Chapter 2

Socio-Economic Background of SHG Members

2.1. Introduction

In this chapter, an attempt has been made by the researcher to examine the literature regarding existing studies in Section A, and also to study the socio-economic background of the sample Self Help Group members in Section B.

Section-A

Review of Literature

A group is a congregation of people with an aim; a common goal or an agenda. An SHG is a voluntary association of people with a common goal. It is small and manageable, fully relying on internal strength. The goal is fixed on social or economic empowerment. The SHG aims to achieve economy of scale, reliance on internal strength and empowerment (especially of women and the downtrodden). These SHGs are instrumental in assimilation and dissemination of knowledge about health, nutrition, literacy, women’s rights, child care, education, adoption of new agricultural practices, farm and non-farm sector economic activities, and the like. Uphoff, N.T. and Esman, M.J.
The Self Help model in India facilitates institution building in the form of people’s organizations in the form of groups, clusters and federations. The poor, however, seldom organize themselves. It is an assisted Self Help (Uphoff and Esman, 1984) process where the State, the financial institutions and the Non-Governmental Organizations (NGOs) play an important role in mobilizing and assisting the poor and the needy. While the policies of the external agents of development place emphasis on building intuitions to assist the poor and women, the practice-oriented reality has to deal with the structural barriers that people, women and the organizations face. At the level practice the outcome of Self-Help depends on building mutually beneficial relationships, negotiating power and control.¹

**Accion (1989)**, On an average, between 50 and 55 percent of the programmes, one finds that the clients are women, many of them working in textile processing, food processing and commerce.²

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Hans Dieter Seibel and Uben Parhusip (June 1990) Institutional linkages between Self-Help Groups and Banks. Linking informal and formal financial institutions, the financial self-help groups act as intermediaries between micro entrepreneurs and the banks.³

Maria Otero (March 1991) Micro enterprise programs can be excellent vehicles to foster savings among poor populations, with considerable benefits for both those savings and for the programs themselves.⁴

Chowdhory, A.M.R.et al. (September 1991) As the rural population of Bangladesh increases, landlessness among people once dependent upon agriculture is a growing problem. The Bangladesh Rural Advancement Committee (BRAC) has been working with the rural poor since 1972, and in 1979 it began to provide credit via its 81 branches through the Rural Development Programme (RDP). Ten years later the success of the RDP in generating incomes and employment through small business and building up through small business and building up assets has evaluated. It revealed that RDP group members had a 26 percent higher per capita income.⁵


Henry R. Jackelen and Elizabeth Rhyne (December 1991) Over the past decade a number of similar initiative to provide credit and savings to the poor have been evolving which treat the poor as commercial clients rather than, ‘beneficiaries’. These initiatives establish the fact that the poor are able to save and repay loans made at unsubsidized rates of interest.\textsuperscript{6}

Nanda,Y.C.(October – November 1994) Chief General Manager, NABARD, at a Seminar on ‘Linkages of SHGs with Financial Institutions’ held on 17-18 September, 1994 at Dhaka in Bangladesh stated that the SHGs or the Thrift and Credit groups were mostly informal groups whose members pooled savings and relented with the group on rotational or need basis. These groups had a common perception of need and impulse towards collective action. Many of these groups got formed around specific promotional activity, promoted savings among members and used the pooled resources to meet the emergent needs of the members including the consumption needs. Sometimes the internal savings generated were supplemented by external resources loaned or donated by the voluntary agency which promoted the SHGs.\textsuperscript{7}


The Tamil Nadu experiment in the SHG was pioneered by a few Non-Governmental Organizations (NGOs). The Government of Tamil Nadu partnered this lab-scale experiment proved to be a laboratory model, worthy of up scaling and replication in other parts of the state and country. Financial discipline inculcated through internal rotation of savings and introduction of best practices like double-entry book keeping helped in building capacity of the SHG members.8

**Modkey, M.D (March 1999)** In his Article, “SHGs and Micro Credit: Sustaining Rural Women,” stated that the SHGs usually generated a common fund out of small savings from persons or groups collected on a regular basis by curtailing unproductive expenditure. Sometimes, the internal savings generated were supplemented by the external resources loaned or donated by the voluntary agencies involved in promoting and strengthening the SHG. The credit needs of members were usually assessed at monthly meetings. The SHGs thus provided access to credit for the poor. The transaction cost was low. Because of constant and effective supervision, the loan was properly utilized and repayments were prompt.9

**Puhazhendi, V and Jayarman, B. (October-December 1999)** In their Article “Increasing Women’s Participation and Employment Generation

