

**STATUS STUDY OF SELF HELP GROUPS  
IN COIMBATORE CORPORATION**

By

**PARKAVI .C**

A THESIS SUBMITTED TO THE AVINASHILINGAM INSTITUTE FOR HOME SCIENCE  
AND HIGHER EDUCATION FOR WOMEN-DEEMED UNIVERSITY,  
COIMBATORE - 641 043

IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF  
**MASTER OF SCIENCE IN HOME SCIENCE EXTENSION EDUCATION**

May 1999

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Certified as Bonafide Research Work



**Signature of the Head of  
the Department**



**Signature of  
the Guide**

## ACKNOWLEDGEMENT

## ACKNOWLEDGEMENT

The investigator wishes to express her sincere thanks to **Tmt. RAJAMMAL P. DEVADAS, M.A., M.Sc., Ph.D., (Ohio state), Hon. D.H.L (Ohio state), Hon.D.Sc., (C.Azad Agri University, Kanpur),** Chancellor, Avinashilingam Institute for Home Science and Higher Education for Women (Deemed University), Coimbatore, for providing an opportunity to carry out an academic exercise leading to the award of M.Sc in Home Science Extension Education.

The investigator expresses her thanks to **Tmt.LAKSHMI SANTA RAJAGOPAL M.Sc., (Tennessee), Ph.D., (Madras),** Vice - Chancellor, Avinashilingam Deemed University, Coimbatore, for the facilities provided to carry out the study.

She expresses her deep sense of gratitude and humble thanks to **Tmt. SAROJA PRABHAKARAN, M.A., Dip. in Ed., (Madras), Ph.D., (Mother Terasa),** Registrar and Director of Halls of Residence, Avinashilingam Institute for Home Science and Higher Education for Women (Deemed University), Coimbatore, for helping her to carry out this study effectively within the time limit.

The investigator expresses her profound sense of gratitude to **Tmt. PARVATHY ESWARAN M.Sc., (Columbia), Ph.D., (Madras),** Dean, faculty of Home Science, Avinashilingam Deemed University, for her support in connection with the research work.

The investigator records her heartfelt gratitude to **Selvi. S. SITHALAKSHMI, M.Sc., Ph.D.(Madras)**, Professor, Head of the Department of Home Science Extension Education, Avinashilingam Institute for Home Science and Higher Education for Women (Deemed University), Coimbatore, for her untiring help, valuable suggestions and supervision given to conduct the study.

The investigator is deeply indebted to her guide **Tmt. DR. M. KASTHURI, M.A., M.Phil., Ph.D.**, Reader in Home Science Extension Education, Avinashilingam Institute for Home Science and Higher Education for Women (Deemed University), Coimbatore, for her kind help, advice and constructive suggestions and also for her constant encouragement, guidance and moral support.

The investigator expresses her heartfelt thanks to **Tmt. SINDRA ANANDARAJAN, M.A. M.Phil., (Madras)**, Lecturer, Department of Home Science Extension Education, Avinashilingam Deemed University, Coimbatore, for extending all help at the various stages of the study.

The investigator expresses her deep sense of gratitude to **Tmt.JERINABI**, Lecturer in Commerce, Avinashilingam Deemed University, Coimbatore. The investigator expresses her thanks to the respondents for their co-operation.

Above all the investigator expresses her deep sense of gratitude to her beloved parents, brother, and friends for their kind help, encouragement, guidance and moral support to carry out the research work.

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I

INTERVIEW SCHEDULE

## INTRODUCTION

## INTRODUCTION

The nation's march towards twenty first century unfolds an era for reconstruction to enhance the quality of life of Indians. The efforts towards the improvement and quality of life are passed through various measures namely educational, social, political and economic. The position of women in a society is an index of its degree of utilisation. Emancipation of women is one of the generators of economic development and social progress (Manickavel, 1997).

Women as a group, and poor women in particular, have been adversely affected by the process of growth and economic transformation. However, women are critical actors in the process of moving their families out of poverty, since the poorest families are the most dependent upon women's economic productivity. Policies and programmes for poverty eradication therefore need to be designed with a deeper understanding of the characteristics of women in poverty (Bennett, 1992).

Eversince independence, our planners had been making attempts to bring women into the mainstream of national development. Several ministries and departments at the centre and states had floated programmes and schemes to uplift women, particularly from the economic perspective. Successive five year plans had their focal thrust on women through targets and funds and also by initiating women specific programmes. During the sixth plan period, a separate Department for women and Child Development was initiated as part of the Ministry of Human Resource Development approach to women's issues.

The eighth plan went one step further and brought forth the 'Empowerment' approach, which is the most recent approach to women in development. Strategies have been worked out to change societal attitudes towards women and improve women's access to resources and control over them, create an enabling policy, institutional and legal environment and most importantly, foster the economic empowerment of women through easy credit availability, better access over factors of production, skill upgradation, mobilization, improved income earning opportunities and innovative ways of enabling women to exercise control over household level savings (Shankarsha, Aratimenta and Latikamenon, 1998).

Sankaran (1995) remarked that the various plans and programmes over a period of four developmental decades (1951-1991) no doubt have brought about perceptible improvement in the socio-economic status of women in the country. However, gender inequalities continue to persist adversely affecting the empowerment of women. This is mainly because the programmes are sectoral, fragmentary and lopsided. What is needed is a holistic approach with convergence of sectoral programmes and services on the women.

Realising the significance of the strategy for holistic development, the Department of Women and Child Development, Ministry of Human Resource Development, Government of India has initiated a new programme, **Indira Mahila Yojana (IMY)** in August, 1995. IMY tends to integrate the components of several sectoral programmes and facilitate their convergence to benefit women. IMY also proposes to remove gender imbalances mainly through collective action and articulation by women at the grassroots. Its main objective

is to give a forward thrust to the education, awareness, income generation capacities and the empowerment of women. The platform for the forward is to be the Self-Help Group (SHG) at the grassroots level (Misra, 1997).

The scheme emphasises the constitution of Indira Mahila Block Societies (IMBS) at the block level and Indira Mahila Kendras (IMK) at the Anganwadi level. At the grassroots level under every Anganwadi, there should be women's Self Help Groups (SHGs). The group is expected to gain considerable significance in that its recommendations and resolutions with the local level functionaries of the Government and Non-Government agencies (Misra, 1997).

As quoted by Dodkey (1999) the Self Help Groups (SHGs) or the thrift and credit groups are mostly informal groups whose members pool savings and relend within the group on rotational or needs basis. Self Help Groups (SHGs) are organised in the selected area for economic and social development of the urban poor and women in particular. These groups have a common perception of need and impulse towards collective action.

Self Help Group (SHG) is a homogeneous group will be of 10 to 20 women each. These women may select their own leader and also fix the tenure for such leadership. Self Help Groups (SHGs) have been found to help inculcate among their members sound habits thrift, saving and banking. Self Help Groups (SHGs) play a significant role in mobilising substantial amounts of saving and provide loans to the members (Misra, 1996, Shivakumar, 1995 and Dodkey, 1999).

Self Help Groups (SHGs) are extremely helpful in allowing NGOs to know a large number of individuals intimately and to relate them in a variety of ways including facilitating credit availability. Self Help Groups (SHGs) are organised to rotate small saving capital among the members. Self Help Groups (SHGs) become significant agents for bringing about changes in the lives of the members. They may also make a difference to the lives of others around them. (Khan and Seth, 1992, Srinivasan and Raji, 1997).

In our country, Self Help Groups (SHGs) have been formed around specific production activities and they promoted saving among their members and used the pooled resources to meet the emergent needs of the members including the consumption needs. The Self Help Groups (SHGs) are regarded as a support system to the existing banking operations (Nanda, 1994).

Self Help Groups (SHGs) has been identified as the major instrument for raising the status of women through employment, income generation along with necessary training for skills upgradation. It constitutes the most important intervention for raising the economic status of women (Kumar, 1993 and Devi, 1998).

The term 'status' signifies the sum total of the various culturally ascribed roles one has to play the rights and duties inherent in a social position. The concept of status is used to indicate the ordering of individuals in terms of attributes such as level of education, occupation, income perception of one's status within the home and in the community, decision making role number restrictions imposed on one's activities freedom and so on (Siwal, 1998, Dagar, 1998).

Self Help Groups (SHGs) has become an effective instrument of change resulting in the economic independence of women through their collective efforts. Women help each other and persuade other women engaged in unproductive efforts to change over to productive ventures through credit assistance from working women's forum (Khanbanda, 1991, Shivakumar, 1995).

Since the Self Help Groups (SHGs) are an effective instrument of changing the economic status of the women, it is worthwhile to investigate the functioning of Self Help Groups (SHGs). The present study, "Status Study of Self Help Groups in Coimbatore Corporation is an attempt on that line.

The specific objectives of this research are, to :

1. understand the socio-economic background of Self Help Group members (SHGs).
2. study the functioning of Self Help Groups (SHGs).

**REVIEW OF LITERATURE**

## II REVIEW OF LITERATURE

The review of literature pertaining to the study entitled on "Status Study of Self Help Groups in Coimbatore Corporation" includes the following steps:

- A. Women in Collective Action
- B. Self Help Groups and Economic Empowerment of Women
  - a. Guiding Principles for Self Help Groups (SHGs)
  - b. The New Self Help Groups (SHGs)
  - c. Empowerment of Women
- C. Linkages with other Organisations
- D. Related Studies

### **A. Women in Collective Action**

The progress of women is a parameter by which we can measure the progress of a nation. The nation cannot move into twenty first century with pride and strength, unless women who are the makers of the new generation, are integrated into the national mainstream. The status of women is a parameter of the democracy of any state. Hence the status of women has become an important issue in national endeavours. All efforts should be made to recognise the significant role women can play in the upliftment of the society (Alva, 1988, Buxi, 1988, Sood 1991, Nigam, Chaurasia, Roy, 1992, and Sharma, 1998).

