CHAPTER II

"Work keeps us from three great evils: boredom, vice, and poverty."

- Voltaire

REVIEW OF LITERATURE
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An attempt is made to present the literature related to this topic of research, which deals with the employment generation and welfare of members in Men Self Help Groups (SHGs). In this section a brief review of Men SHGs and its impact on employment generation and welfare of members in the groups is presented. The review helped to shape the study. Among the literature available related to this study, the following has been reviewed:

II.1 Employment Generation

Vidya Lata (1990) had revealed that the basic objectives of the Training for Rural Youth and Self Employment (TRYSEM), development of the skill for creating self-employment could not be achieved to the desired level. Government should come forward with advanced reviews of TRYSEM. The government programmes such as TRYSEM in 1979 had been examined by many researchers. They had revealed that the programmes had not achieved their objectives because of improper selection of trainees, inadequate teaching aids, lack of knowledge, lack of interest, irregular payment of stipend, non-availability of raw materials and non-availability of market outlet, lack of confidence and entrepreneurial aptitudes and skill. Hence there was an urgent need of such schemes, which can inculcate confidence and bring about an awareness regarding their own potentials for development and also for their rights and privileges. There was a need for earnest appeal and wider publicity of the development of programmes.¹

Davis Aricat (1997) stated that the self help group members decided to make use of demand for transport in their area. Their savings amounted to Rs. 17,060. A loan of Rs. 10,000 was procured from Bosco Reach-Out (BRO), the Non Government Organisation (NGO) that brought to them the idea of the Self Help Groups (SHGs). The money (Rs. 27,060) was used to purchase three cycle rickshaws. They employed people to run these, thus providing employment to three poor people in their own locality. This endeavour that they began in December, 1996 is now earning them an average profit Rs. 900 per month.²

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Gangi Reddy (2002) said that the new approach of Swarnajayanthi Gram Swarojger Yojana (SHGY) envisaged not only the generation of full time employment but also the generation of additional income to the respective families. Every family is involved in multiple activities so as to supplement their income sources. Further, with the new approach of providing sufficient financial support combined with the group activity, should yield a much higher rate of income to these families. There were several programmes and interventions which resulted in some form of employment and income generation, the growth and sustainability aspects have raised certain questions in terms of their viability, competitive strength, full employment and social justice, etc. The experience of its implementation has so far proved that poor people have the capacity to run an enterprise by coming together as SHG. The cluster approach has also helped them in making use of the infrastructure created for running their enterprises.³

Abdul Kalam (2004) said that “India had a population of one billion people. Out of this, 540 million people were below the age of 25 years, which was our national strength. Their ignited minds would definitely transform India into a developed nation, by the year 2020. Education and Employment would meet any challenge for achieving the goals. Agriculture and food processing, education and healthcare, information etc. could be undertaken for empowering men. Empowering the younger generation with educational, entrepreneurial and professional skills make the nation developing. What we need was the empowerment at all level. When the child was empowered by the parents at various phases of growth, the child got transformed into a responsible citizen. When teachers were empowered with knowledge and experience, good young human beings with value systems took the shape. When individual or a team was empowered with technology transformation to higher potential for achievement was assured. It brought out the importance of Self-Help Group for empowering men in the whole India.⁴

Abdul Raheem and Rahman (2005) reported that the unemployment among farm households in rural areas was around 20 per cent. Moreover, in the case of households having a major portion of their land holding affected by the problem of sodality or some other form of degradation, the degree of disguised
unemployment was around 56 per cent. Given the constraints associated with provision of salaried employment (normally in the organized sector) and undesirable, dimensions of casual employment, the hope lies in promoting self-employment. There are a number of possible routes to promotion of self-employment; promotion and strengthening of self-help groups is one amongst them. Self-Helps Groups provide the benefits of economies of scale, cost-effective alternative for different financial services, collective learning, democratic and participatory culture, a firm base and platform for dialogue and cooperation. Moreover, the benefits of self-help groups are based on cooperation rather than competition.

The next stage of reforms will have to consider measures enunciated in the principles of institutional internal procedures to suit the local environment. These may be done after evaluating factors like the transaction cost of lending for the banks, transaction cost of borrowing for the SHGs and the poor, risk of funds and guarantee for repayment, cost of coordination and management, ease of adoption by all stakeholders, smoothness and ease for providing credit to the poor and its repayment, quick reliability, social and economic impact on SHG movement, extent of social investment required, supervisory mechanism, capacity building of local micro-finance retailers, codes and standard of operations for micro-finance retailers and enterprise building, business training and management assistance to local borrowers.  

