CHAPTER - IV

SELF HELP GROUPS UNDER
MAHALIR THITTAM (MATHI) IN MADURAI

STUDY AREA - MADURAI CITY

This chapter deals with the geographical location, historical perspective, demographic data and physiographic characteristic of Madurai district. It also provides details on the status of women, the growth of the NGO sector and major poverty alleviation schemes, which have benefited women and the NGO sector. Besides, there is an imperative necessity to improve the position of women is found to be improving at a very slow pace despite appreciable efforts and affirmative action from the state explore alternatives to enhancing the economic capabilities of women. In this endeavor the SHG strategy has been promoted by the State and NGO with credit linkages through NABARD / Banks to effectively implement the poverty elevation program SGSY of the Central Government and Mahalir Thittam of the State Government.

Geographical Location

Madurai referred to in ancient literature as the 'Athens of South India' is situated on the banks of the Vaigai river and lies at the foot of the Western Ghats between 9 degree- 30' - 00" and 10 degree - 30' - 00 of the northern latitude and between 77 degrees - 00' - 00" and 78 degrees - 30' - 00" of Eastern longitude. The district encompasses an area of 690 1.5 square kilometers. At present Madurai district is bounded by Coimbatore and Anna district in the north, Thiruchirapalli and Pasumpon Muthuramalinga Thevar district in the East, Kamaraj district in the South and Theni district in the West.
Historical Perspective

Madurai is also respected as the seat of the Tamil Sangam (3rd century B.C. to 3rd century A.D.). The history of Madurai up to the 10th century was bound up with the Pandyan rule. The Cholas who followed had a brief sojourn after which the Pandyas staged a comeback. In the 14th century Malik Kafur, the general of Sultanate Allauddin Khiliji of Delhi wrested the possession of the country from the Pandyas. "The Sultanate rule lasted up to 1375 A.D. when Madurai was captured by Kumara Kampana and brought under Vijayanagar Empire that inaugurated the Nayak rule. The Nayaks ruled Madurai as an independent territory but faced incursions by Marathas and Mughuls. In 1736 Mughuls rule succeeded that of the Nayaks, which changed into the Nawab of carnatic defector as well as de jure. The kingdom of Madurai was reduced to the State of a province, and was ultimately transformed into East India Company's territory. Madurai took an active part in the National Movement. Gandhi's decision to wear loincloth was taken at Madurai on 22nd September 1921. The condition of the peasants of Madurai was so pitiable that Gandhi decided to take this extreme step. The condition of men was so pitiable; we can imagine very well the situation of grassroots women. During the Civil Disobedience Movements, individual Satyagraha and Quit India Movement, Madurai was quite prominent. Women also played a significant role in the National Movement. :-

Madurai district is renowned for its rich cultural heritage and its glorious past as a seat of learning and culture in Tamilnadu. A mall city with village ad urban life styles interwoven, it is also a busy commercial center where tourism and trade thrive. Also known as the temple city it is the seat of Goddess Meenakshi. In the post independence period Madurai continued as a traditional, and conservative and predominantly Hindu society. The condition of women was not very promising.
But Christian missionaries took up the initiative for women's education in the late 1940's. Katie Wilcox and Mother Rose were instrumental in establishing the first women's college in Madurai. Next to Madras, Madurai played a leading role in the State of Tamil Nadu. Its centrality made some to think in terms of shifting the headquarters of the State to Madurai.⁹

**Demographic data:**

As per 1981 census the percentage of the rural population was 63.75% in Madurai district compared to 55% in 1991. The percentage of the population living in the rural area has been on the increase as shown in the table below. The increase in population since 1991 has been 6.75%.

<table>
<thead>
<tr>
<th>Table No. 1 Population in Madurai District</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Census report</strong></td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>2001 (excluding Theni)</td>
</tr>
<tr>
<td>Male 569988</td>
</tr>
<tr>
<td>Female 559240</td>
</tr>
</tbody>
</table>

Source: Statistical handbook of Tamil Nadu, 2001

The birth rate is 29.27 per thousand; the death rate is 9.69 per thousand, giving a natural growth rate of 19.58 per thousand of the population. The sex ratio was 978 women per 1000 men in 2001.¹⁰ In 1981 the density of population in the district was 417 per K.M. as against 372 for Tamil Nadu State and 221 for the nation as a whole. In 1991 it was 525 in Madurai, 428 for Tamil Nadu and 267 for the Nation as a whole. In 2001 the density of population in Madurai was 733 per square K.M. The literacy rate in Madurai is 78.
Table No.2 Table showing work participation of women

<table>
<thead>
<tr>
<th>Area</th>
<th>Persons</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>680996</td>
<td>402496</td>
<td>278470</td>
</tr>
<tr>
<td>Urban</td>
<td>1114785</td>
<td>601010</td>
<td>513775</td>
</tr>
<tr>
<td>Total</td>
<td>179571</td>
<td>1003506</td>
<td>792245</td>
</tr>
</tbody>
</table>

Source: Statistical handbook of Tamil Nadu, 2001

Participation of women in the work force in the rural areas was mainly in agriculture. The total area of the district is 6901.5 square K.M. The forest area is 1,69,653 hectares. The total cropped area is 3,05,117 hectares. The area sown more than once is 52,285 hectares. The areas under different agricultural products show the scope for agro-based industries in the district. Paddy is produced in 1.7 lakh hectares.\textsuperscript{11}

**SHG**

The Concept of SHG was the essence of Gandhian Sarvodaya which aims at Gram swaraj norm, which means of the people, by the people and for the people. Self helps Groups of Woman in India have been recognized as an effective strategy for the empowerment of woman in rural areas, bringing them together from all spheres of life to flight for their rights or a cause. Since the over all empowerment of woman is crucially dependent on economic empowerment, woman through these SHGs, work an a range of issues such as health, nutrition, agriculture Forestry etc. Besides income generation activities seeking micro credit”, and work towards socio economic development.\textsuperscript{12} The Self Helps Groups promote saving among their members and there are pooled together as a corpus found and utilized to meet the needs of its members. Further these savings are supplemented through external resources like loans from the formal credit institutions from the Voluntary agencies like (NGO) etc. These are recycled irrespective of the purpose for which it has been disbursed ie .Production or Consumption, for meeting the needs of the
members”. People of same village from 12 to 20 members join as a group where they can in their economical and social status bring about all the success. The heart of oneness is brought among the group. People who are residing in the mountain area form a group 5 members Physically handicapped or disabled can form a special group consisting of 5-10 members. TamilNadu Government has hostel a website named www. Rural bazaar.org to market the products manufactured by the SHG which was not so popular, they sell their product directly through exhibition but not through any agents or dealers.14

FEATURES OF SHG

The Self Help Group members create a Common fund by contributing their small savings on a regular basis. The Systems and procedures followed by the group are very flexible and are functioning in democratic way to the members. Every member in SHG participated in the decision making. On the basis of the request of members for consumption and the group in the monthly meeting and disbursement of loan within their limited funds are done. The loan issued is very small amount usually Rs.500/- and the repayment is one to three months. The loan issued to run the business is minimum 3000/- and up to maximum 25000.

