead>
<tr>
<th>Year</th>
<th>No. SHGs linked with Banks (current year)</th>
<th>No. SHGs linked with Banks (Cumulative)</th>
<th>Percentage increase over the previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992-99</td>
<td>32995</td>
<td>32995</td>
<td>-</td>
</tr>
<tr>
<td>1999-00</td>
<td>81780</td>
<td>114775</td>
<td>247.85</td>
</tr>
<tr>
<td>2000-01</td>
<td>149050</td>
<td>263825</td>
<td>129.86</td>
</tr>
<tr>
<td>2001-02</td>
<td>197653</td>
<td>461478</td>
<td>74.92</td>
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<tr>
<td>2002-03</td>
<td>255882</td>
<td>717360</td>
<td>55.45</td>
</tr>
<tr>
<td>2003-04</td>
<td>361781</td>
<td>1079091</td>
<td>50.43</td>
</tr>
<tr>
<td>2004-05</td>
<td>539365</td>
<td>1618456</td>
<td>49.98</td>
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<tr>
<td>2005-06</td>
<td>620109</td>
<td>2238565</td>
<td>38.31</td>
</tr>
<tr>
<td>2006-07</td>
<td>172599</td>
<td>2411164</td>
<td>7.71</td>
</tr>
<tr>
<td>2007-08</td>
<td>329493</td>
<td>2740657</td>
<td>13.66</td>
</tr>
<tr>
<td>2008-09</td>
<td>477800</td>
<td>2788457</td>
<td>17.13</td>
</tr>
</tbody>
</table>

Source: Progress of SHGs–Bank Linkage, NABARD, Mumbai
Chapter III

Theoretical Perspectives & Functions of SHG

Chart 1
Number of SHGs linked with Banks in India

Empowerment of Rural Women through SHG: A Study in Tiruchirapalli Dt
It has been observed from the above Table-3.2 and Scheme 3.2, that there is tremendous increase in the number of SHGs financed by banks from 32995 as on March 1999 to 2788457 by the end of March 2009.

At the end of March 2009, 2788457 SHGs were financed by the banks for doing their economic activities. The number of SHGs linked with the banks has been increasing year by year till the end of March 2006 after that it has started decreasing in number. Table 3.2 shows that there is uneven growth in the number of SHGs linked with banks.

SHGs in India have helped micro-enterprises by women individually and as groups. The newspapers frequently reported the success of such endeavours in the recent years. The examples are raising vegetables in the land commonly owned, readymade garment making, developing model farms - integrating agriculture, horticulture and animal husbandry, cultivation of medicinal herbs, mushroom cultivation, pot-making, stone quarrying, sheep breeding and marketing wool, preparation of pickles, running canteens in government office premises, taking on lease coconut groves, making sheet metal products, running a minibus, setting up mechanized dry cleaning centres, running public distribution outlets and so on.
### Table 3.3

**Physical Progress under SGSY in India (since inception, *i.e.* 1st April 1999)**

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>SHG formed since 1999</td>
<td>292426</td>
<td>515691</td>
<td>950078</td>
<td>1348951</td>
<td>1740917</td>
<td>1863763</td>
<td>1863565</td>
<td>2103988</td>
<td>2433481</td>
<td>2911281</td>
</tr>
<tr>
<td>Number of SHGs Passed Grade-I</td>
<td>125402</td>
<td>214011</td>
<td>176002</td>
<td>189634</td>
<td>204959</td>
<td>577021</td>
<td>576339</td>
<td>228393</td>
<td>166761</td>
<td>294588</td>
</tr>
<tr>
<td>Number of SHGs Passed Grade-II</td>
<td>74234</td>
<td>101291</td>
<td>54040</td>
<td>96020</td>
<td>90491</td>
<td>103403</td>
<td>103196</td>
<td>140868</td>
<td>158591</td>
<td>168980</td>
</tr>
<tr>
<td>SHG taken up Economic Activities</td>
<td>29017</td>
<td>26317</td>
<td>30576</td>
<td>35317</td>
<td>50574</td>
<td>68741</td>
<td>68532</td>
<td>116110</td>
<td>178973</td>
<td>154146</td>
</tr>
<tr>
<td>Percentage of SHGs taken-up economic activity to Grade-III</td>
<td>39.09</td>
<td>25.98</td>
<td>56.58</td>
<td>36.78</td>
<td>55.89</td>
<td>66.48</td>
<td>66.41</td>
<td>82.42</td>
<td>112.85</td>
<td>91.22</td>
</tr>
</tbody>
</table>