**Amal Mandal** (2005) reported that the revolving fund and incentive for facilitator are ticklish questions having both positive and negative impact. The self help group really needs external intermediation / assistance during its infancy but it is proving elusive as well as counterproductive. While political pollution is likely to persist, two specific steps may help narrow down the aberration. There should be specified maximum limit to group formation, for instance, 5 for each individual animator and 15 for each NGO, CBO etc. Selection of group members, reasons behind the association and continuous sensitization / facilitation are few key factors responsible for the fructification of a group. Every poor may need financial assistance but everyone neither has the inclination/ capability to entrepreneurship nor the accommodative support structure particularly within the family. Eagerness
and ability should be the clinching factors for selecting group members, which has to be scrupulously ascertained over a period of time. Members must have information and understanding of all the do and don’t, they must have willingness and capability to save regularly and continuously. When a group consists of genuine poor or disadvantageous section, such autonomous nature poses more problems. It is advised that monitoring and intermediary role should be played continuously, at least until the group takes up economic activity.  

The study of **Anupama** (2005) shows that micro-credit, like any other credit is helpful in poverty alleviation on a sustainable basis only if the credit is used for productive purposes i.e. it reaches the final stage of setting up micro-enterprises. Otherwise, it would not be able to raise a person/family above the poverty line, not even for a single year. So, the policy of SHG- Bank linkage should rapidly convert itself into a microcredit-microenterprise linkage. It is also observed that the SHGs work more successfully when they engage themselves in manufacturing activities. But in this sector, they have to face stiff competition in which they may fail due to lack of adequate training and marketing information. The members of the group being risk averse, in the absence of any support system, may shift themselves to traditional activities which do not bring adequate returns. Hence, help by the government assumes importance because mere credit disbursement will not be in reality ensure entrepreneurship development.

**Sanjoy Ray** (2005) described that this is the experiment where poor are organized and mobilized towards Self-Help Groups. In Asia SHGs are known for tackling the problems of urban and rural poverty. In India the concept of SHG became successful in some states where the poor could be motivated to form SHGs for rural employment as well as development. Since 2002-03 the formation of the SHGs has picked up momentum and the number has far exceeded the target set and the growth of SHGs was 6.6 times higher than that of the SHGs formed in the previous year. The SHG members could learn entrepreneurship skill, develop business development plan and appraise the members on sources of raising fund and their utilization of fund and risks etc. The SHGs are at the very early stage of economic activity and the members are yet to receive any flow of income from their
business ventures but they understand that proper utilization and subsequent repayment of the loan are paramount for their success.\textsuperscript{8}

\textbf{Pandian Cynthia (2006)} had stressed upon empowering the weaker section through administrative intermediates and lifting them above the poverty cellar through income generating activities and employment potential of Farm Sector, Non Farm Sector, Informal Sector, Rural Infrastructure and Self-Help Group (SHG). He had suggested small businesses and economic activities to be adopted by the weaker sections. They should be told how to improve quality, productivity, cost effectiveness, and such other activities to improve their socio-economic conditions. Rural housing, food processing and preservative, agro-processing, air-drying, biodiesel, rain water harvesting, water-shed development, water management technologies, health services, sanitation etc. would be of various useful activities for their development. It was also suggested that the retrieval of rural information, digital video technologies, vermin culture, bio-pesticide, bio-diesel etc. would be useful for them.\textsuperscript{9}

\textbf{Arjun Pangannavar (2008)} reported that there is uneven geographical distribution of SHGs in the country. Andra Pradesh alone has 30.5 per cent of the total SHGs of the country. The lowest percentage i.e., 0.19 is in Punjab. In return, SHGs have achieved the expected results in income and employment generation activities. They have organized productive activities and enhanced their savings and investment levels. Encouragement of minor irrigation, creation of self-employment opportunities and development of educational facilities in rural programmes will definitely help to eradicate the rural poverty. Self-Help Groups Programme is the right approach to create self-employment opportunities so as to supplement the income and assets of the rural poor. To resume the SHG programme is the right participatory approach for eradication of rural poverty and a paradigm of rural development.\textsuperscript{10}

\textbf{Naresh Singh (2008)} discussed that the Self Help Group – Bank Linkage Programme (SHGBLP) of micro-finance for poverty alleviation in India is the largest micro-finance programme in the world. It has emerged as a predominantly significant approach for the growth and development of micro-finance sector in
India. There is incremental change in the income level and additional employment of the SHGBLP members. However, the amount of credit per household is still low and primary agriculture societies/cooperative banks could not utilize their full potentials for SHGBLP. High transaction cost and political interference for low rate of interest increase the possibility of weakening SHGBLP. More important, so far SHGs are being locked as savings and credit management groups. There is a need to convert these SHGs into enterprising groups to maintain and sustain their livelihoods.

Das (2009) stated that there would be around 2 crore people in need of micro credit support for managing their livelihood through dairy farming. Assuming Rs. 30,000 as the average loan size required for single unit in dairy farming having two milch animals of 10 litre capacity, the total credit requirement for this sector for the BPL people would be around Rs. 60,000 crore. 35 per cent opt for dairy farming as an income generating activity. The present micro credit demand of dairy farming for covering around 2 crore families living BPL is Rs.60,000 crore and we have hardly achieved around the 11-12 per cent of the credit requirement in the dairy sector from the formal financial institutions. Dairy farming plays a significant role in the rural economy in terms of providing employment and livelihood to the rural masses. As more than 30 per cent of people of BPL depend upon dairy farming, it should be considered as an important component in developmental programmes meant for rural poor. Poor people, besides good quality animals, feed, fodder and other technical inputs, need credit at an affordable rate to take up the dairy activities.

