CHAPTER 4
RESEARCH METHODOLOGY

4.0 INTRODUCTION

In this chapter, the researcher presents the methodology of the research investigation. After formulating the hypotheses for the study, suitable research strategy is planned. Further the construction and validation of tools used in this investigation and the procedure adopted in the collection of data are also dealt with. This study intends to collect data pertaining to the socio economic status of self help group members, perception of self help group leaders, community leaders and bankers about the functioning of self help group, guidance at the time of need in approaching the bank, organising meetings, availing and repayment of loan, economic activities undertaken by the SHG, taking up social issues, bank linkages with women SHG etc.

In this study normative survey method is used to study the participation of the state and community in achieving empowerment of women through micro credit in the State of Tamil Nadu in general and Tirunelveli in particular. The study is based on the objectives specified below in this chapter and aims testing the hypotheses framed with reference to the objectives, collecting empirical evidences through the responses collected after the administration of appropriate tools on a random sample.

4.1 STATEMENT OF THE PROBLEM

Micro credit is looked at as an option providing the impetus to the three key concept of poverty alleviation, empowerment, and sustainability which can incredibly change the lives of the rural poor, especially the women.
A vicious circle of low capital, low productivity, low incomes and low savings is seen operating in rural areas. It is in this context that poverty eradication programmes with their accent on credit requirements of the poor came into being and perceived as an instrument, which could break this circle.

India is one of the largest countries providing formal credit. The outstanding institutional credit has increased over a period of time. So did the number of base level institutional outlets. However, there is no desired result of poverty alleviation. Have the existing credit delivery system evolved into a strong and vibrant entity? Or does extending credit require new forms of institutions? Or does credit need a redefinition of itself?

Modernisation influenced the traditional behavior and lifestyle of rural households, but without changing the basic structure of rural society. Suffice is to say that women still have no or little say on matters outside domains of the four walls. Rural development requires widespread access to ensure that benefits are spread broadly. What is and what should be the role of credit? Who should be the beneficiaries? Should access to credit be broadly based? How can reach of credit be expanded to cover wider and vulnerable sections of society? How can credit be made easier and accessible to women? Whether educated women has any better say in access to credit or repayment of credit etc? These are some of the critical issues that forms the core area in this study.

Additional urban employment can never keep pace with the need of growing labour force in India. Large proportion of people will have to remain in rural areas. Moreover, given the limited ability of the agricultural sector absorb the rapidly growing population and labour force, the rural
population cannot rely exclusively on agriculture for employment and subsistence. This makes the expansion of non farming opportunities and accordingly, credit, a necessity for the resource constrained poor. How far did credit through SHG which were formed through various agencies like National Bank for Agricultural and Rural Development, Rashtriya Mahila Kosh, Tamil Nadu Corporation for Development of Women etc succeed in expanding the employment and income generation opportunities of the poor rural women.

Normally it is believed that real socio economic development is not possible without making women literate. Many steps have been taken by government over the last few years in terms of women empowerment through various economic programmes. Literacy improves building capacity of women and creates the critical self awareness interest articulation and advocacy influencing socio economic relations, participation in community governance and comprehensive empowerment of women. Whether educational SHG members play any role in the success of the projects?

It has been argued that economic development need not necessarily lead to social development. That the two must go hand in hand is often not understood. How does credit as an economic activity be linked to social development? Is there a link at all between the two? How can credit be conceived so as to enhance the overall development of the rural disadvantaged, including women? How far women’s literacy help to raise their socio economic development in the society? These are the crucial questions of the proposed research.

4.2 SIGNIFICANCE OF THE STUDY

Government of India has constituted a Committee to study the “Status of Women” in India in the early seventies. The Committee has studied the position of Indian women in various period including their
status in the literature. It has recognized that the women were given high status in the society. However, their actual position is very dark. Though government has taken various measures to improve their status, their position both in organised and unorganized sectors were not given due recognition. In 1988, government has prepared a Perspective Plan for the upliftment of women under the leadership of Smt. Margaret Alwa, then Minister for Women and Child Development. It has suggested both long and short measures.

As a follow up a committee was set up under the Chairpersonship of Dr. Ela R Bhatt to study the situation of “Women in Unorganised sector” in 1989. The committee strongly recommended for extending credit facilities in the unorganized sector. Thereafter a concept paper was prepared in the Department of Women and Child Development for extending credit facilities to women in unorganized sector without any collateral security. This was discussed in various forums and finally government has set up a “National Fund for Women” with a corpus of Rs.30.00 crores to extend micro credit to women without any collateral security. It is nowadays called “Rashtriya Mahila Kosh”.

In 1995, Government of India launched a programme called “Indira Mahila Yojana” in 507 Blocks in the country on pilot basis which was subsequently replicated throughout the country. IMY aims to remove poverty through Self help Group approach. In 1989 International Fund for Agriculture Development (IFAD) has extended financial assistance to set up SHG in selected districts in Tamil Nadu.

The success of SHG in extending credit to the poor women is well accepted by the government and public. So far the researchers have done evaluation of the SHG to assess the impact of SHG women in general and with reference to their socio economic status in the family and society. The significance of the present study is to assess whether
educational level of women in the SHG has any effect in improving their quality of life.

4.3 OPERATIONAL DEFINITIONS

Self Help Group (SHG)

SHG in this thesis is defined as a group of members who have voluntarily come together to form a group with an objective of empowering economically and socially, contribute savings and thrift, invest the savings in productive enterprises or lend the savings among the group members to further improve their quality of life.

Micro Credit /Micro Finance:

The concepts of micro credit and micro finance are usually used interchangeably. But Micro credit is always dovetailed with thrift and hence micro finance is a more appropriate expression rather than credit. It includes the whole gamut of financial services like thrift, credit, insurance, leasing of equipment, remittance etc required by the poor.

Micro credit is the credit of meager amount of money which plays an important role to enhance the human life which should be used in proper way to achieve income generation, removal of poverty, creation of employment etc.

Empowerment of Women

The concept of empowerment has been the subject of much intellectual discourse and analysis. United Nations (2001) defined empowerment as the processes by which women take control and ownership of their lives through expansion of their choices. It is the process of acquiring the ability to make strategic life choices in a context where this ability has previously been denied. The core elements of empowerment have been defined as agency (the ability to define one’s
goal and act upon them), awareness of gendered power structure, self esteem and self confidence (kabeer 2001).

Empowerment of women means creating an enabling environment in which women could take a decision as she feels/desires about her life either social economical or political sphere.

**Educational empowerment of SHG**

Educational empowerment of SHG women denotes creating an enabling situation/environment in which educated Self Help Group women members are capable of taking decisions independently in the spheres of her life either at household level or decision making within the group in its various activities. Educational empowerment is not merely that attainment of educational qualification of SHG women acquired through formal educational system. It also includes the total embodiment of learning experiences attained by the SHG members through participation in the meetings, attending training, involved in marketing the products, tackling social issues with various authorities, decision making process etc.

### 4.4 RESEARCH QUESTIONS

The following questions are raised in this research study:

i. How does credit as an economic activity be linked to social development?

ii. Is there a link at all between the two?

iii. How can credit be conceived so as to enhance the overall development of the rural disadvantaged, including women?

iv. How far women’s literacy help to raise their socio economic development in the society?
4.5 DELIMITATION OF THE STUDY

• This study is confined only to the NGOs approved by Mahalir thittam in Tirunelveli District
• This study is confined only to the trades which were common in the list of mahalir Thittam and DRDO
• This study is limited to only those trades which were undertaken by the respondents of the SHG of the approved Mahalir thittam NGOs
• The data collected are pertaining to the period of field study

4.6 OBJECTIVES OF THE STUDY

1. To study the functioning of SHG in the Tamil Nadu with special reference to Tirunelveli district in terms of evaluation of SHG in Tamil Nadu, dynamics of Mahalir Thittam, Group formation by NGOs, Savings and coverage, women enrolled, Grading of SHGs, Bank Linkage, Loan performance, Social classification etc

2. To study the beneficiaries of micro credit in terms of their socio economic status such as social categorization, religion, age Group, marital status, age and literacy level of husbands, literacy, size and type of family, head of family, type of houses, amenities in the houses, family assets, participation in the local bodies, employment status – pre and post - SHG income status pre and post – SHG and decision making on income – pre and post joining SHG

3. To study functioning of self help groups in terms of Duration of Membership, Motivation to join SHG, Size of SHG, status in SHG, frequency of meeting, attendance of meeting, reason for not attendance, decision making, agenda of meetings, method of savings, purpose of savings, method of utilization of savings, participation in awareness programme, operation of bank account, impact on employment generation and income generation, access
to credit, quantum of credit availed, repayment of credit availed, impediments encountered in the process.