*Source: rural.nic.in & tnrd.gov.in*
Table 3.3 shows the cumulative figure of the SHGs formed since 1999-2009. There has been tremendous growth in the formation of SHGs till the end of March 2005. It again started increasing gradually from 2006-2009. The number of SHGs that passed Grade-I by availing revolving fund have increased from 125402 in 2000 to 294588 in 2009.

The number of groups which has passed Grade-II for availing the economic assistance has increased from 74234 in 2000 to 168980 in 2009. The percentage has increased from 39.09 to 91.22. This shows that there has been a steady increase in the economic activity of the Self-Help Groups.

3.2.3 SHGs - A Movement in Tamil Nadu

Multifold activities of SHGs have paved the way for improving rural and urban economy. Creating avenues for skill development, including leadership qualities and enabling economic independence are major functions of the ‘Mahalir Thittam’ a project of Tamil Nadu Women Development Corporation (TNWDC) aimed at empowerment of women. SHGs directly covered by the Tamil Nadu Women Development Corporation through the successful fostering of savings habit and promptness in loan repayment.

3.2.4 Tamil Nadu Corporation for Development of Women

Tamil Nadu Corporation for Development of Women Ltd. (TNCDW) was established in 1983 with the prime objective of bringing about socio-economic development and empowerment of women. The Department implements its flagship programme through Mahalir Thittam, besides implementing the IFAD Assisted Post Tsunami Sustainable Livelihoods Programme.
The Self Help Group (SHG) approach was started in a small way in Dharmapuri District in the year 1989 and has seen steady growth particularly with the introduction of Mahalir Thittam from 1997-98. It has now become a very vibrant movement spread across all districts of the State encompassing in its fold the poor, underprivileged women living on the fringes of society.

This programme has evolved from promoting traditional thrift and credit practices to supporting economic activities, building capacity of women at every stage. TNCDW has progressively introduced a wide range of definitive interventions, which have created a positive impact in the lives of women.

Due to this massive self-help movement, there is perceptible improvement in socio-economic status of poor women. Due to the constant effort of the government, women have become very active, assertive and are concerned with the issues relating to them and their surroundings.

3.2.5 Mahalir Thittam (Scheme for Women) of Tamil Nadu

Mahalir Thittam is a socio-economic empowerment programme for women implemented by Tamil Nadu Corporation for Development of Women Ltd. Mahalir Thittam is based on Self Help Group (SHG) approach and is implemented in partnership with Non-governmental Organisations (NGOs) and Community based organizations. Later the scheme was extended to the erstwhile Salem and South Arcot districts in the year 1991-1992 and further extended to Madurai and Ramanathapuram in the year 1992-93. Following the success of the IFAD project, Mahalir Thittam project was launched with State Government funding from 1997-1998 and was progressively introduced in all districts of the State. Today the SHG
The hallmark of the SHGs promoted by Mahalir Thittam is the systematic training provided to the SHG members and the office bearers. This capacity building brings about qualitative changes in the attitude of the women and promotes cohesion and effective functioning of the group.

All the SHG members are imparted training in 4 modules for 4 days to orient them to the SHG concept. The office bearers of the SHGs (Animator and Representative) are given training in 3 modules for 6 days. This training enhances the leadership quality, team building spirit and capacity to maintain books of accounts. In addition, SHG members who are interested in starting economic activities or develop skills to get self employment are provided skill training. The skill training includes a 5 day capsule on entrepreneurial development.
Scheme 3.5
Flow-chart showing effectiveness of Mahalir Thittam Project in Empowerment of Rural women