Murlidhar and Lokhande (2009) analyzed that the Micro-finance programme has a significant role to play in Indian economy for boosting micro entrepreneurial activities for creating productive assets coupled with employment generation. So, in order to cover all the poor households, particularly BPL households, there is need for providing full support by the government, financial institutions and NGOs to SHGs programme. The number of credit linked SHGs, Bank loan disbursement and refinance by NABARD has posted a substantial growth by 3271%, 3982.76% and 3844% respectively during 1996-97 over the respective figures in 1992-93. The self help groups have to face problems such as, indifferent attitude of bank officers, exploitation by promoting NGOs, lack of marketing facilities for product/services. These bottlenecks should be rooted out on priority
basis. The banks and the respective NGOs should nourish and develop the SHGs by providing financial assistance; organizing skill based training programmes in rural as well as semi urban areas.\textsuperscript{13}

\textbf{Vijakumar (2009)} said that the entrepreneurial ability of the group members was intimately related to their environment and the opportunities that it presents, their past history of such activity, the previous experience of some or all the members in such activity. This opportunity structure is formed by the activities of NGOs, Government programmes, the evolution of a village in different ways and the consequent awareness. In most places, however, it would appear that whether commercial MFIs (as they exist today with equity and fund backing from domestic and foreign sources) can compete with the nationalized banks and the ubiquitous money lender is still an open question.\textsuperscript{14}

\textbf{II.2 Self Help Groups Performance:}

\textbf{Rowlands Jo (1998)} had emphasized that empowerment as a concept had arisen alongside the strengthening of focus on individualism, consumerism and personal achievement as cultural and economic goals. Empowerment had been taken as personal empowerment and collective empowerment. Personal empowerment included self-confidence, self-esteem, sense of agency, sense of self and dignity. Collective empowerment included group identity, collective sense of agency, group dignity, self-organisation and management. Empowerment increased the ability to negotiate, communicate, get support, defend self and maintain dignity.\textsuperscript{15}

\textbf{Dichter (1999)} had revealed that the Self Help Group served as a set of co-guarantors, tool of solidarity and so on. The study in Bangladesh had explained that group defaults could be used for group-success. There was great demand of credit from SHG. The other members must see that credit was properly managed by the members of SHGs. Poverty and vulnerability was reduced by the credit of the groups. Micro enterprises were not likely to remain viable in any context that begins to be economically viable. Self –Help Group improved the productivity of members' income-generating activities and enhancing self-confidence and independent workers.\textsuperscript{16}
Sabala and Kranti (2000) had emphasized on Self-Help Group for reproductive health. The members of SHG shared their own experiences of conflicts and struggles, strengths and weaknesses and helped each other to identify individual and collective strategies for empowerment. The sharing of information and strengthened the ability of productive functions. The reproductive health was examined and suggested for improvement by the members of SHG. Their natural understanding made them learn as to how to control fertility and reproductive functions for maintaining health. They developed clear information about their health through Self-Help Experiences.17

Shetty (2002) said in a group discussion the issue of self-help groups (SHGs), their profiles and performances, as also the polices of public financial institutions in regard to SHGs as instruments of micro finance delivery were discussed and arrived at conclusions and recommendations, keeping the wider ramifications in view. NABARD and RBI for generating comprehensive and regular data on the functions and working of the NGO/SHG sectors and for undertaking census as well as field level studies on them, there is substantial scope for framing up our knowledge with regard to their experiences with the help of further and more rigorous studies. Within this broad theme, there are subjects like sustainability of high interest rates generally charged by the present-day SHGs, the inclusion of control groups for the selection of samples in sample studies of SHG households, replicability of NGO/SHG experiences, and the pre-requisites for commercial banks, co-operative banks and RRBs to undertake direct micro finance activities as a few of the bank branches have attempted to do so far.18

Mouleshri Vyas (2003) discussed that when external support of any kind, whether financial or otherwise is provided, the key concern for the group should be an assessment of its potential to deal with the situation of withdrawal of that support. In AVS, the needs of young students led to its most substantive and effective action. Perhaps, there is a need to acknowledge that some efforts that are self-directed will emerge and remain locally most effective. The boys were 'own boys', the problems, 'our problems', and hence the support that the group got came from the larger community. This might be significant when self-help groups are prompted by project goals from outside - whose interests the group represents and whether the
rest of the community sees a role for itself in the solution of the problem. The increasing complexities social, political and economic realities in our country, will necessitate a sharper analysis by all those affected, especially the poor and as the young men of AVS said while attempting to plan for collective action, education and conscience can play a critical role in this regard.19