Productive utilisation of the talents and energies of women should be the central focus of the VIII plan in order to ensure a life of dignity and security of them. The Indian society needs to accept the need for a new dimension in women's role that is, their role as producers and contributors to national income.

Participation of women in the economic life of the country is necessary for national development (Kalbhegh, 1991, Kumar, 1993, Joseph, 1997 and Dagar, 1998).

According to Sharma (1990) development means sustained improvement in the well being of the individual and society through the equitable sharing of its benefits by all. The United Nations (1985) has conceived development as an integral process, characterised by the achievement of economic and social goals that ensure the active participation of the population in the development process and share its benefits. The ultimate goal of national development is to bring about improvement in the quality of life. It enables people to control their environment - political, economic and cultural for their collective benefit (Sahai, 1990 and Siwal, 1998).

Vergheese (1990) North crafts and Neale (1990) Patrudu (1992) Singh Sharma and Bhardwaj (1994) adds that the status of women and their contribution to social and economic development depends on the availability of employment opportunities for women. Group is an instrument for securing companions, relaxation and social adjustment pursuing interests and acquiring skills, enabling her to adjust and relate to the other women and helping her to grow and become free from controls. Group cohesiveness is effective and essential in enabling women to achieve economic independence.

Dwivedi (1995) expressed that the important goal of a group is the shared sense of collective identity. There are three factors which influence the groups to work towards integration of organisational goals and personal needs. The environmental factors facilitate interaction and provide a managerial climate to effectively satisfy the psychological needs of the people. The membership

factors are responsible for effective integration of goals and communication in the group to develop a climate of trust. The dynamic factors, provide enough insight for helping groups to change, grow and become effective, so as to diagnose and work on group problems (Ridegeway, 1990 and Bhagyalakshmi Kohaly, 1998).

Rosenfeld (1983) Berkowitz (1984) Hare (1986) Rodney, Vatti (1989) and Robbins (1994) viewed that the smaller groups attain group cohesion much quicker and more easily than bigger groups. Small groups have potential for developing the greatest degree of intimacy and cohesiveness. Highly cohesive groups are more effective and productive than those with less cohesiveness. Increased cohesiveness means that members are able to influence one another. A high degree of cohesiveness involves a high degree of communication, participation and conformity to group norms resulting in a high degree of agreement about the goals to be achieved. Group cohesiveness tends to increase with the time members are able to spend together.

As a member of an organised dynamic group, a woman becomes more aware of not only the world around her but also of her dormant inner strength and her rights and capabilities. Grassroot organisations of the women were earlier seen as delivery mechanisms for certain services and for training women in household activities. These organisations are now seen as mobilisers and participatory mechanisms to increase the visibilities and bargaining power of women, to strengthen their voice in development decisions and to develop economic activities on a collective basis and ensure access to developmental inputs (Muthew and Nair, 1986; Sharma 1986 and Kumar, 1995).

Self Help Group is the process by which the group of people with a common objective are facilitated to come together in order to participate in the development activities such as savings, credit, income generation. The Self Help Groups are voluntary association of people formed to attain a collective goal. People who are homogenous with respect to social background heritage, caste or traditional occupations come together for a common cause to raise and manage resources for the benefit of the group members.

### **B. Self Help Groups and Economic Empowerment of Women**

- a. Guiding principles for Self Help Groups (SHGs)
- b. The new Self Help Groups (SHGs)
- c. Empowerment of women.

Self Help Groups (SHGs) are not a new concept in development. The traditional Indian Society functioned mainly on the basis of self help and mutual aid. However, in recent years, they have been emerging as a major strategy for the promotion of informal credit to the poor (Rao, 1994 and Kumaran, 1997).

These traditional groups provide an organisational framework which facilitate self reliance in access to credit. These grassroot organisations which are based on the principles of need and collective action are now more commonly referred as Self Help Groups (SHGs) . SHGs are formed or involved in credit and savings functions (Shridharan, 1997).

SHGs are voluntary association of people who have come together to attain certain social and economic goals. SHGs are informal groups which have emerged on their own or are formed by voluntary agencies/banks.

They consist of members of poor households who are economically and socially backward. Since the poor did not have access to formal financial institutions and the banks also found it difficult to reach many people of small means, the group approach has been evolved for promotion of thrift and savings among the poor. The savings of the members are collected in weekly /fortnightly/ monthly intervals and are lent among members for their emergent credit needs. When the group has successfully mobilised savings and extended credit out of its own funds with a good repayment record, the group is linked to a bank for availing credit facilities (Srinivasan, 1997).

The objectives of the SHGs is to inculcate the habit of thrift, savings, banking culture, that is availing loan and repaying the same over a given period of time and in the process, gain economic prosperity through credit. The principles underlying the SHGs are financing the poorest of the poor, ensuring excellent recovery level, and empowering women not just by meeting their needs for consumption and productive loans but also through more holistic educative programmes on issues such as sanitation, family planning and the evil effects of liquor consumption in the family (Dodkey, 1999).

Lending procedures adopted by the groups are very simple and loans are provided on the basis of the combined wisdom and mutual trust. The utilisation and repayment of the loans are generally excellent. The interest rates charged may vary from purpose to purpose and also depending upon the joint decision of the group. Initially, the credit provided to the members is mainly for consumption purpose like food, health, social functions etc., with the passage of time and increase in resources, there could be shift towards the production needs such as croploan, purchase of milk animals, sheep, goat, silkworm rearing etc., (Dodkey, 1999).

The SHGs are also helping in inculcating good habits and ethics among the members. Even the behaviour of the members may come up for discussion during the meeting of the groups, thus introducing a moral vigil on the groups. A sense of discipline is also inculcated by imposing fines on late coming/absenting members.

The group is also expected to have some thrift activity. The fund collected over a period revolved among the members for financial support to the expansion of their income generation activities or also for starting of a new activity. It may be mentioned that bank authorities have instructed all the nationalised banks, to allow the members of SHGs to open their accounts with the banks. In case the procedure of group meetings accounts maintained by the group are sound, the banks are to consider loans to the groups upto four times the savings of the group. Besides the group once established can also approach state and national level lending institutions for credit support, such as Rashtriya Mahila Kosh (RMK), Central Social Welfare Board (CSWB) etc.

**a. Guiding principles for Self Help Groups (SHGs)**

1. Self Help Groups (SHGs) membership should be resident in the same area, be homogenous, and number at least five persons.
2. SHGs should promote savings mobilisation.
3. Savings should be linked to credit: savings first, credit next.
4. The development of financial disciplines and systems should be encouraged.
5. SHGs begin with a simple book-keeping system.
6. SHGs should hold regular meetings once a week if possible
7. They should have basic rules or by laws (written or unwritten)

8. Group leaders should be elected by the members, with group functions or positions being related among the members
9. Transparency in business operations and the overall conduct of group activities should be maintained at all times.
10. Basic training and guidance should be provided to members of SHGs.
11. The autonomy of SHGs should be respected.
12. Group liability and peer pressure should be the substitutes for collateral.
13. Loans should be kept small initially and repayments made frequently and regularly.
14. Transaction costs should be kept to a minimum through simplified group procedures and control.
15. Market rates of interest should apply to both savings and credit, to achieve financial liability as soon as possible.
16. Commercial Banks should be asked to provide appropriate advances or lines of credit to supplement the group's financial resources and to enable it to be lent for productive purposes (Shridharan, 1997).

#### **b. The New SHGs**

The formation of new SHGs involve basically two stages namely Pre-group formation stage and the promotion stage.

## **Pre - group formation stage**

In this stage, it is important that the SHGs promoter visits the urban area frequently, gathers information about various facets of the urban life, its environment and people. During this stage the promoter also builds up rapport with the members.

## **Promotion Stage**

There are four stages in this phase:

- 1. Forming** In this stage, people come together informally and meet. They are encouraged to talk about their problems and solutions. During this stage, based on the felt need, homogeneous groups emerge naturally.
- 2. Storming** During this stage, conflicts between individual interest and group interest surface and are dealt with. The leadership emerges. The procedures, rules and roles are established.
- 3. Norming** Trust develops among group members leading to cohesiveness in the group.
- 4. Performing** This is the final stage when the group becomes operational and starts functioning for the benefit of its members.

## **Group Functioning**

Formation of a group is only the beginning. The group has to function vigorously with the active participation of its members in the development process. For the group process to be effective, the group has to have some characteristics, as discussed below:

### **Group Meeting**

The periodicity of the meeting could be weekly, fortnightly or monthly. The time of the meeting should be such that it is convenient to majority of the group members.

### **Evolution of byelaws**

The group has to decide on a set of rules and decision making arrangements for its functioning. The byelaws could include criteria for membership , saving, loans, sanctions etc.

### **Saving Mobilisation**

The group has to decide on the amount as also the periodicity of saving of the members. The members of the group must save accordingly.

### **Loaning Activity**

The group must decide the purposes for which loan will be given, in addition to the rate of interest, repayment period and the loaning process.

### **Recycling of Funds**

The recovery of both principal and interest on loans is essential. The rotation of the capital is also important. The capital is formed by the savings of the group members as also from contributions from outside.

### **Leadership**

Generally there are 2 to 3 group leaders with different designations, such as, President, Secretary and Treasurer. The election process also varies from weekly rotation to as long as 5 year period.

### **Maintenance of Books**

The books maintained by SHGs are Saving Registers, Loan Registers, Meeting proceedings, and attendance books. Individual pass books in some cases are also maintained. The books are to be maintained by group members themselves.

### **Management of funds and operation of bank account**

The group is to manage its own funds as also the fund it receives from outside. Normally the sources of funds for the group are membership fees, savings, interest on loans, bank loan, bank interest, and contributions from outside. The fund is used for normal loaning as decided in the meetings as also for meeting emergencies faced by the group members. The cash is handled at three stages.

1. Secretary/treasurer holding cash to meet emergencies.
2. Secretary/treasurer holding the savings before depositing in the bank.
3. The office bearers who are authorised to withdraw cash/loan from bank for disbursement among members.

All the members of the group must be gradually exposed to operating the bank account.

### **Group Discipline**

The group must function democratically and in disciplined manner. The repayment ethics, effectiveness of peer pressure, implementation of byelaws and sanctions reflect the discipline and dynamics of the group.

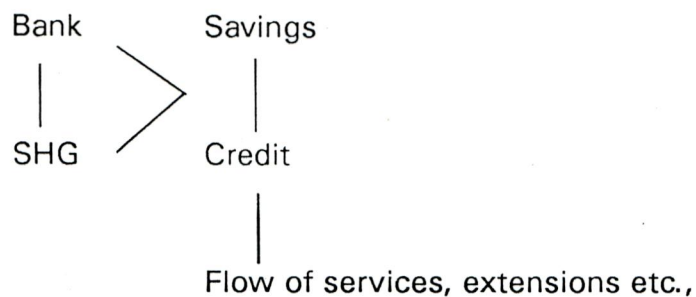
### **Group Sustainability**

The group formation and functioning are not an end but a means to development. If SHGs are to play their intended role it is important that they are sustainable units. The group sustainability depends to a large extent on how the group promoter prepares and strengthens the group during its formative stages. The promoter has to take sufficient precautions for the group to come together on self help motive, participate actively and manage its affairs democratically.

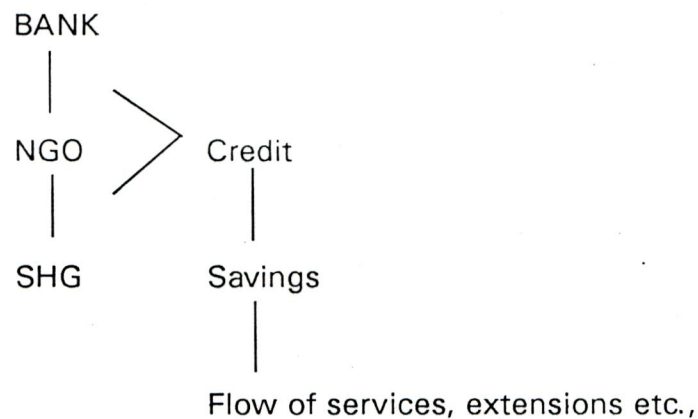
## Linkage models

The linkage between the Self Help Groups and the formal financial agencies (FFAs) has to be on a symbiotic relationship. In most of the developing countries, the savings and credit schemes of FFAs are separate, each with its own set of clientele. For the purpose of linking the SHGs to FFAs two basic models are at present working in India. In each model there exists a two way flow of funds as shown below.

### Direct linkage model

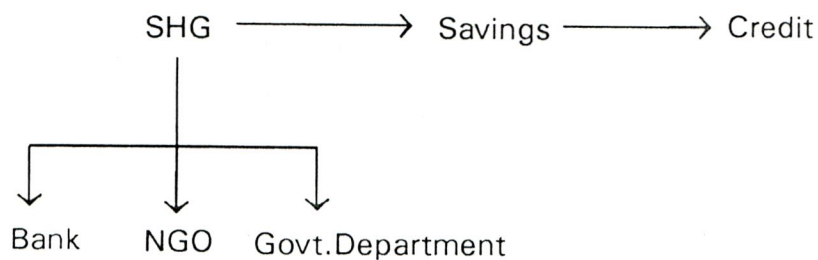


### Indirect linkage model

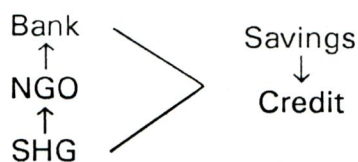


In the above models, apart from two way flow of funds, there is also flow of services, extension, consultancy, training etc. from the banks and the voluntary agencies.

Apart from the two basic models there is another model existing in India by virtue of the involvement of the Government. This model is basically a modified version of 5.2 and is popularly known as IFAD model. The SHGs has functional linkage with NGO, bank and Government departments. Moreover, these three agencies also interact with each other especially in joint appraisal of loan applications of SHGs .



Another model emerges as a result of either withdrawal of the NGO on stabilisation of the group or its peripheral involvement for group formation, which is basically a transition of direct linkage model.



In case of the direct linkage model the bank identifies the group and deals with the SHG directly for both mobilising the savings and for making available credit facilities to the group as a whole or to individual members. Group members act as collateral security. In this (model ) the credit is generally made available to the group which further lends to its members. The borrower and the activity to be financed are identified by the group itself which takes the responsibility of loan repayment.

made a turning point by focussing global attention on issues concerning women. The platform for action which is the outcome of the Fourth world conference of women held in September 1995 in Beijing is a powerful agenda for the empowerment of women (Sithalakshmi and Jothimani, 1994).

Empowerment is a way of defining challenging and overcoming barriers of one's life, through which people increase their ability to shape their own lives and environment. Empowerment is a multidimensional process which enable individuals or a group of individuals to realise their full identity and powers in all spheres of life. It consists of greater access to knowledge and resources, greater autonomy in decision making to enable them to have greater ability to plan their lives or have greater control over the circumstances that influences their lives and free from shocks imposed on them by custom, belief and practice (Shivakamasundari, 1995, Manuel, 1999).

Empowerment has to be interms of information, knowledge, skills awareness and it has to be against powerful forces of domination and the exploitation. The overall objective of a sustainable development process has to be built into the design of the poverty alleviation programmes. Micro level development efforts require micro-level support policies, access to institutional credit, taxation and pricing policies which provide incentives to the poor. (Nagarajan, 1998).

SHGs take active role for empowering the women. The thrift and credit groups have become a very popular form of organisation in rural and urban areas of the country and cover millions of poor women and link them with viable system of credit and eventually provide a durable strategy for poverty alleviation (Joyatmitra, 1997, Srinivasan and Raji, 1997).

Women's empowerment and involvement are possible only through their participation in decision making process and planning gives them the imagination, creativity, initiative, rational thinking, self-confidence and self recognition. Development should ultimately become a process of empowerment (Sithalakshmi and Jothimani, 1994).

Empowerment signifies harnessing 'women power' by conscientising women of their tremendous potentials, encouraging them to shed their intellectual inertia and stimulating them to work towards a better, more dignified and more satisfying life for them and for their communities with confidence and competence. Empowerment is thus an active process enabling women to realise their full identity and power in all spheres of life. Empowerment is the surest way of making women as 'partners in development'. Development on the other hand should ultimately become a process of empowerment (Devadas and Sithalakshmi, 1996)

SHGs is an active process, it empowers the women to achieve their goal. Once economic empowerment is achieved it would have implication on the overall development and empowerment of the women. Intrafamily relationship and domestic work culture resulting in social empowerment and a more equitable participation of women in decision making concerning the family. Leadership and active participation in group culture would improve political acumen and eventually help successful political empowerment. Political empowerment, in turn, would result in more representative planning for women and a strengthening and sustaining of the process of overall empowerment of women (Jha, Mehta and Menon, 1998 and Vidhya, 1997).

## **BANKS**

Having found SHGs as an effective and economical approach for disbursement of credit to the poor, the banking sector in India has accepted the SHGs as eligible entities for development credit, NABARD launched the project on linking SHGs with banks in February 1992. Under the SHGs-Bank linkage programme three linkage models have broadly emerged. Under the first model, banks are directly linking SHGs without the intervention of the NGOs. In the second model, banks are providing credit to SHGs and NGOs act as self help promoting institutions (SHPIs). Under the third model, NGOs are acting both as SHPIs and financial intermediaries for channelising credit from banks to SHGs (NABARD, 1999).

The objectives of linkage programme is to evolve supplementary strategy for meeting the credit needs of the poor, by combining flexibility, sensitivity and responsiveness of the informal credit system with the strength of technical and administrative capabilities and financial resources of the formal credit institutions; to build up mutual trust and confidence between the banker and the poor; to encourage banking activity both on thrift as well as credit side in a segment of the population that the formal financial institutions usually find it difficult to cover (NABARD, 1990 - 91, Nanda, 1994, and Sirinivasan, 1996).

State Bank of India started implementing the project. Beginning with 255 SHGs launched by banks in 1992-93, the figure reached 620 in 1993 - 94 and 2122 by 1994-95. As on march 1998 the total number of SHGs linked to the banks were 14,317 with bank loan of Rs. 23.62 crore with group savings aggregating to about Rs. 80 million. Covering about 75 per cent of the total SHGs are women in 18 states and 2 union territories with the

participation of 30 commercial banks, 101 RRBs and 17 co-operative banks. The programme had benefited nearly 1,50,000 families. The progress of linking Self Help Groups with banks made rapid progress over the years, mainly on account of low transaction cost, high percentage of recovery (that is 100 per cent) and mobilisation of savings. Thus SHGs is the solution to accelerate the socio-economic development of the poor in India.

### **Rashtriya Mahila Kosh (RMK)**

The Rashtriya Mahila Kosh was constituted on 30<sup>th</sup> March 1993. The scheme had been widely acclaimed as a successful one for reaching credit to the needy women in a simple manner. The voluntary organisations, with their painstaking and continuous efforts, have provided a remarkable support. It gives a great satisfaction to point out that the root of NGOs have spread their net-work in very difficult and needy areas and through this scheme, the Department of Women and Child Development has been able to achieve, in some measure, women's economic empowerment.

### **Mahila Samridhi Yojana (MSY)**

In pursuance of government's policy to empower women by raising their socio-economic status, an innovative scheme of Mahila Samridhi Yojana was launched on 2<sup>nd</sup> October 1993. The scheme aims at promoting self reliance and a measure of economic independence among women by encouraging thrift.

### **Trainers Training Centre (TTC)**

Women's development should be encouraged by Trainers Training Centre to provide training to get self employment and other supportive services to women's group. Women must be given increased access to training in skills, management, entrepreneurship particularly in nontradition trades.

Training institutions should recognize the contribution of women in the important sectors and incorporate training needs of women beneficiaries and functionaries.

