

## SOCIO- ECONOMIC IMPACT ON SHG WOMEN PROMOTED BY NGOs IN MADURAI DISTRICT, TAMIL NADU

**S. Dulcy Pushbarani**

*Research scholar, Madurai Kamaraj University, Madurai*

### **Abstract**

Voluntary association can play a significant role in development of rural sector by supplementing government efforts as they are close to the minds and hearts of rural people. With the SHG Linkage programme, NGO sector has been recognized as crucial partner in organizing the community and plays a pivotal role in social transformation, welfare activities and infrastructure building. They served the cause of women empowerment, social solidarity and socio- economic betterment of the poor. SHGs approaches can have a positive part to play in combating poverty by creating various self -employment opportunities for the poor. Provision of micro finance services is meant to help the poor, develop their micro- enterprises and sustainable livelihood. This paper argues that government supported SHGs under Magalir Thittam in Tamil Nadu are able to reach the poor and vulnerable sections of the rural poor in Tamil Nadu particularly rural women.

**Key words:** Self help group, Non government organization

### **Introduction**

Recently the need for organizing people in to accredited association, their involvement and participation in rural development have now been fully recognized. Voluntary association can play a significant role in development of rural sector by supplementing government efforts as they are close to the minds and hearts of rural people.

NGOs by virtue of being small-scale, flexible, innovative and participatory are more successful in reaching the poor and in poverty alleviating. They are non - political seculars and work for economic and social justices. Since their inception, they have under taken a number of rural development programs especially for development of women.

With the SHG Linkage programme, NGO sector has been recognized as crucial partner in organizing the community and plays a pivotal role in social transformation, welfare activities and infrastructure building. They served the cause of women empowerment, social solidarity and socio- economic betterment of the poor.

### **Review of Literature**

A study made by Velu Suresh Kumar and et al. (2010)<sup>1</sup>, on micro finance strategy in empowering rural women revealed that the SHG approach has proved successful not only in improving the economic conditions but in creating awareness about health and hygiene,

sanitation and cleanliness, environmental protections, importance of education and better response for development schemes.

An attempt made by E.Nagabhushana Rao and et al. (2010) examine the impact of SHGs on the socio-economic and political empowerment of women in Andhra Pradesh. This study shows that the impact of SHGs was significant on issues related to child health care, child marriage, awareness about legal implications of the matrimonial litigations, hygiene practices, family planning practices, value of unity and education, inculcation of self-confidence, awareness on articulation, decision making and change in expenditure pattern.

S.Santhose Kumar and et al. (2010), in their work on employment generation and micro-credit dispensation mode suggested that provision of micro credit in Kerala where female work participation is decreasing has proved to be a successful method of financing women in self-employment activities and thus to supplement their meager family income.

A study of Komala K., and et al. (2010) on SHGs and Women empowerment in Mysore district, karnadaka that SHGs have been playing a vital role in the empowerment of women. This is an important institution for improving the life of women on various social and economic components.

Sabah Singh Yadau (2006) in his paper on SHG movement in Rajasthan stated that during the last 4 years SHGs - Bk linkage programme has witnessed significant progress in Rajasthan. The performance of the government departments, NGOs and Bks under the programme has been commendable. The study suggested that a standard accounting practice may be adopted to bring uniformity

M.L. Gupta and et al. (2006) conducted a study related to economic empowerment of women, a project of SHG started at Chandigarh in the year 2003 by Punjab Engineering college, funded by Common Wealth youth programme Asia Centre, Chopdigarh. The study showed that the success of these SHGs not only improved the economic status of the women concerned but there is also a drastic change in their social status.

Kumaran studied the Role of SHG in promoting micro enterprises through micro credit in Maharashtra and observed that the role of SHGs through NGOs and banks, in promoting micro enterprises were more viable and sustainable as compared to other rural development programmes

Jothy et.al (2002) examined the profile of SHGs under Women's Development in TamilNadu-Mahalir Thittam, and stated that empowerment attained through SHG also enabled women to perform various self-sustaining activities.