Meenambigai (2004) had explored the role of Self-Help Group in rural economy as it was formed to attain common goals through common causes. They were also known as “Solidarity Groups”. Homogeneous Group of rural poor formed a group to save regularly and obtained loans from banks to benefit the members’ economic activities. It was also to provide awareness about the development programmes. Regular meeting with compulsory attendance were held to mobile savings, solve social problems, considering income generating activities and so on. The groups were to use the benefits of micro finance scheme of National Bank for Agriculture and Rural Development (NABARD) for self-reliance and self-sufficiency. The origin of SHG was traced in mutual aids prevailing in Indian villages. Cooperatives were formal but SHG were informal. SHG helped transformation of rural economy through micro finance, training and self-development.20

Mothilal Nehru, Kumari Sushma and Sreedaya (2005) reported that All the FCs of the SHG members had a good opinion about the concept of master farmers. The SHG members select master farmers from among themselves who have a good social recognition. Through extension functionaries the council extend technical as well as infrastructure support to develop the FC as the motto of VFPCK itself is to make the farmers self sufficient and self reliant. 72.7% of SHG farmers showed good level of co-operation with vipani activities. The farmers realized that they would get reasonable price for their produce throughout the year and will have stable demand. Only 72.7% of the farmers showed an adoption to KHDP recommendation to make farming economical. There is around 73% co-operation among the SHG members in conducting group activities such as campaign, procurement of input etc. Thus, there exists a high degree of co-operation among the members of SHGs which help in increased technology adoption and improved cultivation practices in an area through the SHG based activities, the VFPCK has
brought about all round development in the field of production technology, credit facilities marketing etc.\textsuperscript{21}

\textbf{Vimala} (2006) evaluated that the number of Self Help Groups linked to cooperative banks as on 31\textsuperscript{st} March 2004 was 1,34,671 at the all India level of which 14,339, i.e., 5.19 per cent was the contribution of Kerala. During the same year an amount of Rs.371.10 crores were disbursed through cooperatives at the national level of which 8.27 per cent i.e., Rs. 30.70 crores was disbursed by the cooperative banks of the State. The growth of Self Help Groups and loan disbursements through cooperatives at national level is 56.78 and 72.43 per cent respectively and the corresponding percentage at the State level was 105.28 and 100.59 per cent respectively. The loan per SHG at the national level was Rs. 30,307 and at the State level it has been worked out to be Rs. 42,946 as on 31\textsuperscript{st} March 2005. NABARD playing a key role in the promotion of SHGs by providing the poor with easy access to credit to take various income generating and livelihood support activities. Hence cooperatives can really be viewed as tools of social change and reforms in the economy.\textsuperscript{22}

\textbf{Amarjeet Kour} (2008) says that it is also found that the concept of SHGs is very successful in many parts of India like Hyderabad, Tamil Nadu etc. where people, government and NGOs have come forward with true motivation and interest. In addition to that he found that about 84.4\% respondents have made use of bank loan in household activities and other personal needs instead of some productive activities. Effective functioning and implementation of SHGs can lead to social change, mobilization and involvement of people and thus, to the overall development. Thus it can be concluded that the scheme itself is not a failure one. This scheme has problem at the implementation level. There would be a different situation if the local people were properly motivated, informed and implemented wholeheartedly by the implementing agency.\textsuperscript{23}

\textbf{Avinash Raikar} (2008) says that the SHGs based on lending benefits both the lenders as well as borrowers and is considered to be an effective instrument for increasing access to credit by the marginalized sections of the society. Whether such a lending, lead to the sustainable rural developments or not. Any economic activity
has two-aspect production and distribution. The precondition for production is skill formation. TRYSEM and other skill generating programmes have to be strengthened. Then, come to the question of credit. Once the production starts, adequate market for such production is essential. At present as stated above due to lack of skills of borrowers and also due to very short period of loan repayment there is a significant bias towards the activities that would generate continuous cash flows. The NGOs involved in the SHG based lending do try to market the product of members. But such an initiatives are merely a token activities undertaken at micro level and would not make any significant impact on rural development. 

Baljit Singh Suhag and Sanjay Kumar (2008) analyzed that it was observed that the advances under SHGs had decreased from the year 2003 to 2005 in case of all except the branches of Punjab National Bank (PNB), Kutail, Canara Bank (CB) Barsat and State Bank of India (SBI), Karnal where the advances had increased to 3.95, 3.16 and 0.07 per cent in respective branches during the year 2005. While in the year 2003 the loan disbursement under SHGs were 1.35, 2.59 and 0.058 per cent of the total loan in local branches, PNB Kutail, CB, Barsat and SBI, Karnal, respectively. The SHG loans have 80 to 100 per cent recovery as compared to the recovery ranging from 50 to 99 percent of other loans. The branches viz. SBI, Karnal, PNB, Chaura and PNB, Gharaunda observed the recovery below 90 per cent because of poor repayment behavior of SGSY members. The SGSY members were not repaying the loans in time due to lack of group spirit, poor income from the project, individual working in the activities, leaders' intervention and due to lack of knowledge.