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among Rural Poor. An approach through Informal Groups”, stated that the informal groups of rural poor with active intervention of the NGO’s, adequately supported by training and financial assistance, ensured and also significantly improved women’s participation both from economic and social aspects. The group approach is becoming more and more important as evidenced by the recognition accorded by the Government of India in the ongoing Income Generating Programmes. The SHGs have become the focal point of the development schemes under the unified poverty alleviation program ‘SGSY’ launched in April 1999 by the Government of India. NABARD’s commitment to empowering at least 100 million rural poor through one million SHGs by the year 2008 would further increase the emphasis of group approach among the rural poor, especially women. Further, reduction in transaction cost of lending and increased recovery performance reinforce the group concept in the rural credit delivery through formal institutions. Hence, there is a greater potential for the group approach in future while conceptualizing and implementing any programme for the rural poor, especially women.\textsuperscript{10}

Puhazhedi, V. and Jayaraman,B. (1999) the management of SHGs in a sustainable manner is a challenging task. It is interesting to note that SHGs with exclusive woman members are more sustainable than those of men\textsuperscript{10}

members. In fact, more than 80 percent SHGs in India are of women members. Further, SHGs promoted by NGOs are being recognized by the financial institutions and Government of India as powerful vehicles for empowerment of women through participation and employment generation.¹¹

Raman N.P.Y. (December-February 2000) Shared his research experience of the Primary Agricultural Co-operative Society of Kerala with Self Help Groups. His study shows that through both the groups availed of the loan for the same purpose, the recovery of loans from the Self-Help Groups was 95 percent to 100 percent while it was 60 percent to 70 percent from the members of the Primary Agricultural Cooperative Society. The reason cited was that the members of the Self-Help Group were to pay only a 4.5 percent rate of interest against the usual 9.5 percent interest after deducting the State Government incentive of 5 percent. The low rate of interest and the government incentive made a large difference between the income and profitability of members covered under Self-Help Groups and the others not covered by the Self-Help Groups. The sample study showed that only 10 percent of the members of the Primary Agricultural Co-operative Society had been brought under the concept of Self-Help Groups. Even among those, only 60-70 percent was actually benefitted by the scheme and the rest were cultivators of crops other than food-grains, fruits and vegetables. He proved

in his study that the Self – Help Group concept had not only apparently reduced the poverty but also yielded encouraging results. The Self-Help Group concept had created further a positive impact on the functional efficiency of the Primary Agricultural Co-operative as well, he stated.\(^\text{11}\)

A Self-Help Group, which is sometimes called a support group, is a gathering of people who are for the family members of friends with demerits. The purpose of this group is to provide support to the members and these allow them to cope better by knowing they are not alone. A support group provides an opportunity for care givers to share their feelings, problems, ideas and information with others who are undergoing similar experiences. It helps care givers pay some attention to their own needs and to begin to take care of them. It also provides the satisfaction which comes from sharing with and helping others.\(^\text{12}\)

**Mohanan, S. (February 2000)** in his paper “Micro-credit and Empowerment of Women, Role of NGOs” discussed the relevance of micro-credit to women and their empowerment, considering the historical perspective of the involvement of women in the thrift and credit activity and the role of NGOs in the sphere of micro-credit. The rich experience of the NGOs in the sphere of credit union and their grass-root level involvement with the poor and their


problems is a potential factor that affirms their elevated role in the sphere of micro-credit. The specific task and the role of NGOs in the sphere of micro-credit can be summarized as the formation of Self-Help Groups, nurturing of Self-Help Groups, facilitation role, mobilizing resources and formation of people’s organizations.\(^\text{14}\)

**Laskshmikantan, K.R. (April-June 2000)** “SHGs in Life of Rural Poor-A Pilibhit Case Study, concluded that the SHGs are very effective in meeting the credit requirements of the members for conventional needs and the use of credit for income generation schemes and improving livelihoods was yet to be demonstrated”.\(^\text{15}\)

**Manimekalai, N. and Rajeswari, G (July-September 2000)** Analyzed the women Self-Help Groups formed by the Non-Governmental Organizations in rural areas of Tiruchirappalli District of purpose of promoting rural women through self-employment. The Non-Governmental Organization namely, society for Education and village and Employment (SEVAE) has been working in 362 villages and helping a total of one lakh women beneficiaries consisting of different avenues of self-employment like petty businesses, processing, production and service units. A sample of 70 women from seven villages was taken as the sample by non-governmental organizations on

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random basis for the study. The primary data were collected with regard to the socio-economic background of the Self Help Groups, nature of activities of micro-enterprises’ and the problems and prospects of such enterprises.\textsuperscript{16}

**Nagayya, D (August 2000)** In his article “Micro-finance for Self- Help Groups” has reviewed the initiatives taken at the national level with a few institutional arrangements to support this programme for alleviation of poverty among the poor, with special focus on women.\textsuperscript{17}

