CHAPTER – VII

FINDINGS, SUGGESTIONS AND CONCLUSION OF THE STUDY

7.1 INTRODUCTION

In India micro credit groups are being recognized by the Government as effective tools for achieving the distributional objectives of monetary policy. The self-help group (SHG) – Bank linkage model has emerged as the most dominant model of micro finance delivery in India. The Self Help Group (SHG) is a viable alternative to achieve the objectives of rural development and to get community participation in all rural development programs. SHG is a viable organized set up to disburse micro credit to the rural women for the purpose of changing them into enterprising women and encouraging them to enter into entrepreneurial activities. Credit needs of the rural women can be fulfilled totally through the SHG. The women led SHGs have successfully demonstrated how to mobilize and manage thrift, appraise credit needs, maintain linkages with the banks and enforce financial self-discipline.

Self help groups enhance the equal status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life. In all stages of economic and social activities, involvement of women becomes essential. They take active part in the socio economic progress of our nation. Mahatma Gandhi, father of our nation has stated that “women are the noblest of God’s creations, supreme in their own sphere of activity”. The SHGs bring out the supremacy of women in moulding the community in right perspective and explore the initiative of women in taking up entrepreneurial ventures. Women’s contribution to national development is crucial. The
process of economic development would be incomplete and lopsided unless women are fully involved in it. Emancipation of women is an essential prerequisite for economic development and social progress of the nation. The SHGs empower women and train them to take active part in socio economic progress of the nation and make them sensitized, self-made, self-reliant and self-disciplined. They put an end to social limitations of women such as superstition, and dormant role in decision making. The SHGs have inculcated great confidence in the minds of rural women to succeed in their day to day life. SHG paves the way for availing themselves of credit from the financial institutions and creating entrepreneurial culture in rural area. To analyze the functions of SHGs in selected villages and the contribution of SHGs towards socio economic development of the rural women become essential to the planners and financial institutions for further creation of and sponsoring SHGs in rural areas.

Empowerment of women contributes to social development. Economic progress in any country whether developed or under developed can be achieved only through social development. Women’s participation is significant in rural employment. They put to use their entrepreneurial skills in all rural activities such as, agricultural operations, poultry, sheep rearing, dairy, firewood cutting and selling, sale of agricultural produce etc. Though they put their entire heart and soul into rural employment activities, their economic status is not improved. Their livelihood is poor. Though they have enough entrepreneurial potential, due to poor financial strength they are not able to convert their entrepreneurial dream into reality. They need financial assistance. Providing micro credit to rural women through an organized setup will make them enterprising women.
7.2 FINDINGS OF THE STUDY

In this study the researcher has analyzed the socio-economic development of the members of Self Help Groups in Sivagangai District.

The social development variable of self help groups was classified into 15 services. Among these fifteen services, each service was analyzed by using weighted average method and satisfaction score was computed as given below.

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Social Development Variables</th>
<th>Satisfaction Score (Maximum score 15000)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Solving fundamental problem</td>
<td>10030</td>
<td>66.86</td>
</tr>
<tr>
<td>2</td>
<td>Health and sanitation</td>
<td>9950</td>
<td>66.33</td>
</tr>
<tr>
<td>3</td>
<td>Literacy</td>
<td>8870</td>
<td>59.13</td>
</tr>
<tr>
<td>4</td>
<td>Childcare</td>
<td>9510</td>
<td>63.40</td>
</tr>
<tr>
<td>5</td>
<td>Improving water facility</td>
<td>8850</td>
<td>59.00</td>
</tr>
<tr>
<td>6</td>
<td>Improving power facility</td>
<td>9050</td>
<td>60.33</td>
</tr>
<tr>
<td>7</td>
<td>Communal integration and development</td>
<td>9440</td>
<td>62.93</td>
</tr>
<tr>
<td>8</td>
<td>Increasing standard of living</td>
<td>9050</td>
<td>60.33</td>
</tr>
<tr>
<td>9</td>
<td>Leadership development</td>
<td>8850</td>
<td>59.00</td>
</tr>
<tr>
<td>10</td>
<td>Creating awareness about rural development programs</td>
<td>9420</td>
<td>62.80</td>
</tr>
<tr>
<td>11</td>
<td>Creating awareness about role of women in panchayat institutions</td>
<td>7760</td>
<td>51.73</td>
</tr>
<tr>
<td>12</td>
<td>Creating awareness about role of women in Co-operative institutions</td>
<td>8760</td>
<td>58.40</td>
</tr>
<tr>
<td>13</td>
<td>Improving self help and mutual help</td>
<td>10050</td>
<td>67.00</td>
</tr>
<tr>
<td>14</td>
<td>Membership leads to equal status, participation and decision making power of women in household</td>
<td>9820</td>
<td>65.46</td>
</tr>
<tr>
<td>15</td>
<td>Communication skill development</td>
<td>9840</td>
<td>65.60</td>
</tr>
</tbody>
</table>
➢ Monthly Income and Savings of SHG Members