All sample branches, PNB, Kutail had highest advances and deposits through SHG members of sample branches which were between 80 to 100 per cent under SHGs compared to the recovery ranging from 50 to 99 per cent of other loans. The number of defaulters in sample branches had decreased to 758 in the year 2005 which were 850 in 2003 and 786 in the year 2004. Among different branches, PNB, Gharaunda observed highest number of defaulters (228) followed by Bank of India (BOI), Karnal (188) and lowest in PNB, Chaura (30) during 2005. Similarly the Non Performing Assets (NPA) of sample branches got the same tempo and declined from 10.4 per cent in 2003 to 8.0 per cent in 2005. Bank of India, Karnal had the highest
amount of NPA i.e. 43 per cent and it was due to the highest default amount of one account only.\textsuperscript{25}

\textbf{Pooja Bhalla and Gagandeep Kaur} (2008) stated that India now occupies a significant place and niche in global microfinance through the promotion of Self Help Groups (SHGs) and the Self Help Group-Bank Linkage Programme (SHG-BLP). It is felt that by providing micro credit to the poorest of the poor, the gap in the formal rural credit sector can be filled. Although micro finance through the network of SHGs has expanded in a big way it is still a minuscule player in the rural credit scene. Micro finance is not a panacea, but it is one of the effective tools to help poor people. In order to further strengthen the role of these institutions in rural finance, there is a need for the development of more effective management information system, more focus on training and capacity building of SHG members.\textsuperscript{26}

\textbf{Rambabu Gopiset and Venkateswarlu} (2008) discussed that the Self Help Group members were not focused and they were taking up the production business mainly linking up with their cost and community background and a suggestion can be made that, instead of taking up so many products, more number of members may be advised to take up production where there is an intense local demand. There is a vested scope for introducing training to the self-help groups in production technologies and also in marketing aspects. More per cent of members from Scheduled Caste (SC) and Scheduled Tribal (ST) groups have undergone training compared to the members from Backward Community (BC) and Other Community (OC). 81 per cent members feel that there is no need for training in marketing. An awareness campaign involving the knowledge of production technology and marketing are to be designed and grounded. It goes a long way in developing and realizing the potentiality of SHG members.\textsuperscript{27}

\textbf{Sivachithappa} (2008) discussed that the income impact of the extreme poverty is lower, the poorest borrowers may tend to have lower levels of loans generating more income, larger organizations have larger outreach, and formal schooling is an essential criteria for exerting better effect of SHGs on income generation. In addition it was found that SHG based micro-finance and bank linkage
programme has better outreach and positive impact on poverty. However, there is a need to improve the process of empowerment through proper policy initiatives.\textsuperscript{28}

\textbf{Tangirala (2008)} discussed that for the purpose achieving economic development, the cooperatives have to form Self Help Groups (SHGs) with the help of its members, to increase their competencies and capabilities. The cooperatives are playing a tremendous role in the economic development of its members and in alleviation of poverty in the country. With the advent of the SHGs, the cooperatives have got another tool to quicken the process of developing the members financially. The Mutually Aided Cooperative Societies (MACS) is not enough for the members’ economic development. Even the societies with the old Act too should start the SHGs with their members to enhance the level of economic development. The activities might be deposit mobilization, recovery management in case of credit cooperatives, procurement and sales activities in case of manufacture-based cooperatives, etc. However, even the related diversification of the activities is justified, provided, the needs of the members is fulfilled and the ultimate goal of poverty alleviation is achieved.\textsuperscript{29}

\textbf{Reghuvansh Prasad Singh (2009)} stated that the Self Help Groups (SHGs) formed are approximately 30 lakh and out of an estimated 90,657 federations in the country, 69,962 are in the South Indian States Andhra Pradesh, Karnataka, Kerala and Tamil Nadu. However, the overwhelming majority of federations, almost 68,000 are primary level federations, whose members are the only SHGs. He expressed concern that the majority of federations are either not registered, or not complied with legal provisions, if registered. Sources of Financial sustainability of federations including funds required for capacity building and management of federations, accountability, transparency, should federations be involved in financial intermediation, type of common grading system for federations, role of Non Government Organisations (NGOs) and collaborating agencies and NGOs federations; relations with Panchayat Raj Institutions (PRIs) at different levels, Government role and support to the federations and Institutional Mechanism for evaluation of federations.\textsuperscript{30}
Adi Lakshmi & Rajesh Jampala (2009) described and experimented that throughout the decade, National Bank for Agriculture and Rural Development (NABARD) was able to link 1.5 million Self Help Groups (SHGs) (cumulative) to banks (NABARD) with Rs. 6.8 billion of loan amount by March 2005. The credit flow is not sufficient to meet members’ credit demand. Under the SHG Bank linkage program, banks—commercial and rural—lend to SHGs and NABARD refines these loans at a subsidized interest rate. The program claims to have a repayment rate of over 95 per cent. The programme has enabled around 409.5 lakh poor household in the country gain access to micro-finance from the formal banking system, registering a growth of 24.2 per cent over 2005-06. In terms of participation of different financing agencies under the programme, co-operative banks increased their share in linkage from 13 per cent (31 March 2005) to 14 per cent (31 March 2007) while that of RRBs declined from 35 to 31 per cent during the same period, the number of SHGs financed by commercial banks, co-operative banks and RRBs increased by 89, 95 and 61 per cent respectively.31

