CHAPTER IV
SUMMARY, MAJOR FINDINGS AND CONCLUSION

4.0 Introduction

The women folks constitute a sizeable portion of the Indian population. Hence, it was felt that empowering women is a sure path to success of the economy. With the concept of inclusive growth assuming prominence in the policy agenda, it was felt pertinent to provide opportunities to the women folk to take active participation in nation building. However, with poor family income and little scope for employment in rural sector, it was felt pertinent to extend sufficient credit to women folks to contribute to the economy’s output through creation of self employment. The formation of Self Help Groups (SHGs) facilitates for such a development.

SHGs are playing a major role in poverty reduction and women's empowerment through financial inclusion. The SHGs emerged initially to reach the poor and women who form a significant percentage of the population. The sources of fund for micro finance can be categorized into five: SHG formed and Finance by Banks, SHGs formed by NGOs and Formal Agencies but Directly Financed by Banks, SHGs Financed by Banks Using NGOs as Financial Intermediaries, NGO Guided but Self-Supported SHG and Completely Self-Supported SHGs.

However, inspite of its advantages there remains large disparities in the growth of the SHG movement between regions, states and between rural and urban areas. Also, the major problems identified against the micro-credit are the exclusion of the poorest due to too much of financial discipline/stringency, that is, strict repayment requirements and penalties for delays etc. Apart from these, the two major
problems of SHGs is the poor yield that could not cover even the interest rate on the loan and the problem of marketing of the produce, the quality of the products etc which are more due to lack of proper education and facilities. Also, the other challenges include: lack of a business, conceptualization of federation, legal and regulatory framework, framework for self regulation, target oriented approach, capture by vested interests, capacity of promoting agencies, cost of promotion, decentralization, institutional sustainability are other challenges. These issues poses threat to the future growth and development of SHGs and the also raises doubt over the prompt repayment of their loans to the banks, contribution of the members to their families’ income and eventually to women’s social and economic empowerment.

Thus from the above discussion, the issues stood before in the context of SHGs was that: 1) whether the members of SHGs are from poor socio economic status, 2) whether the formation of SHGs has helped the women members to empower themselves socially, 3) whether the membership in SHGs has helped to generate additional income and to create the habit of thrift among the women members, 4) whether the members are provided the required training that enhances their productivity and managerial capacity , 5) what is the source of fund for investment in SHG units, 6) whether the women members are able to repay their loans without default. It was decided to study these issues in the context of SHGs operating both in the rural and urban areas of the District of Salem.

Based on the above issues, the objectives framed for the study were as follows: 1) to trace out the socio economic and demographic profile of sample urban and rural SHG members, 2) to identify the impact of the SHGs on the social and economic empowerment of the members, 3) to study the pattern of investment in SHG activities., 4) to identify the problems faced by the members of SHG activities, and 5) to portray the attitude of the members in the administrative activities of SHGs.
To study these objectives, the source list containing the number of SHGs operating in the rural areas and urban areas was obtained from Project Office, Project Implementation Unit, Mahalir Thittam, Salem. From the source list, 34 rural and 30 urban SHGs were selected at random. From the selected SHGs, keeping 600 as the sample, the total proposed samples were distributed proportionately across the rural and urban areas. The process sample selection involved a multi-stage stratified random sampling technique.

The prime objective of the study was the identification of women empowerment at the individual level and the identification of the performance of the sample SHG units at the overall level. To carry out this, two questionnaires, one for the SHG members and one for the sample SHGs were prepared.

To prepare the questionnaire for the sample SHGs, initially, the variables determining the socio economic status and the opinion on the sample women members on their empowerment socially and economically due to joining the SHGs were identified. The questionnaire prepared thus was refined with the help of the discussions made with the officials of NABARD, NGOs. (Questionnaire I).

Similarly, the schedule meant for the SHG units was also pre-tested with the help of the office bearers of the SHGs. In the light of their comments the interview schedule was further modified (Questionnaire II). The questionnaires prepared thus were taken to the filed and the data were collected using the direct interview method.

To analyze the collected data, the simple tools like percentage method and the techniques like, chi square test, Mc Nemar Test and a logit model have been used.
4.1 Major Findings of the Study

The following findings have emerged from the analysis of the primary data collected:

- A majority of the member respondents are in the age group of between 26-45 years who belongs to the active population.

- The average level of education of the entire sample indicates that it just middle level.

- The average level of education of rural samples is lower than the urban samples implying the inequality in the education attainment of between rural and urban SHGs.

- A majority of the sample respondents are married.

- The percentage share of scheduled caste and most backward caste recorded the higher level in the case of rural areas than the urban areas.

- A majority of the sample female SHG respondents are from nuclear family system.

- A majority of the sample respondents have four member families.

- Male members are slightly higher than the female members and the male members form 50.87 per cent of the total sample size.