**Suriakanthi, A. (September 2000)** Analyzed the need for literacy of the Self-Help Group members. A random survey of 120 groups showed nearly 95 percent of the members and 75 percent of the officer bearers were illiterates. The female officer-bearers managed to carry on the activities with the help of their husbands and educated wards. They used to narrate the incidents that happened in the meetings to their husband/ward and the report was prepared by them. Mostly accounts were maintained by the non-members who prepared the minutes and accounts on behalf of the officer bearers who were illiterates. It was found that ten percent of the illiterate members did not even know the amount saved by them. He strongly insisted on the necessity of imparting basic education to all Self-Help Groups.\textsuperscript{18}


Sundari, S. and Geetha, N. (November 2000) Examined the gender disparity in access to intuitional credit. In their opinion, the display was gradually narrowing down over a period of time. Hence the empowerment of poor rural women would be possible only if they were trained and imparted skills for a certain employment. According to them, skill training included enterprise development, increased access to credit, new approach to markets and social, economic and political strategies and the like.\(^\text{19}\)

Mohana Rao, R.M. (2000) In the study on “Women Self-Help Groups in Andhra Pradesh”, finds that SHGs showed a positive impact on the members’ households in respect of building of self-confidence and social development skill and formation and social empowerment of members.\(^\text{20}\)

Puhazhendi, V. (2000) A mere linked study of SHGs promoted in Tamil Nadu through four leading NGOs, ASSEFA, MYRADA, DHAN Foundational and LEAD, Trichy was undertaken by NABARD during 1996-97. In the Tamil Nadu study, economic impact was assessed through net increase in family income, which was found to have more than doubled for the sample groups during the period of participation in the SHG.\(^\text{21}\)


Group clearly points out that the standing of the SHG members in their family neighbourhood and participation of women members in decision making in their families and community had improved significantly, pointing to successful achievement of social empowerment of women.\(^{22}\)

The rural poor with the intermediation of voluntary organizations join together for Self Help to secure better economic growth. This has resulted in the formation of a large number of Self-Help Groups in Andhra Pradesh, which mobilize savings and recycle the resources generated among members. Most of the Self-Help Groups in the state have come due to the dynamic leadership of some individuals within a group through the catalytic role played by the NGOs in developing such groups. It has led SHGs in districts like Nellore, Vijayangaram, Hitter, Ranga Reddy, Karimnagar and Nalgonda have achieved success in bringing the women to the mainstream of decision making.\(^{23}\)

**Balakrishnan, M.** (April 2001), “Micro Credit-Opportunities and Challenges”

opines that an SHG was a small, homogenous, affinity group of the poor. It voluntarily decided to save small amounts regularly to create a common fund. Small loans were given to members from their common funds to meet their

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emergent needs. The system thus created a sense of belongingness, trust and confidence among the group members. It also empowered them both financially and socially.²⁴

Joy Deshmukh, (2001) The Indian State of Andhra Pradesh, as one of India’s poorest, has used development Self-Help Groups (SHGs) extensively as a primary tool of poverty alleviation and empowerment. An SHG is a small group of persons who come together with the intention of finding a solution to a common problem such as medical issues, livelihood generation of watershed management, with a degree of self-sufficiency. However, in Andhra Pradesh, the groups largely are the channels through which micro credit is routed to the poor in the belief that it will serve as a catalyst in helping them to pull out of poverty. The SHGs also empower poor women, more than 4.8 million of whom are mobilized into the SHGs.²⁵

Ajay Tankha (August 2002) While the term ‘Self Help Group’ of SHG can be used to describe a wide range of financial and non-financial associations, in India it has come to refer to a form of Accumulating Saving and Credit Association (ASCA) promoted by government agencies, NGOs or banks. These groups manage and lend their accumulated savings and externally leveraged funds to their origins, mostly as part of integrated development

programmes run by the NGOs with donor support. The major programme involves financial intermediation. By SHG one means the SHG bank linkage programme. NABARD’s corporate mission is to make available microfinance services to 20 million poor households or one-third of the poor in the country, by 2008. A major NABARD impact evaluation covering 560 members of 223 SHGs linked to banks in 11 states showed that SHG members realized major increase in assets, income and employment. Also, women members were found to have become more assertive in confronting social evils and problem situations. Nearly half the poor member household had crossed the poverty line.26

Gurumoorthy, T.R. (October 2002) has studied the micro-credit funding agencies and the amount sanctioned by them. Out of the 27,000 Self-Help Groups in Tamil Nadu, 5,400 were linked with banks and the banks advanced credit to them to the extent of Rs.9 crores. In his view, Self-Help Groups have the power to create a socio-economic revolution in the rural areas of the country. In his opinion the members of Self-Help Groups must be prepared to undertake entrepreneurial activities at a smaller level with minimum capital requirements.27

