1.1 INTRODUCTION

Self Help Groups enhance the equality of the 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 encourage women to take active part in the socio-economic progress of our nation. The Self Help Groups bring out the possibility of women in moulding the community in the right perspective and explore the initiatives of women in taking up entrepreneurial ventures.

Self Help Groups (SHGs) empower women and train them to take active part in the socio-economic progress of the nation and make them sensitized, self-made and self-disciplined. They may remove the social limitations of women such as superstition and may contribute to their dominant role in decision making. The SHGs have inculcate a great confidence in the minds of rural women to succeed in their day-to-day life. They brings about the unity among women and reduce the differences of caste and religion, improve social awareness, improve their awareness of their role in the family and health, involvement of women to fulfill the basic needs of the rural people, participation of women in democratic activities and panchayat system gets multiplied\(^1\).

In recent years, SHGs have become significant institutions for rural development. It is now being increasingly realized that instead of targeting the individual in the process

of development, it would be more useful to adopt the approach of group development. The group approach makes available the collective wisdom and combined resources for any task. SHGs are a viable alternative to achieve the objectives of rural development. SHGs play a pivotal role in social transformation and social economic betterment of rural women. Unlike cities, where scope for employment is abundant, rural faces uncertain, Tamilnadu is monsoon where people cannot depend purely on agriculture all through the year. Moreover, Tamilnadu is based on its agro-economic climate conditions. Thus non-farm activities like handicrafts, rope making, embroidery, catering services, repair shops, soft drink stalls and so on give immense scope for women to earn their livelihood when they do not have income through agricultural activities. Banks in association with NGOs give training to SHG members in all these activities. The government of Tamilnadu encourages the SHG activities and helps in the marketing of their products.

SHGs are no doubt, an effective medium for involving individuals in the development activities to the point that they themselves take the initiative. They provide opportunities to work jointly in support of the common goal of improving the quality of the life of the poor. SHGs are considered to be the most powerful tool for alleviating poverty through empowerment of women.

SHGs are voluntarily formed informal groups. A SHG consists of 10-20 members. The members are encouraged to save on regular basis. They use the pooled

3. Self Help Groups to Family Circles, Kerala Calling, August, p.32.
resources to meet the credit needs of the group members. The groups are democratic in nature and collectively make decisions. Since the members are neighbours and have common interest, the group is a homogenous one and cohesiveness is one of the characteristic features of the group. Regular savings, periodic meetings, compulsory attendance, proper repayment and systematic training are the salient features of the SHG. Evidences from various developing countries throughout the world have shown that the poor can be helped by organizing themselves into Self Help Groups.

The economic co-operation between the banker and the SHGs provides an opportunity for both bankers and the SHGs members to increase the scale of borrowing. The magic of the success of micro-credit through the SHGs is the goodwill of the members. In the matter of borrowing funds, their utilization of funds and repayment, all the members help one another in running their economic ventures successfully. Though the SHGs were started in 1997 in Maharashtra state, the concept penetrated down only in recent years. Now there is a greater amount of socio-economic emancipation among the members of the SHGs. Hence, there is a need for evaluating the social and economic impact of the SHGs on their members.

SHGs are voluntarily organizations, which disburse microcredit to the members and facilitate them to enter into entrepreneurial activities. Formation of SHGs of women in India has been recognized as an effective strategy for the empowerment of women in rural as well as urban areas. Since the overall empowerment of women is crucially dependent on the economic position, women through these SHGs are enabled to involve
in a range of areas such as health, sanitation, nutrition, agriculture, husbandry and so on besides income-generation activities availing of micro credit.

Self Help Group or in-short SHG is now a well-known concept. It is now almost two-decade old. It is reported that the SHGs have a role in hastening country’s economic development. SHGs have now evolved as a movement. Mainly, members of the SHGs are women. Consequently, participation of women in the country’s economic development is increasing. They also play an important role in elevating the economic status of their families. This has given boost to the process of women’s empowerment.

