

CHAPTER - 5

FINDINGS AND SUGGESTIONS AND CONCLUSION

5.1 FINDINGS

1. Demographic

Region, Age-Group, Education and Occupation

The analysis of the demographic profile of the respondents has shown some interesting facets of the respondents. It is found that the southern part of Tamil Nadu has the maximum number of Self-Help Groups followed by the western region. The northern region has less Self-Help Groups and the least was found in central region. The sample respondents were chosen based on this proportion as revealed by the analysis. It is evident that the majority of the respondents were in the age group of 38-52 years followed by the age group of 23-37 years. There is evidence of fewer people participating in Self-Help Groups in the 53-67 age group. Thus it is ascertained that nearly half of them were middle aged group. Majority of the respondents have studied up to SSLC and only 10.7% are graduates. It is ascertained that almost one-third of the respondents had primary education. This shows that people who do not have good education use Self-Help Group to meet their expenses or increase their income or take loans. Another interesting observation is that the members of Self-Help Group are farmers, housewives and small traders. The small businesses are teashops, homemade snacks and other small businesses.

Marital, Nature of Family, Family Size

This finding is in line with that of the report of the Planning Commission of SHG (2008) which stated that most of the respondents were married. This could be

attributed to the reason that out of economic necessity of the family, married women join SHGs as members to avail themselves of the micro credit facility and also to take up small entrepreneurial activities to augment their family income. More than three-fourth (76.99%) of the respondents belong to nuclear families and rest were in joint families. Want of independence and social and economic problems associated with joint family system might be the reasons for opting nuclear family. A majority (63.91%) of the respondents maintained medium family size (4 to 5 members) while 6.92% and 13.83% of them had small and large sizes respectively. Jothilakshmi.M, R.Krishnaraj and N.K.Sudeepkumar (2011) reported similar findings in respect of size of the family.

2. SHG Characteristics

Size, Meetings

It has been ascertained from the above analysis that more than three-fifth of them have membership size up to 15 members. Further, nearly 66 percent of them have members between 12 to 15 in their groups. It is probed that an optimum number of members needed for every SHGs to manage themselves is up to 15. It is considered as compact size of SHGs. A constant growth in saving satisfies internal lending and external borrowing, group cohesiveness, understanding the personal and social problems and decision making are achieved by SHGs through the optimum size of membership. It is ascertained from the above analysis, majority of the sample SHGs members attend the meetings of SHGs. It indicates the members take active participation in their respective groups for their development. On the other hand, less than 3 percent of them attend the meetings occasionally. It leads to poor performance of the group.

3. Economic Analysis

Monthly household income can be used as one of the indicators of economic status of any household. It is found that, before joining Self-Help Groups, 90 percent of the respondents fall under the bracket of less than ten thousand rupees' monthly household income. It is clear that after joining the SHGs only 54.2 % of the respondents fall under the bracket of less than ten thousand rupees' monthly household income. This shows that Self-Help Groups have been able to increase the income of the people. Further the increase in income is mainly due to income from starting small industrial ventures. Income from animal husbandry and agriculture are not that much influential.

It is easy to understand that most respondents i.e. 220 had a monthly savings of less than ten thousand rupees before joining SHGs. It is clear that after joining the SHGs 194 respondents fall under the bracket of less than ten thousand rupees' monthly household savings. Thus, saving has increased but not to a very large extent. This shows that many respondents use the income generated with the help of Self-Help Groups for meeting expenses more than savings. This may not be in line with the saving promotion objectives of Self-Help Group Movement. But on the other hand, it is clear and happy to note that SHGs have inculcated the habit of thrift and saving in the members. The member respondents are motivated to remit their savings into SHGs as they are eligible to avail themselves of credit facilities in time of need. It is ascertained that majority of the SHGs (i.e., four-fifth) pooled their savings once in a month. Also, it has been ascertained that most of the SHG members have the habit of saving only around rupees 50 to rupees 100 monthly. This leads to low amount of internal fund among the sample SHGs, which reduces the lending capacity of the

SHGs. Statistically it is found that there is significant increase in the family income, expenses and savings after joining SHG showing the economic empowerment of SHG members. An attempt is made to know statistically if there is significant difference among the divisions, age group, education level, and occupation in SHGs in income generation, expenditure and savings of the respondents before and after joining SHGs. It is found that there is significant difference among the mean scores of various divisions of Tamil Nadu in income generation and expenditure after joining SHGs. Thus, it has been ascertained that the divisions influence the post income and post expenditure of SHG members. Moreover, it is found that there is no significant difference between mean scores of various age groups on economic status of SHG members. Also, there is no significant difference between mean scores of various educational levels on the economic status of SHG members. Further it is seen that there is no significant difference between mean scores of different occupations on the economic status of SHG members. This means that age, education and occupation are not important factors while deciding the economic status of Self-Help Group members.