The loan will be issued according to the nature of business. The interest rate charged varied with the age of the group and the purpose of loan it is lower than that of money lenders.15 In the meetings, besides savings, collecting dues, social and economic issues are also discussed. The Percentage of recovery is normally 100% and in case of default recovery of dues is discussed among the member. The group maintains proper accounts records.16 Intimate knowledge of each others intrinsic Strength needs and problems. All members in SHG have a common fund they have simple and responsible rules were followed by them during their group meeting. SHG is one of the effective methods of delivery of credit to the un reached poor.
The focus is just not on SHG but also on poverty and its eradication through credit. Members in SHG gain their knowledge in collective decision making which is a central contribution of SHG. Market driven rates of interests and as decided by the group are decided by the members, collateral free loans/terms are decided by the group, external interference are kept to the least, conflict solving through collectives have helped to address all the differences and in available location.  

**MISSION OF THE SELF HELP GROUP**

To build capacity of poor and disadvantaged women in order that they are enabled to cross all social and economic barriers and there by emerge as empowered citizens'. And to reach out' to the -35 Lakhs below poverty line families in Tamil Nadu with focus on SC, ST, Widows, Physically handicapped and destitute for social economic and political empowerment. Mainly to achieve the equality of status of poor women as participants, decision makers-and beneficiaries in the democratic, economic, social and cultural spheres of life.

To create or reorient democratic economic and social institutions to enable poor woman to participate fully and actively in decision making in the family and community and at the local district state and national levels. To empower woman to work together with men as equal partners and to inspire a new generation of woman and men to 'work' together for equality and sustainable development and communal harmony. To promote welfare of women and ensure the human rights of woman at all stages of their life cycle. To advocate changes in Government policies in favor of disadvantaged women.

**FUNCTION OF SHG IN MADURAI**

The groups are formed and Functioning in the following way, there is a fiscal eligibility criterion for members in the SHG.
Eligibility Criteria

Poorest of the poor woman belonging to the poor families can become members of the SHG.

1. One woman member from each family only can became a member of the SHG.
2. Size of the SHG is between 12 to 20 members.
3. The members select the name for their group and decide the by laws.

AIMS OF SHG

To improve the economic status of members; Motivating the ladies in the different ways of savings; learning to fulfill their needs for personal loans; cultivate the discipline of honesty through proper remittance of paying their dues in time. Learning various Job facilities to prepare technically the home made products in order to lift the hands of their family member’s. Women’s Self Employment helps them to raise their economical status. Actually to get all the Government facilities. Interdependent in their economic capacity especially in loan arrangement rather than depending on the local debtors of their own locality. Earning full profit of their business rather than giving a part of the profit to the agents or distributors. 

IMPROVING SOCIAL STATUS

A thought provoking idea “We are ourselves” is developed among women because they don’t leave. Their place but do activities to generate income within their own locality. The group cohesiveness promotes the idea of oneness. Women forget their caste differences and help each other to help themselves. Decision making was the capacity cultivated among women is society and in their family’s there is scope for women to learn good habits with other in the group through interactions. Cleanliness and others norms of the small family are learnt.
Their role in SHG has helped them to take their own decisions of how much loan they want, how much they can repay and what kind of enterprise they can. Socially also women have come together because SHGs have become the order of the day and have the goal of going to every nook and corner of the Madurai city.\(^22\)

Women involved in SHG activities have developed their management skills and brought out their talent of multitasking. Women have succeeded in fulfilling their own basic necessity and village necessities as well asset creation. Women have secured a voice, they are treated and get together to address the issue of violence against women. Due to social economic empowerment they are able to raise their voice against women condemn any ill treatment by collectively addressing issues with the help of NGOs. Women are participating in the social and economic functioning in the villages.\(^23\)

SHG members learned the art of administration and gaining power by the training given by animators in which it cultivate the work talent and encourages the self confidence level and group involvement made an essential component. Mainly the members also developed the art of public speaking Rise in social status of SHG members gives them equality in participation and powers of decision making at the household level and in community and village levels. This in term enhances the participation and power of decision making in democratic institutions.\(^24\) SHG provide economic empowerment through greater access to financial resources outside the household and also it reduces vulnerability of the poor women to crisis situations like famine, flood, riots etc. It also increases woman’s own income, and the power to retain save such income and use it independently. Woman gain equal access and control over various resources at the house hold level. It also achieves the financial self reliance of woman both in the house hold and in the external environment.\(^25\)
Financial building is done through enterprises better Awareness on health, education, environment, legal rights etc, are created, It also improves the functional literacy and numeracy of the SHG members, it shows the way to improve better-communication skills, better leadership skills and it also gives self help and mutual help in which such empowerment of the poor and disadvantaged women would lead to overall improvement that occurs directly to the individual woman and women’s

The Tamilnadu Government has been implementing various projects and programmes for the sake of women’s progress. Women’s Self Help Group (WSHG) is the most notable one among them. The significance of Self Help Group (SHG) has been introduced in India by Ms.Chinnapillai, a woman of Madurai District. In order to honour her service rendered amongst rural women, the Prime Minister of India, Mr. Vajpai bowed down to her and let the people to know the concept of "Self Help Group". This incident added fame not only to SHG but also to Madurai itself. For successful functioning of SHG, Madurai Mahalirthittam play an important role.

**Mahalir Thittam**

The programme is implemented in partnership with NGOs and community based organisations which are affiliated with TNCDW after due process. So far 3,91,311 SHGs have been formed as of March 2009 with 62.93 lakh women members and with total savings of Rs. 2167 crores. Out of 25,000 new SHGs formed in 2008-09, 5,304 SHGs were formed among NREGS women workers and 9,696 SHGs were formed in the Village Panchayats where the SHG coverage is inadequate and 10,000 SHGs were formed exclusively in urban slums. The members and office bearers of the SHGs promoted by Mahalir Thittam are provided systematic training to bring about qualitative changes in their attitude and to promote cohesion and effective functioning of the group.
All the SHG members are imparted training in 4 modules for 4 days to orient them to the SHG concept. The office bearers of the SHGs (Animator and Representative) are given training in 3 modules for 6 days to enhance leadership quality, team building and bookkeeping.

**Group Formation**

In order to enable all women living below poverty line to join and benefit from the Self Help Group movement, it has been estimated that one lakh new SHGs have to be formed in the State. To achieve this, it has been decided to form 50,000 new SHGs in the year 2009-10 and another 50,000 new SHGs during 2010 -11. By doing so, Tamil Nadu will have the distinction of enrolling all women living below poverty line into SHG movement. During the next two years, group formation will be undertaken with special focus on NREGS women workers, urban slum dwellers and in Village Panchayats where SHG coverage is 132 still inadequate. Table 1: Gives the details of SHGs as on 31.3.2009.