26. Dr. Erhard.W. Kropp and Dr.B.J.S. Suran, op.cit.

Sebastian Titus, A.P. (November 2002) examined the promotion of women entrepreneurs through Self Help Groups. According to him the women entrepreneurs who had started small enterprises expanded them into large-scale units. Self-Help Groups had made readymade garments and exported them. A woman Self-Help Group in Dindigul District ran a unit providing agro-services with a total turnover of Rs.12 lakhs or more per annum. But most of the other Self-Help Groups were not able to reach up to the expectations. Some of the reasons cited were the non-availability of funds for investment, dearth of technical and managerial skills, inability of funds for investment, inability to manage the labour force, dual role burden, lack of professionalism and gender bias and the like.28

Palanisami, K. et. al(2002) Evidences show that the SHGs are formed around mostly woman oriented activities. Separate SHGs should be formulated for women. Scheduled Caste (SC) and Scheduled Tribes (ST) SHGs function mostly as thrift, savings and tending groups and experiences show that there are vast differences in functioning. In addition, the SHGs are also formed for activities such as coconut palm thatch knitting, running a canteen, sweet stalls, grocery shop, petty shop, rice mall, textile shops etc.,29


Anti-poverty programmes have been dominant features of government initiatives in the rural areas. The programmes have reviewed and strengthened in the successive years in order to sharpen their focus on reduction of rural poverty. However, the cause of concern is that the estimated number of rural poor is still about 24 million which has led to further review and restructuring of anti-poverty programmes. The swarnjayanthi Gram Swarozgar Yojana (SGSY) is the result of such latest review and restructuring of the programmes.\(^{30}\)

A significant development in recent years has been the mushrooming of community-based organizations and initiatives at the local level for women. Reports indicate that Self-help Programmes, often in the form of savings and credit or micro credit schemes, have succeeded in changing the lives of poor women, enhancing incomes and generating positive externalities such as increased self-esteem. With suitable support, Self Help Groups can move on to collective action at the community level but more remains to be done for sustained poverty alleviation.\(^{31}\)

**Ganesamurthy, V.S. et. al.(2002)** Women constitute half the population of the world. But in many parts of the world, they seem to be unempowered by men, they are relegated to secondary position, be it is in the household,


society in general, workplace or in governance. It is this perceived gender in utility and thus urge to remove it and ‘empower’ women that have constituted to motive force for the formation of Self-Help Groups (SHGs). SHGs started functioning all over Tamil Nadu. In some areas they are functioning effectively whereas in some areas they face problems. Since SHGs help women to achieve economic empowerment, this policy measures can contribute a lot to the nation.  

Suguna, B. (October – December 2002) Empowerment, therefore, is closely linked to the economic independence. Nothing succeeds better than Self-Help. And when support is extended by the Government and private agencies the results could be extremely gratifying. Today, there are two lakhs of Self-Help Group of women focused around economic activities like savings, collective marketing, and promotion of individual enterprise and in the process of moving into the mainstream of society. In the process, leadership qualities blossom, discipline prevails, and true democracy begins to function. This also helps their families and their communities.

Self-Help Groups constitute a significant part of the de facto system of care for alcohol and drug problems in The United States. Self-Help Groups are


best viewed as a form of continuing care rather than as a substitute for acute treatment services. Self-Help Groups / Organization refer to non-professional, peer operated organizations devoted to helping individuals who have addiction-related problems. Self-Help Groups do not charge fees and should not be equated with professional treatment services.  

**Chiranjeevulu, T.** *(March 2003)* Studied the micro enterprises started by Self-Help Groups in Warangal District (Andhra Pradesh). The micro-enterprises belong to the chilly processing units. Srujana Mahilabhivridhi Upadi Mutually Aided Cooperative Society was formed with a membership of 514 women. Each group raised a share capital of Rs. 15,000. The group members belonged to backward classes, scheduled castes and scheduled tribes. The researchers on consumption based Self-Help groups and the entrepreneurship-oriented Self-Help Groups led to employment generation and empowerment of women.  