Ghanshyambhai Amin (2009) says that in India, National Bank for Agriculture and Rural Development (NABARD) has taken certain initiatives since 1992 for formation of self-help groups and linking them with formal banking system. Under this programme, formal banking system has reached the house steps of 58 million poor households in India making it the largest micro-finance programme in the world. According to the NABARD, up to 31st March 2008, 35 lakhs Self-Help Groups were provided with cumulative banking loans of Rs. 22,000 crores. National Cooperative Union of India (NCUI) through its 44 Cooperative Education Field Projects is also helping the formation of Self Help Groups. 15,719 members were benefited under the income generating activities and the average income per beneficiary amounted to Rs. 1,000/- per month. The developmental activities of both cooperatives and self-help groups should contribute in the rejuvenation of our rural economy and help in providing opportunities for better living standards and income generating activities particularly for the rural poor households and weakersections of society.32

Mohanty (2009) analyzed that the average cumulative growth rate of more than 43.45% in physical terms has been found during the study period in all the
seven districts. India’s growth rate of Self Help Groups in physical terms remained at 44.2% whereas Orissa’s growth rate was recorded at 103.6%. Similarly, the average growth rate in financial terms in the same financing model of Orissa has exceeded more than double the growth rate of India during the study period. India’s average growth rate in financial term was 84.72% whereas Orissa’s growth rate was 196.94%. They have stepped out from their confines of their branches to nurture SHGs, which ultimately give the feed-back to the survival and growth of banking business. This is a good opportunity for the public sector Banks to boost the SHG movement to enable the villages to absorb the benefits of globalization.33

Nagaraj, Chandrakanth, David Acker, Chengappa, Shruthi, Yadava and Ramesh Kanwar (2009) discussed that the crucial variables influencing the economic performance of Self Help Groups (SHGs) is education (Years of schooling) and ‘training’ received as social capital variables and dairying as economic capital variable. Thus, the SHGs can be empowered and strengthened to offer training to its members, provide opportunities for education and facilitate adoption of dairy, in order to enhance their economic performance. The policy thus can concentrate on two factors which promote social capital such as education and training of SHG members and the factor which promotes economic capital such as dairying. Having appreciated the economic contribution of the loan amount from SHG, formal financial institutions need to further expand the credit network through SHG.34

Satheeskumar and Selvaraj (2009) stated that the Grant support of Rs. 86.05 Lakh was extended to 15 DCCBs for promoting and linking of 6,700 SHGs. Cumulatively, grant amount of Rs. 316.42 Lakh was extended to 69 DCCBs as on 31 March 2006 for promoting and linking of 34,810 SHGs. Such potential area is micro financing to farmers and artisans but general perception among banks in India is the Micro financing to farmers and artisans is risky and not rewarding. In fact it has been observed that banks in India appear to be neglecting rural areas so that now these rural banks have started evincing more interest in enriching poor through micro credit institutions.35
Sayantan Bera (2009) analyzed that there are no exact figures on the reach of SBLP among the poorest of the poor, the total outreach of the programme at 33 million households with only an estimated half of the members are poor, highlight the importance of channeling financial services through other possible routes as well. Reserve Bank of India suggested that the scheduled commercial banks could use the services of NGOs, SHGs, MFIs and Civil Society Organizations (CSOs) as intermediaries in providing banking services under the 'Business Facilitator/Correspondent' models. According to available information with the RBI, about 5 lakh no-frill accounts have been opened up to March 31, 2006, of which two-third are with the public sector and one-third with the private sector banks. Under the 'business correspondent' model, a pilot project, aiming at making rural post offices into one-stops for dispensing loans to SHGs.36

Subrahmanya (2009) stated that the south states accounted for repeat loans during 2006-07 for 80.6 per cent of existing SHGs’ assisted and 87.7 per cent of SHG credit in relation to all India. In 2004-05, the corresponding proportions were 84.8 per cent and 90.4 per cent respectively. Mutual help, solidarity and joint responsibility form the basis of group functioning. The movement has spread too many States, with Southern States leading in successful functioning of the groups. The States other than Southern States and the focused priority States in particular, have been marching ahead. Special mention is to be made of regions with acute poverty implementing the bank linkage in a successful manner. Unevenness across states and within each state is noticed. Qualitative improvements are to be brought about based on the successful experiences of the southern states, in particular. Emerging challenges are to be faced, and the poverty-redden regions should be able to overcome the problems to enable the vulnerable sections to take advantage of the programme. While NGOs have emerged as prominent players in the programme.37