**Table : 3 Details of SHGS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of SHGs</td>
<td>3,91,311</td>
</tr>
<tr>
<td>No. of Group Members</td>
<td>62.93 Lakhs</td>
</tr>
<tr>
<td>No. of Rural Groups</td>
<td>2,72,092</td>
</tr>
<tr>
<td>No. of Members in Rural SHGs</td>
<td>44,14,895</td>
</tr>
<tr>
<td>No. of Urban Groups</td>
<td>1,19,219</td>
</tr>
<tr>
<td>No. of Members in Urban SHGs</td>
<td>18,78,106</td>
</tr>
<tr>
<td>Total Savings</td>
<td>Rs.2167 Crores</td>
</tr>
<tr>
<td>No. of Groups Credit Linked</td>
<td>3,60,160</td>
</tr>
<tr>
<td>Total Credit</td>
<td>Rs.5337.96 Crores</td>
</tr>
</tbody>
</table>
MahalirThittam, a new scheme meant for women, commenced its operation during 1997-1998 as a result of establishment the Tamilnadu Corporation for development of Women TNCDW which came into existence in 1983. The early strategies for the capacity building of women were developed with great dedication by many experts, from the Government and the NGOs. The project came to an end in 1996. All the evaluations and studies conducted have showed a significant change in the attitude, as well as, in the position of women who had joined the Self-Help Movement. Women of Below Poverty Line (BPL) are the target of Mahalirthittam. Increasingly the focus is on the poorest and the most disadvantaged, specially the Scheduled Castes and Scheduled Tribes.

Mahalirthittam has increased importance to Entrepreneur Development Programmes (EDP) and Vocational Training Programmes (VTP). In 2002-2003, 125,755 SGH members and 36,179 SHG members in 9,046 in 2003-2004 were trained in skills such as making of Agar Bathis (scented sticks) auto-rickshaw driving, bakery, book binding, goat/turkey rearing, beautification, fish farming, candle making, jute/palm leaf/paper/sea shell/ sanitary napkins/herbal/coir products making, greeting cards, dairy farm products, computer training, cookery, photo/video, screen printing, tailoring, toy making, mushrooms, floriculture, handloom, Xerox, vermin-culture, gem cutting and brick making. This is a significant shift from the 'tailoring' and 'sewing machines' that has traditionally been thought of as women's programmes since the 1950s. TNCDW has taken steps to improve the designs of various products of the SHGs to make them commercially viable and attractive. The formative period is the time when the first SHG was formed in a village. It is also a testing time for both the NGO and the staff of Mahalir Thittam. The village communities across the districts have in mind different kinds of suspicions.
There has been several instances previously of outsiders coming to the village, collecting money under the name "cheetu/chit" (monthly savings programme) and running away with the money. So, the women, as well as the men in the village suspected the motive of the staff of NGO/Mahalir Thittam who came to the village to form SHGs with 'savings' as the first activity. Some villagers reacted so violently that they even beat the NGO/Mahalir Thittam staff. In certain cases, it was suspected that the NGO/Mahalir Thittam staff members were coming to take away their body parts. There was an instance in which even a Programme Officer had to run from a village to save himself from the blows and stone-throwing of angry villagers. Mahalir Thittam was first introduced during 1989 for the economic development and progress of poor women. There are 3162 Self Help Groups existing within Madurai Corporation limit, having 50,592 women members.

**Objectives of Mahalir Thittam**

The objectives of Mahalir Thittam are:

- To develop the habit of savings among women.
- To face the internal crisis by themselves.
- To repay the credit availed from the banks properly.
- To improve the standard of living by the earnings of women.
- To make arrangements to get the bank loan and other benefits from the Government schemes.
- To help the SHG women to know the ways and means for marketing their products.
- To create self-confidence among the SHG women.
- To create social awareness and improve the socio-economic status.

**Group Formation**

In the formation of SHG the size of the group must be around 12 - 20 members. The age limit of the members must be between 18 - 60 years. Preferences will be given to the poor women.
Focus would be on widows, divorcees, deserted women, handicapped women, SC/ST women and other socially backward communities. More than one member of the same family in the same SHG is to be strictly avoided.

**Registers and Documents**

Each group should maintain the following registers and documents:
- Attendance and Resolution Register
- Cash Book and General Ledger
- Savings and Loan Register
- Pass book.

**SHG Member Training**

After the formation of the groups training will be given to SHG members for 4 days on following four Modules.

Module 1 - About Social Development
Module 2 - About Political Development
Module 3 - About Educational Development
Module 4 - About Economic Development

**Payment of Training Cost for four days.**

Each participant will be given stipend of Rs.45.00 per day and each CRP will be paid Rs.7.50 per day. The logistics cost to NGOs will be paid at Rs.12.50 per day/member.

**Training for Animators and Representatives:**

The Animator and Representatives will be given training of 3 modules for 6 days.

- Module 1 - Governance and Finance Management
- Module 2 - Register Maintenance & Capacity building
- Module 3 - Accounts and Communication.
Payment of Training Cost

The training will take place for six days. Each participant will be given stipend of Rs.45.00 per day and each CRP will be given Rs.10.00 per day. The logistics cost to NGOs will be paid at Rs.12.50 per day/member.

Credit Rating

The SHGs will be eligible for credit rating after completion of 6 months. The credit rating will be done by a committee consists of an Assistant Project Officer from Mahalir Thittam, a representative from Bank/NGO/PLF/VKP. The successfully credit rated SHG becomes eligible for credit linkage. The SHG will be given revolving fund through schemes like SGSY, TAHDCO or they will be directly provided loans by banks. After completion of two years the SHGs are eligible for second rating. The successfully 2nd credit rated SHG’s are eligible for economic assistance under SGSY (Swarnjayanti Gram Swarozgar Yojana) / THADCO (Tamil Nadu Aadi Dravida Housing Development Corporation) Schemes.

Revolving Fund (RF)

The revolving fund is provided to SHGs to augment the group corpus and to facilitate or increase the per capita loan available to the members. It is meant to be a cash credit facility which can be used on permanent basis by the SHGs. The SHGs are eligible to take loans from the RF account, any number of times, provided their outstanding loans do not exceed the RF limit originally sanctioned. It is called a Revolving Fund because the SHGs can take loans many times within the RF Sanction limit. The RF account can be operational as long as the SHG is functional. However, many bank managers and SHGs treat RF as a short term loan and close the RF account prematurely after one time repayment of the RF loan. This defeats the very purpose of providing RF and drastically reduces its utility.
The Revolving Fund is a cash credit facility on a continuous basis and the Revolving Fund account is not closed. Some banks do not remit the RF amount into a separate account and instead remit it in the savings account of the SHG. This is a wrong practice.???

Bankers should open separate account for RF to all SHGs so that the SHGs are clear about the financial transactions under this account. Some banks are charging interest on the RF subsidy of Rs.10,000/- given by the government. Instructions are very clear that interest should be charged only on the credit availed of by the SHGs. Those banks are instructed to repay the erroneously charged interest to the SHG’s.

**Revolving Fund to SHGs:**

As the allotment of funds for RF subsidy under the schemes like SGSY is limited, all the eligible groups were not able to get RF subsidy. Hence in 2008-09 the Government decided to provide RF subsidy to all the eligible 1.5 lakh HGs and Rs.150 crores was earmarked for this purpose. As on 31.3.2009, RF subsidy of Rs.10,000 each along with bank credit have been disbursed to 1,31,413 SHGs during 2008-2009.30

**Direct Bank Loans in Addition to RF**

Direct loan is different from that of the RF. Banks can give direct loans in addition to RF based on the performance of the SHG. RF is a cash credit facility. Provision of RF does not mean that the direct bank loan without subsidy should not be given to the SHG at the same time, it is not necessary that the RF should be closed before sanctioning direct loan and both loans can subsist at the same time.

