

## AN ANALYTICAL STUDY ON THE PERFORMANCE OF WOMEN SELF HELP GROUPS IN KANCHIPURAM DISTRICT

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### Abstract

This paper is an attempt to evaluate and analyze the performance of SHG-Bank Linkage Model in Kanchipuram District of Tamilnadu and its impact on a need for a comprehensive approach in up lifting the Women SHGs for economic self reliant. The paper also suggests the SHG-Bank Linkage Model (pioneered by NABARD) seems to be more suitable as it encourages savings and credit among members and it alleviates and eliminates some extent poverty in rural India where still 60% of rural poor are not access to formal financial services. SHGs need skilled training in marketing their products. Proper supervision is essential in monitoring the utilization of funds. It is encouraging to note that repayment level is a positive attitude among the members.

AB: SHG – Self Help Groups. NABARD – National Banking for Agricultural and Rural Development.

### I. INTRODUCTION

This research paper highlights comprehensively with the analytical aspects of functioning the Women SHGs in Kanchipuram district. Self Help Group is a movement with 15 to 20 members joining to improve their economic status. It brings a real transformation in rural and semi-urban areas. It is a boon and tool for developing rural economy through employing women members in the SHGs. It provides opportunities for less privileged people in the rural areas to come up in their lives and tries to bring a social reformation both economically and socially. Still 60% of the people in India do not have access to banking services. This shortcoming will be to some extent reduced by bringing the rural women self help groups into SHG-Bank Linkage Model. SHG is a group activity which increasing the capacity of individual and bringing them efficiency and economic self reliant.

#### 1.1 Objectives of the Study

- To assess the performance and functioning of Women SHGs
- To understand the various problems and issues of women members
- To identify the areas in which they need guidance and assistance

#### 1.2 Study Period

From 2006 to 2011. Most of the Respondents are supporters Bank –Linkage model. Most of the SHGs are more than 5 years old.

### II. METHODOLOGY

The data for the research work has been collected mostly from primary data through 45 structured questionnaire and secondary data collected from various reports on SHGs, Nabard,(National Banking for Agricultural and Rural Development) Tamil Nadu Corporation for women development and Kanchipuram district profile. Most of the WSHGs are financed by SHG-Bank Linkage model. Out of 10 Taluks only 7 Rural Taluks have been covered for the study areas in Kanchipuram district. In Kancheepuram District there are 648 Village Panchayats. (Grama Panchayat).

#### 2.1 Statistical Tools

For analysis and interpretation Chi-square test is used and Convenient Sampling Method has been adopted for data collection. And the population size is 300.

**Table 1. Distribution of sample size in Taluk level at Kanchipuram District:**

Sl. No.	Taluk	No.of Respondents	%
1	Kanchipuram	45	15
2	Uthiramerur	45	15
3	Chingalpattu	45	15
4	Madurantakam	40	13.3
5	Thirukazhukundram	45	15
6	Cheyyur	40	13.3
7	Sriperumbathur	40	13.3
	Total	300	100%

Source: Primary data

## 2.2 Geography

Kanchipuram district is situated on the North East Coast of Tamil Nadu. It is bound by the Bay of Bengal in the East, Vellore and Thiruvannamalai in the West, Thiruvallur and Chennai districts in the North, and Villupuram in the South. The total area is 4,43,210 hectares and a coast line of 57 kilometres.

## 2.3 Demography

According to the 2011 census, Kanchipuram district has a population of 39,90,897

Source: District Profile May 2011.doc.

**Table 2. Age Composition of Women SHG Members;**

Sl. No.	Age Groups	No.of Respondents	%
1	18-30	132	44
2	31-40	104	35
3	41-50	42	14
4	51-60	22	07
	Total	300	100

Source: Primary Data.

It is found from the study that most of the group members are from the Active Age Group between 18 to 40 years old. They play a key role in the SHG movement. It alone covers 80%.

## 2.4 Income Generating Activities

In my research it is found that most of the women SHGs are not actively involving in income generating activities. Income generating activities alone make the SHGs a self reliant. Members receive money and spend it for consumption purposes. Among the members a few only got training and skills in undertaking entrepreneurship. (Table.3)

**Table 3. No.of Women SHG members involving in Income Generating Activities.**

Sl. No.	Occupations	No.of Respondents	%
1	Flower vendors	38	13
2	Fish sellers	26	08
3	Sale of vegetables	68	23
4	Tailoring	24	08
5	Fruit selling	34	11
6	<b>Non-involving in trading activities</b>	98	33
7	Others	12	04
	Total	300	100%

Source: Primary data.

Two-third of the SHG members is involving in income generating activities. They are the people who are very prompt in repayment of loan and saving more money in the banks. And one-third of the SHG members are not involving in any income generating activities (33%). It is a concern that they should be properly trained in various business activities.

**Table 4. Total No. of SHGs in Kanchipuram District As on 02-06-2011.**

Sl. No.	Formation of SHGs	Total No.of SHGs	No.of Women SHGs	Others	%
1	SHGs In Panchayat Areas	17,775	17,057	718	67
2	SHGs in Town Panchayat	8,793	8,546	247	33
		26,568	25,603	965	100

Source: District Profile May 2011.