Pati (2010) described an experiment that scaling the sustainability through a composite index is one of the several attempts. Considering various parameters of SHGs, their linked banks and of the SBLP as a whole, a composite index is constructed in the context of Megahalaya, which is an underdeveloped state in the north-eastern region of the country. Among all the groups around 85 per cent are running some kind of group business activities. Prominent among them are groc—
mini transport, poultry, piggery etc. Some are also found to have undertaken agricultural activities on group basis. The dominance of women SHGs is far below the national average of 90 percent. This clearly indicates that there is also a great deal of interest among the men population to form such groups. Many of the groups are also identified as low performers on both the fronts of saving and lending. The recovery under SGSY scheme is very low, i.e., at only 37 per cent (SLBC, 2007) which could bring overall negative impact on the sustainability of SBLP in future.38

III.3 Men Self Help Groups:

Eric Mankowski and Courtenay Silvergleid (1999-2000) said that the contribution of men was traditional gender role socialization to these problems and issues were often critically analysed in such groups. Furthermore, the structure and processes of self-help groups are especially well suited to the distinctive needs of men arising from this socialization. A small but growing body of research demonstrates benefits of participating in a group, for example, reduced violence, depression, or gender role conflict.39

Banerjee (2002) analyzed that the Self Help Group Members from scheduled castes/tribes were the major participants in the group activities, accounting for 67 per cent of the sample, while backward classes constituted 22 per cent. 22 per cent of the members had studied up to school level while the rest were illiterate during the pre-linkage period. 40 per cent of them were poor and they had income from other sources in addition to the wage earnings. The remaining 11 per cent of the group members were land owners (.50 -1.50 ha. of dry land) with activities such as dairy, poultry, etc. along with non-farm activities and, Hence, they were financially better off than the former two categories. This indicated the existence of a vast potential in the up-scaling of the linkage of groups with the banks. The NGOs were also planning to extend their area of operation, which would provide wider scope for the programme implementation in future.40

Jayesh Ranjan, Sanghi, Jawali, Rao and Krishna Reddy (2002) reported that the men themselves were organized into SHGs, they would be well aware of the norms of participation required for improving functioning of the groups. They would also receive inputs on the need for developing a strong SHG in order to win in the
battle of poverty alleviation, and this would help them realize the importance of helping to strengthen the SHGs of which their wives are members. Chittoor district, for example, out of 2500 SHGs promoted during the last two years, 32 per cent are men’s groups and the remaining 68 per cent are women’s groups. Besides this, another 200 SHGs have been organized for rural youth. So far, PRAWARDA (Bider district) has organized 370 SHGs, of which 26 per cent are of men and the remaining 74 per cent are that of women.

Analysis of SHGs in a sample of six villages in the above mandal has shown that out of 139 SHGs, only 12 are those of men. It is however interesting to observe that the men’s SHGs have been operating in a sustainable manner since the early 1990s. During 1997, men SHGs took the initiative of getting federated at mandal level through facilitation by CEAD. At present 22 men SHGs are associated with this federation in Sarangapuram mandal. The federation has a corpus of Rs.1.31 lakh and provides credit support to its members. Although the overall priority given by these organizations to men SHGs has been low, the men’s groups have been sustaining themselves in a proper manner.41

Mokbul Morshed Ahamed (2003) described an experiment how important is to know how field workers interact with their clients (SHG Members) and their immediate superiors. From a ‘development’ point of view, it is important to see how policies and decisions are filtered down from the top to the field workers and how field workers pass them on their clients. The gender variation in selecting clients by the field workers does not seem unusual. Clearly, all women field workers would like to work with women clients. Interestingly, most men (63 per cent) field workers wanted to work women clients and 26 per cent wanted to work with both men and women.

The RDRS had around 4,000 members of whom 2,600 were women and the remaining were men. The Thana Manager of Kurigaram Sadar told me (in 1998) that he had directed his field workers not to enroll any more men clients and brit enroll to only women. He even told me that if men clients left the RDRS to join other NGOs, the field workers should allow them to leave, but try to keep retain the women clients. The main problem of working with men clients are not repaying loan
regularly, migration, dishonest people create trouble, misuse the loan, lack of education, afraid of NGO being Christian, want quick credit. The above list highlights some key issues. For example, there are some common problems for both men and women like illiteracy, or fear of religious conversion. The above list underlines the necessity of educational programmes (both non-formal and adult) by the NGOs. There are some typical problems in working with men with dishonesty, seasonal or permanent migration, and so on. Interestingly, the problems in working with women clients are mainly caused by their husbands or society – domestic responsibility, early marriage, and so on. These problems could be changed by creation of awareness among both men and women.42

Sunil Choudhary (2005) described an experiment to form self help groups through certain specific questions asked the people in the self help group formation process. In addition he found in his study Members of the groups started saving from Rs 0.5 to Rs.10. Only 60 per cent of the groups survived who saved more than Rs 4 or more per member per week, whereas more than ninety per cent survived who saved less than Rs 4 per week per member. After six months of group formation, it was visible in the villages that there is a demand for microfinance by group members. When the groups used more than Rs.10, 00,000 against the savings of Rs. 4, 44, 000, village volunteers get sensitized to the demand for micro finance.43

Suriakanthi and Subramani (2006) discussed that the experience of the Department of ACE & C with men SHGs was not very encouraging. Ways must be found to start and sustain men’s groups because of the usefulness of SHGs in improving the quality of life of men and women, it will be highly advantageous if they also come forward to launch SHGs in large numbers. In these days when “Other Employment” is becoming scarcer, self employment is the only anecdote to unemployment. Once the unemployment problem is tackled, lack of education, good nutrition, safe habitation, sanitation etc. can be achieved. Men have a better mindset for entrepreneurship, especially the trait of risk taking. It would be advantageous to the whole family, nay to the whole community, if men take up small and medium level enterprises. They must be prepared for taking up small and middle level
entrepreneurship through knowledge and economic input. This is very much possible through SHGs.