SHGs are the voluntary organizations which disburse micro credit to the members and facilitate them to enter into entrepreneurial activities. In India, the Self-Help Groups are promoted by NGOs, banks and co-operatives. The National Bank for Agriculture and Rural Development (NABARD) launched a pilot project for linking SHGs in February, 1992.

Model I-Banks provide micro finance to non-governmental organisations (NGOs) for lending to SHGs and ultimately to the micro entrepreneur and this model is adopted by 27 per cent of the SHGs.

Model II-Banks provide finance directly to SHGs to venture into micro enterprises and this model is adopted by 17 per cent of SHGs.

Model III-Banks finance SHGs with the intervention of NGOs as social mobilizers and facilitators and this model is adopted by 56 per cent of SHGs.
Model IV-The fourth model envisages bank loans directly to the individual members of SHGs upon the recommendations of the SHGs and NGOs. In this case, the NGO assists the Bank in monitoring supervising and recovery of loans.

A SHG is about people coming together with others who are affected by a particular issue (experience, disadvantage, discrimination and so on) to support each other and to work together to change the disadvantage affecting them. Activities of the SHGs do include community education, information, mutual support and the like.

SHG is a self-governed, peer-controlled small and informal association of the poor, usually from socio-economically homogeneous families who are organized around savings and credit activities. Funds for credit activities are coming through regular savings deposited by all of its members on a weekly or fortnightly basis. In the meetings they discuss common village problems and plan solution, share information; make efforts to improve their health and literacy skills.4

SHGs are not charity or simply community-based groups. They are made of and controlled by the people affected. Group members are not volunteers. Although the work is usually unpaid, members work to change their own situation and the support is mutual. The knowledge base of self-help mutual support groups is experiential, indigenous, and rooted in the wisdom that comes from struggling with problems in concrete, shared ways. SHGs build on the strengths of their members.

SHGs have another very important role to play particularly in the transfer of technology to the user group population. It has been found by the members of SHGs that they offer them organizational base, large resources, and access to modern technology leading to employment and income generation. Thus, the SHG movement among the rural poor in the different parts of the country is emerging as a very reliable and efficient mode for technology transfer. However, it is strongly felt that the pace of transfer and popularization of technologies must be accelerated so that even the small farmer can benefit from the new technologies.  

The present study provides ample evidence of the fact that organization of women in the form of SHGs have laid the seeds for the economic, political and social empowerment of women. The basic strategy of women through SHGs comprises in organizing women SHGs at the village level to promote savings and rotational credit programs using their own resources, facilitating regular interaction and exchange of information, linking SHGs with external credit sources like banks, NGOs and so on, imparting skill training to the members to manage their credit and take decisions, linking SHGs with rural development programs; thus enabling the members to expand their investment capital and develop leadership qualities and self-confidence. The dynamic group among the women social members is empowered to fight social evils in the community like female infanticide, dowry problems, evils of drinking, corruption and so on. Formation of cluster level committees also empowers women to form a network of

groups and undertake community-based issues with government departments. The experience gained in the group meetings has also emboldened women members to raise their voices not only in the immediate contact of their community but also in the larger democratic bodies. The opportunities given to women in the sangham meetings have also paved the way for their participation in the local panchayat election.

SHG is a group of rural poor who have volunteered to organise themselves into a group for eradication of poverty of the members. They agree to save regularly and convert their savings into a Common Fund known as the Group corpus. The members of the group agree to use this common fund and such other funds that they may receive as a group through common management. Generally a self-help group may consist of 10 to 20 persons. However, in difficult areas like deserts, hills and areas with scattered and sparse population and in case of minor irrigation and disabled persons, this number may be from 5-20. The difficult areas have to be identified by the State Level SGSY Committee and the relaxation in membership will be permitted only in such areas. Generally all the members of the group should belong to families below the poverty line. However, if necessary, a maximum of 20 per cent and in exceptional cases, where essentially required, up to a maximum of 30 per cent of the members in a group may be taken from families marginally above the poverty line living contiguously with Below Poverty Line (BPL) families and if they are acceptable to the BPL members of the group. This will help the families of occupational groups like agricultural labourers, marginal

farmers and artisans marginally above the poverty line, or who may have been excluded from the BPL list to become members of the Self Help Group. The BPL families must actively participate in the management and decision making, which should not ordinarily be entirely in the hands of Average Poverty Line (APL) families. Further, APL members of the SHG shall not become office bearers (Group Leader, Assistant Group Leader or Treasurer) of the Group.\(^7\)