- A majority of the sample respondents have completed their secondary/H.SC. level.

- A majority of the sample respondents’ family members are engaged in unorganized sector.
A majority of the sample respondents earn a monthly income of less than Rs. 15000.

Both in the urban areas as well as in the rural areas a majority of the sample respondents live in rented house.

A majority of the sample respondents live in tiled house.

99.60 per cent of the respondent’s houses are electrified.

A majority of the sample respondents’ houses (50.20 per cent) there is toilet facility.

A majority of the respondents use gas for their cooking.

A majority of the sample respondents depend on pipes (34.80 per cent) for getting drinking water.

A majority of the sample respondents (50.80 per cent) obtain the drinking water from pubic taps or hand pumps.

A majority of the sample respondents (86.20 per cent) do not own any land or residential sites or plots.

A majority of the sample respondents - both in the case of rural as well as urban respondents- adding to the subsisting level of family income formed the foremost important reason for joining the SHG.

A majority of the sample respondents (52.60 per cent) are ordinary members.

According to a majority (60.20 per cent) of the sample respondents’ view, the group meetings are conducted once in a week.
A majority of the sample respondents attend the meeting always.

According to majority of the respondents ‘household responsibility’ is the major reason for not attending the SHG meeting regularly.

A majority of the respondents viewed that the meetings are organized collectively by all the members of the group.

According to a majority (49.40 per cent) of the sample respondents’ view the meetings are arranged collectively by all.

A majority of the sample respondents (89.20 per cent) focused the solution to a problem brought in the SHG meeting is being provided collectively by all the members and this conclusion is found the same for both rural and urban sample SHGs.

A majority of the sample respondents, the decision making in their SHG is being made collectively by all the members with their consensus.

Atleast half of the respondents are aware of all the activities of the SHG and all the respondents are aware of the activity on ‘meeting calendar’ and there is slight variation in the order of the awareness between the rural and urban respondents.

The chi square test carried out to identify the relationship between the indicators of socio economic status measured in terms of education attainment, marital status, community and the level of monthly family income and the awareness on the various activities of SHG that include, awareness on the total annual income of the SHG units, amount of outstanding loans, total loans, amount of total investment, the amount of total savings, the bank balance,
awareness on the cash in hand, constraints of the unit, information on group records, name of the bank and the account number of the bank where the group account is maintained, number of members who have repaid the loans, the objectives of the SHG unit, the rules and regulations of the SHG unit, the scheduled meetings, frequency of attending the SHG meeting and position of membership in the SHG indicated a significant relationship between the two sets.

- The chi square test carried out to identify the relationship between the indicators of social status measured in terms of Education attainment and the productive activities engaged reason for joining the SHG unit.

- A majority of the sample respondents after joining the SHG are engaged in sectors of activities (92.80 per cent).

- Among the SHG units, the activities of trade constituted the highest (50 per cent), followed by manufacturing (30.40 per cent), services (17.24 per cent) and Agriculture and allied.

- The average level of and the distribution of income of the urban respondents were higher and for the entire sample, a majority of the sample respondents earned an income of more than Rs.20000.

- A majority of the sample respondents save from their SHG activities an amount of above Rs.2187.

- A majority of the sample respondents in the case of both rural and urban could save regularly and the share stood higher in the case of rural respondents.
After joining the SHG, unforeseen family expenses formed the primary reason for not saving regularly by both rural as well as urban respondents. However, before joining the SHG, insufficient family income was the major reason for not saving.

A majority of the sample respondents subscribe less than Rs.100 per month for the repayment of loans to banks.

A majority of the sample respondents saved initially Rs.200-400.

A majority of the sample respondents’ security of food to the members of the family constitute the first and foremost reason for savings.

A majority of the rural sample respondents’ security of food to the members of the family constitute the first and foremost reason for savings.

For a majority of the sample respondents, security of food to the members of the family constitutes the first and foremost reason for savings.

The major source from which the respondents save is ‘from their own income’.

A majority (88.00 per cent) of both rural (83.85 per cent) as well as for urban women (92.50 per cent) respondents, the self worth has improved considerably.

After joining the SHGs, the confidence level of both rural and urban members has increased remarkably.

The association with the SHGs has increased the helping tendency of both rural and urban members.
A majority of the sample respondents viewed that the positive response in decision making has increased considerably after joining the SHG group.

The respectful treatment given to women is found higher in the case of urban respondents than the rural respondents.

There has been a significant difference in the case of both rural and urban respondents between before and after joining the SHG units on the level of communication, treatment in Family, number of officials met, protest Against Husband’s Harassment, reaction to Verbal Abuse, reaction to physical violence, reaction to ignoring and insulting, reaction to psychological attack, sending children to school, availability of market facilities, availability of adequate transport facilities, willingness to contest in election”, and exercising voting right” are found significant at 5 per cent level.