#### **D. Related studies**

Kumaran (1997) had conducted a study entitled "An alternative to Institutional credit to the poor in Andhra Pradesh". The nature and functioning of Self Help Groups (SHGs) showed that they were mostly a homogeneous group in terms of their socio-economic background, which contributed to the cohesiveness and solidarity of the group. SHGs is to promote savings among the poor and provide small and short term loans to its members at a lesser interest to meet their consumption and small business needs. He also found that most of the women members were benefited out of the programmes and it also helped them to improve their socio-economic status.

Sithalakshmi and Sharmila devi (1998) had done a study on "Initiating Self Help Groups (SHGs) among Urban and Rural women in Coimbatore Corporation". Self Help Groups (SHGs) for women - 25 in the urban areas (Coimbatore Corporation) and 25 in the rural areas (Karamadai Block) were initiated with 10 to 20 members in each SHGs. The humble but systematic efforts to mobilise savings and launch internal lending habits had successfully induced thrift and banking habits and enabled them to meet their small credit needs. Although the degree of success varied from group to group in urban and rural settings, this experiment, a totally new one to Coimbatore District had proved to be cost effective and is worthy of replication. The urban groups got established and stabilised earlier compared to those in the rural areas. The loan repayment behaviour was satisfactory.

Sithalakshmi and Bhuvaneshwari (1998) had undertaken a study on "Capacity Building of Women At Grassroots in Credit Management". The outcomes of the efforts were evaluated in quantitative and qualitative dimensions. Self Help Groups (SHGs) have no doubt brought forth encouraging dividends in terms of savings, internal lendings and banking habits. This trend if continued would pave way for self reliance and economic empowerment of the participating women.

A study was conducted by Karmakar (1997) "Self Help Group in Orrisa". The study revealed that the purpose of self help groups have been able to provide rudimentary banking services which are cost-effective and ensure almost 100 per cent repayment performance. The empowerment opportunities for women and the chance for them to take up income generation activities to assist their family income, has been a powerful incentive. The success stories of a large number of rural women who have formed (SHGs) have given a spur to the movement and banks need to explore the possibility of linking up more SHGs as a part of their legitimate business activity.

Srinivasan (1997) conducted a study on "Assessment of Self Help Groups". The study revealed that the poor households who are economically and socially backward are the members of Self Help Groups. The group approach has been evolved for promotion of thrift and savings among the poor. The savings of the members are collected in weekly / fortnightly / monthly intervals and are lent among members for their emergent credit needs. The group has successfully mobilised savings and extended credit out of its own funds with a good repayment record, the group is linked to a bank for availing credit facilities.

A study was conducted by Jothimani and Oinam Roni Devi (1998) on "Convergence of Social Welfare Measures on Women in the Urban Slums of Coimbatore". IMK, one of historic schemes formulated for women, is undertaking various activities for the betterment of women community. Women, play a dominant role at present in the development of the society are moulded by the measures taken by IMK is also in the process of organising various Self Help Groups to build a constructive self-oriented approach for future savings. This is an exclusive novel and ambitious scheme which stress on convergence of services. If the realistic and global objectives of IMK are realised, they are sure to beckon with a bright prosperous India heralded by women.

## METHODOLOGY

### III METHODOLOGY

The methodology for the study " Status Study of Self Help Groups in Coimbatore Corporation" consisted of the following steps:

- A. Selection of the Locale
- B. Selection of the Sample
- C. Selection of the Method
- D. Collection of the Data
- E. Analysis and Interpretation of Data.

#### **A. Selection of the Locale**

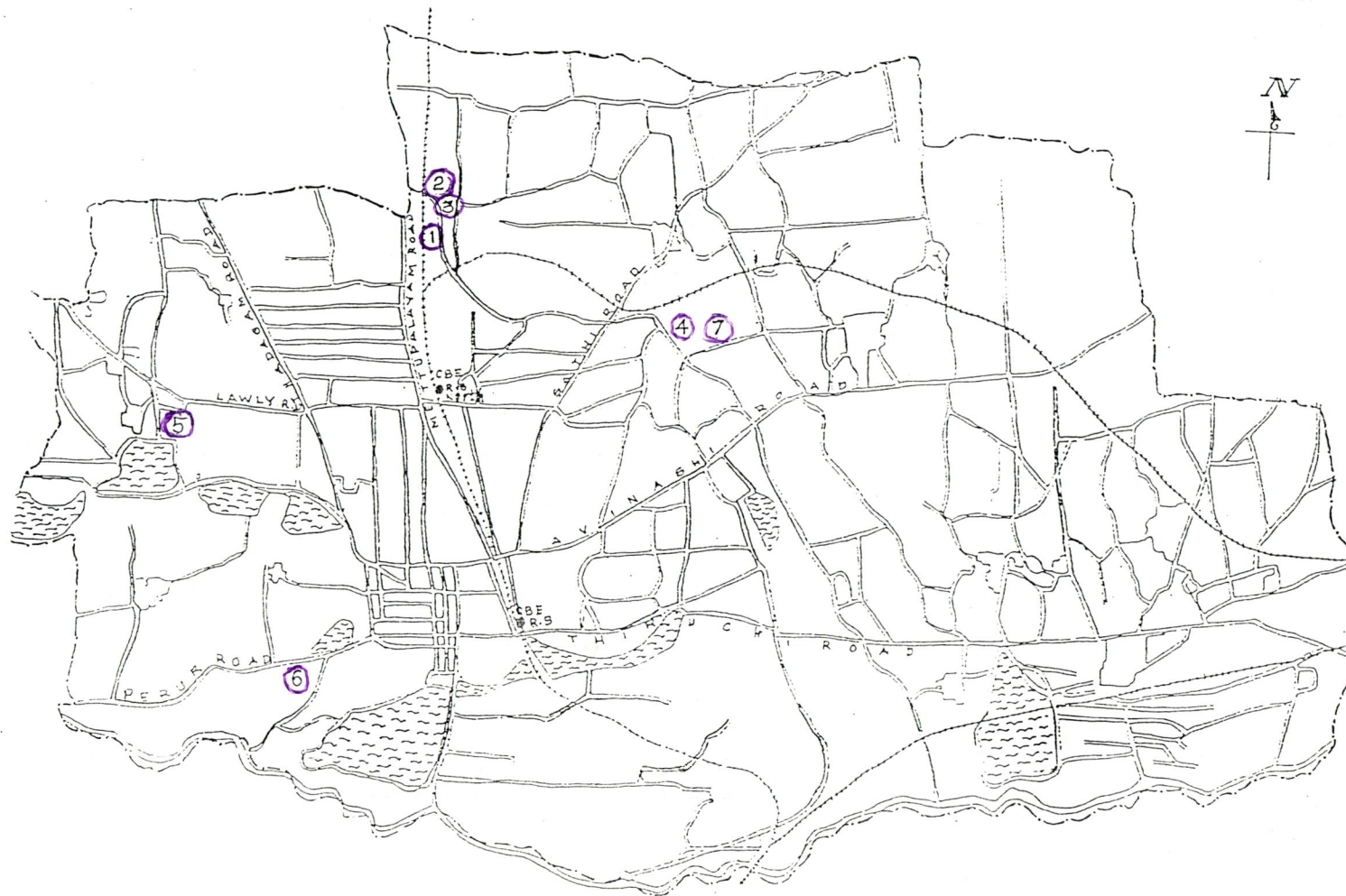
The locale of the study was Coimbatore Corporation, closer by the University, being selected for its easy accessibility to the Self Help Group members from whom primary data could be collected. The Self Help Groups (SHGs) are formed in forty areas, among these forty areas, Seven areas such as Periyar Nagar, Shanmuga Gounder Nagar, Karupswamy Nagar, Avarampalayam, Seeranaickenpalayam, Selvapuram and Ilango Nagar were selected randomly for the present study.

#### **B. Selection of the Sample**

Sampling is simply the process of learning about population on the basis of a sample drawn from it (Gupta, 1997).

Random sampling from a finite population refers to that method of sample selection which gives each possible sample combination an equal probability of being picked up and each item in the entire population to have an equal chance of being included in the sample (Kothari, 1997).

# MAP OF COIMBATORE CORPORATION



1. PERIYAR NAGAR
2. SHANMUGA  
GOUNDER NAGAR
3. KARUPSWAMY  
NAGAR
4. AVARAM  
PALAYAM
5. SEERANAICAKEN  
PALAYAM
6. SELVAPURAM
7. ILANGO NAGAR

**LOCALE OF THE SELECTED SELF HELP GROUPS**

Among the forty leaders, twenty five leaders and one twenty five members from twenty five groups were selected randomly.

### **C. Selection of the Method**

Interview method was selected for collecting the data for the study. Interview is one of the important tools of social research. Interview must be combined with a schedule. As quoted by Kothari (1997) "an interview method is one where the interviewer asks questions in a face to face contact to the other person or persons".

The required information regarding socio-economic background, details of Self Help Groups (SHGs) such as credit, savings and record maintenance, the money distributed for onlending, credit flow and the repayment behaviour were collected through Interview schedule.

### **D. Collection of the Data**

The relevant information were collected by using a specific method after developing a good rapport.

### **E. Analysis and Interpretation of Data**

The data thus collected were consolidated, tabulated, analysed and interpreted. The results were discussed on the following heads such as socio-economic profile of women in Self Help Groups (SHGs), socio-personal characteristics of leaders, details of Self Help Groups (SHGs), linkages with other organisations.

## RESULTS AND DISCUSSION

## **IV RESULTS AND DISCUSSION**

The results of this study are discussed under the following headings.

- A. Socio-Economic Profile of Women in Self Help Groups (SHGs)
- B. Socio-Personal Characteristics of Leaders
- C. Details of Self Help Groups (SHGs)
  - a. Group formation
  - b. Activities
  - c. Savings and Credit
- D. Linkages with other Organisations

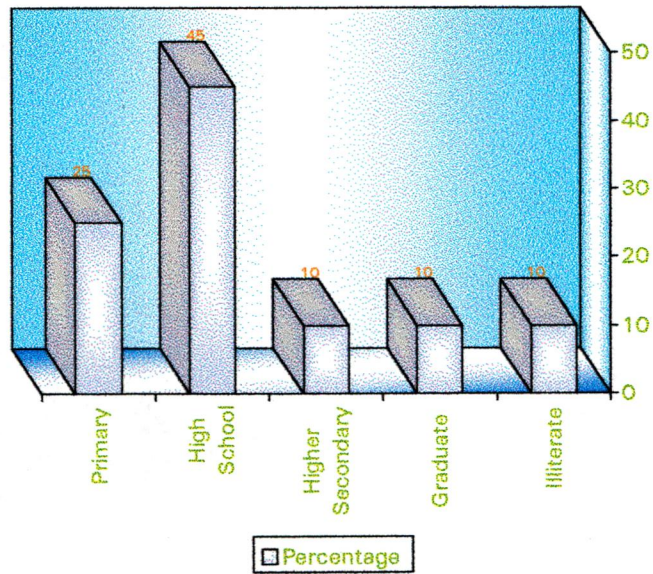
### **A. Socio-Economic Profile of Women in Self Help Groups (SHGs)**

The socio-economic profile of women in Self Help Groups are presented in Table I.

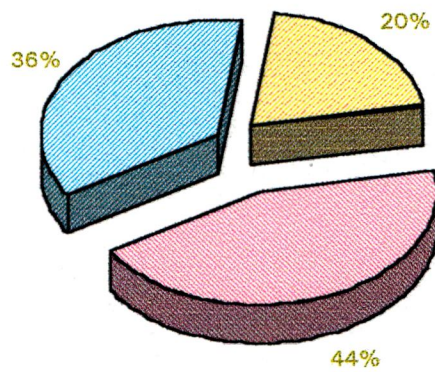
TABLE I

## SOCIO - ECONOMIC PROFILE OF WOMEN IN SHGS

Sl.No	Socio - Economic Factor	Percentage
1.	<i>Age in years</i>	
	Below 20	30
	21-30	40
	31-40	20
2.	Above 40	10
	<i>Educational Status</i>	
	Primary	25
	High School	45
	Higher Secondary	10
3.	Graduate	10
	Illiterate	10
	<i>Marital Status</i>	
4.	Married	86
	Unmarried	14
4.	<i>Family Size</i>	
	1-3	40
	4-6	50
5.	Above 6	10
	<i>Caste</i>	
	Forward Community	5
	Backward Community	80
	Most Backward Community	5
6.	Scheduled Caste	10
	<i>Family Income</i>	
	Below or Upto 1000	64
	1001 - 2000	24
7.	2001 - 3000	6
	Above - 3000	6
	<i>Occupation</i>	
	Coolie	44
	Self-employment	36
	Household Chores	20



**EDUCATIONAL STATUS**



■ Coolie ■ Self employment ■ Household Chores

**OCCUPATIONAL STATUS**

**FIGURE 2**

There are 25 active Self Help Groups. The number of members in each group varies, the maximum is 20 and the minimum 10 and the average number of members is 15. Mean age among the members varies from 25 to 40. Out of the total 125 members, 86 per cent of them were married and the rest 14 per cent were unmarried. Literacy level among the members showed that more than 90 per cent were literate who can read and write and the remaining 10 per cent were illiterate. The average family size among the group varies from 4 to 6.

Each thrift group has got certain commonality among its members either interms of caste, occupation or economic status. Among the 25 groups 20 groups, in which almost all the members are from Backward caste and there are 3 groups in which all the members are belong to both Forward Community and Backward Community and the remaining group members are represented by different caste and religion such as Islam and Christianity. The average family income per month varies from group to group. The maximum and minimum are respectively Rs.1000 to Rs.3000.

Among the type of occupation pursued by 125 members of the 25 active groups, coolie constituted 44 per cent and 36 per cent were engaged in self-employment and the remaining 20 per cent pursued household chores.

#### **B. Socio - Personal Characteristics of Leaders**

The group leaders play a major role in identifying the members together for its smooth functioning. All the 25 groups in the urban areas functioning in a democratic manner. The age of group leaders varies and the maximum and the minimum ages are respectively, 25 and 45.

The mean age is 35. The average family income per month varies and the maximum and minimum are respectively Rs. 1000 to 3000. Among the 25 leaders, 40 per cent of the leaders are earning income by working as coolie, 28 per cent had owning petty shops and making cement tank, and 32 per cent engaged in household chores. All the leaders are literate completing plus two education.

**C. Details of Self Help Groups (SHGs)**

**a. Group formation**

Table II depicts the general information about group formation.

**TABLE II**  
**INFORMATION ABOUT GROUP FORMATION**

S.No.	Area	Group Name	Date of formation	Number of Members	Name of the Bank	Savings	Number of Meetings held	Day of Meeting	Time
1.	Shanmuga Gounder Nagar	A	29.9.97	20	Syndicate	50	50	Weekly Wednesday	6.30 P.M.
		B	29.9.97	20	Syndicate	50	50		
		C	29.9.97	15	Syndicate	50	50		
		D	29.9.97	16	Syndicate	50	50		
		E	29.9.97	10	Syndicate	50	50		
2.	Ilango Nagar	A	4.6.97	20	Central Bank of India	50	20	Fortnight 15th of month	6.30 P.M.
		B	4.6.97	20	Central Bank of India	50	20		
		C	4.6.97	20	Central Bank of India	50	20		
3.	Selvapuram	A	2.5.97	20	Indian Bank	50	32	Wednesday	4.30 P.M.
		B	2.5.97	12	Indian Bank	50	32		
		C	2.5.97	20	Indian Bank	50	32		
		D	2.5.97	15	Indian Bank	50	32		
		E	1.1.98	15	Indian Bank	50	32		
		F	1.1.98	15	Indian Bank	50	32		
		G	1.1.98	14	Indian Bank	50	32		

S.No.	Area	Group Name	Date of formation	Number of Members	Name of the Bank	Savings	Number of Meetings held	Day of Meeting	Time.
4.	Seeranaicken palayam	A	10.5.97	15	Central Bank of India	50	10	Montly	6.30 P.M.
		B	10.5.97	15	Central Bank of India	50	10	Once	
		C	9.2.98	20	Central Bank of India	50	10	Sunday	
5.	Avarampalaym	A	13.6.97	20	Central Bank of India	50	50	Weekly	3.30 to 4.30 P.M.
		B	20.8.98	20	Central Bank of India	50	50	Thursday	
6.	Periyar Nagar	A	1.5.98	20	Canara Bank	50	15	Monthly	6.30 P.M.
		B	1.1.98	20	Canara Bank	50	15	Sunday	
		C	4.2.98	20	Canara Bank	50	15		
7.	Karupswamy Nagar	A	1.8.97	20	Syndicate	50	10	Monthly	
		B	1.8.97	20	Syndicate	50	10	once	

In all cases it is found that the functionaries of IMY identify certain areas where the SHGs are to be started. Once the area is identified they call one or two meetings and explain to the people the need for starting SHG in their area. In the first two meetings usually both males and females are allowed to participate and in the subsequent meetings entry is restricted to females, usually women who have leadership qualities initiate the group formation and try to motivate others who are interested to join the group. When the number of members in group reaches between 10 to 20, further entry to the group is closed. Once the group is formed, on the basis of consensus leaders are selected. Those who have leadership qualities and time to work for the group are usually selected as leaders.

Generally, the groups are formed on the basis of mutual trust and understanding. As they live same area they know each other well. Each SHG formulates its own working norms with certain common features as recommended by the promoting agency. They are;

1. Membership within the range of 10 to 20
2. Participatory Management
3. Regular savings and utilization of savings for meeting the credit needs of its members.
4. Fixed interest rate for savings and loans issued by the group.
5. Each group consists of two elected leaders and
6. File the details and keep joint Bank account.

All the groups are following most of these norms in actual practice.

During the year 1997-1998 twenty five groups were formed with a total membership of 442 in all the selected seven areas.

## **b. Activities**

The basic objectives of promoting SHGs among the poor is to develop thrift habit among them and to make use of the saved money for meeting their urgent credit needs. This is attempted to make the poor free from the clutches of money lenders whom they depend on for their credit needs at an exorbitant interest rate. Therefore saving has been the prime activity of these groups right from their inception.

Savings are made on monthly basis and the monthly contribution from each group is fixed and it varies from Rs. 30 to 50. Every month money is collected by the respective group leader and the pooled money is rotated among the members. The group leader was responsible for saving the money in the bank which was near to their area. Interest rate for the loan varies from group to group; the maximum being 3 per cent and minimum 2 per cent. Decision regarding the disbursement of loan to its members was decided by the members themselves depending upon the nature of their needs.

Date, time and place for all kinds of meetings of SHGs varies from group to group. The maximum number of meeting held were 50 and the minimum 10 meeting held in SHGs. Two types of meetings are generally conducted by each SHG and they include (1) meeting for money transactions (2) monthly meeting to discuss general issues pertaining to the group. Usually, all the members used to attend both the meetings. Participation of members in meeting intended for money transactions is made compulsory. As far as the monthly meeting is concerned all the groups record the minutes of monthly meeting.

DISCUSSION ON MICRO CREDIT AND ONLENDING



Shanmuga Gounder Nagar



Selvapuram



Karupswamy Nagar



Periyar Nagar

PLATE 1

### Opinion about Self Help Groups

Table III shows the opinion about Self Help Groups as expressed by the members.

**TABLE III**

#### OPINION ABOUT SELF HELP GROUPS

S.No	Opinion	Percentage
1.	Help themselves	46
2.	Source of finance	26
3.	Useful	19
4.	Good Scheme	9

Forty six per cent of the members expressed that Self Help Group has been a helping hand and 26 per cent of the members opined that Self Help Group was a source of finance. Twenty eight per cent of the members had revealed that Self Help Group was a useful and a good scheme and also helped them to uplift the quality of life.

### Motivaing factors to start Self Help Group

Table IV brings out the motivating factors to start Self Help Groups.