The group should devise a code of conduct (Group management norms) to bind itself. This should be in the form of regular meetings (weekly or fortnightly), functioning in a democratic manner, allowing free exchange of views, participation by the members in the decision making process. The group should be able to draw up an agenda for each meeting and take up discussions as per the agenda. The members should build their corpus through regular savings. The group should be able to collect the minimum voluntary saving amount from all the members regularly in the group meetings. The savings so collected will be the group corpus fund. The group corpus fund should be used to advance loans to the members. The group should develop financial management norms covering the loan sanction procedure, repayment schedule and interest rates. The members in the group meetings should take all the loaning decisions through a participatory decision making process.\(^8\)

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The group should be able to prioritise the loan applications, fix repayment schedules, fix appropriate rate of interest for the loans advanced and closely monitor the repayment of the loan installments from the loanee. The group should operate a group account preferably in their service area bank branch, so as to deposit the balance amounts left with the groups after disbursing loans to its members.

The group should maintain simple basic records such as minute book, attendance register, loan ledger, general ledger, cash book, bank passbook and individual passbooks. These could be used with necessary changes/ modifications wherever required. Fifty per cent of the groups formed in each block should be exclusively for the women. In the case of disabled persons, the groups formed should ideally be disability-specific wherever possible. However, in case sufficient numbers of people for formation of disability-specific groups are not available, a group may comprise persons with diverse disabilities or a group may comprise both disabled and non-disabled persons below the poverty line.  

1.2 NEED FOR THE STUDY

Poverty is a social phenomenon in which a section of society is unable to fulfill even its basic needs of life. Though rapid industrial development has taken place since independence, mass poverty persists all over the country. In the midst of mass poverty, real progress is not much achieved. Therefore, there is an urgent need to eradicate mass poverty. India's anti-poverty strategy comprises a wide range of poverty alleviation and

employment generation programmes, many of which have been in operations for several years and have been strong to generate more employment, create productive assets, impact technical and entrepreneurial skills and raise the income level of the poor.

The SHG programmes should be successful in not only meeting the peculiar needs of the rural poor but also in strengthening collective self-help capacities of the poor at the local level, leading to their empowerment.

The performance and achievement of the SHGs in Radhapuram taluk in employment and income generating activities through the rural enterprise development are discussed. A critical study of SHGs well enables us to know the role of the SHGs in Radhapuram taluk. It also helps us in locating the strength, weaknesses, opportunities and threats of the SHGs and to give suggestions for improvement and remedial measures wherever necessary. Though there are a large number of studies related to microfinance SHGs empowerment of women through SHGs is not studied so far. Hence, this study assures great importance.

1.3 STATEMENT OF THE PROBLEM

A SHGs is really a boon in the rural areas which gives financial autonomy to the self help group members and makes them economically independent. The SHGs have become a platform for the exchange of experiences and ideas. The SHG members have tremendous energies to start their own enterprises given the right opportunities. They have developed abundant self-confidence and self esteem through SHG. The economic poverty and also social and gender issues can be tackled effectively through this process.
Though the loan amount is small, it helps in meeting the requirement of the poor. Small amounts of loans coupled with financial discipline ensure that loans are given more frequently and hence the credit needs for a variety of purposes and at shorter time intervals can be met. This is a better mechanism to reduce poverty gradually as against one time loan for productive asset, which may or may not lead to sustained increases in income. The institutional finance to SHG members through SHGs has helped the groups to achieve a measure of economic and social empowerment. It has developed a sense of leadership, organizational skill, management of various activities of a business, right from acquiring finance, identifying raw material, market and suitable diversification and modernization. Hence, institutional finance through SHGs is contributing to the development of SHG members in a meaningful manner. It is seen that significant changes in the living standards of the SHG members have taken place in terms of increase in income levels, assets, savings, borrowing capacity and income-generation activities. It has been observed that the overall impact of institutional finance through SHGs is very effective in combating poverty, unemployment and empowerment of women.