The main aim of SHGs is to motivate their members to save part of their income and lend the same to the needy members. The fund of any given SHG comprises savings collected from its members in turn which will be made available to needy members as credit at concessional rate of interest. It is found and quite interesting to note that one-third of the respondents have availed themselves of loan amount more than rupees 9,000. It is also observed that almost 41.5 percent of the Self-Help Groups have granted loan up to `3,000. Also, it has been found out from the above analysis that nearly one-third of SHGs sanctioned only a negligible amount of loan (up to `3,000) in a meeting. Moreover, most of the respondents have taken loans

two or three times. This can be attributed to the fact that the rate of interest charged by SHGs is lower than private money-lenders' interest rates. The members of SHGs have opined that they are satisfied on the rate of interest.

It is concluded that there is highly significant association between the amount of savings (per meeting) and the amount of loan extended to the members from savings at the same meeting.

SHGs' main objectives are to provide loans to its members to help them undertake business activity so that the members' income grows. The data reveal that 134 (59%), took loan to start small ventures. Only 53 respondents (24%) took loan to maintain household expenses. Thus, it is clear that vast number of households have used Self-Help Groups to start new business ventures but many people have used the loans provided by their SHGs for different purposes.

Repayment of loan helps any financial institution to run properly without incurring bad debts. This will enable the SHGs to give more loans to its members and further increase their earnings. It is found that 96.4 % of the respondents repay their loans on a regular basis without any delay. This shows that majority of the SHGs are running efficiently and the animators of these SHGs are effectively and efficiently managing the funds. In order to help SHGs to serve their members in the long run it is mandatory that the members repay the loans timely. This will help maintain a good financial health of the SHGs. It is clear that nearly half of the respondents repay their loan on a monthly basis and 41.3% of respondents repay their loans fortnightly. Thus, it can be inferred that among the members who repay their loan promptly, most of them repay in monthly instalments.

4. Other Findings

Garrett Ranking is used to find the highest and lowest factors that influenced the members in joining SHGs. It could be noted from the Table 5.44 that among the six motivational factors, “To Become Financially Independent” was ranked first. It is followed by the “To Improve Financial Standing”. “To Get Loan at Low Interest” was ranked third.

The researcher analysed the satisfaction of SHG members on four main factors consisting of 18 variables. A regression analysis is undertaken to measure the relationship between the identified factors such as Documentation Aspects, Financial Aspects, Functional Aspects, Loan Aspects (independent variables / predictors) and overall satisfaction of SHG members (dependent variable (Y)). Regression results indicate that all the independent variables positively influence the satisfaction of SHG members. It is found that among all the factors influencing the satisfaction of members, two variables i.e. loan aspects ($\beta = 0.741$) and financial aspects ($\beta = 0.358$) are the most influencing factors which provide more satisfaction for SHG members. Also, it is statistically proved that all the identified variables do not have equal influence on members’ satisfaction.

Regarding the benefits of joining Self-Help Groups it is found that “SHGs helped in reducing the financial stress of its members” and this is the most important factor. Another important benefit as outlined by the respondents was that the poor could get access to funds which could be used for healthcare and education of children. It is also seen that SHGs helped in shaping the confidence and overall personality of its members. It helped them to become part of the community and engage with each other.

The study on the problems faced by members of the Self-Help Groups revealed some thought-provoking points. It could be noted from the analysis among the eleven problems identified “Difficult to Market Business and Get More Customers” was ranked first. It is followed by the “Delay of getting loan”. “No proper guidance after taking loan” was ranked third. The least problem faced by the members was difficulty in attending meetings regularly.

5.2 SUGGESTIONS

Suggestion for Meetings

The most important aspect of SHGs is the regular meeting of their members. Ordinarily the matters handled in the meetings are members’ savings, collection of the savings, internal and external lending and its recovery and the discussion among the members for future development. It is suggested that regular and weekly meetings are considered ideal for discharging their routine works and plan for future development. It is suggested that the SHGs will have to conduct their meetings in evening without affecting the working hours. The agenda for the meeting should be scheduled by animator and the representative should hold the meeting at short duration. Moreover, each and every member should be assigned a role in the meetings such as training, attendance register maintenance, minutes writing, collection of savings, loan recovery etc.