- Rural Women Living in Poor Condition
- Need Access to Development Resources
- Participation in Mahalir Thittam Project
- Individual Level
  - Material
  - Cognitive
  - Perceptual
- Household Level
  - Relational
- Group Entrepreneurial Level
- Community Level
  - SHG Performance
  - Entrepreneurial Performance
  - Acceptance
  - Participation & Visibility
  - Contribution & Utilization

Empowerment of Rural Women through SHG: A Study in Tiruchirappalli Dt
3.2.6 Credit Rating and Linkage

Credit rating is a benchmarking exercise to assess the group and ascertain its credit worthiness. SHGs are rated on various parameters to test their financial discipline and a committee consisting of representatives from Mahalir Thittam, DRDA, PLF, NGO and a Bank does effective functioning. The first credit rating, which is done six months after group formation, enables the group to access Revolving Fund or direct credit from Banks. The second credit rating is done after a lapse of another 6 months to ascertain the readiness and suitability of the group to undertake economic activity. Out of 3,31,782 SHGs, which have passed credit rating, 3,11,798 SHGs, have been linked to Banks as of March 2008. The total amount of Bank loans disbursed to SHGs is ₹ 2,673.40 cores.

3.2.7 Manimegalai Awards

To encourage well functioning SHGs and PLFs, the Government had announced Manimegalai awards at State and district levels. Awards are presented to 5 best PLFs and 10 best SHGs at the State level. One PLF selected as best at the district, level and 3 SHGs found to be the best at the district level are given Manimegalai awards and the best SHG at the Block level is given a certificate. The awards were presented for the year 2006-07 in September 2007 and 2007-08 in November 2008 and have been instrumental in motivating the SHGs and PLFs to strive for better performance.

3.2.8 Affiliation of Non-Governmental Organisations

Mahalir Thittam is implemented in partnership with Non-Governmental Organizations (NGOs) who help in formation of SHGs, provide training and
monitor them. The NGOs are provided funds for providing the above services. Interested NGOs are affiliated as partners to Mahalir Thittam if they satisfy the norms for affiliation. The affiliation norms for NGOs and the NGO agreement have been revised. The salient features of the new agreement are:

- Emphasis on quality of NGOs and not numbers
- Incentive to NGOs for facilitating credit linkage and economic activities.
- Performance based and linked to outputs.
- Adequate space for growth of community based organisations like Panchayat Level Federations and Village Poverty Reduction Committees.

The affiliation process is in progress and the new agreement will came into force from the year 2008-09.

**3.2.9 Panchayat Level Federation**

Under Mahalir Thittam, it is envisaged that Federations of SHGs will be formed at the Village Panchayat level called the Panchayat Level Federations (PLF). The PLFs, by pooling in talent and resources and exploiting economies of scale in production and marketing, can benefit member SHGs immensely. Strong federations are a sure way to ensure sustainability and self reliance of SHGs.

**3.2.10 Progress of Self-Help Groups in Tamil Nadu**

Multi-fold activities of SHGs have paved the way for improving village economy, creating avenues for skill development, inducing leadership qualities and enabling economic independence are major functions of the ‘Mahalir Thittam’ a five year project of Tamil Nadu Women Development Corporation (TNWDC)
aimed at empowerment of women. In the year 1991-92, the Tamil Nadu Women’s Development Project started on an experimental basis in Dharmapuri District with external funding from International Fund for Agricultural Development (IFAD). It received its first growth thrust and extended to Salem, South Arcot Districts, Madurai and Ramanathapuram districts during 1992-1994. By 1995-96, the project so well established and it was taken up as a model for future growth under the State Budget. This project known as ‘Mahalir Thittam’ is implemented with the support of the Non-Governmental Organisations (NGOs) and Banks. The project is functioning through a network of Women’s Self-Help Groups (SHGs) established and monitored with the assistance of NGOs. Further the growth of SHGs movement had been planned with a view to promote sustainability combined with depending of coverage at habitations and ward/slums in urban areas. Membership under the project has grown rapidly and as an 31st March 2004, the membership has crossed 27.5 lakh women in 162139 SHGs with 126404 Rural Self-Help Groups (2146856 members) and 35735 Urban Self-Help Groups (603518 groups). The Self-Help Groups have mobilized a saving of ₹ 439.34 crore.