The enormous success of women SHGs is undoubtedly a strong motivator for starting men SHGs. Men can certainly reap the same advantages as those reaped by women through SHGs. But it all depends on how much they are motivated and how intensely they are motivated. Hence one-on-one motivation and campaign style propaganda and sustained effort are needed for the emergence of widespread men SHGs. It will not be a bad idea to have mixed groups of men and women to complement the disadvantage of unisex grouping. An idea worth probing indeed!.

Shankar Chatterjee (2009) discussed that the SHG was Graded-I in October 2006 and subsequently given Rs. 25,000 as Cash Credit Loan and Revolving Fund assistance. After Second Grading in March 2007, a sum of Rs.2 lakh with Rs.1 lakh as back-end subsidy and same was the loan component. The amount helped to enhance their business. Each member after repaying of bank loan was earning between Rs.2,500 and Rs. 3,000 per month on the day of study i.e. sometimes in November 2007. They were expecting more, once repayment of loan was complete. Pertinent to mention here that on the day of study, about Rs 70,000 was repaid by SHG. By another six months, the SHG was expected to refund loan. My experience is that in many cases loan-repayment was a problem. Even NIRD’s recent study showed that 99 per cent of the members did not repay bank loan regularly (Purushotham, 2007-08). Another highlighting point is that last couple of years although group members belonged to two different religious communities doing business in cordial atmosphere. The implementation of SGSY, each self-help group is a mini bank as each SHG saves and lend among its members which is nothing but a banking business.

Debabrata Lahiri (2010) analyzed that among the 508 SHGs studied 90.75 per cent of loans was utilized for revolving fund and the loan individually. Only 9.25 per cent of funds had been utilized in groups. Among the Community Development Blocks the proportion in Jhargram was maximum to the extent of 92.59 per cent in utilizing the fund individually, followed by Kharagpur-I.
(92.17%), Garbeta-I (90.16%) and Chandrakona-I (89.00%). On the other hand, utilization in groups was maximum at Chandrakona-I (11%) followed by Garbeta-I (9.84%), Kharagpur-I (7.83%) and Jharagram (7.41%). Taking all the four Community Development Blocks together, the maximum investment was in dairying, goatery, poultry business and meeting immediate family expenses with percentage being 20.72, 20.94, 9.25, 9.09 and 11.98 respectively. Investment in Community Development Blocks on individual basis was more or less similar.

Individual utilization of revolving fund and loan among the Swarojgaries may have resulted in increased misutilisation of funds and desire to start individual business and starting of non-farm enterprises. Group activities were rendered difficult by shortage of workspace, shortage of working capital and members not belonging to the same village. Further the utilization suffered due to proliferation of many as 21 activities, while it would have been desirable to identify 4-5 key non-farm activities on a Gram Panchayats basis.46

-------- All the members belonged to agricultural labourers. As the area is having low market wage rate (Rs. 25-30 per day) so that their savings were Rs.10-15 per month. An amount of Rs.3.25 lakh was sanctioned (Rs. 2.00 lakh as bank loan and Rs.1.25 lakh as back end subsidy). With an amount of Rs. 2.70 lakhs, the members of the group have purchased a tractor for tilling of others agricultural land. Throughout the month they don’t get work as some of the villagers already have either power tillers or tractor; even then they get an average monthly profit of Rs.12, 000.

The functioning of this group and its dynamism has proved that the poor people have great entrepreneurial skills if they are motivated and organized in a systematic way. However, the problem, which was observed with the group leader, was that he was not well versed with the minimum accounting procedures. The matter was discussed with the Taluka Development Officer who has agreed to help him in this regard.47
II.4 Previous Evaluation and Research Gap

Till now, the employment generation and well being of men SHGs in Salem district had been subject to a number of studies, which were not mostly comprehensive in nature. The reviewing literature so far made reveals the following trend among of SHGs: most of the SHGs are exclusively women. Other SHGs are lesser in number than exclusively that of women. Even among them SHGs of exclusively men are very few compared to the mixed type. Performance of the mixed as well as men only SHGs is not as good as that exclusively women. The main reason for the lower performance of mixed and women type is that the members, except, women are not loyal to view respective SHGs. Thus, there is no study on “Employment generation and well being of Men Self Help Groups in Salem District”, hence this study.
Reference:


