6.0 BACKGROUND

Achieving socio-economic empowerment of disadvantaged population is not an easy task in general and in particular in Indian society which is hierarchical in nature because of caste system and perceptible gender inequalities. Hierarchical, social and economic and gender inequalities are steeped in Indian tradition and the inequalities cannot be wiped out over night. It takes not a month or an year but centuries. Even after so many centuries of inequalities and Constitutional safeguards provided in modern India to eradicate inequalities of all types the country has not succeeded so far in tackling unjustified and inhuman inequalities that exists in our society. The inequalities social and economic have eaten the lives of the population belonging to the weaker sections like Scheduled castes, Scheduled Tribes, Backward castes etc. Further the gender inequality despite all the constitutional provisions and women development programs still exists in all the strata of Indian society. This is clearly perceptible in lower strata of the society, among the poor and weaker sections in Indian society. Empowerment of any segment of society can be achieved only by eradicating socio-economic inequalities and even gender inequality can be reduced through economic empowerment of women which may also result in their social empowerment. Empowerment through education may also be achieved. Education act as a catalyst for generation of new ideas, creation of confidence and help economic progress.

In the case of women empowerment particularly among the women coming from poorer sections and Scheduled castes, Scheduled Tribes and Backward castes, self-help groups have been playing an important role in the economic, social and political in their empowerment. One should not forget
that a women joining as a member in a Self-help group itself is a small beginning in the path to empowerment.

This thesis made an attempt to understand the impact of Self-help groups on the members in various aspects of their lives.

6.1. INTRODUCTION

Thesis has been presented in Six chapters. Chapter one presents the definition and functioning of SHGs in India and with special reference to Tamil Nadu, definition of micro credit, types of Micro Credit and other aspects concerning micro credit. Chapter two gives brief profile of the state of Tamil Nadu, and Tirunelveli District, Role, functioning and performance of Tamil Nadu Corporation for Women Development (TNCDW) with special reference to Mahalir Thittam in Tirunelveli District. Chapter three briefly presents the review of literature with regard to the studies previously conducted on empowerment of women through SHGs and micro credit in India and outside the country. Chapter four presents the background, statement of the problem, objectives of the study, hypotheses, and Research methodology etc.

Chapter five deals with the Data analysis and Interpretation which is presented in three section. In the first section socio-economic profile of the respondents has been dealt with (objective 2). Second section deals with the functioning and impact of the SHG in terms of Duration of Membership, Motivation to join SHG, Size of SHG, status in SHG, decision making, impact on employment generation and income generation, access to credit, quantum of credit availed, repayment of credit availed, impediments encountered in the process, and the association, if any, between education level of SHG members and their attendance in meetings, loan accessed, repayment of loan, participation in awareness programme, income generation before and after training, decision making in the family has been tested and
incorporated in the relevant portion (objective 3 and 4) and the **Third section**
gives the perception of the SHG, community leaders and bankers about the
functioning of Self Help Group(objective 5).

In the last chapter (**Six**) Summing up of the whole report which includes
research methodology, major findings, conclusions, policy recommendations
and the suggestions for further research have been given.

**6.2 REVIEW OF LITERATURE**

The researcher has reviewed research works on socio economic
empowerment of the SHG members who have availed the micro credit
facilities through various institutions. Economic Empowerment through micro
credit programmes has been studied by various scholars such as Osmani
Bhatti, M.H. (1999), Manimekhalai and Rajeswari (2001), Ramakrishna, R.
SHG's are playing a vital role in extending micro-finance to the rural poor. The
functioning of SHG's has been based on participatory mechanism and
therefore the impacts of SHG's on its members in terms of empowerment,
accessibility to credit, socio-economic change etc. has been found positive.
Though there are a number of studies which are related to functioning and
micro-finance but only a few studies, to cite some of the scholars are Abdul
Hayes, Rahul Amin, and Stan Becker (1998), Schuler and Hashmi (1994 and
Nedumaran (2001), Gurumoorthy (2000) and others, have taken so far to
assess the impact of Women Self Help Groups on the socio-economic
empowerment.