**Repeat Loan**

In every bank focus will be given to credit linkage to SHG particularly repeat loan. The details of SHGs which have received RF will be available in the Bank branches. Bankers should ensure that direct loan to tune of Rs.1/- lakh should be sanctioned.
Furnishing of Data

The data will be collected by the Liaison officers who will be appointed for each Bank branch. Branch manager of the Bank should furnish the details of Credit Linkage to SHG’s by the 3rd of every month for consolidation. This will be helpful for the MahalirThittam to prepare annual consolidation as well as assess the actual performance of the Bankers.

Credit Linkage

Bank credit is one of the most critical inputs for empowering SHGs and to reduce rural indebtedness. Banks normally extend cash credit of Rs.10,000 to Rs.30,000 to SHGs along with RF subsidy of Rs.10,000 provided by Government. But the quantum of credit extended by banks to SHGs was not adequate to meet the credit requirements of all the SHG members. Therefore Government have taken special efforts to increase the quantum of credit to SHGs and ensure credit is made available to SHGs in multiple doses. Due to the efforts taken by Government, banks in the State have started providing minimum of Rs.50,000 as first linkage and minimum of Rs.1 lakh and Rs.1.5 lakh as second and third linkages respectively. The details of credit availed by SHGs are given in.

Table 4
Details of Credit Linkage

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Year</th>
<th>Achievement (Rs.in Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Upto 2001</td>
<td>120.30</td>
</tr>
<tr>
<td>2</td>
<td>2001 – 02</td>
<td>97.91</td>
</tr>
<tr>
<td>3</td>
<td>2002 – 03</td>
<td>184.65</td>
</tr>
<tr>
<td>4</td>
<td>2003 – 04</td>
<td>271.32</td>
</tr>
<tr>
<td>5</td>
<td>2004 – 05</td>
<td>490.62</td>
</tr>
<tr>
<td>6</td>
<td>2005 – 06</td>
<td>600.44</td>
</tr>
<tr>
<td>7</td>
<td>2006 – 07</td>
<td>593.45</td>
</tr>
<tr>
<td>8</td>
<td>2007 – 08</td>
<td>804.70</td>
</tr>
<tr>
<td>9</td>
<td>2008 – 09</td>
<td>2174.57</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>5337.96</td>
</tr>
</tbody>
</table>
From the inception of Mahalir Thittam, SHGs have been assisted with the cumulative credit linkage of Rs.3163.39 crores only upto March 2008. But during the year 2008-09 alone, 137 credit linkage to SHGs has touched Rs.2174.57 crores due to the positive interventions made by Government. During the coming years, the focus of Mahalir Thittam would be on increasing credit linkages to SHGs, particularly repeat loans and a credit target of Rs.2400 crores has been fixed for the year 2009-10.

It has been ascertained from the recent survey that a poor household needs credit of at least Rs.1,00,000/- in multiple doses over a period of time in order to come out of poverty. In this context, the bankers are requested to take efforts to increase credit linkage to MahalirThittam groups in a big way and to have a meaningful impact on the lives of SHG members.

The State Level Review Meeting of Banks held at Chennai on 24.12.2008 unanimously took the following decisions: The forum arrived at a consensus that Bank may credit link PLFs on a pilot basis, about 5 PLFs per district and based on the experience gained after a period of, say 6 months, scaling up of financing of PLF, can be decided subsequently. The forum advised banks to continue to credit link SHGs as per the quantum agreed by banks in the 113th SLBC meeting held on 25.03.2008 viz., 50,000/- for first linkage, Rs. 1 lakh for second linkage and Rs.1.5 lakhs for third linkage.

**Formation of Panchayat Level Federation**

Government of Tamil Nadu have formed about 3.91 lakhs Self Help Groups under Mahalir Thittam implemented through TNCDW over a period of 20 years. The success achieved in the project has prompted the State Government to further strengthen the movement and make it sustainable by forming federations of SHGs at Village Panchayat, Block and District level.
Panchayat Level Federations have been formed in all the 12618 Village Panchayats in the State. PLF provides a common platform for the SHGs to share their experiences and to voice their problems. PLF can help achieve what individual SHGs cannot, by pooling in their talents and resources and exploiting economies of scale both in production and marketing. They can also guide and monitor the functioning of SHGs in a Village Panchayat and also form and train new SHGs. Strengthening PLFs is the key to achieving sustainability of the SHG movement in the long run.

Since 2006-07, the Government have taken various initiatives such as providing seed money, instituting Manimegalai awards to best PLFs and capacity building of office bearers of PLFs. The Government ordered restructuring of PLFs with the objective of making them more inclusive, transparent and participatory and also to improve their governance and sustainability vide G.O.Ms.No:125 Rural Development and Panchayat Raj (CGS-3) Department, dated 21.7.2008.

In addition, the Government initiated the following steps to further strengthen the PLFs:

- In order to accord legal status to the PLFs and to facilitate them to access bank credit the Government have ordered to register all PLFs under Tamil Nadu Societies Registration Act, 1975.

- The Government have also vide G.O.Ms.No:111 Commercial Taxes and Registration (M1) Department, dated 17.11.2008 exempted the PLFs from the purview of Sections 25 and 42 of Tamil Nadu Societies Registration Act 1975. This exemption has provided an institutional framework for PLFs to take up income generation activities and benefit from them.

- A detailed Action Plan has been drawn up to restructure all the PLFs in the State in the next three years in a qualitative manner. During the current year a total of 1,260 PLFs would be
restructured and further strengthened by providing capacity building to the office bearers of PLFs on ‘Governance’ and ‘Financial Management’ modules.

- On completion of six months from restructuring, the PLFs will be graded based on indicators covering participation, inclusion, governance, transparency, credit discipline and community development initiatives.

- To encourage the well functioning Panchayat Level Federations, 1,000 best performing PLFs will be selected and Rs. one lakh each will be given to them as incentive. A sum of Rs.10 crores will be earmarked for this purpose for the year 2009-10.

The federation of the SHGs are at two levels i.e. at habitation level which is called as Habitation Level Forum and at Panchayat Level - Panchayat Level Federation.

i. Each habitation with atleast 5 SHGs will constitute a Habitation Level Forum (HLF) with representation from every credit rated SHG.

ii. Each village panchayat with atleast 10 SHGs will have a Panchayat Level Federation.

The SHGs which are 6 months old and have passed the first credit rating are eligible to become members of Panchayat Level Federation.

The PLF will have an Executive Committee (EC) and a General Body.

- Executive Committee of PLF will be constituted with representatives from Habitation Level Forums and both PLF and HLF will have office bearers to discharge their functions effectively.

- Executive Committee consists of Minimum 10 Women SHG members co-opted disabled member.
The PLF will have four office bearers namely President, Secretary, Joint Secretary and Treasurer. All the members of federated SHGs will constitute the General Body of PLF. Each PLF will have a bank account which will be jointly operated by the Secretary and Treasurer of the PLF based on the resolutions of the PLF. The HLF will not have a bank account as no financial transactions are expected at the level of the HLF.

**Restructuring of PLFs**

In order to ensure self-sustainability and to empower the SHGs and also give them legal status, all the SHGs which are functioning in a village panchayat are to be amalgamated with the PLFs with the restructured body.