**Suresh Kumar, D.** *(2003)* Watershed development has been conceived as one of the important rural development programmes in India where the rain fed agriculture is characterized by low productivity, degraded natural resources and widespread poverty. The Self-Help Groups (SHGs) in micro watersheds have received much attention from the policy makers and others for their  

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perceived ability to contribute significantly to the economic growth and poverty alleviation. The formation of SHGs has been made mandatory in all watershed development programmes in the country.\textsuperscript{36}

**Gariyali, C.K. and Vettivel, S.K. (2004)** SHGs are not just a conduit for the loans, although loans are a critical milestone on the road map of the SHG’s healthy growth and empowerment. The women often complain that they are very active initially but due to delays in obtaining credit they become lazy. Although an alternative way of enhancing the lending channels need to be explored, the rural cooperative banking network needs to be encouraged to lend to the SHGs, which can make credit available to them at their doorsteps.\textsuperscript{37}

**Selvaraj, V. (October 2004)** A maternity loan of Rs. 2,000 at 11\% interest is introduced to help poor women to meet their medical expense during delivery time. The amount would be given either as one time payment at the time of delivery in two installments from eighth month of pregnancy. The loan could be repaid in 12 easy monthly installments form the third month of delivery. Women SHGs identify the beneficiaries 159 women were benefitted to the tune of Rs. 3.18 lakhs under this scheme. Hundred percent of loan was recovered. TDCC Bank has received the state level award, instituted by

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\textsuperscript{36}The Tamil Nadu Women’s Development Project (TNWDP), (2003), pp.1-10.

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NABARD, for two times during the year 2001-2002 and 2002-03 in recognition the bank’s achievements in disbursements of loans to women SHGs.³⁸

Venkatachalam, A. and Jeyapragash, A. (October 2004) The total savings of SHG members in Dindigul District amount to Rs. 622.99 lakhs. The Sangha Loan sanctioned to its members is in tune of 4.3 times of savings. In words, the total amount of Sangha loan sanctioned is Rs. 27.20 lakhs. The SHGs in Dindigul District have made a silent revolution for the economic empowerment of poor rural women.³⁹

NABARD(2005) The latest published estimates from NABARD state that, to date of March 31, 2005, 1.6 million SHGs have benefitted from approximately Rs. 69 billion financing. There is no doubt that there has been greater outreach of financial services to the poor through SHGs. Of course the outreach has been good in South India. However, the outreach has been limited in the rest of the Country.⁴⁰

Mahendra Varman. P., (April 2005) Deposits are foundations upon which banks thrive and grow. The twin objective of a commercial bank, is acquiring

deposits and advancing credit cannot be attained without good banking habits of the people. Therefore, people’s banking habits seem to be a major factor that affects sustainability of the banks concerned. In microfinance in India, Self-Help Groups (SHGs) which recently came into existence as informal organizations are linked to banks and its members are mainly women. It has been revealed that microfinance SHGs in India which are classified under informal organizations; intentionally or unintentionally help formal banks by increasing the number of accounts by inculcating banking habits in rural people, especially the women. On the other hand, it has been found that banking habits are positive function of the years of experience of microfinance programmes through SHGs in that particular area. Leadership experience in SHGs would improve an individual’s banking habits much more than simply membership.40

Selvanathan, V. and Aravazhi, D., (May 2005) In Tamil Nadu the movement of the SHG has shown good results. Presently the movement covers 1.79 crores Self-Help Groups with 29.84 lakhs women members, savings of Rs.857.76 crores. It is true that the poor status of the Indian women in villages can be transformed with the help of SHGs. As the success rate is high at many places in India the SHGs are the real path finance in the life of rural Indian women.41

Reddy, C.S. (October 2005) Microfinance has evolved over the past quarter century across India into various operating forms and to varying degree of success. One such form of microfinance has been the development of the Self-Help movement. Based on the concept of “Self-Help” small groups of women have formed into groups of ten to twenty and operate a savings-first business model whereby the members’ savings are used to fund loans. The results from these Self-Help Groups (SHGs) are promising and have become a focus of intense examinations as it is proving to be an effective method of poverty reduction.42

Arul Kamaraj, J.M. (November 2005) Self Help Groups undertake entrepreneurial activities at smaller level with minimum capital requirements. In future, the inbuilt strength of the Self-Help Groups will pave the way to undertake mega projects, like projects performed by joint stock companies, public sector enterprise etc., SHGs have power to create a socio-economic revolution in the rural areas of our country.43

Banumathy, S. (November 2005) SHG is a small voluntary association of the rural people, preferably women folk from the same socio-economic background. They come together for the purpose of solving their common problems through Self Help and mutual help in the SHGs. Usually the


maximum number of members in one SHG is 20. They undertake economic activities such as on a basis of equality nurturing trust. Cooperatives are formal bodies, whereas SHGs are informal. The formation of SHGs in rural areas has created awareness among the women about social issues and emboldened them to take up their cause with the authorities. SHGs aims for providing awareness among the rural poor about the on-going development programmes.44