Since 1950, the Government of India has tried various programmes to alleviate poverty. Studies show that these programmes, implemented through banking institutions have not been fully successful in meeting their social and economic objectives.

Poverty reduction requires expansion of poor people’s opportunities, their empowerment and guarantee of their security. But growth cannot be switched on or off at will. The institutional support to anti-poverty programmes is absolutely essential. These
schemes suffer from high incidence of leakages in the absence of an appropriate institutional framework.

The concept of the SHGs appears to be a good alternative strategy to involve people in the development process. In these circumstances, it is felt important and necessary to study the SHG concept, its pattern of functioning, its present status in India, the role of the NGOs in relation to the SHGs, the banker’s participation, the cost and profitability in lending to the SHGs, and the socio-economic changes effected among the rural poor.

InRadhapuram taluk, there are a lot of NGOs promoting the SHGs. While there are some other NGOs, who place themselves under “Mahalir Thittam”, a division of Tamilnadu Corporation for Development of Women Limited (TNCDW), some other finance groups generate their own funds. The present study covers those SHGs promoted by the NGOs affiliated to “Mahalir Thittam”. Since women groups constitute more than 85 per cent of the total groups and rural women need development and empowerment, only women groups are considered for the present study.

Every member of SHGs has felt the need for more involvement in economic activities. The spirit for social and economic upliftment of members is the significant contribution of each and every SHG. The present study is an attempt to evaluate the social and economic benefits accruing to the members of the SHGs.

Similar such initiatives have been taken by Government of India, catering to microcredit needs of the poor, through micro-credit institutions. The proposed research
study will critically study the initiatives of the micro-financial institutions in general and SHGs in particular. SHGs is very much replicate of model used by Grameen bank. Hence, it is important to study the functioning and peculiarities of the SHGs. The researcher critically studies how SHGs are effective in meeting the different financial needs of participating members. It is also important to see the participation of private financial institutions for serving micro financial needs of vast number of financially weaker section of the society. Similarly study of government role in participation of microfinance, is also a part of the proposed study.

Peoples’ participation in credit delivery and recovery and linking of formal credit institutions to borrowers through the SHGs have been recognised as a supplementary mechanism for providing credit support to the rural poor. These groups are distinct from co-operative societies, mainly in terms of their size, homogeneity and functions. Non-Governmental Organisations play an important role in preparing the members by changing their attitude to participate in-group activities.

The NABARD is a pioneer in conceptualising and implementing the concept of the SHGs through the pilot project of linking SHGs with banks. In 1992 the project was commenced throughout the country through a set of well-defined guidelines with special reference to the objectives, criteria for selection of SHGs, size of group, assessment of credit needs, rate of interest, repayment period and security. Efforts were also made by NABARD to popularise the project among bankers and the NGOs by organising a series of workshops and seminars at different levels.
The distinguishing feature of the SHGs is the creation of social and economic awareness among the members. The social awareness enables the members to lead their life in a sound hygienic environment and pursue a better living. The woman members involve themselves more in taking decisions regarding the education of their children, the investment of the family, managing the economic assets of the family and bringing up cohesion among the members of the family and others for a better living.

Every member of the SHGs has felt the need for more involvement in economic activities. The spirit for social and economic upliftment of members is the significant contribution of each and every SHG.

There is a general tendency to consider the SHGs as a panacea for all the ills of the rural community. This is evident from the mushroom growth of SHG in the states and also in Radhapuram taluk. Hence, the present study is undertaken to study the performance of SHGs in Radhapuram Taluk. Further an attempt is also made to evaluate the social and economic benefits accruing to the members of the SHGs.

SHGs members suffer from the problem of lacking in capital. Shortage of finance is one of the major problems faced by the SHG members. SHG members need financial resource to improve their standard of living.