Suggestion for savings

The members’ saving habit is a significant factor for determining the size of savings and internal lending among the members. Further, the savings of the group is the borrowing power, which determines the external borrowing from bank. It is suggested that in order to increase the size of internal fund, the frequency of saving

may be shifted to weekly. The weekly saving amount may be decided by the members based on their earning capacity. A huge amount of saving determines the size of internal loan and external bank credit. It is suggested that in order to increase the size of savings, the amount of savings from members must be members' choice. However, each member should give due weight to the minimum amount fixed by the groups.

5.3 CONCLUSION

The Self Help Group Movement which the Government of Tamil Nadu launched in Dharmapuri District in 1989 has now changed the face of the State. The movement caught the attention of the poverty-stricken women of rural and urban areas of the State during the last three decades and the children born to the poor rural and urban women could enjoy the benefits of the better economic conditions of their mothers during this period. Their enjoyment of their mothers' improved economic conditions reflect in the impressive literacy rate among the younger generations of the State in general and female younger generations in particular.

This study clearly shows that the Non-Governmental Organizations to which the Self Help Groups are attached have played an important role in motivating the women of SHGs to take up tiny industrial ventures. When such motivated women needed capital to invest in such ventures, the uniform lending policies adopted and implemented by lending agencies like NABARD and public and private sector banks were highly favourable to them. As SHGs took loans from banks and then lend small amounts of money to the needy members at low interest rates, the women who availed themselves of such loans could meet their family exigencies like education of their children, carrying out repair works on their houses and such other works. This type of new avenue to lead a better life has developed the women's personality as well. Most

of the rural women who had been living an isolated and lowly life within the confines of their houses started interacting with their fellow women when they became members of SHGs and this interaction has influenced them to imbibe new ideas about social life and the presence of large number of women with new ideas has given new vistas to the society.

The initiative that the State Government took in 2006 to organize SHGs in villages into Panchayat-Level Federations helped the women's micro-level organizations rise to new heights. The federations pooled up the women's talents and resources available in villages and made use of them in production and marketing. Besides guiding and monitoring the already formed SHGs, the federations helped form new SHGs and train them in productive ventures.

The Restructure of Panchayat-Level SHG Federations as per the Government order in 2008 made them more inclusive, transparent and participatory and also to improve their governance and sustainability. These federations keep moving the District Administration of theirs with demands to organize sales-cum-exhibitions of the products which members of SHGs produce. Such a sale-cum-exhibition of SHG products was organized on the campus of St. Mary's College, Thoothukudi, for three days from August 30, 2017. This sale-cum-exhibition of SHG products was inaugurated by the District Collector. The news item on this event that The Hindu carried on its issue dated August 31 said that there were 50 stalls at the exhibition and they put on display for sale products such as handicraft articles, decorative items, food items, jute bags, imitation jewellery, articles made from seashells, palm frond products, toys, garments. Pillow covers, cosmetic items and so on.

When the Central Government launched its Swarnajayanti Gram Swarozgar Yojana (SGSY) in 1999, the State Government took all possible steps to see the poverty-stricken rural women of the State made use of it to their maximum benefit. Unfortunately the scheme did not get the required dedication of the successive Central Governments. However, the SHGs of highly enterprising women, in some cases those of men as well, still manage to run the small undertakings profitably. Most of these undertakings are service-oriented and the boating service across the Pechiparai reservoir in Kanyakumari District is one such SHG-run service-oriented undertaking.

Another service-oriented venture was launched at Pillayarpatti village in Thanjavur District by the 12 women of Jeyam Women's Self Help Group. They started a power laundry service, the first of its kind in the State to be started by a women's co-operative. The DRDA and the financing institutions were highly appreciative of this venture and it had potential to be in public need as long as they could keep it running.

Even while the Central Government's SGSY was helping the rural poor women having enough drive and enthusiasm to improve their life, the Government of Tamil Nadu launched its ambitious scheme of *Mahalir Thittam* in 1997-1998 and the *Vazhnthu Kattuvom* scheme in 2006 to give an additional impetus to such rural women. If the suggestions given in this study are taken up by the SHGs in right earnest, the conditions of the life of rural women are sure to improve further.