

IMPACT OF SELF HELP GROUPS ON ECONOMIC CONDITION OF TRIBAL PEOPLE IN KOVILUR PANCHAYAT, THIRUVANNAMALAI DISTRICT OF TAMIL NADU

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Abstract

India's Self Help Group (SHG) movement has emerged as the world's largest and most successful network of community based organizations (CBOs). It is predominantly a women's movement. As some experts have pointed out, it is a development innovation in its own right. The SHG bank linkage program (SBLP), which is the India's own innovation has proved to be one of the most effective poverty alleviation and women empowerment programs. The SBLP had a modest beginning with 255 credit linked groups and loan amount of Rs.29 lakh in 1992-93. Since then the program has grown exponentially. In the process, SHGs emerged as a mass movement across the country and largest community based microfinance model in the world. As per NABARD's microfinance report by March 2012, 79.6 lakh SHGs, with an estimated membership of 9.7 crores, have savings accounts in the banks, with aggregate bank balance of Rs. 6,551 crores. Over 43.54 lakh SHGs have loan accounts with total loan outstanding of Rs. 36,340 crores. However, there remain regional disparities in the growth of the SHG movement with limited progress in eastern and western regions.

Keywords: *SHG, community based organizations, bank linkage program, NGOs, ENABLE, social and economic betterment*

Introduction

In the mid nineties, SHGs became visible across the country. Several NGOs, most state governments, donors and lenders saw in SHGs an opportunity to mobilize rural women to work for their own social and economic betterment. By the late nineties, SHGs were not just savings and credit groups, but were seen as common interest groups. SHGs began sprouting up in many villages, with multiple SHGs being promoted in the same villages.

The SHG sector as a whole and SBLP in particular, has been facing a number of challenges such as uneven quality of groups, unequal growth, policy contradictions, huge shortage of capacity building infrastructure, including resource material and resource persons to support the Self Help Promoting Institutions (SHPIs). To address the above challenges and to contribute to a healthy, balanced and sustainable growth of the SHG sector in the country, a National Network Enabling Self Help Movement in India (ENABLE) was formed in 2007 with a vision of vibrant self help movement in India.

Background

Women constitute around fifty percent of the total human resources in our economy. Yet women are the more poor and under privileged than men as they are subject to many socio-economic and cultural constraints. The situation is more severe in the rural and backward areas. Women development activities must be given importance to eradicate poverty, increase the economic growth and for the better standard of living. Self Help Group (SHGs). Rapid progress in SHG formation has now turned into an empowerment movement among women across the country (Tiyas Biswas, 2007).

Investing in women brings has a multiplier effect. Stories of women who not only are better off economically as a result of access to financial services, but who are empowered as well. Simply getting cash into the hands of women (by way of working capital) can lead to increased self-esteem, control and empowerment by helping them achieve greater economic independence and security, which in turn gives them the chance to contribute financially to their households and communities because women “tend to keep nothing back for themselves they contribute decisively to the well-being of their families” (Susy Cheston and Lisa Kuhn, 2002). SHG by mobilizing women around thrift and credit activities have resulted in economic self reliance there by changing their social attitude and women development activities.

Kovilur is one of the pre-dominant panchayat among the Jawathu Hills in Thiruvannamalai district in terms of agricultural and allied activities. It has 80 per cent of the peoples are tribals, they have more contribution to the District Domestic Product (DDP) by the SHGs. Even though the panchayat has more obstructions to enhance their economic development like banking facilities, credit accessibilities and Savings. Therefore, the researcher proposes to study the economic conditions of the tribals.

Review of Literature

EDA Rural Systems and APMAS conducted a study “SelfHelp Groups in India: A Study of the lights and dark sides”. The study looked at all relevant aspects of SHG functioning: membership, exclusion, drop-outs, maintenance of group records, equity within groups, default and recovery mechanisms, role of SHGs in local politics, role played by SHGs in addressing issues related to social justice and harmony and sustainability of SHGs with a clear objective of lessons learned from success and failures of SHGs. The study covered 214 SHGs in nine districts from four states (two each from north and south India) of Andhra Pradesh, Karnataka, Orissa and Rajasthan.