#### **Objectives**

- The present study aims to evaluate the performance and role of NGO-PREED, Kappalur on micro-credit programme.
- To study the socio-economic profile of the sample SHG beneficiaries in PREED.
- To assess the impact of SHGs on family income, savings, and employment of the sample beneficiaries.

**Methodology**

The present study is a micro analysis at NGO level, based on primary and secondary data. In Madurai district, there are 13 taluks and the researcher has chosen Thirumangalam taluk where the NGO-PREED is functioning. This paper is related to the role of NGO-PREED and the socio - economic impact of women through SHGs in Madurai district, Tamil Nadu during the last 5 years using simple random sampling method. This is purely descriptive study.

**Selection of NGO**

Out of 14 NGOs in Madurai district, the NGO-PREED Kappalur has been chosen. NGO-PREED is mainly concerned with Rural Development Programme, rendering services for 18 years. The criteria for selection of NGO are better performance-asset earnings, infrastructure development, active participation, economic activities and awards received.

**Selection of villages**

In Thirumangalam taluk, there are 2 blocks - Thirumankalam and Kallikudi. In these blocks 108, revenue villages and 1 municipality are there. Through random sampling methods, 5 villages viz, T. Puthupatti, Maravankulam, kappalur, Ponnamangalam, karumathurpatti, belonging to NGOs-PREED were selected for the study.

**Selection of SHGs**

From these 5 villages 10 SHGs are selected based on their active participation and EA. Out of these, 12 members from each SHGs are taken. Totally, 120 sample SHGs members are chosen randomly for the present study.

**Collection of data**

The present study analyses the performance of NGOs-PREED and impact the sample SHGs on income, savings and employment for the last 5 years in the study area using semi-structured interview coupled with discussion and observation methods. Secondary data are collected from the NGOs-PREED at kappalur.

**Role and Performance of NGO-PREED****Organizational Profile**

PREED is the acronym, People organization for Rural Health Education and Economic Development, initiated by P.KANDAVEL MA, M. Phil, DIEED, whom the problem of rural poor or part and parcel his home experiences. The twenty years experience gathered from development work and the encouragement from Dutch volunteers paved the way to form PREED and devote his energies towards rural development to which cause, he and his team fully dedicated.

**Vision and mission**

Sustained development of rural community through women empowerment, reproductive health, elimination of the child labour, campaign for balanced childhood and environment and ecological development.

**Main activities**

- Promotion and development of WSHGS.
- Saving and micro credit programme for women.
- Income generation programme for women.
- Campaign for balanced childhood.
- Vermi - compost and nursery raising programme
- Environment and ecological development.

**Infrastructure Available**

Own office building, 20 cents of land and 2.5 acres of land for demonstration plot, 4 and 2 wheelers, computers, copier machine, experience staff in maintaining all type of extensional and education programme.

**Performance of NGO-PREED****Group formation**

It is evidence from the table 4.1 that during 2006-11 the total number of SHGs formed in PREED was 715 and all groups consist of only women. Most of the groups (52.17 percent) are formed in the year 2009 and 2010 because of the encouragement given by Tamil Nadu government.

**Table 4.1 PREED: Group formation (2006-11)**

Year	Rural	Urban	Total
2006-2007	25	2	27(3.78)
2007-2008	41	5	46(6.43)
2008-2009	153	12	165(23.08)
2009-2010	169	24	193(26.99)
2010-2011	168	12	180(25.18)
2011-2012	99	5	104(14.55)
Total	655	60	715 100.00

Source : NGO -PREED, Kappalur

**SGSY loans availed**

Under SGSY scheme, both centre and state government grant, RF loan up to Rs 40,000 and a subsidy of maximum Rs10, 000. Table 4.2 clears that the total number of SHGs availed RF in PREED is 606. SGYS also provide EF fund subject to maximum of Rs 4 lakh including 1 lakh as subsidy. Table 4.2 explains that totally, 147 groups were provided EA fund. Most of the loans (48.33 percent) are given during 2009-11.

**Table 4.2 PREED: SGSY loan availed by SHGs (2006-11)**

Year	Revolving Fund	Economic Activity fund	Total
2006-2007	120(19.80)	NIL	120(15.93)
2007-2008	45(7.42)	12(8.16)	57(7.56)
2008-2009	110(18.15)	15(10.20)	125(16.60)
2009-2010	140(23.10)	37(25.17)	177(23.50)
2010-2011	129(21.29)	58(39.45)	187(24.83)
2011-2012	62(10.23)	25(17.0)	87(11.55)
Total	606	147	753

Source : NGO -PREED, Kappalur

**Total lending****Table 4.3 PREED: Total lending from 2007-08 to August 2011**

S.No	Blocks	Amount in RS.
1	Thirumangalam	4,92,54,000
2	Kallikudi	3,55,21,000
	Total	8,47,75,000

Table 4.3 shows that the total SHGs lending's of NGOs -PREED-as on August 2011 including internal loan, bank loan and NGO loan are Rs 8,47,75,000.

Source : NGO -PREED, Kappalur

**Total savings****Table 4.4 PREED: Total savings from 2007-08 to August 2011**

S.No	Blocks	Amount in RS.
1	Thirumangalam	2,30,52,000
2	Kallikudi	1,15,48,000
	Total	3,45,00,000

Table 4.4 clearly indicates that the total amounts of savings of SHGs in NGO- PREED during 2007-08 to August 2011 are Rs.3, 45, 00,000

Source : NGO -PREED, Kappalur

**Table 4.5 PREED: EA of SHGs during 2007-08 to 2011-12**

S No	Types of EA	No of SHGS	Percentage
1	Goat rearing	42	28.57
2	Jasmine cultivation	22	14.97
3	Milk animals	37	25.17
4	Brick kiln	34	23.13
5	Others*	12	8.16
Source : NGO -PREED, Kappalur			

Table 4.5 shows that 28.57 percent of SHGs are involved in goat rearing, 25.17 percent in milk animals, 23.13 percent in brick kiln, 14.97 percent in jasmine cultivation and 8.16% in others activities like trading, farming etc The SHGs choose the

EA which is most appropriate for them based on the skill they are having, availability of resources in the locality, demand for the product and the easy marketability. Other\*s includes agricultural farming, Snacks preparation readymade garments sanitary napkin.

**Socio - Economic Impact on Rural Women**

The SHGs after farming the group, the members are involved in production activities. This is really encouraging self-employment opportunities for the members and makes them economically independent.

**Demographic Profile of the SHG Members****Community****Table 4.6 PREED-Community of the sample respondents**

Caste	No of respondents	Percentage
OC	32	26.67
BC	10	8.33
MBC	43	35.83
SC ST	35	29.17
Total	120	100.00

Table -4.6 reveals that in the study area 35.83 percent respondents belong to MBC; 29.17 percent belong to SC or ST; 26.67 percent belong to OC and 8.33 percent belong to BC. This shows that the beneficiaries are mainly drawn from socially and economically back ward community.

Source: primary data

### Educational level

**Table 4.7 PREED-Educational level of sample respondents**

Education	No of respondents	Percentage
Illiterate	14	11.67
Primary	64	53.33
High school	32	26.67
PUC or College	10	8.33
Total	120	100
Source: Primary Data		

From the Table -4.7 it has been inferred that out of 120 members, as many as 53.33 percent are found to have completed primary schools; 26.67 percent have high school level ;11.67 percent are illiterates and 8.33 percent have completed PUC or college level. This clears that majority

of the sample members have education up to primary level.

### Occupation

**Table 4.8 PREED - Occupation of sample respondents**

Occupation	No of respondents	Percentage
Coolie	47	39.17
Agriculture	24	20
Petty business	27	22.50
Tailor	11	9.17
Non-agriculture	11	9.17
Total	120	100.00
Source: Primary Data		

It has been seen from the table 4.8 that 39.17 percent of the respondents are coolie; 20 percent are in Agriculture sector; 22.5 percent are doing petti business; 9.17 percent are tailors and 9.17 percent are in non-agriculture sector including house wife and jobs. This clearly indicates that majority had

labour as occupation and 9.17 percent are in non-agricultural sector.