PLFs already formed in 265 village panchayats are now being restructured and registered under Tamil Nadu Societies Registration Act, 1975. During the year 2008-2009, the following 5 PLFs have been restructured as Pilot PLFs and registered under Tamil Nadu Societies Registration Act, 1975. They are as follows:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the Block</th>
<th>Name of the PLF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Madurai East</td>
<td>Thirumohur</td>
</tr>
<tr>
<td>2</td>
<td>Madurai West</td>
<td>Usilampatti</td>
</tr>
<tr>
<td>3</td>
<td>Alanganallur</td>
<td>Kondayampatti</td>
</tr>
<tr>
<td>4</td>
<td>Thirumangalam</td>
<td>Maravankulam</td>
</tr>
<tr>
<td>5</td>
<td>Chellampatti</td>
<td>Vikkiramangalam</td>
</tr>
</tbody>
</table>

**Grading of PLF**

The panchayat level federations shall be graded after their restructuring which registered as societies under Tamil Nadu Societies Registration Act, 1975. The first grading shall start after completion of 6 months after their restructuring. At the end of 6 months from the receipt of the first credit linkage from banks, the Panchayat level
federations will be subject to another grading to assess its performance and capacity to take up higher level financial intermediary role and economic activity.

**Grading Team**

The following members would constitute the grading team:

1. Community Professionals of well-functioning Community Based organizations that is Self Help Groups, Panchayat Level Federations, village Poverty Reduction Committees.
2. Members of Panchayat Level Federations and Self Help Groups which have received Manimegalai award.
3. Representative from the concerned bank in which the Panchayat level Federation is having the bank account.

**Grading Process**

The grading event will be organized every quarter till such time all the panchayat level federations obtain good grade. The quarterly grading exercise will grade all the respected plfs which have become eligible during concern quarter.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Above 80</td>
</tr>
<tr>
<td>B</td>
<td>60 - 80</td>
</tr>
<tr>
<td>C</td>
<td>Less than 60</td>
</tr>
</tbody>
</table>

Each grading team will grade not more than 10 Panchayat Level Federations by undertaking field visits, verifying documents and interacting with community members. The Panchayat Level Federations will be graded for a maximum of 100 marks as follows:
• The Panchayat level federations which secure Grade 'A' or Grade 'B' will be considered as 'successful'.
• The Panchayat level federations which are securing Grade 'C' have to undergo grading again after 3 months. Vide G.O.No.465 RD & PR dt. 23.07.2009.

**Incentive to PLF**

Graded PLF will be given an incentive of Rupees one lakh.

Incentive amount shall be utilized for internal lending to the federated SHGs in the PLF. Vide G.O.No.113, RD & PR, dt. 01.10.2009.

**Registers to be maintained by the PLF**

The following registers will be maintained by the PLF

- Attendance & Resolution Register
- Membership Register
- Cash Book
- General Ledger
- Loan Track Ledger
- Asset Register

**PLF Bulk Loan**

The following criteria are followed in giving bulk loans:

1. **Eligibility**

   There should be a minimum of 10 SHGs in a PLF

2. **Quantum/Financial Parameters**

   Quantum is arrived at by assessing the needs and income generation abilities at individual level which are aggregated as requirement of PLF after deducting the finance already availed by the SHGs. This working plan will be made available along with loan application. Loan applications should be accompanied with Annual Credit Plan of PLF and due/ no due certificate.
The dues of constituent SHGs with other Bank Branches will have to be liquidated except for Revolving fund assistance. No SHG would have borrowing from two sources. The defaulted SHGs will not be funded by PLF.

The PLF financing will not replace the banks direct financing to the SHGs but it supplement the funding sources of the SHGs as an additional avenue. The PLF are envisaged to take up the role of financial intermediary to bridge the prevailing gap in financing SHGs needs and to safeguard the interest of the members from the clutches of high cost lenders.

While assessing the requirement for bulk lending, the current outstanding of the SHGs will be taken into account and the net requirement alone is being consolidated at PLF level for bulk lending. Financing through PLF will not amount for over financing or double financing. It will be used to offset the under financing of the SHGs. The mode of finance will be done by means of Term Loan which PLFs can avail in stages depending upon their schedule of funds deployment.

**Rate of Interest**

The rate of interest charged by PLFs to constituent SHGs should not exceed 3 per cent over the rate charged by Banks to PLF or 15 per cent whichever is less.

**Role of PLF**

Recourse to SHGs should also be available to Banks against SHGs. Banks may take appropriate documents which would enable them to avail this resource. This will facilitate action against non-performing SHGs and insulate performing SHGs. PLF would take timely repayments to the Bank regardless of performance of SHGs.
**Borrowing Powers**

Loan applications must accompany necessary resolution authorizing the specific office bearers who will execute documents on behalf of PLF. Two levels of federations are proposed in the institutional structure of namely Slum level Federation (SLF) and Cluster Level Forum (CLF)

**Slum Level Federation (SLF)**

In order to enable women living below poverty line to join SHG movement a special thrust has been given in the last four years to the formation of new women SHGs in urban slums and as of 31.3.2010 over 38,000 SHGs have been formed in urban slums. There are 8 corporations, 152 Municipalities and 561 Town Panchayats in the State.

In these urban local bodies there are 3,578 notified slums and 4,022 un notified slums in the State with the total population of 46,27,056. Hence for effective inclusion of the poor in the SHG movement it is advisable to form federations in urban areas focusing on slum areas. In Corporation area an average of 1000 urban slum houses will have one Slum Level Federation.

In case the number of SHGs in the demarcated Slum area is less than 20 there will be no SLF and the SHGs may join the nearest SLF of their choice. In Municipal and Town Panchayat areas an average of 500 urban slum houses will have a Slum Level Federation. In case the number of SHGs in the demarcated Slum area is less than 10, there will be no SLF and the SHGs may join the nearest SLF of their choice. While demarcating areas for formation of Slum Level Federations, distance between the slums may be taken into consideration. In case of isolated slums with less than the prescribed limit of households, decision of forming Slum Level Federations can be taken on case to case basis.
Proposed Institutional Structure for the Slum Level Federation (SLF)

Two levels of federations are proposed in the institutional structure of SLF namely CLF (Cluster Level Forum) and SLF (Slum Level Federation).

Roles of Slum Level Federation (SLF)

The roles of Slum Level Federation are as follows:

a. Mobilizing all eligible women into SHGs.

b. Strengthening and furthering the activities of the SHGs.

c. Information dissemination among SHGs.

d. Preparation of Capacity Building Plan.

e. Arranging for grading, credit rating and credit linkages in right time.

f. Availing bulk loans and on lends it to member SHGs.

g. Support for accounting and auditing of SHGs.

h. Conflict resolution among SHGs.

i. Support for income generating activities.

j. Taking up such activities that would benefit the SHGs and their members but cannot be taken up by individual SHGs.

k. Networking with Government agencies and other external institutions like insurance companies for women development.