Rajmohan.S. (November 2005) The SHG is formed by the members, for the members and of the members. This is started exclusively by the women. Women are suffering in different ways. This group helps them to increase their status. It aids to raise the standard of living of them. It avoids the exploitation of women and helps empowering them. Women are becoming entrepreneurs with the help of SHG.45

Women’s Self Help Groups (WSHGs) in particular, represent a form of intervention that is a radical departure from most current programmes. They are an effective strategy for poverty alleviation human development and social empowerment. They offer grassroots participatory implementation that is demand driven by ‘beneficiaries’ who in other projects often find themselves receiving goods or services in a manner that is opaque and


impersonal. Most SHG-based programmes are implemented by the
government in partnership with the NGOs or by NGOs and donor agencies.
SHGs also have the potential to transform them into vibrant civil society
organizations. SHGs managed in an ideal scenario, provided a way of
reducing poverty that simultaneously improves the capacity of its members on
many levels. It is ground deal in participatory decision-making, which creates
a sense of ownership among members. This is very different from many other
poverty alleviation/human development programmes evolve with a top down
system of decision making and distance from the people most affected by
these decisions.46

India brims with Self-Help Groups (SHGs). The National Bank of
Agriculture and Rural Development (NABARD) estimates that by March
2006 over 33 million women have been linked to banks for financial services
through 2.2 million women have been linked to banks for financial services
through 2.2 million SHGs. Growth has been spectacular in the past couple of
years. Over 400 people per hour’ according to the actually more than this,
with an increase in 2006 of 6,20,000 SHGs or over 9 million SHG members.47


47Smita G.Sabhlok,(June 2006), Self Help as a Strategy for Women’s Development in India,
The University of Melbourne, Australia, pp.1-26.
Gangaiah, G, et al. (March 2006) the emerging changes in the values and attitudes of the members of SHGs are a clear manifestation of socio-economic empowerment interventions yielding relatively quicker results. The socio-economic programmes reinforce each other and promote all-round development of the children, the women, the households and the communities. It is a process which ultimately leads to self-fulfillment of each member of the society. It is in this direction that SHGs are moving towards fulfilling their objectives with a meaningful strategic direction, the authors opine.48

Dharmarajan, S. (September 2006) The thrust for a supervisory and regulatory mechanism to monitor and streamline the norms and operations of microfinance institutions cannot be avoided. Since the long-term success of MFP depends on the development of rural markets with more value added credit facilities and insurance products.49

Loganathan, P. and Asokan, R., (September 2006) In India, a number of SHGs was created in the 1980s for providing credit facilities to the poor, especially women, in both urban and rural areas. These SHGs stumbled upon a surprising finding by targeting women, repayment rates came in well over 95 percent, higher than most traditional banks. Impressed by those repayment

48 Mohammeddul Haque, Dhubri Hatchery (September 2006), Ray of Hope of Self-Help Group, Kurukshetra, pp.43-44.
rates, institutions like National Bank for Agriculture and Rural Development (NABARD) and small Industries Development of India (SIDBI) began increasing their lending to SHGs in India.\textsuperscript{50}

**Soundarapandian, M. (September 2006)** An attempt is made here to analyze the growth of SHGs and the role of microfinance in developing the rural entrepreneurship. The study suggests that though there is a positive growth rate of SHGs in states but in terms of growth of SHGs there is wide variation among states. Linkages of banks with SHGs are found impossible for this variation.\textsuperscript{51}

**Tripathy, K.K.(September 2006)** Microcredit, which includes micro savings, is gradually emerging as one of the most effective strategies to alleviate poverty. It can effectively generate employment and sustain the income of the households by giving them opportunities of work. Although Micro credit institutions are effective weapons in the war against rural poverty they alone cannot neutralize non physical symptoms of poverty which deprive the poor of a full social existence. Efforts are needed to promote and strengthen micro finance institutions to optimize their war against poverty. True development is achieved only when the community’s plan and action take into account the roles and the potential opportunities for its present and

\textsuperscript{50}Tripathy, K.K., (September 2006), Micro-Credit Intervention and Poverty Alleviation, Kuruskhetra, pp.48.