**TABLE IV**

#### MOTIVATING FACTORS TO START SELF HELP GROUPS

S.No	Motivating Factors	Percentage
1.	Avinashiligam Education Trust Institutions	69
2.	Group leaders	17
3.	Assistant leaders	7
4.	Group members	7

More than 69 per cent women revealed that Avinashilingam Education Trust Institutions has been the prime factor in motivating the women to start Self Help Groups. Rest of them had declared that the group leaders, assistant leaders and group members played a significant role for starting Self Help Groups among different areas in Coimbatore Corporation.

### Reasons for joining Self Help Groups

Table V shows the reason for joining Self Help Groups.

**TABLE V**  
**REASONS FOR JOINING SELF HELP GROUPS**

S.No	Reasons	Percentage
1.	To get loan	25
2.	Self - employment	24
3.	Habit of saving	20
4.	To get training	16
5.	Solving problems	15

To gain economic independence, to get loan, to start self-employment, to develop the habit of savings, to get training and solving the problems of day today life are the reasons for joining the Self Help Groups.

### REASONS FOR JOINING SELF HELP GROUPS

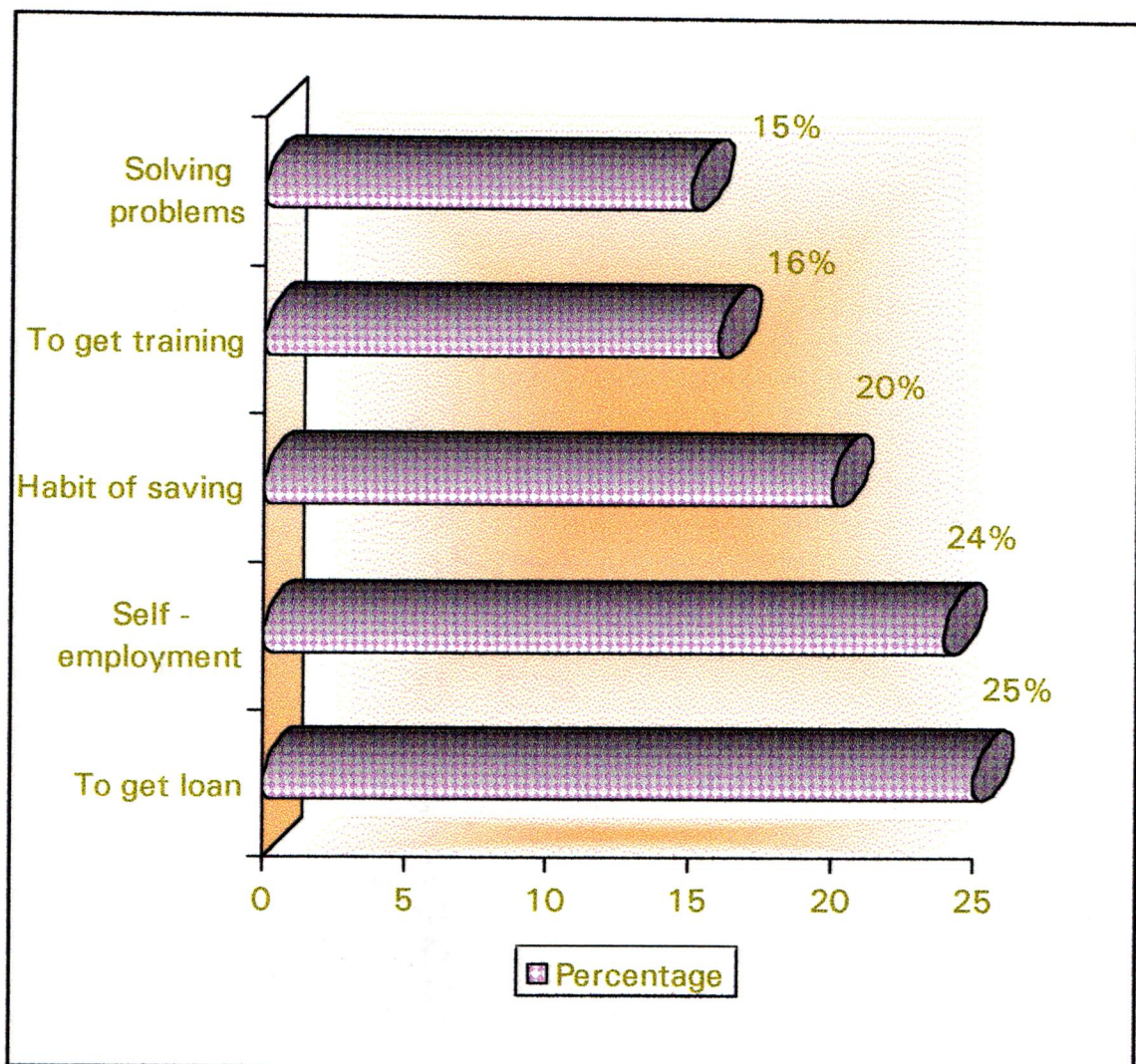


FIGURE 3

### **Selection of the group leader for Self Help Groups**

Table VI shows the selection of the group leader for the effective functioning of the Self Help Group.

**TABLE VI**

#### **SELECTION OF THE GROUP LEADER FOR SELF HELP GROUP**

<b>S.No</b>	<b>Traits</b>	<b>Percentage</b>
1.	Honesty	22
2.	Sincerity	20
3.	Helping tendency	15
4.	Mutual understanding	14
5.	Self confidence	10
6.	Truthful	10
7.	Patience	9

Honesty, sincerity, helping tendency, mutual understanding, self confidence, truthfulness and patience are the leadership traits sought in the selection of the leader.

#### **c. Savings and credit**

Table VII shows the cumulative savings and credit details of Self Help Groups in urban areas.

**TABLE VII**  
**DETAILS OF CREDIT AND SAVINGS**

Sl.No.	Area	Group Name	Number of Group	Number of Members	Total Savings	Total Onlending	Interest Received	Business	Consumption	Health
1.	Shanmuga Gounder Nagar	A B C D E	2	81	50,400	90,000	15,437	29,500 (33)	50,132 (55)	10,368 (12)
2.	Ilango Nagar	A B C	3	60	1,00,450	1,27,300	10,420	55,000 (43)	60,268 (47)	12,032 (10)
3.	Selvapuram	A B C D E F G	7	111	90,150	1,31,450	15,660	52,200 (40)	49,225 (37)	30,025 (23)
4.	Seeranaicken palayam	A B C	3	50	34,700	33,000	4,157	16,500 (50)	13,500 (41)	3000 (9)
5.	Avarampalaym	A B	2	40	26,030	42,700	2,258	23,500 (55)	17,000 (40)	2,200 (5)
6.	Periyar Nagar	A B C	3	60	42,650	53,100	4,753	30,000 (56)	20,000 (38)	3,100 (6)
7.	Karupswamy Nagar	A B	2	40	32,850	86,000	3,478	43,000 (50)	37,000 (43)	6,000 (7)

## DETAILS OF CREDIT AND SAVINGS

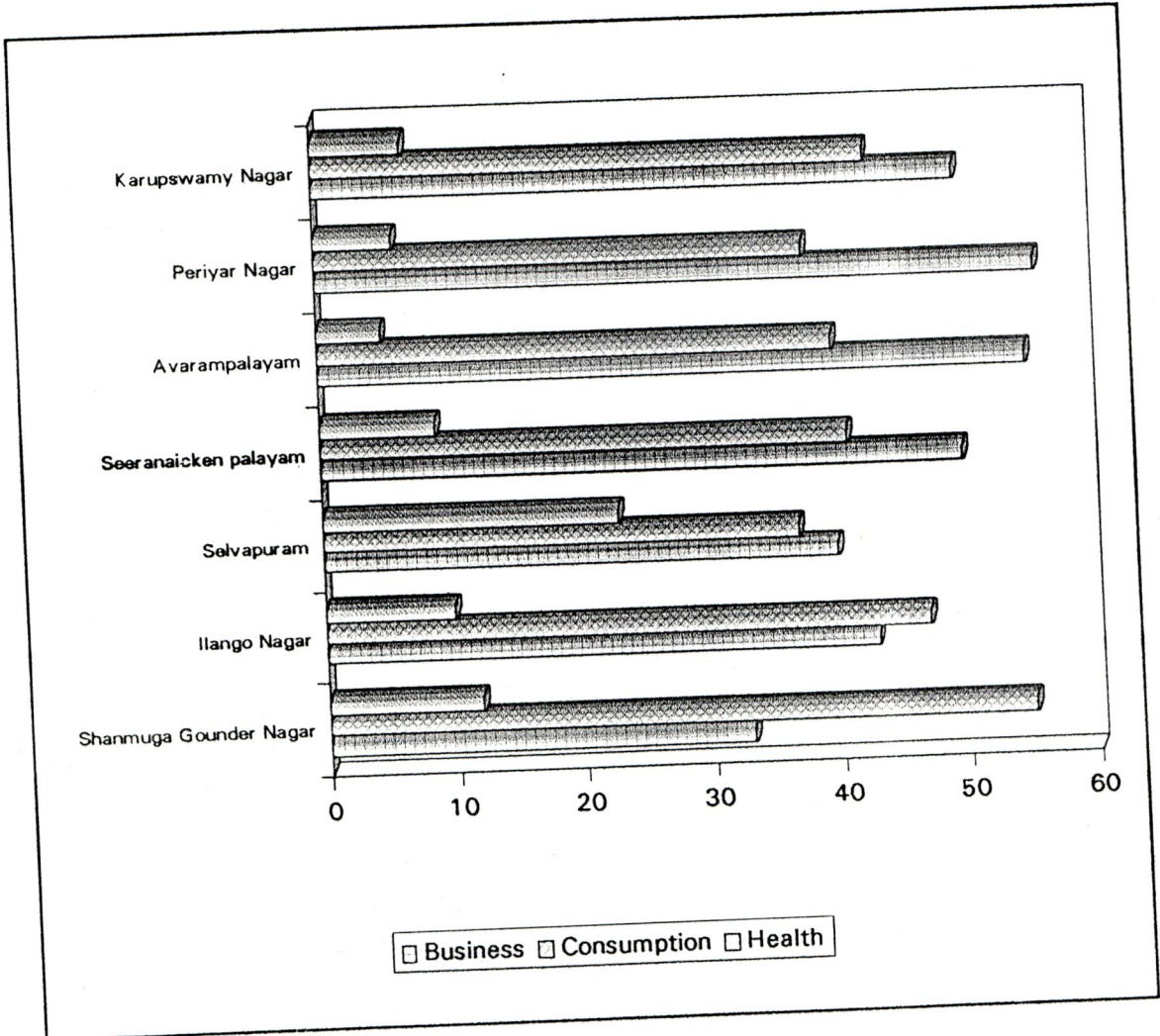


FIGURE 4

The above table shows the cumulative savings and credit details of Self Help Groups. Although 25 groups were formed with 442 members during the year of 1997-1998. During this period an amount of Rs.50,400 was saved and an amount of Rs.15,437 received against interest by Shanmuga Gounder Nagar area. The amount distributed among its members Rs. 29,500 (33%) for business purposes, Rs. 50,132 (55%) for consumption, Rs 10,368 (12%) for health.

