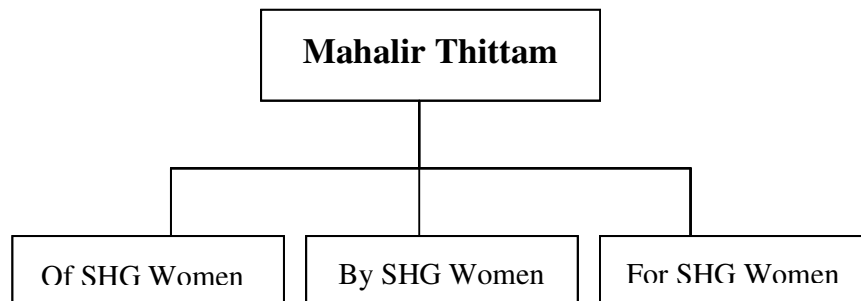


Chapter IV

Analysis of support rendered by banks to SHGs (Supply side)

Self Help Groups had their start in Tirunelveli district in the year 1999. With the help of NABARD the project was widespread in Tirunelveli District. The project was implemented as “Mahalir Thittam” by Tamil Nadu Corporation for Development of Women in Tamil Nadu.

4.1 Mahalir Thittam - an introduction



Tamil Nadu Women Development project under the name of ‘Mahalir Thittam’, with state funding, now covers all rural areas of the entire state. This announcement can also be seen as another path-breaker, involving a massive replication of the TNWDP successes to cover about 10 lakh poor women of the state. This scheme is intended to promote economic development and social empowerment of the poorest women through a network of Self Help Groups formed with active support of NGOs. The scheme would replicate the TNWDP experiment, adopting the positive learning, while casting away many of the shortcomings seen in TNWDP.

The vision of the project is to reach out and empower 10 lakh poorest and most disadvantaged women below poverty line, through 60,000 self-reliant and sustainable Self Help Groups

These groups would, not only engage in productive economic activities, but also function as important sustainable rural structures, for dissemination of knowledge about health and nutrition, literacy, education, adoption of new agricultural practices, farm and non-farm sector economic activities, and help prepare women to take up leadership positions.

Project Objectives

The objectives of the project are:

- Social empowerment
- Economic empowerment
- Capacity building

of the poorest and most disadvantaged women in the State.

This empowerment of women would lead to benefits at two levels. One, direct benefits to the individual women and women's groups and second, spillover development benefits for families and community as a whole.

Mahalir Thittam Mission Statement:

1. To build capacity of poor and disadvantaged women in order that they are enabled to cross all social and economic barriers and there by facilitate their full development into empowered citizens.

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

3. To create or reorient democratic, economic and social processes and institutions to enable poor women to participate fully and actively in decision making in the family and community, and at the local, district, state and national levels.

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

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

6. To advocates changes in Government policies and programmes in favour of disadvantaged women.

Project Strategy for Poor Women & SHGs:

- ❖ Development of strong, cohesive, Self Help Women Groups, through inculcation of the spirit of Self Help and team sprit.
- ❖ Inculcating habit of savings and principles of discipline, through training.
- ❖ Improved access of SHG members to various government, development schemes and bank credit, through strong partnership between banks, NGOs and TNCDW.
- ❖ Getting out of money lender's clutches, by helping build a financially sound and sustainable SHG.
- ❖ Increased asset-base and income, through access to inexpensive and timely credit.
- ❖ Self confidence building through networking.
- ❖ Increasing social awareness, through intermingling and exposure.
- ❖ Improved status of women in the family and society, through credit, improved skills, capability and exposure.
- ❖ Improvement in health and family welfare, through awareness training and exposure.

- ❖ Functional literacy through training programmes.
- ❖ Awareness of legal rights and legal aid access through networking and training.
- ❖ Overall leadership development, through exposure to SHG management by conscious rotation of responsibilities.
- ❖ Control over income and better income management, through opening up better options.
- ❖ Change from worker status to worker manager status, by putting control over their lives in their own hands.
- ❖ Access to market, through training and facilitation.
- ❖ Assisting and encouraging need based tapping of alternate credit delivery systems.
- ❖ Encouraging networking through formation of Women's Federations at various levels.