Cluster Level Forum (CLF)

In Corporation areas, each street or Lane or area or cluster of houses with a minimum of 10 SHGs will have a Cluster Level Forum with representation from every credit rated SHGs. In Municipalities and Town Panchayat areas each street or lane or area or cluster of houses with a minimum of 5 SHGs will have a Cluster Level Forum with representation from every credit rated SHG.
The following are the Cluster Activities of Madurai District

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the Block</th>
<th>Identified Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Alanganallur</td>
<td>Bricking, Vegetable cultivation, Cattle-rearing, Hiring of vessels.</td>
</tr>
<tr>
<td>2</td>
<td>Kallikudi</td>
<td>Vegetable cultivation, Cattle rearing, Handloom</td>
</tr>
<tr>
<td>3</td>
<td>Madurai East</td>
<td>Readymade garments, Flower cultivation</td>
</tr>
<tr>
<td>4</td>
<td>Melur</td>
<td>Readymade garments, Soap Industries, Vegetable cultivation</td>
</tr>
<tr>
<td>5</td>
<td>T.Kallupatti</td>
<td>Vegetable cultivation</td>
</tr>
<tr>
<td>6</td>
<td>Tirupparangundram</td>
<td>Molded Toys and Fur toys production</td>
</tr>
<tr>
<td>7</td>
<td>Vadipatti</td>
<td>Vegetable cultivation, Flower cultivation, Hallow block industry</td>
</tr>
<tr>
<td>8</td>
<td>Chellampatti</td>
<td>Bricking, Flower cultivation, Milk Cows.</td>
</tr>
<tr>
<td>9</td>
<td>Kollampatti</td>
<td>Coir industries, Coconut products</td>
</tr>
<tr>
<td>10</td>
<td>Madura west</td>
<td>Milk Cows, Ornamental Jewellery</td>
</tr>
<tr>
<td>11</td>
<td>Sedapatti</td>
<td>Vegetable cultivation, Cattle rearing</td>
</tr>
<tr>
<td>12</td>
<td>Tirumangalam</td>
<td>Readymade garments, Vegetable and Flower cultivation</td>
</tr>
<tr>
<td>13</td>
<td>Usilampatti</td>
<td>Bricking and vegetable cultivation</td>
</tr>
</tbody>
</table>

Loans to Panchayat Level Federations

Nearly 4,521 SHGs availed an average of 41.61 crores as direct loans from banks. In 2010 the loan amount is fixed as 6 lakhs but only Rs.4.98 lakhs is availed by them. For successful functioning of Panchayat level Federations the Tamilnadu Government has sanctioned Rs.1 lakh as initiating capital for 5 Panchayat-Level Federations. These information reveals about the loan amount availed by various SHGs of Madurai District via various women’s programmes.34
Marketing Through Exhibitions

Mahalir Thittam organizes two mandatory and five optional exhibitions for marketing SHG products during festival days in Madurai besides participating in Regional Exhibitions, State level and National Level Exhibitions.

Mandatory Exhibitions

Mandatory Exhibitions per year are two and are conducted in two different periods. They are as follows:

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Place</th>
<th>Name of the Festival</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Madurai, Gandhi Museum</td>
<td>Navarathiri (Dhasara festival)</td>
</tr>
<tr>
<td>2</td>
<td>Madurai Corporation, Tamukkam Ground, SangaradasSwamy, Kalaiarangam</td>
<td>X-mas, New Year, Pongal</td>
</tr>
</tbody>
</table>

Optional Exhibitions of a Year

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Place</th>
<th>Name of the Festival</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PoomalaiVanigaValagam, Madurai</td>
<td>AlagarThiruvizha</td>
</tr>
<tr>
<td>2</td>
<td>Alagarkoil, Madurai</td>
<td>Adithiruvizha</td>
</tr>
<tr>
<td>3</td>
<td>Meenakshi Amman koil, Puthumandapam, Madurai</td>
<td>NavarathiriVizha</td>
</tr>
<tr>
<td>4</td>
<td>SubbiramaniSwamyThirukoil, Madurai</td>
<td>KarthigaiThiruvizha</td>
</tr>
<tr>
<td>5</td>
<td>Madittsa Hall, Madurai</td>
<td>MeenakshiThirukalyanam</td>
</tr>
</tbody>
</table>
Product Marketing Centres

The products manufactured by SHG of Madurai are called as "MathuMathi" in which "Mathu" means Madurai and "Mathi" means Mahalirthittam. The products of SWGS are sold through "Poomalai Trading Centres" organized by Mathi. The District collector is the president of this trading centre. The functioning of the trading centre is supervised by District Supplier and marketing Society officer (DSMS) who inspect the centre every month.35 This trade centre is located near Anna bus-stand. In this centre only the products of SHG is sold. These SHGs also run college canteens, chappal safes at temple and mobile shops on contract basis. If the members of SHGs are willing to take contracts, when approach 'Mathi' through letters it will help by placing quotation for Government tenders also. Generally the newly formed SHGs are given priority. 'Mathi' also arrange fairs and exhibitions for the sale of SHGs products, twice or thrice in a year.36 The exhibitions may be arranged in colleges, or the SHGs are permitted to open stalls in trade centres like SIPPO, MADITSSIA, Poompuhar.

In SIPPO, for conducting exhibitions the SHGs should pay 10 to 30 per cent profit to SIPPO. But if the products are sold through women programmes the SHGs get more profit. In order to encourage the SHGs these trade organizations like SIPPO, MADITSSIA offer prizes also. MADITSSIA install 3 prizes,37 For three different categories like introduction of new products, display of products and the group which promote more sales. These prizes are distributed at the end of the exhibition. Poompuhar will permit the SHGs to exhibit the products within their campus. The SHGs can get order cards through Tamilnadu Handicraft Development Corporation to place stalls at various places of Tamilnadu for 7 to 10 times per year. For conducting exhibitions in other states the women members are given TA and DA by programme, Mathi.
Madurai District Mahalir Thittam Achievement

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Group Formation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of Groups</td>
<td>8657</td>
<td>1160</td>
<td>993</td>
<td>1310</td>
<td>2300</td>
</tr>
<tr>
<td></td>
<td>Revolving Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of Groups</td>
<td>2815</td>
<td>878</td>
<td>2940</td>
<td>5000</td>
<td>2100</td>
</tr>
<tr>
<td>No. of Beneficiarys</td>
<td>44714</td>
<td>13040</td>
<td>40479</td>
<td>70753</td>
<td>28376</td>
</tr>
<tr>
<td>Amount (in Crore's)</td>
<td>7,037</td>
<td>3.51</td>
<td>14.70</td>
<td>30.00</td>
<td>10.50</td>
</tr>
<tr>
<td></td>
<td>Economic Assistance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of Groups</td>
<td>789</td>
<td>143</td>
<td>224</td>
<td>180</td>
<td>270</td>
</tr>
<tr>
<td>No. of Beneficiary's</td>
<td>11294</td>
<td>1865</td>
<td>2921</td>
<td>2349</td>
<td>3787</td>
</tr>
<tr>
<td>Amount (in Crore's)</td>
<td>18.27</td>
<td>5.72</td>
<td>8.96</td>
<td>7.20</td>
<td>10.80</td>
</tr>
<tr>
<td></td>
<td>Youth Skill Training</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of Beneficiary's (youth)</td>
<td>-</td>
<td>-</td>
<td>750</td>
<td>800</td>
<td>1030</td>
</tr>
<tr>
<td>No. of Beneficiary's</td>
<td>-</td>
<td>350</td>
<td>350</td>
<td>175</td>
<td>175</td>
</tr>
</tbody>
</table>

THADCO

It was established by Tamilnadu Government for the welfare of minority community people. The SHGs formed by SC/ST women are given 50 per cent discount for all types of loan amount. In Madurai the NGOs like MNEC, ARD, SEED and FEDCROT will forward list of members with their income and community certificates to THADCO to enable the members to avail 50 per cent discount. About 2,377 members of SHG are benefited with a loan amount of Rs.16.20 lakhs through Rolling Financial Loan Scheme (RFL). Under the assistance of Economic Financial Assistant Scheme, 1845 members of 197 SHGs are availed Rs.185.15 lakhs as subsidy. These are the benefits availed by SHGs through THADCO in Madurai District.