SHGs cannot be developed without adequate finance support. Keeping this fact in mind, the government has come forward to pay special attention in the Five Year Plans to allocate liberal finance for the development of SHGs.
1.4 OBJECTIVES OF THE STUDY

The study has the following objectives:

1. To evaluate the performance of the sample SHGs in Radhapuram taluk.
2. To study the attitude of the members towards the fulfillment of member satisfaction.
3. To analyse the activities of SHG members in Radhapuram taluk.
4. To analyse the changes in the social conditions of the members of the SHGs in Radhapuram taluk.
5. To offer suitable suggestions to improve the working of the SHGs.

1.5 SCOPE OF THE STUDY

The present study attempts to examine the performance of SHGs in Radhapuram taluk. It examines how far the programme has helped in raising the income and level of the rural poor women and enabled them to cross the poverty line. The present study is from the standpoint of the SHGs and their members.

1.6 METHODOLOGY

The study is both empirical and descriptive. The primary and secondary data have been made use of for the analysis. The overall progress of SHGs is being assessed with the help of the secondary data which are collected from published sources like noted publication of Government of India namely, Yojana, Kurukshetra, RBI bulletin, India 2012, Annual Reports and Records of NABARD, District Rural Development Agency (DRDA), District Urban development agencies, collection of materials, available in other
universities and other agencies, magazines and research journals, periodicals, newspaper and the internet. Opinion, interviews, extracts of executive of corporate houses from relevant articles and so on.

The primary data were collected with the help of a structured interview schedule. The schedule included questions relating to general information about income, expenditure, organization, training exposures, credit utilization and repayment, credit plus activities, influence of the power of SHGs on village and community affairs, opinion of beneficiaries, income generation activities and self employment and the like. Similarly first hand information was collected through interaction with the members of SHGs about their working and the difficulties faced by them and with the help of observation. Group discussion was also made to cross-check the collected information, also informal interview with community leaders, non-governmental organization sand promoting agency personnel to have deeper understanding of the problems.

The sample population for the field survey comprises a total of 500 respondents from Radhapuram taluk.

1.7 SAMPLING DESIGN

As the study attempts to evaluate the performance evaluation of the SHGs in Radhapuram taluk, the sample respondents for the study were drawn from the women members of SHG members operating in Radhapuram taluk. A two stage random sampling method was adopted to draw the sample respondents meant for the study. At the first stage, the list of SHGs operated by different NGOs covered under the Mahalir
Thittam in the Radhapuram taluk was prepared and alphabetically arranged. From the list of the SHGs, 50 SHGs were selected at random from Radhapuram Taluk. At the second stage, the list of the women members in the selected 50 SHGs was arranged alphabetically and 10 members from each of the selected 50 SHGs was selected at random, thus constituting a sample size of 500 members for the purpose of the study. Thus, the number of women SHG members were selected for the study in this Radhapuram taluk.

1.8 CONSTRUCTION OF TOOLS

The interview schedule is prepared to collect data from the members of SHGs. In order to identify the proper construction of the interview schedule, the researcher had held discussions with the officials of TNCDW Ltd., the NGOs, Animators and the representatives of the groups, and also others. In the light of information gathered, the researcher has prepared the interview schedule. A pre-test was conducted, to assess and test its validity in the context of knowing the working of the SHGs in the study area, the impact on the members, and the revenue generated. Their comments and suggestions expressed were duly incorporated in the interview schedule. A pilot study was conducted with 50 SHG members to assess the impact. The data relating to the general profile of the members, the SHG related information, the socio-economic conditions before and after they became members of the SHGs were collected through the interview schedule. To analyse the data, the researcher used the following tools (i) percentage analysis (ii) ANOVA and (iii) Garrets Ranking Technique, iv) Chi-square Test v) Correlation and vi) Multiple Regression.
1.9 HYPOTHESES OF THE STUDY

The following hypotheses have been framed for the purpose of this study:

1. There is no significant difference in the awareness of Self-help Groups concepts among different socio-economic factors such as age, marital status, caste, educational qualification, number of members in the family, ownership of house, nature of house, occupation and monthly income of the Self Help Groups members in Radhapuram taluk.