Benefits to Community and Village

- ❖ Inculcation of the spirit of Self Help and team spirit.
- ❖ Higher Social Capital - Active participation and collective action for development.
- ❖ Model effect, wherein other poor women begin to form similar groups seeing the success of the older SHGs.
- ❖ Improved health and family welfare, through better awareness.
- ❖ Better education for children and literacy due to increased awareness.
- ❖ Knowledge of various welfare programmes of Government and Banks in villages.
- ❖ Voicing and acting against social injustices and violence against women and children.
- ❖ Women become vocal and gain confidence.

- ❖ Economic development due to better economic status of families.
- ❖ Abolition of bonded labour and child labour through better economic status and increased awareness.
- ❖ Environment consciousness and conservation of natural resources.
- ❖ Communal harmony and caste harmony.
- ❖ Eradication of evils of alcohol and dowry.

Project Area:

The project area encompasses all 28 districts of Tamil Nadu except Chennai District. The scheme has been extended to all districts in a phased manner.

Participating Agencies - Roles and Inter Linkages

Organisation Structure:

Mahalir Thittam is an unusual long term partnership between three agencies - the state government, non governmental organisations and NABARD / other banks and financing institutions. The endeavor is to combine the wide reach and resources available to the state, with the grassroots presence, goodwill, commitment and innovative work of the NGO's together with support from NABARD and credit from banks and other funding sources.

At State level:

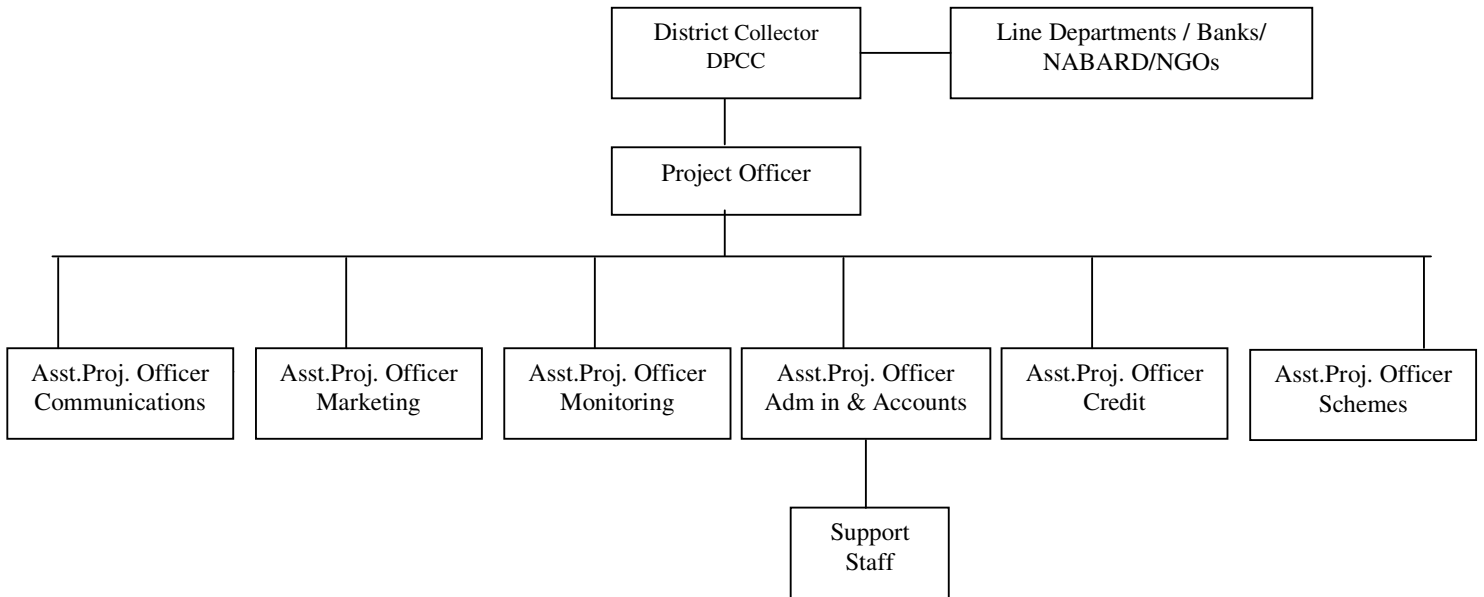
The Project Management Unit (PMU) at the Corporation head office, headed by the Chairperson - cum -Managing Director and Executive Director. At the State level, Central Project Coordination Committee (CPCC) headed by the Chief Secretary give policy directions and reviews overall progress.