\textsuperscript{51}THE HINDU dated: 14.10.2006
future stakeholders. Sustainable Development rightly recognizes that all decisions pertaining to development must simultaneously consider various aspects of Economy, Environment Equity and Society, with appropriate mechanisms; various ministries/departments/organizations can look forwards the SHGs for forgetting their programmes, which ultimately would help in improving the quality of life in rural India.\textsuperscript{52}

**Loganathan, P. (June 2007)** The history of global brands might benefit from a stronger image in their country of origin, as they were initially strong local brands, benefit from the characteristics of local brands. The recent research on local brands has shown that local brands benefit from a better image those international brands on key brand equity elements. In particular, consumers evaluate local brands as much, more trustworthy than international brands. Similarly branding of SHGs is also more viable in rural India as well as urban ghettos. With the help of brand logo, SHGs can also enter the local market like Amul, which is a cooperative brand now entered global market.\textsuperscript{53}

**Kalpana, B., et. Al., (July 2007)** Poverty, unemployment, and communal tension these are the hallmarks of the slums-with the help of NGOs, women are taking advantage of the changing scenario to bring these to their families. The result is happy home, Self-employment and communal harmony.\textsuperscript{54}

\textsuperscript{52}THE HINDU dated: 26.10.2006  
\textsuperscript{53}THE HINDU dated: 15.10.2007.  
\textsuperscript{54}THE HINDU dated: 26.10.2007.
Sheeba Rajakumari, D.V. and Stanley Davis Mani, T. (December 2007) Although many women Self-Help Groups are functioning in Tirunelveli District, women engaged in sericulture work accounts to 6%. This emphasizes the need to promote sericulture in Tirunelveli District of Tamil Nadu by popularizing the high returns with low investment. It encourages cooperative mulberry farming and provides entrepreneur training to women and Self-Help Groups.55

Palani, E. and Selvaraj, V.M. (February 2008), which is of recent origin has been accepted as one of the new development paradigms for alleviating poverty of the poor especially women. It could be attributed as providing credit support, in very small amount, along with training and other related services to the people who can undertake economic activities.56

The National Bank for Agriculture and Rural Development has so far sanctioned Rs. 350 crore to TamilNadu for various projects under the Rural Infrastructural Development Fund (RIDF) during the current year. Under the RIDF, the Bank has proposed to give Rs. 554 crore this year according to NABARD. As part of the fund, states were being given financial assistance to implement projects under different components including irrigation and rural roads and bridges linking scheme for disbursal of micro credit.57

56THE HINDU dated: 05.04.2008
57THE HINDU dated: 23.04.2008
Stanley Davis Mani, T. and Selvaraj, V.M. (April 2008) It is very important that men and women are imparted literacy in the areas of legal rights, health, contraceptive care, poverty, mitigation, participation in the Panchayat institutions and the political processes of the country. This is what has been happening as a silent revolution in Tamil Nadu Corporation for the Development of women (TNCDW) and the number of its NGO partners in 426. They are men and women ready to assume the rightful places in the society.\textsuperscript{58}

\textsuperscript{58} THE HINDU dated: 26.04.2008
2.1. Profile of the Respondents

The following table 2.1 provides the profile of the sample Self Help Group members.

### Table 2.1
Profile of the Respondents

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Classification</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Up to 25 years</td>
<td>141</td>
<td>23.50</td>
</tr>
<tr>
<td></td>
<td>25-35 years</td>
<td>197</td>
<td>32.80</td>
</tr>
<tr>
<td></td>
<td>36-45 years</td>
<td>176</td>
<td>29.30</td>
</tr>
<tr>
<td></td>
<td>Above 45 years</td>
<td>86</td>
<td>14.30</td>
</tr>
<tr>
<td>Marital status</td>
<td>Unmarried</td>
<td>196</td>
<td>32.70</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>404</td>
<td>67.30</td>
</tr>
<tr>
<td>Educational qualifications</td>
<td>Illiterate</td>
<td>199</td>
<td>33.20</td>
</tr>
<tr>
<td></td>
<td>Up to secondary</td>
<td>167</td>
<td>27.80</td>
</tr>
<tr>
<td></td>
<td>Higher Secondary</td>
<td>166</td>
<td>27.70</td>
</tr>
<tr>
<td></td>
<td>Degree/Diploma</td>
<td>68</td>
<td>11.30</td>
</tr>
<tr>
<td>Occupation</td>
<td>Self Employed</td>
<td>89</td>
<td>14.80</td>
</tr>
<tr>
<td></td>
<td>Salaried</td>
<td>173</td>
<td>28.80</td>
</tr>
<tr>
<td></td>
<td>Labourer</td>
<td>261</td>
<td>43.50</td>
</tr>
<tr>
<td></td>
<td>Dependent on others</td>
<td>77</td>
<td>12.80</td>
</tr>
<tr>
<td>Grand father</td>
<td>Agriculture</td>
<td>328</td>
<td>54.70</td>
</tr>
<tr>
<td></td>
<td>Business/Trade</td>
<td>184</td>
<td>30.70</td>
</tr>
<tr>
<td></td>
<td>Manufacturing</td>
<td>70</td>
<td>11.70</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>18</td>
<td>3.00</td>
</tr>
<tr>
<td>Father</td>
<td>Agriculture</td>
<td>232</td>
<td>38.70</td>
</tr>
<tr>
<td></td>
<td>Business/Trade</td>
<td>230</td>
<td>38.30</td>
</tr>
<tr>
<td></td>
<td>Manufacturing</td>
<td>106</td>
<td>17.70</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>32</td>
<td>5.30</td>
</tr>
</tbody>
</table>