The Tamil Nadu Women Development Project and the Swarnajayanthi Gram Swarozgar Yojana (SGSY) Scheme of the Rural Development have been converged with rural Self-Help Groups and common guidelines and norms have been adopted. Similarly, in respect of Self-Help Groups in Urban areas, the Swarnajayanthi Gram Swarozgar Yojana and the Tamil Nadu Women Development Project are being operated in a converged manner. Apart from commercial banks, the Self-Help Groups open bank accounts in Primary Agricultural Cooperative Banks and avail of loans as per the Tamil Nadu Women Development Project norms.
Table-3.4

Physical Progress under SGSY in Tamil Nadu
(since inception, i.e. 1st April 1999)

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<thead>
<tr>
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<tbody>
<tr>
<td>SHG formed since 1999</td>
<td>155238</td>
<td>180105</td>
<td>250310</td>
<td>287127</td>
<td>306188</td>
<td>321188</td>
</tr>
<tr>
<td>Number of SHGs Passed Grade-I</td>
<td>10085</td>
<td>19022</td>
<td>34971</td>
<td>33081</td>
<td>23788</td>
<td>56439</td>
</tr>
<tr>
<td>Number of SHGs Passed Grade-II</td>
<td>4133</td>
<td>6265</td>
<td>5165</td>
<td>7167</td>
<td>7197</td>
<td>6737</td>
</tr>
<tr>
<td>SHG taken up Economic Activities</td>
<td>2546</td>
<td>4674</td>
<td>2519</td>
<td>3407</td>
<td>5578</td>
<td>5049</td>
</tr>
<tr>
<td>Percentage of SHGs taken-up economic activity to Grade-III</td>
<td>61.60</td>
<td>74.60</td>
<td>48.77</td>
<td>47.54</td>
<td>77.50</td>
<td>74.94</td>
</tr>
</tbody>
</table>

Source: rural.nic.in & tnrd.gov.in

The above Table-3.4 shows the details of the SHGs formed since 1999 to 2009 excluding defunct groups. Defunct groups are those groups which are non-operational. The number of groups formed has tremendously increased from 155238 in 2004 to 321188 in the year 2009 since inception. The groups which have passed Grade-I have been 10085 in 2004 and 56439 in 2009, which shows a positive attitude of the groups towards their activity. The groups which have passed Grade-II have been 4133 and 6737 in 2009, every year the groups have increased gradually in availing the economic assistance by passing Grade-II. Percentage of SHGs that have taken up economic activity to Grade-II has been stated as 61.60 in 2004 and it has been in an increasing trend every year and in 2009 the percentage has been stated as 74.94 which shows that there is more involvement of members in the
economic activity and the financial assistance given by the SGSY and Mahalir Thittam has been utilized by the groups effectively.

3.2.11 Group Formation in Tamil Nadu as on 31st March 2010

In order to enable all women living below poverty line to join and benefit from the Self-Help Group movement, it has been estimated that one lakh new SHGs have to be formed in the State. To achieve this, it has been decided to form 50000 new SHGs in the year 2009-10 and another 50000 new SHGs during 2010-11. By doing so, Tamil Nadu will have the distinction of enrolling all women living below poverty line into SHG movement. During the next two years, group formation will be undertaken with special focus on NREGS women workers, urban slum dwellers and in Village Panchayats where SHG coverage is still inadequate. Table-3.4 gives the details of SHGs as on 31st March 2009.

Table-3.5
Details of SHGs in Tamil Nadu as on 31st March 2010

<table>
<thead>
<tr>
<th>S. No</th>
<th>Particulars</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Total № SHGs</td>
<td>4,41,311</td>
</tr>
<tr>
<td>2.</td>
<td>№ SHG members (₹ in lakh)</td>
<td>69.91</td>
</tr>
<tr>
<td>3.</td>
<td>№ Rural SHGs</td>
<td>3,02,092</td>
</tr>
<tr>
<td>4.</td>
<td>№ Members in Rural SHGs</td>
<td>48,33,472</td>
</tr>
<tr>
<td>5.</td>
<td>№ Urban SHGs</td>
<td>1,39,219</td>
</tr>
<tr>
<td>6.</td>
<td>№ Members in Urban SHGs</td>
<td>21,57,894</td>
</tr>
<tr>
<td>7.</td>
<td>Total Savings (₹ in crore)</td>
<td>2,568</td>
</tr>
<tr>
<td>8.</td>
<td>№ SHGs Credit Linked</td>
<td>4,02,046</td>
</tr>
<tr>
<td>9.</td>
<td>Total Credit (₹ in crore)</td>
<td>8,129.61</td>
</tr>
</tbody>
</table>