Mahalir Thittam and NGOs

Mahalir Thittam Project is implemented in Madurai District with participation of NGOs/PLFs/BDOs.
Role of NGOs

The experience across the country has shown that group formation and development is not a spontaneous process. A facilitator working closely with the communities at grassroot level can play a critical role in the group formation and development. The quality of the groups can be influenced by the capacity of the facilitator. The facilitator may or may not be an official. In some cases, NGOs not only work as the facilitator but also help in training and capacity building of facilitators being used by DRDAs. DRDAs may support such sensitive support mechanisms in the shape of NGOs or Community Based Organisations (CBOs) or Network of community coordinators/animators or a team of dedicated functionaries of the Government who are fully engaged in the task of initiating and sustaining the group development process. The community coordinators / animators could be from the community or may be from outside the area. They could be leaders / members of SHGs, or persons having experience or training in the field of community organization and social mobilization. The selection of Facilitator / Community Coordinator and their training and capacity building for involvement in formation, development and training of SHGs is critical for the success of the programme.

Whether the support machinery (SHG promotion institutions) is offered by NGOs or DRDA itself, what is critical is the capacity of the support machinery. DRDAs will have to play a very crucial role in facilitating development of the capacity to nurture and strengthen the groups. In order to implement the women’s activities in Madurai Corporation area four NGOs have been appointed. They are ARD, 2. MNEC, 3. SEED, 4. FEDCROT. These NGOs get assistance from MahalirThittam and organize many groups. The groups get awareness through training programmes, awareness camps, seminars and symposia sponsored by NGOs. They are also given proper guidance in bank operating procedures. The NGOs also involve the groups in social service schemes.
The NGOs are as follows:–

**Association for Rural Development (ARD)**

The ARD, a service organization was started in the year 1998. Initially this organization took active steps to prohibit the crime of female infanticide in Usilampatti area. Now by reducing the crime of female infanticide, upto 95 per cent, the ARD succeeded in its motto. Apart from hindering the crime of female infanticide, the rehabilitated women are given various trainings for their progress. This organization also shows the ways and means for women to take self-employment, so that they need not depend on others for their living.

The ARD have arranged for a procession with 3 little lambs, 3 coconut saplings and a plate full of articles needed for a female child, in order to celebrate the birth of a female child in a family. They give them to the hands of the parents of the female child.\(^{39}\) The parents should not deviate the rule that they should not sell the lamb until the marriage of their daughter. Also the income earned through coconut should be deposited in her bank account which can be spent for the welfare of the child.

ARD by frequent visits make sure that the rules and regulations are followed properly by the parents. ARD along with APAC (Aids Prevention and Control Project) identify the victims of AIDS and provide medical assistance to them.\(^{40}\) By recognizing the effective role of ARD, in 2000, the Government of Tamilnadu invited ARD to form WSHGs (Women Self Help Groups). The ARD provide training in developing the skills of women, in socio-economic development activities, A & R training and SHG training to form WSHGs. This organization also give some industrial training in the field of nursing, beautician, two-wheeler mechanism, tailoring, T.V. mechanism, jewelry making, cell phone repairing and catering along with EDP training. Some other trainings like napkin production, mush-room cultivation, chemical products manufacturing, embroidering work, bamboo work also given by ARD.
With the help of this organization in Aruldasapuram of Madurai, 'Sangamam–Samathuvam’ - a self help group is running by AIDS affected men which manufacture bamboo products for sale.\textsuperscript{41} Apart from social service activities and training programmes, the members are also given guidance to get RF and EA loans from banks. The basic qualities needed for women entrepreneur like salesmanship and marketing tactics along with SIP project, Slum Intervention Project, Voluntary Health Services (VHS) and so on are also provided by ARD.

**MNEC (Madurai Non-formal Education Centre)**

MNEC was established in the year 1983 with a high aim to help the poor and downtrodden women. In 1997 this organization was given approval to start self-help groups. MNEC like other NGOs provide training programmes like A & R, SHG, skill development and skill training. A & R training means animator and representative training which is given to the leader and deputy leader of the group. SHG training is a training which is given to all members of the group. During this training each participant is given Rs.45/-per day as stipend. Some industrial practices also given as skill training which includes catering, manufacture of chemical products, clay toys, fur toys, chappals, mushroom cultivation and electrician training. By undergoing training programmes the members of SHG are able to get employment opportunities. Members who would like to start self-employment are also given assistance to get loan from banks. In Karpaganagar of Pudur, Indra Gandhi SH Group is running a catering unit by getting training from this organization.\textsuperscript{42}

The following activities and programmes are conducted by MNEC,

1. Mother- fetus Welfare Awareness Camp.
2. Free Medical Camp (12/year) every month.
3. Adult and Girls Awareness Camp.
4. HIV & STD Camp.
If some of the members prefer to take training in other field it would also be opened to them, though the members are allowed free to select their training programmes. They have to undergo the above said training camps compulsorily. A SHG woman by receiving money from her group owned a tri-cycle to her husband who used to hire a tri-cycle daily for his earning. After that she would be able to get additional income of Rs.100 which was paid as rent to the owner of the tricycle. MNEC also helped 83 weavers to receive Patta for their house site, 140 members to receive free houses in Ilambanur Panchayat. The place is now named as MNEC Nagar. This is a great achievement of this organization.

Social Service for Education and Environment Development (SEED)

This organization was started in the year 2000. The main motto of this SEED is to improve the economic status of the poor. From 2002 onwards, it started forming Self Help groups for women. This organization, apart from providing different training programmes, also organizes awareness camps on child care & parent care, AIDS, importance of protected water, and need for water conservation. For the progress of Narikuravars (the nomads) the SEED provides education and industrial training so that they can settle down in one place to get group loan and employment opportunities.

Formation of Education Development, Centre for Rural Organisation and Training (FEDCROT)

This NGO was started in 1993 as consumer forum. Since 2003 it is functioning as a forum to form Self Help groups for women. The founder of this organization is Mrs. M.Subburaman. Like other NGOs it also provides training programmes on skill development, EDP and Animator and Representative training. Unlike other NGOs this organization also establishes some special groups for physically challenged, AIDS patients, folk singers, Karakatta dancers and scavengers.
The very special group formed by this NGO is Thirunangai group, which is named as "PethajiMathar Group". FEDCROT is the first NGO to start this PM group in Madurai district. Then only the MNEC group, started the Thirunangai Group (transgender). By joining themselves in FEDCROT, the members of PM group feel that they have gained self-confidence and are treated respectfully by the society. They have the hope that FEDCROT will enrich their socio-economic status. "Thai Vizhuthugal" (roots of the mother) is yet another trust established for Thirunangais in Madurai. One Shanthini is the co-ordinator of this trust. 'Thai Vizhuthugal' has established its branches in 17 districts of Tamilnadu, with its headquarters at Chennai. Separate groups for scheduled caste people are run by all NGOs.