4. To identify the significant association, if any, between education level of SHG members and their attendance in meeting, loan accessed, repayment of loan, participation in awareness programme, income generation before and after training, decision making in the family and participation in local bodies.

5. To study the perception of the SHG, community leaders and bankers about the functioning of Self Help Group.

4.7 ASSUMPTIONS

- Literate women members of SHGs perform better in relation to their SHGs thus better empowered than the women members who are illiterate.
- Educated women members earn better than the illiterate women members.
- Member who attends training earns better than the non-trainee.
- Educated women members have better access to credit than non-educated.
- Higher the age more maturity comes to an individual.

4.8 HYPOTHESES

Following eight null hypotheses are framed and tested for the present study.

1. No association exists between levels of education of the members and their regularity of attendance in the SHG meetings.

2. No association exists between education of the women SHG members and their level of participation in awareness programmes.
3. No association exists between education and monthly income of the SHG women before training.
4. No association exists between education and monthly incomes of SHG women after the training.
5. No association exists between education of the SHG women members and the amount of loan accessed.
6. No association exists between the education of the women SHG members and the status of their loan repayment.
7. No association exists between the education of the women SHG members and membership in local bodies.
8. No association exists between the education of the women SHG members and decision making in financial matters in their families.

4.9 UNIVERSE OF THE STUDY

The study was carried out in the district of Tirunelveli in the state of Tamilnadu.

4.10 SAMPLE

At the first instance a list of various trades (economic activities) which were being undertaken by the Self Help Group members from the office of District Rural Development Agency (DRDA) and Project Officer, Mahalir Thittam of Tamil Nadu Corporation for Development of Women Ltd.(TNCDC) Tirunelveli were prepared. After preparing the list, trades which were commonly used by SHG members for obtaining financial assistance through the DRDA and TNCDW have been identified by applying purposive sampling. In total forty trades have been identified. As these economic activities are undertaken by Mahalir Thittam Self Help Members it was decided to restrict the study only to Mahalir Thittam members.
These trades were allocated equally to 20 blocks which includes one Municipal Corporation in the district. While allotting trades to various blocks, due consideration was given to avoid duplicity (A list of the trades is given in appendix - 6).

In the second stage 20 NGOs which were approved by Mahalir Thittam and 2 Income generating activities (trades) were identified from each of the 20 NGOs which were already identified. From each of the Income generating activities two women SHG members have been selected on random basis. Thus the total income generating activities selected comes to 40 and total SHG respondents selected comes to 80. Each respondent representing one SHG.

Apart from 80 women respondents from SHGs, 20 SHG group leaders and 20 community leaders in addition 10 bankers were randomly selected for the study. The plan of the sample selection is given below.

Table No.4.1: Plan of the selection of the sample

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Details</th>
<th>Sample selected</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>SHG women members **</td>
<td>: 80</td>
</tr>
<tr>
<td>2.</td>
<td>SHG Group leader</td>
<td>: 20</td>
</tr>
<tr>
<td>3.</td>
<td>Community leaders</td>
<td>: 20</td>
</tr>
<tr>
<td>4.</td>
<td>Bankers</td>
<td>: 10</td>
</tr>
</tbody>
</table>

** Agricultural and allied activities (32), micro enterprises (20), Handicrafts (8) and other activity group (20).

4.11 DESIGN OF THE STUDY

The study is carried out in five stages in order to realize the objective. They are pre-pilot stage, preparation of tools, pilot stage, implementation and data analysis, findings and conclusions.
The first stage is ‘pre-pilot stage’ in which there are identification of objectives, identification of contents and identification of components. The second stage is ‘preparation of tools’. The third stage is pilot stage in which the tools are tested to obtain the required information from the field. Fifth stage is’ implementation’ and the last stage is ‘Data Analysis, findings and conclusions’.

4.12 RESEARCH METHOD

Survey method was used for studying the participation of the State and community in achieving empowerment of women through micro credit in the state of Tamil Nadu in general and Tirunelveli District in particular by analyzing secondary data collected through Government reports, journals, books etc.

This research method enables the researcher to study the dynamics of SHG in achieving the objective of empowerment of women through micro credit especially with reference to educational level. Structured questionnaires were prepared to obtain genuine response. The structured questionnaires were administered in a free environment to the respondents namely SHG members, SHG leaders, community leaders and bankers.