Source: Mahalir Thittam, Status Report, Tamil Nadu Corporation for Development of Women Ltd., Chennai

Empowerment of Rural Women through SHG: A Study in Tiruchirappalli Dt
3.2.12 Non-Governmental Organisations in Tamil Nadu

Mahalir Thittam is implemented in partnership with NGOs who undertake formation of SHGs, provide training and monitor them. For rendering these services, NGOs are paid formation cost, monitoring cost and also incentive for enabling SHGs to access bank credit. As on 31st March 2009, 437 NGOs are affiliated with TNCDW as per the revised affiliation norms listed in G. O. Ms No.155 Rural Development and Panchayat Raj (CGS-1) Department, dated 5th September 2007. The new agreement with these NGOs contain many salient features including performance based incentive and greater emphasis on quality and also provides an enabling environment for the growth of community based organisations like Panchayat Level Federation.

3.2.13 Revolving Fund to Self-Help Groups in Tamil Nadu

Revolving Fund is provided to SHGs to augment their group corpus and create credit discipline by enhancing their financial management skills. Proper utilization of revolving fund will have in making SHGs credit worthy and access bank loans. After passing the first credit rating, SHGs in rural areas are provided with Revolving Fund (RF) subsidy of ₹ 10000 under schemes like SGSY. But RF subsidy was not available to SHGs in urban areas which restricted their access to credit from banks. Therefore the Government announced a scheme to provide RF subsidy to urban groups from the year 2006-07. In two years period (i.e. 2006-07 and 2007-08) ₹ 30 crores have been provided as RF subsidy to 30000 urban SHGs in the State. As the allotment of funds for RF subsidy under the schemes like SGSY is limited, all the eligible groups were not able to get RF subsidy. Hence in 2008-09
the Government decided to provide RF subsidy to all the eligible 1.5 lakh SHGs and ₹ 150 crores were earmarked for this purpose. As on 31st March 2009, RF subsidy of ₹ 10000 each along with bank credit have been disbursed to 131413 SHGs during 2008-09.

3.2.14 Credit Linkage in Tamil Nadu

Bank credit is one of the most critical inputs for empowering SHGs and to reduce rural indebtedness. Banks normally extend cash credit of ₹ 10000 to ₹ 30000 to SHGs along with RF subsidy of ₹ 10000 provided by government. But the quantum of credit extended by banks to SHGs was not adequate to meet the credit requirements of all the SHG members. Therefore government has taken special efforts to increase the quantum of credit to SHGs and ensure credit is made available to SHGs in multiple doses. Due to the efforts taken by government, banks in the State have started providing minimum of ₹ 50000 as first linkage and minimum of ₹ 1 lakh and ₹ 1.5 lakh as second and third linkage respectively. The details of credit availed by SHGs are given in Table-3.6.

Table-3.6
Details of Credit Linkage in Tamil Nadu

<table>
<thead>
<tr>
<th>S. No</th>
<th>Year</th>
<th>Financial Assistance (in ₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Upto 2001</td>
<td>120.30</td>
</tr>
<tr>
<td>2.</td>
<td>2001-02</td>
<td>97.91</td>
</tr>
<tr>
<td>3.</td>
<td>2002-03</td>
<td>184.65</td>
</tr>
<tr>
<td>4.</td>
<td>2003-04</td>
<td>271.32</td>
</tr>
<tr>
<td>5.</td>
<td>2004-05</td>
<td>490.62</td>
</tr>
<tr>
<td>6.</td>
<td>2005-06</td>
<td>600.44</td>
</tr>
<tr>
<td>7.</td>
<td>2006-07</td>
<td>593.45</td>
</tr>
<tr>
<td>8.</td>
<td>2007-08</td>
<td>804.70</td>
</tr>
<tr>
<td>9.</td>
<td>2008-09</td>
<td>2174.57</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>5337.96</td>
</tr>
</tbody>
</table>
From the inception of Mahalir Thittam, SHGs have been assisted with the cumulative credit linkage of ₹ 3163.39 crores only upto March 2008. But during the year 2008-09 alone, the credit linkage to SHGs has touched ₹ 2174.57 crores, during succeeding years, the focus of Mahalir Thittam would be on increasing credit linkage to SHGs, particularly repeat loans and a credit target of ₹ 2400 crores have been fixed for the year 2009-10.