In the income group of less than Rs.3000 per month, the majority (25%) of the self group members saved monthly up to Rs.500, in the income group of Rs.3000-4000, the majority (28.57%) of the SHG members saved monthly up to Rs.500. In the income group of Rs.4000-5000 the majority (25%) of both self help group members saved below Rs.500 and above Rs.1000, in the income group of above Rs.5000 per month, the majority (41.66%) of the self help groups saved monthly above Rs.1000. Chi-square test result shows that there is a significant relationship found between monthly income of SHG members and their monthly savings.

➢ Age of SHG members and their monthly income

In the age group of below 25, the majority (37.50%) of the self help group members earns a monthly income of Rs.4000-5000, in the age group of 25-35 the majority (36.67%) of the self help group members earns a monthly income of above Rs.5000, in the age group of 35-45 the majority (30.76%) of the self help group members earns a monthly income of Rs.3000-4000 and in the age group of above 45 the majority of the self help group members earns a monthly income of above Rs.5000. Chi-square test result shows that there is a significant relationship found between age of SHG members and their monthly income.

➢ Age of SHG members and their monthly savings

In the age group of below 25, the majority (28.57%) of the self help group members saved monthly Rs.500-700, in the age group of 25-35 the majority (36%) of the self help group members saved monthly Rs.700-1000, in the age group of 35-45 the majority (28.57%) of both the self help group members saved less than Rs.500 and Rs.500-
700 and in the age group of above 45 the majority (16.67%) of the self help group members saved monthly above Rs.5000. Chi-square test result shows that there is a significant relationship found between age of SHG members and their monthly savings.

- **Age of SHG members and their monthly subscription**

  In the age group of below 25, the majority (29.17%) of the self help group members paid subscription of above Rs.20 per month, in the age group of 25-35 the majority (38.30%) of the self help group members paid subscription upto Rs.10 per month, in the age group of 35-45 the majority (33.33%) of the self help group members paid subscription above Rs.20 per month and in the age group of above 45 the majority (12.77%) of the self help group members paid a monthly subscription upto Rs.10. Chi-square test result shows that there is a significant relationship found between age of SHG members and their monthly subscription.

- **Marital status of SHG members and their monthly income**

  In the category of married women, the majority (55%) of the self help group members earns a monthly income upto Rs.3000 per month, in the category of unmarried women the majority (37.50%) of the self help group members earns a monthly income of Rs.4000-5000 per month, in the category of widower women the majority (15.53%) of the self help group members earns a monthly income of Rs.3000-4000 per month and in the category of divorce women the majority (12.50%) of the self help group members earns a monthly income of above Rs.5000. Chi-square test result shows that there is a significant relationship found between marital status of SHG members and their monthly income.
- **Marital status of SHG members and their monthly savings**

  In the category of married women, the majority (64.29%) of the self help group members saved upto Rs.500 per month, in the category of unmarried women the majority (48%) of the self help group members saved Rs.700-1000 per month, in the category of widower women the majority (12%) of the self help group members saved Rs.700-1000 per month and in the category of divorce women the majority (16.67%) of the self help group members saved above Rs.1000 per month. Chi-square test result shows that there is a significant relationship found between marital status of SHG members and their monthly savings.