4.13 CONSTRUCTION OF TOOLS

Keeping in view the objectives of the study four types of tools have been constructed which covers various aspects/dimensions of the self help group. The dimensions of the tools are as follows:

General Background of the SHG Members

- Social categorization of the Respondent
- Religious categorisation of the Respondent
• Distribution of Respondents by Age
• Marital status of the Respondent
• Age of the Husbands
• Educational Status of the husbands
• Educational status of the Respondent
• Type of Family
• Family size
• Head of the household

**Economic Status**

• Ownership of the house
• Type of houses
• Amenities in the House
• Number of Rooms
• Kitchen
• Bath room
• Toilet
• Electricity
• Drinking Water
• Land
• Family Assets
Political empowerment

- Membership in the Local bodies
- Position in the SHG
- Selection of the group leader

Impact of SHG

- Employment - Pre SHG
- Monthly Income Pre SHG
- Monthly household income – Pre SHG
- Decision Making about family expenditure
- Impact of Training programme
- No of employment generated

Organisational management

- Motivation to join SHG
- Duration of the membership
- Size of the SHGs
- Attendance in the meeting
- Reasons for not attending the meeting
- Frequency of meetings
- Calling the meeting
- Fixing the agenda
- Decision making in the SHG
- Discussion in the Meeting
- Monitoring of the SHG activities
Financial Management

- Thrift Amount
- Sources of thrift
- Savings
- Purpose of savings
- Operation of the bank account
- Frequency of visits to the banks
- Operation of the bank account
- Loan amount
- Problems faced by NGos
- Use of income
- Method of approach for bank loan
- Repayment of Loan

Social Awareness

- Participation of Awareness Programme

The above mentioned components focus on various dimension of SHG. The study focuses on educational empowerment of SHG women through micro credit activities. The learning experience of the respondents through participation in the process of formation of groups, discussion the group meetings, process of loan application within the group as well as outside the group, repayment of loan, marketing the products etc pave the way for their empowerment.

4.14 VALIDITY OF THE TOOLS

The systematic plan and procedure of the construction of tool would ensure the validity of total rather than testing the validity of
measures after they are constructed. Nunnally stated that to ensure content validity, the following two important standards are necessary:

i. A representative collection of items
ii. A sensible method of test construction

In this research study, seven dimensions and appropriate key aspects related to each dimension were identified and added in the tools after having tested in the field. Experts’ views were obtained. Thus the content validity of the tools was established. The genuineness of the response of the respondents were verified by interacting with the government officials, bankers, community leaders and the registers maintained by the group. Thus ensured the reliability of the data.

4.15 DATA COLLECTION

Primary data

Four different types of research tools (copies enclosed in appendix 1-4) have been designed and administered to the selected sample. The details of the four tools are briefed below.

Schedule I

Schedule was designed to elicit information from the selected self help group members in the study area. The schedule consists of different aspects of the information of the selected members such as socio-economic background of the respondent sample members like age, sex, marital status, level of education, occupation, annual income, annual expenditure, landholding, savings, facility available at the houses etc., participation of SHG member in the groups activities, saving pattern, Awareness generation, repayment status, training and its impact income generation, etc
Schedule II

A Schedule was designed and administered to the selected SHG group leaders to find out the group dynamics, linkage with banks, conducting meetings, financial management, training, loan management, group management, problems and challenges etc.

Schedule III

Another schedule was designed to administer to community leaders to obtain their perception on the functioning of women SHGs in their areas.

Schedule IV

Another schedule was designed to ascertain information from the bankers about the participation of SHG members, repayment of loan by the members, time taken to sanction loan.

Secondary Data

Secondary data were also collected from government publications work done by private agencies in the field of micro credit, unpublished data of Government Agencies like Tamil Nadu women Development Corporation, Chennai and district project office of Tirunelveli, DRDA, Tirunelveli lead banks in Tirunelveli district, THADCO, Chennai etc.

4.16 DATA ANALYSIS

In this study, the collected data have been analysed using statistical tools of percentage and average for various dimensions and questions. Hypotheses have been tested using $X^2$ test. Data analysis and interpretation have been presented in the fifth chapter.
4.17 CONCLUSION

In this chapter, procedure employed for studying the present investigation have been dealt with. The next chapter deals with the data analysis and interpretation.