3.2.15 Skill Training for Youth

Given the popularity of the State as an industrial investment destination, there is huge demand for skilled manpower in manufacturing and services sector. By providing relevant skill training, unemployed youth can be productively engaged benefiting the society as well as the individual. With this objective in mind, TNCDW has imparted skill training to 11,485 youth through reputed industrial houses and institutions like MRF, NOKIA, Saint Gobain among others.

The Government announced the Youth SHG scheme in 2006-07 to channelise the energies of youth constructively and productively. As on March 2008, 19,698 youth groups have been formed and 2,640 youth SHGs have been provided RF subsidy of ₹ 10,000 each.

3.3 SELF-HELP GROUPS IN TIRUCHIRAPPALI DISTRICT

3.3.1 Formation of Groups

In Tiruchirappalli district, the primary survey done has revealed that the SHGs are of different types formed by various agencies though the objectives are the same. There are SHGs formed by NGOs facilitating the women in forming the
group, handling the records, banking operations etc and ultimately linking with
banks for revolving fund as well as small enterprise loan. In fact these NGOs
continue to support the SHG women in all the operations.

Another kind of SHGs are formed by NGOs which are basically in remote
areas and banks may not be able to extend support nor the individuals are able to
access the bank. In this situation the NGOs themselves take the loan on behalf of
the SHGs and in turn lend to the SHGs with relatively higher interest rates that falls
between the market and bank interest rates.

Yet another kind of groups observed are the banks themselves particularly
the Cooperative banks and the lead banks identify certain potential groups and
extend all the support as NGOs do. Apart from these three categories which are
almost found in all over the country, in Tiruchirappalli district there are various
other forms of SHGs which are NGOs formed but self-supported, SHGs formed by
the Government departments apart from the Women Development Corporation,
Block Development Offices etc and independent SHGs which have neither formed
by NGOs nor supported by banks rather they are formed on their own and functions
with the help of their own group fund.

Having realized that the SHGs are the prospective channel of women
development, several NGOs are mushrooming in both rural and urban areas in
Tiruchirappalli district. Informal information from the Associations of NGOs
revealed that there are more than 200 NGOs in Tiruchirappalli district alone. It is
also true that all of them are invariably working on various women development
programme including SHG formation. As a result of competition among NGOs in
forming SHGs, the NGOs are acting as a financial intermediary and extend credit. The process in which they form the group goes like this. Some representatives from the NGOs visit the target area either rural or urban, identify a few potential women, promise that they will be given loan at a lower interest rate compared to traditional money lenders and ask those women to identify 20 women from the area. Once they are identified they will be extended credit at the rate of say ₹ 2000 or ₹ 3000 per head with 24% to 36% interest. Attracted by these terms and conditions, several women in Tiruchirappalli urban have joined together in a group and claiming themselves as SHGs, though they are not strictly SHGs formed in the way in which they other SHGs are formed. Further, it is highly doubtful whether these groups would continue to exist after the credit needs are met. This apart there are some development departments such as National Co-operative Union which aims at an integrated agricultural development, agricultural, horticultural and other department which also form SHGs under the Women Development Programme. Of all these groups the Mahalir Thittam recognizes the first three groups and others are not recognized and accordingly they are not extended with any financial assistance.