No study has been undertaken to assess the role of education in
empowerment of women self help group. In this context, the present study is
considered as an important study to assess the impact of Women Self Help Groups on its members in terms of socio-economic empowerment through education. To fill this gap, the researcher has chosen “Educational Empowerment of women’s Self help Group – a Mirco Credit analysis” as a topic for his research study. The study findings may be useful for policy implementers and smooth functioning of SHG's. More benefits of SHG's may be obtained through proper functioning of these groups and extending of micro-finance to develop and promote micro-enterprises.

6.3 OBJECTIVES

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 the impact 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 attending, decision making, agenda of meetings, purpose of savings, 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, impediments encountered in the process.

4. To identify the significant association, if any, between education level of SHG members and their attendance in meetings, loan accessment, 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.

6.4. RESEARCH METHODOLOGY
6.4.1 DESIGN OF THE STUDY

The study is carried out in five stages in order to realize the objectives. 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’.

6.4.2 HYPOTHESES

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.

6.4.3 UNIVERSE OF THE STUDY

The study was carried out in the district of Tirunelveli in the state of Tamilnadu. SHGs approved under Mahalir Thittam of Tamil Nadu Corporation for Women’s Development Ltd in the Tirunelveli District is the population of the study.

6.4.4 SAMPLE

To understand the impact of empowerment on women in Self-help groups 80 women members from 80 Self-help groups covering 40 Income generating activities functioning under 20 Non-governmental organisations in Tirunelveli district of Tamil Nadu have been selected for the study, women from each of the 40 Income generating activities 2 Self-help group women members were selected randomly for the study. From each of the sample of 80 Self-help group women members 20 Self-help group leaders, 20 community leaders and 10 bankers were also studied, not only to facilitate comprehensive analysis of data but also to see the impact of Self-help
groups on different types of income generating activities. The Income generating activities have been divided into 4 groups on the basis of their nature of activity. They are agricultural and allied activities, micro enterprises, handicrafts and other Income generating activities.

6.4.5 TOOLS

Four different types of research tools have been designed and administered to the selected respondents.

1. A questionnaire for collecting data from ‘SHG Members’
2. A questionnaire for collecting data from ‘SHG leaders’
3. A questionnaire for collecting data from ‘community leaders’
4. A questionnaire for collecting data from ‘Bankers’

6.4.6 VALIDATION

To validate the tool a pilot study was conducted. In the pilot study the tools were tested and validated by individuals and group tryouts and final drafting of tools was made. Experts’ views were obtained. Thus the content validity of the tools was established. The genuineness of the response of the respondents was verified by interacting with the government officials community leaders, Bank officials and the registers maintain by the group. Thus, ensured the reliability of the data.

6.4.7 DATA COLLECTION

Both Primary and Secondary data have been collected for the study. Primary data were collected through constructed questionnaires and secondary data were collected from the published and unpublished documents from
government agencies such as Tamil Nadu Corporation for Women’s Development Ltd., Annual Report, Agenda papers, etc.

6.4.8 DATA ANALYSIS

Collected data have been analyzed using statistical tools of percentage and average for various dimensions and questions. Hypotheses have been tested using $x^2$ test.

6.5. LIMITATIONS OF THE STUDY

The findings of this study could be generalized with a word of caution keeping in account of the following limitations.

- The findings of the study are related to the SHG member of Mahalir Thittam, Tamil Nadu Corporation development of Women Ltd., in the district of Thirunelveli.

- There are many programs which are being implemented by various agencies in the district for promotion of micro credit activities. The inferences of other schemes have not be attempted which may vary from the findings of the presence study.

- The present study focuses only on educational empowerment of SHG women with regard to their political participation, access to loan, repayment of loan, attending training / meetings etc. not on other cost.

6.6 MAJOR FINDINGS

1. Out of the 80 respondents, 56.25 percent belong to Backward Classes followed by SCs(31.25 percent), ST(5 percent ), 3.75 each from MBCs and other castes. Most of the respondents (82.5 percent )
are above 31 years. Most of the husbands of the respondents are in the age group of 36 - 50+.

2. Amongst the husbands of the respondents, 37.50 percent are illiterate and rests are literates which includes 33.75 percent literates through without formal. It is found that in comparison with their wives, there are more number of illiterates among the husbands as the number of illiterates among the respondents are only 15 percent.

3. It is found that no illiterate is found in the category of micro enterprises and practicing other economic activities. In these two categories more than 50 per cent of the respondents are having at least primary school education which shows that most probably those who have education primary level would not like to take up income generating activities related either to agriculture and allied activities or handicrafts.

4. Most of the respondents (55 percent) belong to nuclear families followed by 43.75 percent joint families and remaining 1.25 Per cent belongs to extended family. It is observed that the percentage of joint families in the sample from handicrafts is 87.50 percent while among the sample of agriculture and allied activities it is 53.13 percent. Families having more number of children (large sized families) are found among the sample of agriculture and allied activities and those of handicrafts.

5. In Most of the household (77.50 percent), Head of the family is men, only 16.26 percent of the family is headed by women.

6. Most of the respondents (82.50 percent) are having their own house and the rests are living in a rented house. Most of them (73.75 percent) living in a pucca house. While 46.25 percent respondents are having their own land, 53.75 per cent respondents are not having any land.
7. Majority of the respondents (93.75 per cent) are having electricity connection in their house. 38.75 per cent of the households do not have toilet facilities. Majority of the respondents reported that they have separate kitchen. Most of the respondents (73.75 per cent) are having access to drinking water from public tap, followed by 23.75 per cent depends on community bore well.

8. Most of the household (80 per cent) do have TV in their houses. Transistors are available with 73.75 per cent houses. 21.25 per cent respondents are having refrigerators. 10 per cent of the respondents are having sewing machine. 52.50 per cent of respondents are having LPG connection in their house. Mobile phones are available with 12.50 per cent of the respondents.

9. 20 per cent of the respondents are the members of the Gram Panachayat. This indicates that the SHG members have political empowerment. The role of education in attaining political empowerment among the SHG members has been tested and found that there is significant association between education of the self help members and membership in the local bodies.

10. During the pre SHG period, most of the SHG members (56.25 per cent) earned less than Rs.1000/- per month. After joining SHG, it is found that for 53.75 per cent families monthly income ranges between Rs.2501 – 5000. Most of the respondents (57.50 per cent) reported that they themselves are responsible for spending money for various purposes.

11. It is found that there is significant association between education and decision making in financial matter in their families.

12. Out of the 80 sample 38.75 per cent of the total respondents have been members of SHGs for the past 5 years followed by 27.50 per cent for
the past 6 years, 20 per cent for the past 7 years and 13.75 per cent for the past 4 years

13. Apart from self motivation, NGOs played an important role in all the 4 samples of income generating groups in motivating them to become members of Self Help Groups.

14. 15 per cent of the total sample reported that they are (office bearers) treasurer / secretaries of their Self Help Groups. More than 90 per cent of the total groups are large Self Help Groups and number of members ranging from 20-25. More than 70 per cent of the groups elect their group leader/president by consensus.

15. With regard to the frequency of meetings 50 per cent of the total groups held weekly meetings followed by 47.50 per cent fortnightly meetings and 2.50 per cent monthly meetings. 75 per cent of the total sample members reported that they attend the SHG meeting, regularly and 25 per cent attend the meeting intermittently. The reasons being 75 per cent of them do not find time to attend the meetings. 20 per cent of them reported that due to some domestic problems they are unable to attend the meetings regularly.

16. In 90 per cent of the sample Self Help Groups, group leader / president calls for the meeting of the Self Help Groups. In more than 50 per cent of the sample Self Help Groups (53.75 per cent ) the agenda of the SHG meetings is usually decided after taking the opinion of the members. In 80 per cent of the sample groups decisions are taken by consensus while in 16.25 per cent of the groups decisions are taken by voting.

17. In the meetings of Self Help Groups more than 70 per cent of the sample from each of the 4 income generating groups reported that the discussions mainly centers around economic problems and issues
while only 23.75 per cent of the total groups reported the discussions center around both economic and social issues which is confirmed by the SHG leader.

18. Monitoring of the SHG activities is very important for their effective functioning for the benefit of the members. As reported by sample women members informal monitoring is done by their leaders in 88.75 per cent of Self Help Groups and in 11.25 per cent of the members also take active part along with their leaders in monitoring.

19. With regard to thrift all the 80 members contribute some amount every month but it varies from member to member within the group, generally depending on the capacity of the member. 97.50 per cent of the sample members contribute every month below Rs.100. All of them regularly pay their thrift amount. Majority of the sample women (70 per cent) save some amount of money from their income generating activities to contribute towards thrift fund and 28.75 per cent of them reported they curtail their expenditure so as to pay some amount towards thrift.

20. All the sample respondents reported that they save every month some amount as thrift which will be handed over to the groups. 71.25 per cent of the total deposit their thrift amount during the group meetings and 28.75 per cent send representatives from the group to collect the thrift amount from the members of the group.

21. A combination of reasons like from food security to self respect has come from the sample women. 81.25 per cent of the total sample reported that one reason for saving is it provides food security. In all the income generating groups more than 70 per cent gave food security as the reason for saving followed by children’s education, unforeseen medical expenses, marriages of the children and expenses on festivals. to meet the emergencies, purchase agriculture inputs, to
build assets, self respect and for investing in the income generating activities.

22. The SHGs have accumulated some amount through interest and fines. Out of the total sample 46.25 per cent reported that the accumulated amount is being added to the groups capital. 27.50 per cent of the total reported that the accumulated amount is being utilized for the activities of the group. 18.75 per cent of the total sample said that in their groups the accumulated amount is being distributed as dividend among the members. Amount accumulated through thrift of the individual members has been deposited in the bank as per 90 per cent of the total as well as overwhelming majority from each of the four groups. Only 10 per cent of the total sample reported this amount is being given as loan to the members.

23. All the SHGs have accounts in the banks and 38.75 per cent of them reported that group leader, secretary and treasurer together carryout the transactions with the banks. 32.50 per cent of the sample women said that SHGs have authorized one of the member of their groups to operate bank account. Frequency of visits to the banks by those who operate to the accounts reveal that 91.25 per cent of the total sample opined that the bank transactions are carried out once in a month.

24. One of the responsibilities of the SHG is to create awareness about the importance of education for the family and the society. To be effective in tackling various family problems and social problems, members of the SHG need to aware of them. There in a need for members to attend various awareness porgrammes organized by the voluntary organizations / Government agencies. The participation of the respondents in attending various awareness programme is very dismal.
25. Most of the respondents (88.75 per cent) approached the NGOs through their SHGs for availing loan from bank. Most of the respondents (70 per cent) reported that they received loan within 6-10 days. Out of the total respondents 63.75 per cent have cleared their loan and the remaining are yet to clear it.

26. Despite success or moderate success in the income generating activities of the sample they still faced many problems in carrying out their income generating activities. 52.50 per cent reported difficulties in marketing followed by 21.25 per cent reported no support from their family members, 15 per cent not receiving the loan in time and 10 per cent not receiving cooperation from group members.

27. Out of the total respondents 43.75 per cent reinvested the income in their income generating activities followed by 21.25 per cent spend it on consumption needs 15 per cent spend on the education of their children, 12.50 per cent spend it on health care and 7.50 per cent spend it on the purchase of assets.

28. Majority of the respondents said that their joining with SHGs has improved their mobility, recognition in family and community, interaction with outsiders, access to health services, immunization, sanitation and credit sources. The role of women in decision making has also increased significantly and they feel now their voice is heard in the family and society.

29. Community leaders were aware of the existence and functioning of women Self-help groups in their areas. Their overall perception of women Self-help groups is positive though a few of them expressed it grudgingly. They believe that the women Self-help groups were successful in creating awareness of social and developmental issues in their communities. They also believe that the members of women Self-help groups have increased the leadership qualities and adept in
interactions with bankers and government officers and raising critical questions in Gram Sabhas

30. According to the bankers, status of repayment by the Self-help groups is satisfactory and majority of the Self-help groups are functioning well.

31. According to the majority of the group leaders the amount accumulated through thrift is periodically deposited in the banks and the interest received on it is being distributed as dividend to the members of their groups. While in the rest of the groups as mentioned by the leaders the accumulated thrift amount is being distributed as loan according to the requests made by the members. The loans from thrift amount are taken by the members mainly to meet the consumption needs, purchase of inputs and to meet the emergencies.

32. There was no significant association between the education of the women SHG members and their (1) Attendance in the meetings, (2) Amount of loan accessed and (3) Status of repayment of loan. On the other hand significant association exists between education of women SHG members and (1) Participation in awareness programmes, (2) Monthly incomes before training programmes on income generating activities and (3) after training programmes, (4) Membership in local bodies and (5) Decision making in financial matters in the family.

33. With regard to the performance and impact on income generating group wise no clear cut pattern emerges. The performance and impact differs from group to group but no single group emerges dominant group in performance.

6.7. CONCLUSION

Literacy rate is high among the respondents than their husbands. There is need to increase the literacy rate as well as education levels among
the men of weaker sections which may lead to better understanding of their wives role in self help groups and in income generating activities. Literacy programmes may be directed more intensively at the men in weaker sections to increase literacy rate among them.

The respondents with formal education at primary level and beyond are engaged in income generating activities other than agriculture and allied activities, indicating the capacity of formally educated literate women to manage micro enterprises, since they generate more income than agricultural activities. A policy implication is that women can be better empowered economically with education as input.

Only 20 percent of the respondents are members in local bodies like village panchayats. All the 20 respondents could achieve this only after becoming members of SHGs and all of them are literates. It indicates the impact of Self Help Groups and literacy on the political empowerment of women. There is need to further increase women membership in local bodies and this could be achieved by encouraging more women to join self help groups and those are who already members should be encouraged to participate actively in the affairs of local bodies. Illiterate women of Self Help Group may be motivated to attend adult literacy programmes to become literates.

Though monthly incomes of the respondents increased due to micro- enterprises the increase in absolute terms is small. Hence there is need to organize micro enterprises and other income generating activities more effectively and the need for frequent monitoring by the NGOs.

Only 16.26 per cent of the respondents are acting as heads of their families / households; still majority of them are having substantial say in decision making in financial matters after they started income generating activities as members of Self Help Groups. It definitely indicates membership
in Self Help groups and starting income generating activities empowers of women in their families / households.

Despite increasing incomes, purchase of assets like land, houses by the families of the respondents is inadequate. Not only this, reinvestment of their increased incomes in income generating activities is also very less. The women self help group members and their families should be encouraged to purchase assets and reinvest a part of their income in income generating activities.

Group leaders seem to have imbibed leadership qualities than the other members of Self Help groups. Even in bank transactions group leaders and other office bearers of Self Help groups are playing major role. It would be better if other members of Self Help Groups are also entrusted with the activities of the group like bank transactions, meeting the officials, mobilizing the people for social activities so that they can also develop leadership qualities.