Source: Primary data
It is evident from the above table 2.1 that, 32.80% of the respondents are in the age group of 25-35 years, 29.30% of the respondents are in the age category of 36-45 years, 23.50% of the respondents are having age up to 25 years and 14.30% of the respondents are in the age group of more than 45 years. **It is observed that most of the respondents (32.80%) are in the age group of 25-35 years.**
The table 2.1 depicts that 67.30% of the respondents were married and the remaining 32.70% of the respondents are living as single. **It is observed that majority of the respondents (67.30%) were married.**

**Figure 2.3 Educational qualifications of the respondents**

It is also observed from the table 2.1 that, 33.20% of the respondents are illiterate, 27.80% of the respondents are having education up to secondary school, 27.70% of the respondents are possessing higher secondary school education and 11.30% of the respondents are possessing degree/diploma as their educational qualification. **It is found that most of the respondents (33.20%) are illiterates.**
The table 2.1 depicts that 43.50% of the respondents are working as labourers, 28.80% of the respondents are employed and drawing salary, 14.80% of the respondents are self employed and 12.80% of the respondents are dependent on others. **It is observed that most of the respondents (43.50%) are labourers.**
The table 2.1 shows that 54.70% of the respondents’ Grandfathers were involved in agriculture, 30.70% of the respondents’ Grandfathers were associated with business/trading, 11.70% of the respondents’ Grandfathers were manufacturers and 3.00% of them are associated with other works. It is observed that most of the respondents’ (54.70%) Grandfathers were agriculturists.
It is found from the table 2.1 that 38.70% of the respondents’ fathers are agriculturist, 38.30% of the respondents’ fathers are doing business/trading, 17.70% of the respondents’ fathers are manufacturers and 5.30% of the respondents’ fathers are involved in other works. **It is observed that most of the respondents’ (38.70%) fathers are agriculturists.**

2.2 Time devoted towards the Enterprises

The following table 2.2 displays the information of time devoted by the SHG members and their family members towards the enterprise.

<table>
<thead>
<tr>
<th>Time devoted by the SHG members</th>
<th>Time devoted by the family member</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>75-100%</td>
<td>253</td>
</tr>
<tr>
<td>50-75%</td>
<td>150</td>
</tr>
<tr>
<td>25-50%</td>
<td>128</td>
</tr>
<tr>
<td>Less than 25%</td>
<td>69</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>600</strong></td>
</tr>
</tbody>
</table>

Source: primary data

The above table 2.2 reveals the information of time devoted by the SHG members and their family members towards the enterprise. **It is evident from the above table that 42.2% of the respondents expressed that they devote 75-100% their time for the enterprise and 11.5% of the**
respondents expressed that their family members devote 75-100% of their time for the enterprise. 25.0% of the respondents expressed that they devote 50-75% of their time for the enterprise and 21.3% of the respondents expressed that their family members devote 50-75% of their time for the enterprise. 21.3% of the respondents expressed that they devote 25-50% of their time for the enterprise 25.0% of the respondents expressed that their family members devote 25-50% of their time for the enterprise. It is found that 11.5% of the respondents expressed that they devote less than 25% of their time for the enterprise and 42.2% of the respondents expressed that their family members devote less than 25% of their time for the enterprise.

2.3. Source of knowing SHG

The following table 2.3 displays the information about the sources of SHG members to know about Self Help Groups.

Table 2.3

Source of knowing SHG

<table>
<thead>
<tr>
<th>Source</th>
<th>Number of SHG members</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friends</td>
<td>224</td>
<td>37.30</td>
</tr>
<tr>
<td>Relatives</td>
<td>170</td>
<td>28.30</td>
</tr>
<tr>
<td>Newspapers</td>
<td>156</td>
<td>26.00</td>
</tr>
<tr>
<td>Others</td>
<td>50</td>
<td>8.30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>600</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: primary data
The above table 2.3 provides the information of sources to know about Self Help Groups. 37.30% of the respondents expressed that they came to know about SHG through their friends, 28.30% of them through their relatives, 26.00% of them through newspapers and 8.30% of them through other sources. It is observed that most of the respondents (37.30%) came to know about SHG through their friends.

To conclude, in this chapter, an attempt has been made to review the existing literature and study the profile of the respondents. In the next chapter, the major motivational factors of the SHG members and the performance of them have been studied.