3.3.2 Growth of Self-Help Groups in Tiruchirappalli District

While focusing on the growth in the district of Tiruchirappalli, the growth is said to be achieved when the funds of the government are distributed to the Self-Help Groups evenly and utilized effectively. The government motivates the public to form new groups and whereby every year new groups are formed and the fund are distributed among the groups evenly. The following Table shows the formation of groups from the year 1999 to 2009.
Chapter - III
Theoretical Perspectives & Functions of SHG

Table-3.7
Self-Help Groups Formation in Tiruchirappalli District

<table>
<thead>
<tr>
<th>S. No</th>
<th>Year</th>
<th>№ Self-Help Groups Formed</th>
<th>Cumulative Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1999-2002</td>
<td>2298</td>
<td>2298</td>
</tr>
<tr>
<td>2.</td>
<td>2002-2003</td>
<td>1153</td>
<td>3451</td>
</tr>
<tr>
<td>3.</td>
<td>2003-2004</td>
<td>3723</td>
<td>7174</td>
</tr>
<tr>
<td>4.</td>
<td>2004-2005</td>
<td>1727</td>
<td>8901</td>
</tr>
<tr>
<td>5.</td>
<td>2005-2006</td>
<td>1840</td>
<td>10741</td>
</tr>
<tr>
<td>6.</td>
<td>2006-2007</td>
<td>550</td>
<td>11291</td>
</tr>
<tr>
<td>7.</td>
<td>2007-2008</td>
<td>939</td>
<td>12230</td>
</tr>
<tr>
<td>8.</td>
<td>2008-2009</td>
<td>1000</td>
<td>13230</td>
</tr>
<tr>
<td>9.</td>
<td>2009-2010</td>
<td>2100</td>
<td>15330</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>15330</td>
<td>15330</td>
</tr>
</tbody>
</table>

It has been inferred from the above Table 3.14, that the total number of SHGs formed from 1999-2010 is 15330. The year 2003 to 2004 has witnessed a sharp increase in the formation of SHGs, i.e., 3723 groups. The lowest was recorded in the year 2006-2007. The Table shows that though there has been increase in the number of SHGs over the 10 years period, there has been uneven growth in the formation.
Empowerment of Rural Women through SHG: A Study in Tiruchirappalli Dt
3.3.3 Revolving Fund to Self-Help Groups in Tiruchirappalli District

The revolving fund is sanctioned to the Self-Help Groups which have been functioning for more than six months effectively. The purpose of this funding is to motivate the groups to involve in the promotion of the Self-Help Group. The groups are graded based on the factors like the amount collected by the members as subscription, utilization of the subscription amount, the way in which the group savings has been utilized and the activity done by them. Each of the above mentioned activities are checked with the records and based on that the groups are graded. If the performance is up to the benchmark then they are initially sanctioned with the revolving fund to the maximum extent of ₹ 50000 and out of which the groups are eligible to avail subsidy of ₹ 10000 which is paid by the Mahalir Thittam to the bank. The following Table shows the number of groups that have availed the revolving fund, subsidy availed totally and the amount of loan sanctioned from the year 1999 to 2010.

Table 3.8
Revolving Fund Details upto 30th September 2010

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Year</th>
<th>Rural</th>
<th>Urban</th>
<th>Total</th>
<th>Total amount of Revolving Fund (lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>2006-07</td>
<td>0</td>
<td>145</td>
<td>145</td>
<td>58.00</td>
</tr>
<tr>
<td>2.</td>
<td>2007-08</td>
<td>0</td>
<td>1075</td>
<td>1075</td>
<td>430.00</td>
</tr>
<tr>
<td>3.</td>
<td>2008-09</td>
<td>3250</td>
<td>1750</td>
<td>5000</td>
<td>2800.00</td>
</tr>
<tr>
<td>4.</td>
<td>2009-10</td>
<td>1050</td>
<td>450</td>
<td>1500</td>
<td>900.00</td>
</tr>
<tr>
<td>5.</td>
<td>Upto 30-09-2010</td>
<td>970</td>
<td>601</td>
<td>1571</td>
<td>942.60</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>5270</td>
<td>4021</td>
<td>9291</td>
<td>5130.60</td>
</tr>
</tbody>
</table>

Source: Mahalir Thittam Office, Tiruchirappalli

Empowerment of Rural Women through SHG: A Study in Tiruchirappalli Dt
Table-3.8 shows the details of the number of groups which have availed revolving fund, amount of subsidy given so far by the Mahalir Thittam and the amount of revolving fund availed by the groups as stated in the Table. The Table shows that there has been uneven increase in the groups availing the fund. The total amount of revolving fund to a group is ₹ 50000. The amount of subsidy on the revolving fund is ₹ 10000. This amount can be availed wholly or in parts. The revolving fund can be availed only by the groups which have been in existence for six months. The loan can be availed from the bank through NGOs.