At District Level:

At the District Level, Project Implementation Unit (PIU) is headed by a Project Officer, assisted by six Assistant Project Officers (APOs) in the various functional areas of Training and Communication, Monitoring and Evaluation, Schemes, Marketing, Administration and Accounts and Credit. Further, at the district level, there is a District Project Co-ordination Committee (DPCC) headed by the District Collector for co-ordinating works of all partners in the project and different Government departments.

Project Implementation Unit (PIU)

District Offices



Source: Mahalir Thittam, Credit Guidelines for self help groups, Tirunelveli.

Field Level:

NGOs will have a cluster coordinator for every five village panchayats, consisting of about 15 groups. For larger NGOs, there are block coordinators, while smaller NGOs have a Project Coordinator who may be often the Chief Executive. Further at the block level, the Block Level Coordination Committee (BLCC) comprising of concerned NGO staff one / two representatives of each SHG in the block, bankers and PIU staff meets every month to review progress and solve operational and social problems, besides giving valuable training inputs.

4.2 Supply side analysis

As on December 2007 nineteen NGOs are functioning under TNCDW and they are working vigorously for the development of rural areas in Tirunelveli district. Fifteen thousand six hundred and seventy eight (15,678) groups has been formed successfully and 14,206 groups has been credit linked and loan to the quantum of Rs.13,042.84 lakhs has been disbursed so far (as on 30.9.2007)

Detail of the groups formed from the inception of project till 30.9.2007 is tabled below.

Table No. 4.1
Details of groups formed from inception till 30.9.2007 by TNCDW

Year	No. of Groups	Percentage to total
1999-2000	821	5.24
2000-2001	2147	13.70
2001-2002	1598	10.20
2002-2003	951	6.07
2003-2004	1971	12.57
2004-2005	1330	8.48
2005-2006	5050	32.21
2006-2007	820	5.23
upto 30.9.2007	990	6.30
Total	15678	100

Source: TNCDW, Tirunelveli

The highest number of groups formed during the study period was during the year 2005-2006. The least number of groups formed were during the first year of the project. The number of groups formed depends on the active functioning of NGOs (Table 4.1)

Table No. 4.2
Quantum of loan disbursed till 30.9.2007 from inception

Year	Amount (in Lakhs)	Percentage to total
1999-2000	44.53	0.34
2000-2001	269.69	2.06
2001-2002	313.87	2.40
2002-2003	809.08	6.20
2003-2004	1843.79	14.10
2004-2005	1967.98	15.10
2005-2006	4460.13	34.20
2006-2007	2356.22	18.10
upto 30.9.2007	977.61	7.50
Total	13042.84	100

Source: TNCDW, Tirunelveli.

Quantum of loans disbursed under direct credit, revolving fund assistance, loan for economic activity provided under various Government sponsored schemes from 1999-2000 till 30.9.2007 are evident from table 4.2. Thirty four percent of the total loan disbursed was during the year 2005-2006. The number of groups formed was also highest during the said year. During the first year of the project the loan disbursed was less than half a percent to total. The quantum of loan disbursed does not depend upon the number of groups formed but depends on the number of groups rated and linked to banks.

TNCDW along with various other government department like DRDA, DIC is providing various training for the SHG members to start micro enterprises. They also provide other skill training and skill up gradation training which will help them to improve their standard of living. The following tables show the various training programmes provided by the TNCDW and the number of members benefited by it.

Table No. 4.3
Details of members attended Entrepreneur Development Programme

Year	No. of Members
1999-2000	NA
2000-2001	NA
2001-2002	4583
2002-2003	5214
2003-2004	4804
2004-2005	5762
2005-2006	6220
2006-2007	950
upto 30.9.2007	121
Total	27654

Source: TNCDW, Tirunelveli

The above table shows the number of members who attended seven days entrepreneur development programme. The training programme was conducted to increase the awareness among the members about self employment and to enable them to carry out a profitable venture. The major focus of this programme has been to provide support to economically disadvantaged women. However, it has been viewed that for development of entrepreneurship among women and to encourage them to set up their own business ventures, exclusive adherence to poverty criteria would unsuitable. TNCDW is funding EDPs which will be open to all potential women entrepreneurs preferably first generation.