In Ilango Nagar, the total savings generated was Rs.1,00,450 and the interest received was Rs.10,420. The total credit generated from the fund amounted to Rs.1,00,450, out of this, the highest amount of Rs.55,000 (43%) was used for business followed by other purposes which included agriculture and related activities, Rs. 60,268 (47%) for consumption, Rs 12,032 (10%) for health.

In Selvapuram, there were seven groups with 111 members, who had an amount of Rs.90,150 for their savings and the interest received was Rs.15,660. The amount disbursed by the group leader for the members for various purposes such as Rs. 52,200 (40%) for business, Rs.49,225 (37%) for consumption, Rs 30,025 (23%) for health.

Three groups were formed in the year 1997-1998 in Seeranaickenpalayam area. During this period, the total amount collected was Rs.34,700 it gained as interest of Rs.4,157. A remarkable feature during this period is that most of the Self Help Groups received money from the promoting agency, Avinashillingam Education Trust Institutions and also from their group leaders, Rs.16,500 (50%) for business purpose Rs.13,500 (41%) for consumption Rs.3,000 (9%) for health.

In Avarampalayam area, the first group started in the year 1997 with an initial savings of Rs. 50 per head, later another group was started in the month of August, 1998 with 20 members. The total amount saved from June, 1997 to 1998 amounted to Rs.26,030 and the total amount disbursed loan to its members amounted to Rs.23,500 (55%) for business purpose by means of tiffen stall, vegetable and fruit vending, toy making, Rs.17,000 (40%) for consumption and 2,200 (5%) for health for which they received an interest of Rs. 2,258. The purpose of using money for health is very low when compared to other areas.

In Periyar Nagar, three groups started with a monthly saving of Rs.50 per head and the same amount is still continuing now. The interest rate gained for the loan is two per cent. The total savings generated during the last 14 months amounted to Rs.42,650 with an interest of Rs. 4,753. The total loan amount available was Rs.53,100 and out of which they had distributed a loan amount of Rs. 30,000 (50%) for business such as agarpathi making, cleaning and washing powder production, candle making, Rs.20,000 (38%) for consumption purpose and 3,100 (6%) for health.

In Karupswamy Nagar, three groups started in the year 1998 with 40 members. During this period an amount of Rs.32,850 was saved and an amount of Rs 3,478 received as interest. Out of the total amount 50 per cent (Rs.43,000) was disbursed for business, children's education and marriage etc., 43 per cent (Rs.37,000) utilised for household consumption and 7 per cent (Rs.6,000) for health.

From the table it is noted that during the initial stages of formation of the group credit facilities were mainly used for consumption purposes and in the later stages it was largely used for business and other activities.

### **C. Linkages with other organisations**

Self Help Groups had linkages with Non-Governmental organisations like Avinshilingam Education Trust Institutions, Trainers Training Centre (TTC) and Nationalised Banks. Among these, Avinashilingam Education Trust Institutions provide a great way in forming Self Help Groups. The Avinashilingam Education Trust Institutions organised and conducted awareness generation camp, initiated income generation and developmental activities to the women in SHGs. It assisted the Self Help Groups women to get loan from banks. The bank agreed to stand as guarantee and take full responsibility to recover the loan. It also appointed project staff for helping Self Help Group women to maintain their accounts. NGOs played an important role in motivating the women to join training courses to become women entrepreneurs.

Having found SHGs an effective and economical approach for disbursement of credit to the poor, the banking sector in coimbatore has accepted the Self Help Groups as eligible entities for development of credit. Under the SHG-Bank linkage programme three models have broadly emerged. Under the first model, banks are directly linking SHGs without the intervention of the NGOs. In the second model, banks are providing credit to SHGs and NGOs act as Self Help Promoting Institutions (SHPIs). Under the third model, NGOs are acting both as SHPIs and financial intermediaries for channelising credit from banks to SHGs.

WOMEN ATTENDING THE AWARENESS GENERATION CAMP



Selvapuram

PLATE . 2

PRODUCTS OF SELF-EMPLOYMENT



Seeranaicken palayam



## Future plan of Self Help Groups

Table VIII brings out the future plan of Self Help Groups.

**TABLE VIII**

### **FUTURE PLAN OF SELF HELP GROUPS**

<b>S.No</b>	<b>Plan</b>	<b>No of group leaders</b>
1.	To get loan	11
2.	To start self- employment	6
3.	Promoting Health	5
4.	Enhance women's status	3

Getting loan to start self - employment, and for personal and family improvement, promoting personal and family health, improve the quality of life and status are the future plans revealed by the leaders of SHGs.

### FUTURE PLAN OF SELF HELP GROUPS

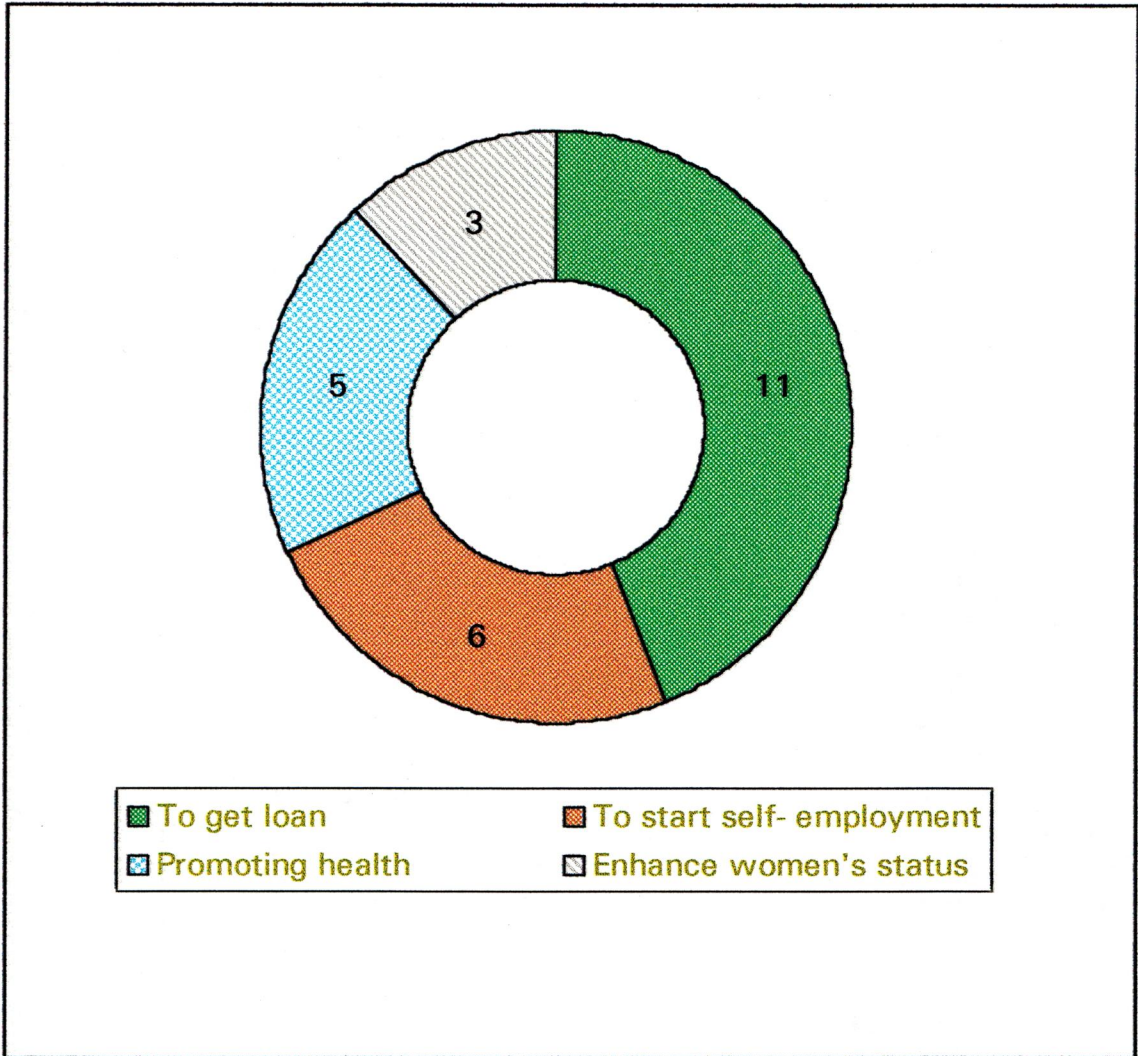


FIGURE 5

## SUMMARY AND CONCLUSION

## **V SUMMARY AND CONCLUSION**

A study on " Status Study of Self Help Groups in Coimbatore Corporation" was taken up with the following objectives: to

1. understand the socio-economic background of Self Help Group members (SHGs)
2. study the functioning of Self Help Groups (SHGs)

In the present study, seven areas namely Periyar Nagar, Shanmuga gounder Nagar, Karupswamy Nagar, Avarampalayam, Seeranickenpalayam, Selvapuram, Ilango Nagar were selected as the study area for studying the status of SHGs in Coimbatore Corporation. Among the 25 groups, 25 leaders and one twenty five members from 25 groups were selected randomly. The relevant information were collected by using an interview schedule, specially constructed for the study.