- **Marital status of SHG members and their monthly subscription**

  In the category of married women, the majority (48.65%) of the self help group members paid subscription upto Rs.10 per month, in the category of unmarried women the majority (45.16%) of the self help group members paid subscription of above Rs.20 per month, in the category of widower women the majority (12.90%) of the self help group members paid subscription of above Rs.20 per month and in the category of divorce women the majority (6.25%) of the self help group members paid subscription of above Rs.10-20 per month. Chi-square test result shows that there is a significant relationship found between marital status of SHG members and their monthly subscription.

- **Education level of SHG members and their monthly income**

  In the category of illiterate women, the majority (40%) of the self help group members earns a monthly income upto Rs.3000 per month, in the category of upto 10th standard studied women the majority (46.67%) of the self help group members earns a monthly income above Rs.5000 per month, in the category of higher secondary studied
women the majority (37.50%) of the self help group members earns a monthly income of Rs.4000-5000 per month and in the category of graduate studied women the majority (20%) of the self help group members earns a monthly income upto Rs.3000. Chi-square test result shows that there is a significant relationship found between education level of SHG members and their monthly income.

**Education level of SHG members and their monthly savings**

In the category of illiterate women, the majority (35.71%) of the self help group members saved upto Rs.500 per month, in the category of upto 10th standard studied women the majority (58.33%) of the self help group members saved above Rs.1000 per month, in the category of higher secondary studied women the majority (28.57%) of both group of members saved upto Rs.500 and Rs.500-700 per month and in the category of graduate studied women the majority (28%) of the self help group members saved Rs.700-1000 per month. Chi-square test result shows that there is a significant relationship found between education level of SHG members and their monthly savings.

**Education level of SHG members and their monthly subscription**

In the category of illiterate women, the majority (32%) of the self help group members paid subscription of above Rs.20 per month, in the category of upto 10th standard studied women the majority (40.91%) of the self help group members paid subscription of upto Rs.10 per month, in the category of higher secondary studied women the majority (27.27%) of the self help group members paid subscription of upto Rs.10 per month and in the category of graduate studied women the majority (20%) of the self help group members paid subscription of above Rs.20 per month. Chi-square test result shows that there is a
significant relationship found between education level of SHG members and their monthly subscription.

- **Occupation of SHG members and their monthly income**

  In the category of tailoring women, the majority (45%) of the self help group members earns a monthly income upto Rs.3000 per month, in the category of farmer women the majority (37.50%) of the self help group members earns a monthly income of Rs.4000-5000 per month, in the category of coolie women the majority (26.92%) of the self help group members earns a monthly income of Rs.3000-4000 per month and in the category of business women the majority (33.33%) of the self help group members earns a monthly income of above Rs.5000. Chi-square test result shows that there is a significant relationship found between occupation of SHG members and their monthly income.

- **Occupation of SHG members and their monthly savings**

  In the category of tailoring women, the majority (36%) of the self help group members saved Rs.700-1000 per month, in the category of farmer women the majority (58.33%) of the self help group members saved above Rs.1000 per month, in the category of coolie women the majority (32.14%) of the self help group members saved upto Rs.500 per month and in the category of business women the majority (25.71%) of the self help group members saved above Rs.500-700 per month. Chi-square test result shows that there is a significant relationship found between occupation of SHG members and their monthly savings.

- **Occupation of SHG members and their monthly subscription**

  In the category of tailoring women, the majority (30.43%) of the self help group members paid subscription of above Rs.20 per month, in the category of farmer women the
majority (32.26%) of the self help group members paid subscription of Rs.10-20 per month, in the category of coolie women the majority (25.81%) of the self help group members paid subscription of Rs.10-20 per month and in the category of business women the majority (26.09%) of the self help group members paid subscription of above Rs.20. Chi-square test result shows that there is a significant relationship found between occupation of SHG members and their monthly subscription.

- The ANOVA test result shows that there is a significant difference found between occupation of the self help group members with regard to social development activities.
- There is no significant difference found between educational backgrounds of the self help group members with regard to social development activities.
- There is a significant difference found between occupation of the self help group members with regard to economic development activities.
- The ANOVA test result shows that there is no significant difference found between age of the self help group members with regard to economic development activities.