Over 50% of SHGs members were from families below poverty line, with a majority from SC and ST families; SHG leaders tend to be from better-off families; only 29% of the household in selected villages had a membership in an SHG; reasons for choosing not to join an SHG was primarily because of stringent norm s followed by SHGs and about 10% Self Help Groups in India: A study on quality & sustainability dropped out due to migration. Though

one member in every four SHGs contested local elections, their effectiveness once elected was not significantly better than the others.

However, SHGs did seem to contribute to social harm only as the composition of women in SHGs reflected different caste groups. Almost 40% of SHGs are weak in terms of maintenance of records as these systems were too complicated for members to maintain. With regard to lending practices, a fair amount of equity was practiced. However, some were found to be lending to non-members. The study indicated high levels of defaults in the prepayment of loans in South India due to the supply led-approach. The repayment of loans given to member from their savings was a major concern. Half of the SHGs under the study were operating in profits. However, due to high default and low interest rates, the financial value of the members' savings could not be maintained. The study concludes that while there is a need to focus on quality rather than on quantity, expectations pinned on SHGs need to be realistic. Also, fundamental to the sustainability of SHGs is the feeling of ownership of members about the group.

A study conducted by NCAER in 2008, sought to assess the impact of the SHG Bank Linkage Programme (SBLP) on the socio-economic conditions of individual SHG members by comparing their pre and post SHG scenarios across six states in five different regions of India. It concluded that the SBLP has positive impact on members by increasing their access to financial services (and reducing household poverty) as well as empowered women through an increase in their self confidence.

Salomo et.al (2010) did a research on Sustainability of SHG Federation Structures covering 12 SHG federations in six different states of India. It opined that federating is needed for ensuring outreach, member ownership and governance, bottom up structured and linked multi-level systems, reduced dependency on external advisory and financial support, ability to face different environmental and socio-economic circumstances, and legal and regulatory framework.

A report on SHG Federations: Development Costs and Sustainability, by Girija Srinivasan and Tankha reported that the absence of savings and appropriate legal framework are the severe constraints on the financial viability of federations of SHGs (Srinivasan G., 2010). According to NABARD's publication Status of Microfinance in India 2011-12 there are disparities in the geographical spread of SHG bank linkage programme and credit deepening (Nabard, 2012). As on March 2012, out of 33 states, 22 states and union territories have less than 50% of SHGs having a savings bank account have a loan outstanding to banks; another 10 states have 50 to 80 percent of SHGs with loan outstanding; and only one state, namely Andhra Pradesh, has 80% percent of SHGs with loan outstanding to banks. The percentage of SHGs credit linked to bank is highest in Andhra Pradesh with 94% and lowest in the country in Arunachal Pradesh with 4%. Out of 33 states, 9 states & union territories namely, Andhra Pradesh (94%) Puducherry (76%), Tripura (74%), Bihar (73%), Jharkhand (71%) Odisha (58%), West Bengal (56%) and Tamilnadu (56%) and

Himachal Pradesh (55%), have more than the national scenario (55%). Self Help Groups in India: A study on quality & sustainability During the financial year 2011-12, the banks disbursed a total loan of Rs. 16,535 crores to 11,47,878 SHGs with an average of Rs. 144,046 per SHG (Nabard, 2012). The average amount of loan per SHG is highest in Andhra Pradesh with Rs. 215,875 and lowest in Lakshadweep with Rs. 14,375 when compared to all other states. Of the total 33 states and union territories, majority states & union territories' average loan size is more than Rs. 100,000 (19) followed by Rs. 50,000 to Rs. 100,000 (12) and less than Rs. 50,000 (2). There is a wide difference in the average loan per SHG across the states/union territories.

Further, there are only six state/union territories namely Andhra Pradesh (Rs. 215,875), Puducherry (Rs. 194,230), Karnataka (Rs. 185,290), Haryana (Rs. 160,309), Kerala (154,620) and Uttarakhand (148,155) that have more than the national average of loan per SHG.

Objectives of the Study

The following objectives are proposed to study by the research ⑧ To study the socio-economic profile of SHG Women.

- To analyze the reasons for joining - SHG
- To find the impact of SHGs on Economic conditions of women

Hypothesis

- There is significant improvement on Economic Conditions of tribal women after joining SHGs.
- There is more difficult for credit accessibility among the SHGs of the tribals.

Methodology

The Study is based on both primary and secondary sources. The data will collect from well structured questionnaire, various published and unpublished records, books, journals and information given by the Mahalir thittam office Thiruvannamalai.

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