### **A. Socio-economic profile of women in Self Help Groups (SHGs)**

The 25 groups, with a total membership of 442 Joined in SHGs during the year 1997-1998. Out of 125 members, 86 per cent of the respondents were married and 14 per cent were unmarried, literacy level among the members showed that 90 per cent were literate and 10 per cent illiterate. The family size were 1-4 members. Backward and Most Backward, are predominated in the urban area. The income range of the members was Rs.1000 to Rs.3000 per month. Eighty per cent of them were working, the remaining 20 per cent pursued household chores.

## **B. Socio-personal characteristics of leaders**

The group leaders play a major role in identifying the members together for its smooth functioning. All the 25 groups in the urban areas were functioning in a democratic manner. The age of group leaders varies and the maximum and the minimum ages are respectively, 25 and 45. The average family income varies and the maximum and minimum are respectively Rs.1000 to Rs.3000.

Among the 25 leaders , 40 per cent of the leaders are earning income by working as coolie, 28 per cent were owning petty shops and making cement tank, and 32 per cent were engaged in household chores. All the leaders are literate with plus two education.

## **C. Details of Self Help Groups (SHGs)**

### **a. Group formation**

The groups are formed on the basis of mutual trust and understanding. As they live in the same area they know each other well. Each SHGs formulates its own working norms with certain common features as recommended by the promoting agency.

During the year 1997 - 1998, 25 groups were formed with a total membership of 442, in all the selected areas.

### **b. Activities**

Saving has been the prime activity of these groups right from their inception. Savings are made on monthly basis and monthly contribution from each group is fixed and its varies from Rs. 30 to 50. Every month money is collected by the respective group leader and the pooled money is rotated

among the members. The group leader was responsible for saving the money in the bank which was nearer to their area. Interest rate for the loan varies from group to group; the maximum being 3 per cent and minimum 2 per cent. Decision regarding the disbursement of loan to its members was decided by the members themselves depending upon the nature of their needs.

Date, time and place for all kinds of meetings of SHGs varies from group to group. The maximum number of meeting held were 50 and the minimum 10 meeting held in SHGs. Two types of meetings are generally conducted by each SHG and they include (1) meeting for money transactions (2) monthly meeting to discuss general issues pertaining to the group. Usually, all the members used to attend both the meetings. Participation of members in meeting intended for money transactions is made compulsory. As far as the monthly meeting is concerned all the groups record the minutes of monthly meeting.

Forty six per cent of the members expressed that Self Help Groups, has been a helping hand and 26 per cent of the members opined that Self Help Group was a source of finance. Twenty eight per cent of the members had revealed that Self Help Group is useful and good scheme and also helped them to uplift their life.

More than 69 per cent women revealed that Avinashilingam Education Trust Institutions has been the prime factor in motivating the women to start Self Help Groups. Rest of them had declared that the group leaders, assistant leaders and group members played a significant role for starting Self Help Groups among different areas in Coimbatore Corporation.

To gain economic independence, to get loan, to start self-employment,

to develop the habit of savings, to get training and solving the problem of day today life are the reasons for joining the Self Help Groups.

Honesty, Sincerity, helping tendency, mutual understanding, self confidence, truthfulness and patience are the leadership traits sought in the selection of the leader.

### **C. Savings and Credit**

The cumulative savings and credit details of Self Help Groups, during the year 1997 - 1998 an amount of Rs.50,400 was saved and an amount of Rs.15,437 received against interest by Shanmuga Gounder Nagar area. The amount distributed among its members Rs.29,500 (33%) for business purposes, Rs.50,132 (55%) for consumption, Rs 10,368 (12%) for health.

In Ilango Nagar, the total savings generated was Rs.1,00,450 and the interest received was Rs.10,420. An amount of Rs.55,000 (43%) was used for business followed by other purposes which included agriculture and related activities, Rs.60,268 (47%) for consumption, Rs.12,032 (10%) for health.

In Selvapuram area, the total saving amount was Rs.90,150 and the interest received was Rs.15,660. The amount disbursed by the group leader for the members for various purposes such as Rs.52,200 (40%) for business, Rs.49,225 (37%) for consumption, Rs. 30,025 (23%) for health.

In Seeranickenpalayam area, the total amount collected was Rs. 34,700 it gained an interest of Rs.4,157. A remarkable feature during this period is that most of the Self Help Groups received money from the promoting agency, Avinashilingam Education Trust Institutions and also from their group leader,

Rs.16,500 (50%) for business purpose, Rs.13,500 (41%) for consumption Rs.3000 (9%) for health.

In Avarampalayam area, the total amount saved from June, 1997 to 1998 amounted to Rs.26,030 and the total amount disbursed loan to its members amounted to Rs.23,500 (55%) for business purpose by means of tiffen stall, vegetable and fruit vending, toy making, Rs.17,000 (40%) for consumption and Rs. 2,200 (5%) for health for which they received an interest of Rs. 2,258. The purpose of using money for health is very low when compared to other areas.

In Periyar Nagar, the total savings generated during the last 14 months was Rs.42,650 with an interest of Rs.4,753. The total loan amount available was Rs.53,100 and out of which they had distributed a loan amount of Rs.30,000 (50%) for business such as agarpathi making, cleaning and washing powder production, candle making, Rs 20,000 (38%) for consumption purpose and 3,100 (6%) for health.

In Karupswamy Nagar, in the year 1998 an amount of Rs.32,850 was saved and an amount of Rs.3,478 received as interest. Out of the total amount 50 per cent (Rs.43,000) was disbursed for business, children's education and marriage etc, 43 per cent (Rs.37,000) utilised for household consumption and 7 per cent (Rs.6,000) for health.

Self Help Groups had linkages with Non-Governmental Organisations like Avinashiligam Education Trust Institutions, Trainers Training Centre (TTC) and Nationalised Banks. Among these, Avinashilingam Education Trust Institutions paved a great way in forming Self Help Groups. The

Avinashilingam Education Trust Institutions Organised and conducted awareness generation camp, initiated income generation and developmental activities for the women in SHGs. It assisted the Self Help Groups women to get loan from banks. The bank agreed to stand as guarantee and take full responsibility to recover the loan. It also appointed project staff for helping Self Help Group women to maintain their accounts. NGOs played an important role in motivating the women to join training courses to become women entrepreneurs.

### **Future plan of Self Help Groups**

Getting loan to start self employment and for personal and family improvement, promoting personal and family health, improve the quality of life and status are the future plans revealed by the members of SHGs.

### **Recommendations**

The following recommendations emerged from this study

1. The urban SHGs required further involvement of NGO's for their effective functioning.
2. All the Self Help Groups need continuous monitoring and maintaining records and registers.
3. Participation of members in meeting intended for money transactions is made compulsory.

## **Conclusion**

Today, Indian women are standing at the crossroads of development and tradition. It will require a master's skill to operate the advantages of economic reforms for the benefit of women. The SHGs have been found an effective and economic means of ensuring access of credit to the poor and vulnerable sections of the society. The government should strengthen the IMY and organise more SHGs to improve the living condition and position of women.

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## APPENDIX

**APPENDIX I**

**AVINASHILINGAM DEEMED UNIVERSITY  
INTERVIEW SCHEDULE TO ELICIT THE INFORMATION FROM THE  
URBAN SELF HELP GROUPS (SHGS)**

1. Name of the Interviewer:
2. Name of the Interviewee:
3. IMY
4. Address :

1. Details about their family

S.No	Name of the Family member	Relation to the Head of the family	Age	Sex	Education	Occupation	Income

2. What is your opinion about SHGs?
3. Whether you started SHG in your area?    Yes        No
4. Are you a member in SHG?
5. When did you join in SHG ?
6. Who motivated you to start SHG ?
7. Could you tell me why you joined in SHG ?
8. How much do you serve per month?
9. How many months did you save?
10. What is the total saving of your group?
11. What is the name of the bank and A/C number?

12. Whether you got your receipts from leader?

13. Have you taken loan      Yes         No  

14. How much amount

15. What is the interest for the debt?

16. Mention the installment for the onlending

17. Monthly how much you repay? How much money you give for each month.

18. Whether you are paying the debt properly    Yes         No  

    If No, what is the reason

19. Mention your leader Name?

20. What is your position in SHGs ?

21. Do you have rules for your groups?      Yes         No  

    where all the members understand the rules

22. Whether anybody misruled the rule?      Yes         No  

    If yes how they were punished

23. Whether you misruled the rules are you able to change your rules?

24. How will you select your group leader?

25. Whether all the members want to become group leader?

26 Whether all the members are motivated to take the leadership position in your group?

27. Whether you entered your Name in the register?    Yes         No  

28. Whether you stay after the meeting was over ?    Yes         No  

29. Do you know about your group performance?

30. How will you make your group decision?

31. Are you participating in the arguments within your group?
32. Whether you are giving solutions for your group?
33. Whether your group leader is running the group in a perfect way?
34. Whether your group leader going to check the savings in the bank.

### **For Leaders only**

1. Are you give loan to the outsiders?

Yes  No

If yes, how much interest for the outsiders

2. What is the default in your group ?
3. How will you spend the money saved by your group?
4. How will you correct your Accounts ?
5. How will you give the onlending for your member?
6. On what basis loan requirement is justified?
7. Is your group is functioning with unity?

### **Participation from NGO**

1. Whether you are getting any help from NGO

If yes how?

Loan  Account keeping

2. Whether NGO is seeing the performance of your group?
3. In what way they are helping to contact Bank for saving?
4. How will you teach the accounts to the illiterate?
5. Did you enter all the accounts upto the date?
6. What is your future plan?