By forming Self Help groups these NGOs not only help women members to get loans, but also liberate them from their household burden and help them to improve their social and economic status. The Co-ordinator of FEDCROT organization. Ms. Ruby records that, her NGO helps women to develop their efficiency. This NGO apart from forming SHGs also function as Consumer Protection Centre, Family Welfare Counseling centre and children-cum-old age orphanage centre. This organization also conducts 15 consumer awareness camps every year. It also provides 4-5 training courses with in a duration of 3 months and issue certificates to the participants. With the help of FEDCROT many women members are running beauty parlors to sustain their living. In case of any problems arising among the members of the group, it is resolved through consultation. It also insists unity and co-operation amongst the members of the group.

**Manimegalai Awards**

To encourage the well-functioning SHGs/PLFs, the Government announced Manimegalai awards at State and District level in the year 2006-2007. Awards are presented to 5 best PLFs and 10 best SHGs at the State Level. G.O.No.1066, Department of Rural Development,

One best PLF and 3 best SHGs at the District level are given Manimegalai awards and the best SHG at the Block level is given a certificate. The awards were presented for the years 2006-07 & 2007-08 and have been instrumental in motivating the SHGs and PLFs to strive for better performance. Names of the PLFs who have received Manimegalai Award for the best PLF for the year 2006-07 and 2007-08 are given in Table.

**Table**

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>2006-07</th>
<th>2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Brahmadesam PLF Erode</td>
<td>Thirurameswaram PLF Thiruvanur</td>
</tr>
<tr>
<td>2</td>
<td>Bedrahalli PLF Dharmapuri</td>
<td>Urapakkam PLF Kancheepuram</td>
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<td>3</td>
<td>Chiruvanthadu PLF Villupuram</td>
<td>Jagathala PLF Nilgiris</td>
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<td>4</td>
<td>Thonda Manginium PLF Karur</td>
<td>N. Panchampatti PLF Dindigul</td>
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<td>5</td>
<td>Ayapakkam PLF Thiruvallur</td>
<td>Padanthal PLF Virudhunagar</td>
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**Award to Bankers**

During the year 2008-09, Government of Tamil Nadu have taken special efforts to increase credit linkage to Self Help Groups and set a State level credit target of Rs.1600 crores. This target has been comprehensively surpassed. Considering the significant role being played by the bankers, awards at both State and District level to
honour the banks as well as individual bank branches which have shown outstanding performance in extending credit linkage to Self Help Groups in the State were instituted and sanctioned for the year 2008-09 vide G.O.Ms.No:186 Rural Development and Panchayat Raj (CGS 3) Department dated 22.12.2008.

These awards would definitely motivate the outstanding performers and also create a healthy competition among the bankers. At State level, 3 best performing banks and 5 bank branches will be given award. At District level, one bank and 3 bank branches will get the award.\(^1\)

**Swarnjayanti Gram SwarojgarYojana (SGSY)**

SGSY, a major anti-poverty programme is being implemented since 1999, with the prime objective of bringing the assisted poor families above the poverty line by ensuring reasonable and sustained level of income over a period of time. This scheme adopts SHG approach and aims to graduate them from micro credit stage to micro-enterprises stage by providing skill development training, bank credit, infrastructure facilities and much needed marketing support to the products produced by them. Government of India and the State Government are sharing the costs in the ratio of 75:25. In order to ensure that there is greater convergence of activities taken up for the benefit of SHGs in the State, monitoring of the implementation of SGSY scheme has been transferred to TNCDW from 2008-09. In 2009-10, a sum of Rs. 128.36 crores is likely to be allocated for the implementation of the scheme with a credit target of Rs.212.19 crores. In order to implement the scheme in a 146 more purposeful manner, the following initiatives will be undertaken in 2009-10\(^2\):

- A sum of Rs. 50.00 crores will be utilised for disbursing the subsidy component of Revolving Fund to 50000 eligible SHGs formed under Mahalir Thittam.
• About 6,000 SHGs will be provided with economic assistance with maximum eligible subsidy being 50% of the project cost with a ceiling of Rs. 1.25 lakh.

• Greater emphasis will be laid to encourage SHGs to opt for major key activities around which suitable clusters can be created at District/Block levels. Necessary infrastructural facilities will be created for these clusters and activity based federations.

• Qualitative skill development training through reputed institutions will be imparted to the assisted SHGs.

• To promote the marketing of products produced by SHGs, Calendar of Exhibitions to market SHG products at District and Taluk levels has been prepared for the year 2009-10. 60 District level exhibitions and Taluk level

Under Swarnjayanti Gram SwarozgarYojana (SGSY), the beneficiaries are known as Swarozgaris. The objective of the Swarnjayanti Gram SwarozgarYojana (SGSY) is to bring the poor families (Swarozgaries) above the poverty line by ensuring them appreciable sustained level of income over a period of time. This objective is to be achieved by inter alia organizing the rural poor into Self Help Groups (SHGs) through the process of social mobilization, the training and capacity building and provision of income generating assets. The SHG approach helps the poor to build their self-confidence through community action. Interactions in group meetings and collective decision making enable them in identification and prioritization of their needs and resources. This process would ultimately lead to the strengthening and socio-economic empowerment of the rural poor as well as improve their collective bargaining power.
Subsidy

Subsidy under SGSY will be uniform at 30 per cent of the project cost, subject to a maximum of Rs.7500/-. In respect of SC/STs, however, these will be 50 per cent and Rs.10,000/- respectively. For groups of Swarozgaris (SHGs), the subsidy would be at 50 per cent of the project cost subject to per capital subsidy of Rs.10,000/- or Rs.1,25 lakhs, whichever is less. There will be no monetary limit or subsidy for irrigation projects.

The NGOs have an important role to play. They can be used in the formation and nurturing of the SHGs as well as in the monitoring of the progress of the Swarozgaris. The following are the suggestions made regarding the undertaking of Swarozgaris by the NGOs. Their services can also be utilized for provision of technology support, quality control of the products. The activities of the NGOs would depend on the nature of NGO and its competence. Care must therefore be taken to ensure that only those NGOs utilized in the programme are capable of supporting the programme. At the same time, every effort must be made to ensure that all resources available in the district are made use of. Similarly, care must be taken to ensure the participation of the technical resources available in the district, in the form of technical institutions. These technical institutions may not always have ready made solutions to the problems but if they are properly oriented, they can come up with solutions to different problems. If they are made part of an ongoing process, their own capacity will be built up, with long-term benefits. The District SGSY Committee would pay particular attention to this aspect.

In order to make the women improve their economic status and to reduce the Level of dependence on the whims of male leads in the family and local money lenders, self help groups should be given more priority towards women empowerment. This programe can go a long way towards liberating the women from clutches of male domination and middle men’s exploitation.
Today the concept of SHG is catching up as the most viable means of mobilizing the support for the poor at the grass roots particularly for the women folk. Women have shown extra ordinary dynamism in organizing themselves in group activities for income generation, better bargaining power and improvement in the quality life. Membership in a group gives women a legitimate forum beyond the private domestic sphere, and inputs to which they previously lacked access. SHG are effective instruments in empowering women and changing the economic status of women.

END NOTES

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"The Family benefits the hard earned money and labour of her husband.


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46 Interview with S.Chandini, Thirunangai, ThaivizithukalArakattalai, Madurai.

47 Interview with S.Ruby, Co-ordinator, Fedcrot, Madurai.

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