Table No. 4.4

Details of members attended skill training

Year	No. of Members
1999-2000	NA
2000-2001	NA
2001-2002	1102
2002-2003	343
2003-2004	156
2004-2005	890
2005-2006	140
2006-2007	857
Upto 30-9-2007	-
Total	3488

Source: TNCDW, Tirunelveli

The programme advocates the objective of extending training for up gradation of skills and sustainable employment for women through a variety of action oriented projects which employ women in large numbers. It covers eight traditional sectors of employment i.e. agriculture, small animal husbandry, dairying, fisheries, handloom, handicrafts, khadi and village industries and sericulture. Two more sectors, namely social forestry and waste land development have been added later. The objective of this training programme is to provide training for skill up gradation. Mobilising women in small viable groups and making facilities available through training and access to credit, enabling groups of women to take up employment-cum-income generation programmes of their own, provide support services for further improving training and employment condition of women.

Table No. 4.5
Details of the training and number of members who
attended the training programme

S.No.	Training	No. of members
1	I.T Training	25
2	Growing Medicinal Plants	430
3	Doll Making	131
4	Machine Embroidery	75
5	Textile Technology	140
6	Candle Manufacturing	418
7	Repairing cell phones	22
8	Manufacturing of Resin bags	54
9	Food Processing	1016
10	Webbing Ropes	60
11	Mushroom Culture	456
12	Computer Training	205
13	Preparing Panchakavyam	25
14	Book Binding	144
15	Flori Culture	216
16	Manufacture of Sugar cubes from palm juice	80
17	Preparing Fruit Juice	136
18	Production of Palm Products	10
19	Sericulture	76
20	Plumbing Training	13
21	Paper Flower Preparing	54
22	Processing of fish	30
23	Flower harvesting	40

24	Vermi compost	1043
25	Readymade Garments	116
26	Beautician Training	12
27	Printing of Book Binding	12
28	Manufacture of Paper bags and cups	55
29	Agri and Vermi compost training	673
30	Cookery Training	18
31	Clay doll making	20
32	Chandelier making	49
33	Basket Weaving	117
34	Preparing of greeting cards	56
35	Home need products training	178
36	Hallow Blocks	35
37	Manufacturing of Castor oil from seeds	50
38	Masala Powder	158
39	Photo Lamination	85
40	Preparing art things from Sea shells	130
41	Mat Weaving	30
42	Simple Chemicals	1465
43	Tailoring	183

Source: TNCDW, Tirunelveli

The project was implemented in the year 1999 and researcher has studied the performance of 200 groups of the first seven years. Those groups which have availed loans many times are selected because it helps the researcher to study the improvement in all aspects after joining SHG. Two hundred group leaders were met in order to get the

necessary informations. NGO's were approached to trace out the active groups and ten groups from each block is the sample size.

Tables 4.6 – 4.11 explain the number of groups formed and the various types of loans availed by the groups during the study period.

Table No. 4.6
Number of SHGs formed during the study period
1999-2000 to 2005-2006 by TNCDW

Year	No. of Groups	No. of Members
1999-2000	821	14,391
2000-2001	2,147	37,797
2001-2002	1,598	30,532
2002-2003	951	17,645
2003-2004	1,971	35,078
2004-2005	1,330	23,150
2005-2006	5,050	86,054
Total	13,868	2,44,647

Source; TNCDW, Tirunelveli

The total number of groups formed during the study period was 13,868. The number of members in these groups were 2,44,647(Table 4.6).

Table No. 4.7
Amount of Direct Credit obtained by the
groups during 1999-2000 to 2005-2006

Year	Amount (in lakhs)	Trend Value
1999-2000	7.28(65)	-622.31
2000-2001	53.03 (309)	-57.45
2001-2002	176.10 (824)	507.41
2002-2003	348.65(829)	1072.27
2003-2004	1528.98(2132)	1637.13
2004-2005	1584.82 (671)	2201.99
2005-2006	3807.01 (4182)	2766.85
2006-2007		3331.71
2007-2008		3896.57
2008-2009		4461.43
2009-2010		5026.29
2010-2011		5591.15
Total	7505.87(9012)	

Source: TNCDW, Tirunelveli

(Figures in parenthesis indicate number of groups).