Kanchipuram District stands **FIRST** in Tamil Nadu in promoting and forming SHGs. As on 02-06-2011, there are 26,568 SHGs are formed. In which 67% is

formed in Panchayat areas and 33% is formed in Town Panchayat.

**Table 5. Caste wise- Distribution**

Sl. No.	Caste	No.of Respondents	%
1	BC	44	15
2	MBC	96	32
3	SC	128	43
4	ST	22	07
5	others	10	03
	Total	300	100

Source: primary data.

50% of the SHG members belong to SC and STs. And MBC constitute 32% and BC is 15%.It seems that most of the beneficiaries are less privileged people.

**Table 6. Utilization of SHGs Credit.**

Sl. No.	Nature of Expenditure	No.of Respondents	%
1	Consumption	36	12
2	Repayment of previous loan	80	26
3	House Repair	24	08
4	Medical	12	04
5	Education for children	17	06
6	Purchase of jewelry	26	09
7	Purchase of durables	18	06
8	Purchase of live stock	22	07
9	Savings for children's Marriage	38	13
10	Others	27	09
	Total	300	100%

Source: primary data.

According to the Primary Data –Table:5, Most of the members of the SHGs are spending the loan amount for Repayment of Previous loan. It exclusively consists of 26%. It seems that they are getting loans from different sources. It is a grievance concern that loan begets loan. It will put them into depression. Proper income oriented schemes should be introduced to them to be self reliant. 13% members save or spend for the children's marriage.

**Table 7. SHG Members' Monthly Savings.**

Sl. No.	No. of Respondents	Amount in Rs.	%
1	55	00-500	18
2	75	501-1000	25
3	65	1001-2000	22
4	40	2001-3000	13
5	35	3001-4000	12
6	20	4001-5000	07
7	10	5001 & Above	03
	300		100%

Source: primary data.

Savings is a compulsory component in SHG –Bank Linkage model. Most of the members of the SHGs are saving regularly in the banks. 25% of the members are saving around Rs.1000/- per month. All the Women SHGs are credit linked with banks. It enables access to banking services. Without SHGs it is difficult to bring the common people to get access with the financial services.

### III. MEMBERS DROP OUTS

There are certain cases in withdrawal of membership from the SHGs. The incidence of members drop out is due to the following reasons:

- Dissatisfaction in the functioning of SHGs and leadership.
- Defaulters
- Migration
- Conflicts with the groups
- Illness and other reasons.

The most significant of the reasons was the dissatisfaction in the functioning of SHG leaders. It causes the members to drop out and join in other groups.

**Table 8. Sources of getting loan by the SHG members before joining in SHGs.**

Sl. No.	Sources of Funds	No.of Respondents	%
1	Borrowing from local money lenders	146	49
2	Borrowing from Banks	38	13
3	Borrowing from friends and relatives	86	28
4	Borrowing through mortgage	30	10
	Total	300	100

**Source:** primary data.

People used to borrow from informal money lenders for their urgent needs. Local money lenders are still playing a vital role in disbursing credit to the people who are mostly not as SHG members. Before joining in SHGs, 49% of the people used to borrow from local money lenders at an exorbitant interest rate. The SHG movement has some extent relieved the people from the clutches for the local money lenders.

**Table 9. Repayment of Loan in time**

Sl. No.	Mode of Repayment	No.of Respondents	%
1	Prompt repayment in time	208	69
2	Delay in Repayment	86	29
3	Defaulters	06	02
	Total	300	100

**Source:** primary data.

It is encouraging to note that 98% loans have been promptly repaid by the members despite some delay in repayment. Only 2% is the defaulters.

**Table 10. Preferences in conducting Meeting s of the SHG members.**

Sl. No.	Preferences	No.of Respondents	%
1	Weekly once	80	27
2	Monthly once	152	50
3	Monthly twice	38	13
4	Others (bimonthly)	30	10
	Total	300	100

**Source:** primary data

#### IV. FINDINGS FROM THE STUDY

- The Age group of the respondents is between 18 to 40 years old. It seems that the age is not the basis of joining in SHGs. Anyone who is an unemployed can join in it.
- A strong repayment culture is established among the members
- SHGs are a tool for women empowerment
- Access to banking and saving culture have been created
- Getting loan from the local money lenders has to be curtailed
- Most of the credit is being used for non productive purposes
- 50% of the members like to hold meetings at least once in a month.
- Members need skill training and entrepreneurship
- SHG paves a way for increasing in Standard of Living by acquiring assets
- Some extent poverty level has been reduced
- 98% of the members are repaying the loan
- Defaulters are only 2% owing to migration
- 67% of the SHGs are formed at villages
- Kanchipuram District stands FIRST in formation of SHGs in Tamilnadu

#### V. CONCLUSION

The SHG- Bank Linkage Model is at the movement the most suitable model for eliminating

poverty from the country. And the model encourages **savings along with credit**. It helps the SHG members to be self reliant. Eradicating rural poverty should be the prime aim of all the Institutions who are in the fields promoting SHGs. For poverty alleviations, MFIs, NGOs, Banks and the Government should work together. Poverty retards the economic growth. It is a threat for developing India.

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