2. There is no significant difference in the awareness of Self-help Groups concepts among different monthly savings groups before and after joining the Self Help Groups members in Radhapuram taluk.

3. There is no significant relationship between the socio-economic factors such as the age, marital status, caste, educational qualification, monthly income of the Self Help Groups members and purpose of loan in Radhapuram taluk.

4. There is no significant relationship between the socio-economic factors such as the age, marital status, caste, educational qualification, number of family members and involvement of the leader in Radhapuram taluk.

5. There is no significant relationship between the socio-economic factors such as the age, marital status, caste, educational qualification, number of family members and the year of experience of the leader in Radhapuram taluk.
6. There is no significant relationship between the socio-economic factors such as the age, marital status, caste, educational qualification, number of family members and preference of the leader in Radhapuram taluk.

7. There is no significant relationship between the socio-economic factors such as the age, marital status, caste, educational qualification, number of family members and the category of products of the leader in Radhapuram taluk.

8. There is no significant relationship between the socio-economic factors such as the age, marital status, caste, educational qualification, number of family members and the category of trading of the leader in Radhapuram taluk.

9. There is no significant relationship between the socio-economic factors such as the age, marital status, caste, educational qualification, number of family members and the category of hire vending of the leader in Radhapuram taluk.

10. There is no significant relationship between the socio-economic factors such as the age, marital status, caste, educational qualification, number of family members and the category of hire service rendering of the leader in Radhapuram taluk.

11. There is a positive relationship between the age, marital status, educational qualification and monthly savings of the Self Help Groups members and purpose of loan in Radhapuram taluk.

12. There is a positive linear relationship between Self Help Groups and their awareness of Self Help Groups concepts.
1.10 OPERATIONAL DEFINITION OF CONCEPTS

1.10.1 Self–help Groups

SHG is a homogeneous group of rural people including women who decide to form voluntary organization to save small amounts which is known as ‘corpus’ (capital fund) of the group out of which productive and contingent credit requirement of the members of the group could be met with.\(^\text{10}\)

1.11 PERIOD OF THE STUDY

The study covers a period of three years from 2009-10 to 2012-13.

1.12 TOOLS FOR ANALYSIS

The various statistical tools are applied to analyze the primary data percentage analysis, ANOVA, Garret Ranking Technique, Chi-square Test Correlation and Multiple Regression are used to interpret the data for the purpose of analysis. For effective analysis and easy understanding, the data were tabulated.

1.12.1 ANOVA

ANOVA test is used by the researcher to find the significant differences existing among the three or more sample groups in relation to a variable. The total variance in a set of data is divided into variation within groups and variation between groups.

The ANOVA technique is based on the concept of the sum of squared deviations from a mean. Corresponding to the total variance and its two components, we have the total sum of squares (SS), between groups and sum of squares (SS\(_b\)), within groups of

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squares ($SS_w$) is obtained by combining the sum squares i.e., the squared deviations of every raw score from its sample mean. The formula used is

$$SS_w = \sum d^2 + \sum d^2 + \sum d^2 + \sum d^2 + \sum d^2 + \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \sum d^2$$

where $d$ = a deviation of every raw score of a category from its sample mean.

The between groups sum of squares ($SS_b$) is calculated from difference between each sample mean and the total mean. The squared difference is multiplied by the sample size in the category concerned and the quantities. The formula is

$$SS_b = \sum [(x-x_1)^2 \times n]$$

where,

$X$ = any sample mean

$X_1$ = the total mean

$n$ = the number of scores in any sample

$SS_b$ = the between groups sum of squares

The total sum of squares ($SS_1$) is equal to a sum of within and between groups sum of squares.

$$SS_1 = SS_b + SS_w$$

1.12.2 Garret’s Ranking Technique

To find out the main features of a SHG, Garret’s ranking technique was used. As per this method, respondents have been asked to assign rank for all the factors and the
outcomes of such ranking have been converted into score value with the help of the following formula:

$$\text{Percent position} = \frac{100(R_{ij} - 0.5)}{N_j}$$

where,

- $R_{ij} = \text{Rank given for the } i\text{th variable by } j\text{th respondents}$
- $N_j = \text{Number of variables ranked by } j\text{th respondents}$

With the help of Garrett’s Table, the percent position estimated is converted into scores. Then for each factor, the scores of each individual are added and then total value of scores and mean values of score are calculated. The factor having highest mean value is considered to be the most important factor.