3.3.4 Economic Assistance and Training to SHGs in Tiruchirappalli District

Financial assistance is given to the groups after a period of one year from the date of inception of the group which has passed Grade-II. The purpose of the economic assistance is to make them start an economic activity. The total amount of loan that can be availed by each group is ₹ 500000 and the amount of subsidy on the loan is ₹ 125000. The Mahalir Thittam pays this amount of subsidy to the bank for the amount of loan advanced to the groups. Table-3.9 gives a clear picture of the loan details availed by SHGs.

<table>
<thead>
<tr>
<th>S. No</th>
<th>Year</th>
<th>SHG</th>
<th>Subsidy (₹ lakh)</th>
<th>Credit (₹ lakh)</th>
<th>Total amount of Economic Assistance (₹ lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>2008-09</td>
<td>150</td>
<td>145.725</td>
<td>446.630</td>
<td>592.355</td>
</tr>
<tr>
<td>2.</td>
<td>2009-10</td>
<td>253</td>
<td>257.475</td>
<td>781.725</td>
<td>1039.200</td>
</tr>
<tr>
<td>3.</td>
<td>2010-11</td>
<td>32</td>
<td>33.175</td>
<td>100.425</td>
<td>133.600</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>435</td>
<td>436.375</td>
<td>1328.780</td>
<td>1765.155</td>
</tr>
</tbody>
</table>

*Source: Mahalir Thittam Office, Tiruchirappalli*
Micro-finance has emerged as one of the most successful and powerful facilitating medium or enabling the poor and disadvantaged sections of the society to access institutional credit. Micro-finance provides an opportunity to the poor for receiving adequate amount of credit easily to start the chosen income generating activity. The banks sanction economic activity loan on the basis of the project proposal submitted by the SHGs. It can be observed from Table-3.10 that 435 SHGs have been disbursed loans for economic activity to the tune of ₹ 1765.155.

**Table-3.10**

*Loan Received by Self-Help Groups in Tiruchirappalli (2008-09)*

<table>
<thead>
<tr>
<th>S. No</th>
<th>Sources</th>
<th>No. of SHGs</th>
<th>Loan Amount (₹ lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>SGSY - Rolling Fund</td>
<td>1715</td>
<td>171.50</td>
</tr>
<tr>
<td>2.</td>
<td>SGSY - Economic Assistance</td>
<td>131</td>
<td>147.35</td>
</tr>
<tr>
<td>3.</td>
<td>TANDCO - Economic Assistance</td>
<td>53</td>
<td>48.51</td>
</tr>
<tr>
<td>4.</td>
<td>TAHDCO - Revolving Fund</td>
<td>45</td>
<td>4.70</td>
</tr>
<tr>
<td>5.</td>
<td>RMK / NGO / NABARD</td>
<td>11286</td>
<td>5608.00</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>13230</strong></td>
<td><strong>5980.06</strong></td>
</tr>
</tbody>
</table>


To fine-tune the strategies for up-scaling support to micro-finance sector in Tiruchirappalli District SGSY allotted fund namely Rolling Fund, Economic Assistance of ₹ 171.50 lakh to 1715 groups, 147.35 lakhs to 131 groups respectively.
Chapter III

Theoretical Perspectives & Functions of SHG

List of Training Programmes

The following is the list of training programmes provided to SHG group members in Tiruchirappalli District through various non-governmental organisations:

1. Animator and Representative
2. SHG Members Training
3. EDP Training (Entrepreneur Development Programme)
4. Skill Training
5. Vocational Training
6. PLF Training
7. AIDS Awareness Training
8. Literacy Training
10. Health Awareness Training
11. Panchayatraj Training