**Factor Analysis for Social Development Activities**

In this study the factor analysis has been used to find the dominant variables influenced in social development activities of self help groups.

- Through the analysis ‘Awareness of women about rural development programs’ (.823) only one variable is identified in the first factor and it has the highest significant positive loading. The factor one is characterized as good.
- The second factor includes the variables namely ‘Leadership development’ (.641), Improving self help and mutual help (.616) and Breaking social and religious barriers (.579) are identified in the second factor. Leadership development (.641) has the highest
significant positive loading. The factor II is characterized as improvement of social activities.

- The third factor consists of the variables such as ‘awareness about role of women in panchayat institutions’ (.676), ‘Literacy’ (.545) and increasing standard of living (.534) which are identified in the third factor. Awareness about role of women in panchayat institutions (.676) has the highest significant positive loading. The factor III is characterized as improvement of social status of women.

- Through the factor analysis it is inferred that most of the respondents and their living standard have significantly improved. Out of sixteen factors, seven factors are identified and these factors are influenced on their social development.

**Multiple Regression Analysis for Social Development Activities**

- The result shows that the R value = 0.960 measures the degree of relationship between the actual values and the predicted values of the ‘use of SHG meetings’. The predicted values are obtained as the linear combination on ‘improving self help and mutual help’ X1, ‘communication skill development’ X2, ‘role of women in panchayat institutions’ X3. The coefficient value of 0.960 indicates that the relationship between the use of SHG meetings and other independent variables are quite strong and positive.

- The value of coefficient of determination R square = 0.710 indicates that 5% of the variation in use of SHG meetings.

- The t value of independent variables shows that the use of SHG meetings is statistically significant at 1 % level. Hence, the independent variables such as improving self help and mutual help, communication skill development and role of women in panchayat institutions have significant influence on use of SHG meetings.
Factor Analysis for Economic Development Activities

In this study the factor analysis has been used to find the dominant variables influenced in economic development activities of self help groups.

- The first factor found among the variables such as, ‘propagating income generation activities’, ‘financial self-reliance of women’ and ‘improved business activities’ are identified. Propagating income generation activities (.636) has the highest significant positive loading. The factor I is characterized as good financial improvement.

- The second factor includes the variables namely, ‘getting loan timely from bank’ and ‘increasing the earning capacity of women’. Getting loan timely from bank (.753) has the highest significant positive loading. The factor II is characterized as adequate financial circulation.

- The third factor consists of the variables like ‘solving economic needs of the family’ and ‘improved financial literacy’. Solving economic needs of the family (.736) has the highest significant positive loading. The factor III is characterized as improvement of economic conditions.

- Through the analysis it is inferred that most of the respondents and their living standard have significantly improved. Out of eleven factors, seven factors are identified and these factors are influenced on their economic development.

Multiple Regression Analysis for Economic Development Activities

- The result shows that the R value = 1.169 measures the degree relationship between the actual values and the predicted values of the ‘repayment of loan in time’. The predicted values are obtained as the linear combination on ‘improving business activities’ X1, ‘financial literacy’ X2, ‘solving economic needs’ X3 and ‘increasing savings’ X4. The
coefficient value of 1.169 indicates that the relationship between repayment of loan in time and other independent variables are quite strong and positive.

- The value of coefficient of determination R square = 0.055 indicates that 5% of the variation in repayment of loan in time.

- The t value of independent variables shows that the repayment of loan in time is statistically significant at 1% level. Hence, the independent variables such as improving business activities, financial literacy, solving economic needs and increasing savings have significant influence on repayment of loan in time.

**Structural Equation Model on Socio-Economic Development of SHG members**

- Social development, Economic development and Effect of loan are constructed as variables for the Structural Equation Model (SEM). The Chi-square value 0.116 is not significant at 1% level, which shows that the model which is constructed is fit; normally if the model has to be fit the P value should be greater than 0.05 level. The Goodness of Fit Index (GFI) 1.000 indicates that the model is good for analysis.

- The Confirmatory Factor Index (CFI) 1.000 indicates that the model is good.