On the average, SHGs have positive social and economic impact on the members of the group.

A majority (62.50 per cent) of sample SHGs are in existence for1-4 years.

A majority of the sample SHGs have 12-14 members in the case of both rural and urban areas.

A majority of the sample respondents are in the age group of 25-35 (46.75 per cent) who are an active participation group in production activity.

The middle level education constituted the highest share (29.76 per cent) among the total sample SHG members.

A majority of the members of sample SHGs are married.
• A majority of the sample SHGs the meetings are being conducted once in a week.

• A majority of the groups the members attend the meetings regularly.

• In a majority of the groups no action is being taken for the members getting themselves absented from the meeting.

• A majority of the respondents strongly agree with the view that ‘the members are punctual at the meeting’.

• A majority of the sample respondents strongly agree with the view that ‘the meetings stay till the end of the meetings’.

• According to the views of the head of the sample SHGs, the members of the group do not attend the meeting due to their personal work.

• According to a majority (92.19 per cent) of the leader respondents of the sample SHG groups, emergency meetings are being conducted regularly.

• According to a majority (45.76 per cent) of the leaders of the sample SHG groups indicated that the emergency meetings are being conducted to discuss about raising a loan urgently.

• According to a majority of the sample respondents, the emergency meetings are being conducted by the group member themselves.

• A majority of the sample leaders (65.63 per cent) strongly agree to the view that the members are actively participating in the emergency meetings.

• A majority (82.81 per cent) of the leaders viewed that the headship is not being rotated once in two years.
According to a majority (71.88 per cent) of the leaders of the sample SHGs, savings once in a week.

In the case of rural samples, the savings of the sample groups have increased at a rate of 34.46 per cent and the average level of savings stood at Rs.26400 for a period of five years.

In the case of urban samples, the savings of the sample groups have increased at a rate of 35.86 per cent annually and the average level of savings stood at Rs.26127 for a period of five years.

According to a majority of the sample leaders, children’s’ education constitute the foremost important purpose of availing loan.

The share of SHG members who repaid the borrowed fund from the group has increased during the study period.

Over the study period the amount of loan borrowed has increased.

A majority of the SHGs the repayment capacity has increased during the study period.

A majority of the groups have attended the micro enterprise training programme.

A majority of the sample groups have taken up the activity of producing Soap, Washing Powder and Tooth powder.

A majority of the sample SHG market their products through direct marketing.

A majority of the groups sell their products outside the local market.
All the SHGs face problem in their activity

Competition with the branded products forms the major problem of the SHG products.

Thus from the analysis it can be concluded that a majority of the groups viewed that there is no moral support form the village inhabitants.

The value of assets of a majority of the sample SHGs has increased during the study period.

As responsible industries of the country, the SHGs could create employment which averages to five members.

The amount of interest earnings has increased during the study period for both the rural and urban sample SHGs.

The receipt of the sample groups from the income generating activity has increased continuously during the study period.

A majority of groups maintain a majority of the records as prescribed by the government.

In a majority of the groups, the animators prepare and maintain the book of account.

The majority of the SHG leaders update their records always.
4.2 Conclusion of the Study

With a lion’s share of population constituting the women folks who constitute the deprived segments of the society, the social and economic empowerment of women has been brought to the mainstream. Financial institutions, by extending credit to women from both urban and rural areas, play a pivotal role by creating self employment in the increased income, creation of productive assets and above all in their social empowerment. The concept of Self Help Group is an attempt towards this end. However, the studies carried out across the country could come out with the conclusion that due to various factors the Self Help Groups have not percolated among the poor. Also the poor social and economic background of the women folks is said to influence the involvement in the SHGs. To test whether the above mentioned established arguments by various studies holds good in the case of industrially well developed areas since there is immense opportunities for trade and business activities, the present study attempted to examine the impact of SHGs on the economic and social empowerment of the rural and urban women folks in the district of Salem. For this purpose, two questionnaires were prepared, one for the SHGs and one for SHG members. To study the progress and performance of SHGs, 64 SHGs were selected randomly and from these SHGs, 600 women sample respondents with 312 members from rural areas and 288 members from urban areas were selected by adopting the method of multi sage, stratified random sampling technique. Tools like, percentage method, simple arithmetic mean, coefficient of variation and techniques like, linear growth rate, composite rank index, chi square test, Mac Nemar test and logit models were used. The analysis of the primary data collected has indicated that 1) the performance of the selected SHGs has increased significantly, 2) there has been a significant contribution made by SHG units to the economic improvement of women
through increased income, savings, prompt repayment of loans to SHGs and banks, creation employment to local inhabitants, 3) there has been an increased awareness created among the members on social activities and 4) realization that the SHG members have social responsibility of creating awareness on social evils among the local inhabitants.