The above table shows the quantum of direct credit (consumption loan) disbursed during the study period. The number of groups availed this type of loan increased in all years except the year 2004-2005. During the last year of study, 4182 groups have availed Rs.3,807 lakhs. Trend projections are given upto 2010-2011.

Table No. 4.8

**Details of revolving fund assistance availed by the groups
during the study period 1999-2000 to 2005 -2006 under SGSY**

Year	Amount	Trend value
1999-2000	37.25(149)	40.42
2000-2001	141.25(565)	66.42
2001-2002	97.5(390)	92.42
2002-2003	59.25(237)	118.42
2003-2004	112.25(449)	144.42
2004-2005	36.93(149)	170.42
2005-2006	344.50(1050)	196.42
2006-2007		222.42
2007-2008		248.42
2008-2009		274.42
2009-2010		300.42
2010-2011		326.42
Total	828.93(2989)	

Source: TNCDW, Tirunelveli

(Figures in parenthesis indicate number of groups)

Two thousand nine hundred and eighty nine groups have availed 828.93 lakhs under revolving fund assistance during the study period. The numbers of beneficiaries are highest in the last year of the study. Trend projections are also given for the future period upto 2011(Table 4.8).

Table No. 4.9

Details of economic activity assistance availed by the groups during the study period 1999-2000 to 2005 -2006 under SGSY

Year	Amount	Trend value
1999-2000	0	-
2000-2001	75.35(28)	73.62
2001-2002	40.27(14)	96.70
2002-2003	234.44(103)	119.78
2003-2004	62.31(31)	142.86
2004-2005	200.30(205)	165.94
2005-2006	175.27(70)	189.02
2006-2007		212.10
2007-2008		235.18
2008-2009		258.26
2009-2010		281.34
2010-2011		304.42
Total	787.94 (451)	

Source: TNCDW, Tirunelveli

(Figure in the parenthesis shows the number of groups)

Loan for common economic activity of the groups availed shows that 451 groups have availed this type of loan during the study period. During the year 2004-2005, 205 groups have availed 200 lakhs which is the highest in number and quantum during the study period (Table 4.9).

Table No. 4.10

Revolving fund assistance and economic activity assistance availed by the groups provided through TADHCO during the study period 1999-2000 to 2005-2006

Year	Revolving Fund	Economic Activity
1999-2000	-	-
2000-2001	-	-
2001-2002	-	-
2002-2003	-	165.24(62)
2003-2004	30.75(123)	92.00(27)
2004-2005	34.75(139)	90.56(30)
2005-2006	14.50(58)	118.85(41)
Total	80 (320)	466.65 (160)

Source: TNCDW, Tirunelveli

(Figure in parenthesis shows number of groups)

TADHCO also provided loan to SHGs and the above table shows the number of beneficiaries. Three hundred and twenty groups have availed 80 lakhs under revolving fund and 160 groups have availed Rs.466.65 lakhs for economic activity.

Table No. 4.11
Loans availed by the groups under other schemes from
1999 – 2000 to 2005 -2006

Year	SJSRY(EA)	Minority Loan	TABCEDCO
1999-2000	-	-	-
2000-2001	-	-	-
2001-2002	-	-	-
2002-2003	1.5(2)	10 (12)	-
2003-2004	7.5(33)	-	-
2004-2005	7.0 (10)	-	13.62 (39)
2005-2006	-	-	-
Total	16 (45)	10 (12)	13.62 (39)

Source: TNCDW, Tirunelveli

Table 4.11 shows the other loans availed by the groups during the study period. SJSRY is a scheme for urban unemployed youths. Loans are provided for urban SHGs under this scheme. Forty five groups have availed loan amounting to Rs.16 lakhs under this scheme for economic activity. Loan for minorities to the quantum of 10 lakhs for 12 groups have been disbursed in the year 2002 -2003. Loan through TABCEDCO for purely backward groups to the quantum of 13.62 lakhs for 39 groups have been disbursed in the year 2004 -2005.

Loan for Tsunami hit areas

During December 2006, Tsunami hit Tamil Nadu and the state was badly affected by the killer waves.

Loan to SHGs who were affected by Tsunami were provided during the year. Revolving fund assistance to 603 groups amounting to Rs.223.60 lakhs was sanctioned. Loan to the tune of 77.25 lakhs to 29 groups to undertake economic activity was also sanctioned.