- The Root Mean Square of Residual (RMR) 0.062 shows that error value is smaller which is lesser than 10% and Root Mean Square Error of Approximation (RMSEA) 0.001 indicates that it lies between the confidence interval of lesser than 0.06 and 0.08. Hence the analysis shows that the Social Development variables and Economic Development variables have significant influence on Effect of Loan.

- In the study area women are involved in a wide range of income generating activities. It is found that majority (29%) of the respondents have received loan for other businesses activities such as (canteen, soap oil manufacturing, handicrafts, etc.), 27% of the self help group members have received loan from banks for tailoring business, 25% of the
respondents have received loan for handloom business and 19% of the self help group members have received loan for the purpose of handloom business.

➢ The majority (23%) of the self help group members have received loan from the SHG to meet their medical expenses, 22% of the respondents have received loan from the SHG to meet their incidental expenses, 21% of the respondents have received loan for their children’s education, 18% of the respondents have received loan for fulfilment of basic needs and 16% of the respondents have received loan for their family members marriage expenses. The rate of interest charged for the loan will vary from one SHG to another. It varies from 12% to 36%.

➢ The researcher has attempted to identify the important reasons for the timely recovery of loans in SHGs. The SHG members repay the loan in full and in time to further loan. The majority (29%) of the self help group members have expressed that getting further loan, 27% of the respondents have expressed that retaining image and goodwill for the prompt repayment of loan, 24% of the respondents have expressed that low rate of interest is the reason for the prompt repayment of loan and 20% of the respondents have expressed that earn more profit is the reason for the repayment of loan.

➢ All the respondents have received Sangha loan from the SHGs. The loan provided by the SHG is small in nature. It is evident that 75% of the respondents have borrowed below Rs 3000. Even though it seems to be meagre, it prevents the poor from becoming victims in the hands of moneylenders who charge a very high rate of interest. The inadequate Sangha fund limits the ability of SHGs to provide large sums as loans. The credit linkage with banks is encouraging in the study area and 65 percent of members have got bank loans.
7.3 SUGGESTIONS

This study shows that the level of satisfaction of SHG members for the following services of SHGs is below 60 per cent.

1. Increasing Literacy in Villages
2. Leadership Development
3. Creating Awareness about Role of Women in Panchayat Institutions.

It is suggested that the Women Development Corporation, NGOs and academic institutions should design appropriate programs to empower SHG members for concentrating on increasing literacy and strengthening leadership qualities among members and villagers. Awareness about role of women in panchayat institution should be created among the members of the SHGs. The services of Centre for Women’s Studies of State and Central Universities should be utilized for designing suitable programs related to creating awareness among members of SHGs about role of women in panchayat institutions.

Monthly income and monthly savings of members of SHGs have increased after joining SHGs. This message should be taken as a focus point by NABARD and other agencies while promoting SHGs in rural areas.

This study shows that all SHG members have undertaken income generating activities. They have to associate with District Industries Centre and technical and consultancy organizations in addition to commercial banks for the development of their entrepreneurial activities.
7.4 CONCLUSION

In this study, a modest attempt has been made to assess social and economic impact of SHGs on rural women in Sivagangai district. It can be concluded that income, savings and asset creation of rural women have increased substantially after their participation in SHGs. Subscription paid by rural women to SHGs also has increased substantially. The analysis shows that there is a significant difference (improvement) in socio-economic status of rural women of Sivagangai district after joining SHGs. If the study helps the rural women for their empowerment in any way, the researcher will humbly believe that he is much rewarded and honoured.

7.5 SCOPE FOR FURTHER RESEARCH

The present study was conducted to analyze the Impact of Self-Help Groups on Socio-Economic Development of Rural Women in Sivagangai District. The following areas are suggested for further research related to Self Help Groups and their contribution to economic empowerment of women.

A study may be conducted on the impact of micro credit on asset creation and income generation of rural women SHGs

It is also suggested that a study on marketing strategies and financial viability of entrepreneurial activities of SHGs may be undertaken

Role of micro credit and self help groups in promoting women micro entrepreneurship may be undertaken

A study may be conducted on the impact of micro credit on economic empowerment of rural women self help groups.