1.12.3 Chi-square Test

Chi-square Test was applied to test the various socio-economic factors such as age, caste, community, marital status, educational status, number of family members occupation monthly income, monthly savings, ownership of house and nature house and their performance of the Self Help Groups members and animators. The following formula has been used to test the chi-square test. $\chi^2$

$$\chi^2 (r-1, c-1) = \sum_{i,j} \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

Where $O_{ij} = \text{Observed value in the } ji^{\text{th}} \text{ cell}$
E_{ij} = \text{Expected value in the } ij^{th} \text{ cell}

R = \text{Number of rows in the contingency table}

C = \text{Number of columns in contingency table.}

1.12.4 Correlation

The correlation analysis is a statistical tool with the help of which the intensity of relationship between two variables can be computed. The results may be positive or negative. When two variables move in the same direction, their association is termed as positive correlation. If they move in the opposite direction, their association is termed as negative correlation.

Karl Pearson’s Co-efficient of Correlation (r) is the prominent method of calculating correlation. The formula used is

\[ r = \frac{N\Sigma xy - (\Sigma x)(\Sigma y)}{\sqrt{N\Sigma x^2 - (\Sigma x)^2}(N\Sigma y^2 - (\Sigma y)^2)} \]

r = the Karl Pearson’s Correlation Co-efficient

N = the total number of pairs of x and y

X = raw score on the x variable

Y = raw score on the y variable
1.12.5 Multiple Regression

Multiple Regression is a flexible method of the data analysis that may be appropriate whenever a quantitative variable (the dependent or criterion variable) is to be examined in relationship to any other factors (expressed as independent or predictor variables). Relationships may be non-linear, independent variables may be quantitative or qualitative and one can examine the effects of a single variable or multiple variables with or without the effects of other variables taken into account. A multiple regression equation for predicting Y can be expressed as follows:

\[ Y' = A + B_1X_1 + B_2X_2 + B_3X_3 \]

1.13 LIMITATIONS OF THE STUDY

(i) The study covers only the Self Help Group members.
(ii) The study does not cover the Banks and the NGOs.
(iii) Inadequate time is the major constraint during the whole project.
(iv) All the answers given by the respondents have been assumed true.
v) The data are collected only from 500 respondents and not from all the members of SHGs

1.14 CHAPTER SCHEME

The report of the present study on “The Performance Evaluation of Self Help Groups in Radhapuram Taluk” has been organized and presented in six chapters.

The first chapter introduces the self help groups, statement of the problem, objectives, need for the study, scope of the study, hypotheses, methodology, sampling,
The second chapter reviews the earlier studies related to the self help groups.

The third chapter deals with the conceptual framework of the study. It covers theoretical aspects of the AHGs, meaning and group formation.

The fourth chapter evaluates the performance of the self help groups in Radhapuram taluk and the socio economic conditions of the self help group members.

The fifth deals with the analysis and opinion of the Animators.

The six and final chapter presents a summary of the findings and suggestions made in the context of the research findings.
CHAPTER I

INTRODUCTION AND DESIGN OF THE STUDY

1.1 Introduction
1.2 Need for the Study
1.3 Statement of the Problem
1.4 Objectives of the Study
1.5 Scope for the Study
1.6 Methodology
1.7 Sampling Design
1.8 Construction of Tools
1.9 Hypotheses
1.10 Operational Definition of Concepts
1.11 Period of the Study
1.12 Tolls for Analysis
1.13 Limitations of the Study
1.14 Chapter Scheme