Participation of Self Help Groups women in awareness programmes like child marriages, enrollment of children in schools and legal literacy, evils of child labour, child marriages, gender equality in wages etc. is less. Participation in these programmes not only helps the society in eradicating social evils but also helps women acquire communication skill and leadership qualities.

Majority of the respondents are from the nuclear families. This would mean size and nature of family promotes/quickens pace of empowerment of women; socially and economically. They have acquired greater say in deciding financial matters in the family. The nature of families (nuclear) has largely helped in this development.
The respondents have adapted to thrift and good financial management qualities and capabilities. They have been regularly saving and repayment of bank loans have been to the total satisfaction of banks. Banks have reported fullest satisfaction with regard to loan repayment by SHGs.

Training has helped to increase incomes of members of SHGs. The training has to be made more effective and formal in being able to generate greater incomes to the members. This, of course, should be preceded by formal education and literacy programme. This should lead to skill improvement and permanent upgradation of working capabilities of member of SHGs.

In the Self Help Groups meetings discussions on financial matters are more frequent than on the social issues related to the community. This is one of the lacunae noticed in the Self Help Groups meetings and this should be addressed. No doubt coming from weaker sections and that too from poor families one can understand their anxiety about their financial aspects but the Self Help Groups to be more useful to the society, need to address social issues and members should be encouraged to discuss social issues as well.

6.8. RECOMMENDATIONS

1. A fully mature group is one that achieves competence to independently handle issues of its internal practices both financial and non-financial. The group should be able to handle its leadership, problem solving and conflict resolution successfully with minimal help. It should also be in a position to maintain its records and other books of accounts independently or through other arrangements.

2. Regulation of micro-financial services is necessary, which helps in long-term sustainability. The interests of small savers, ensuring
proper terms of credit, instilling financial discipline and having a proper reporting and supervision system should put in place. Regulation and supervision ensure that micro-financing organizations are run prudently and cases of poor people loosing their money due to fraud or incompetence are minimized.

3. Policy makers need to recognize the potential of micro-financial services to support investment and growth in key economic sectors and hence to contribute significantly to national economic growth.

4. Strong marketing network is called for effective and proper marketing of product and services of micro enterprises linked SHG’s. They need marketing support and institutional capacity to handle marketing activities independently.

5. The factors responsible for poor performance of micro-finance and functioning of SHG’s should be investigated, examined and analyzed scientifically and systematically to resolve the emerging problems, difficulties and challenges being faced.

6. The rate of literacy among the SHG women through intensive adult education programmes should be increased through Distance education mode.

7. The women members of SHGs are to be encouraged to give equal preference to social issues in the discussions in SHG meetings.

8. Women members and their families are to be encouraged to purchase assets by spending a part of income generated from Income generating activities.

9. All the women SHG members are to be provided with ample opportunities to interact with the bankers, government officials and NGOs to gain experience and self confidence.
10. The women SHG members should participate actively in all the awareness programmes. They have to organize more training programmes on Income generating activities.

11. The women SHGs members are to be motivated to reinvest at least a part of their income in income generating activities.

12. The SHG women members are to be encouraged to participate in local bodies and also to become members and office bearers.

6.9. SUGGESTIONS FOR FURTHER RESEARCH

The present study depicting the importance of education in empowerment of women has been carried out in a small area i.e in the Tirunelveli district only. This can be carried out through out Tamil Nadu. It can further be replicated in the whole country to see whether education has any role in empowering the SHG women.

Similar research study could be conducted in respect of other programs of various agencies like National Bank for Agricultural and Rural Development, Ministry of Rural Development, Ministry of Women and Child Development etc.,

A Comparative study could be conducted on the implementation of the different programmes that are promoting SHGs.

A study on the educational and economic empowerment of most disadvantaged groups among the disadvantaged groups could be investigated.

Research study on transaction cost of the SHG in relation to their educational empowerment could be studied.