### 1.5.2 Impact of SHGS on Monthly Income

**Table 4.9 PREED- Impact of SHGs on monthly income**

Monthly income	Before joining SHGs	After joining SHGs
No income	7(5.83)	----
Less than 500	18(15.0)	8(6.67)
500-750	56(46.67)	33(27.5)
750-1000	32(26.67)	55(45.83)
1000 and above	7(5.83)	24(20)
Total	120(100)	120(100)
Source: Primary Data		

Table 4.9 reveals that before joining SHGs 5.83 percent of the respondents had no income; 15 percent of the respondents earned an income below Rs 500; 46.67 percent of the respondents earned an income of Rs 500-750; 26.67 percent of the

respondents earned an income of Rs 750-1000 and 5.83 percent of them earned income above Rs 1000.

After joining SHGs no respondents is without income, 6.67 percent of them earn an income of less than Rs500; 27.5 percent earn an income of Rs 500-750 45; 83 percent earn

an income of Rs 750-1000 and the remaining 20 percent earn an income above Rs1000. This indicates the earning capacity of SHG members has increased after joining SHGs.

#### Impact of SHGs on employment

SHGs have involved in sheep, goat and cow rearing, a subsidiary occupation for majority of the rural population which provide a good scope for earning income compared to other EAs. Jasmine plantation, agricultural farming and brick kiln are seasonal activities; provide employment to 6 to 9 months a year. Activities like snacks preparation readymade garments, etc give regular employment of 20 days a month

#### Group savings and loans

Table 4.10 shows that SHGs are tool to promote rural savings and gainful employment and thereby reduce rural poverty considerably. The good practice of SHGs in the study area is repayment of loan in time. Since the re payments are regular and in time, it could be seen that economic activities of SHGs are quite success.

**Table 4.10 Group Performance of NGO-PREED - Madurai**

Group	Date of Organization	Total Members	Total Savings (Rs.)	Total Loans (Rs.)	Loan Amt Paid (Rs.)	Total Internal Loan Rs.	Int. loan Amt Paid (Rs.)	Bank
I	20.10.2006	16	96,000	11,45,000	Paid all	1,35,000	N.A	SBI Bank
II	30.01.2006	12	78,000	2,75,000	Paid all	1,71,900	14,560	SBI Bank
III	05.05.2006	14	84,000	6,50,000	Paid all	N.A	N.A	SBI Bank
IV	10.05.2009	14	19,600	2,60,000	64,200	N.A	N.A	Canara Bank
V	12.05.2006	20	70,000	4,80,000	2,30,000	70,000 (C.Y)	55,000	Canara Bank
VI	08.11.2006	14 - 10	37,800	2,40,000	74,000	37,000 (C.Y)	Paid all	Canara Bank
VII	2007	14	19,600	2,60,000	64,200	10,000	Paid all	Canara Bank
VIII	01.01.2008	12	48,000	3,60,000	96,000	2,20,000	1,88,000	Pandian Gramma Bank
IX	03.10.2008	17	52,700	3,60,000	1,01,650	1,96,000	2,14,914	Pandian Gramma Bank
X	01.12.2008	14	19,600	2,60,000	64,200	11,100 C.Y	6,600	Canara Bank

CY : Current Year

Source : Primary data

#### Findings of this Study

The group formation and all activities of SHGs till 2010 were successful and profitable. The Panchayat Level Federation (PLF) PREED, has got seed money Rs 10,000 and a subsidy of Rs 4 lakh and bought one Tractor and furniture in order to make infrastructure development and to support marketing activities. 20 SHGs still sustaining EA and become self-Sufficient. 98 percent repayments are made promptly and regularly. SHG member who involves in EA can earn a profit ranging from Rs 800 to 1700 per month after meeting all expenses .but in goat rearing a member can earn about Rs 13,000 per year. Family income and saving potentials have been increased and improved. They can get assure emplacement for 20 days a month except seasonal activities.

#### Failure

- Government support through Magalir thitam has dropped now.
- Attractive loan scheme of private MIF (Micro Finance Institution) make the SHGs member with over loading of debt than their capacity.
- EA funds are not properly spent on the projects.60 percent funds are spend for personal use due to consumerism.

**Suggestion**

Government may take proper control over private MIF so that people will not be cheated

**Conclusion**

Despite these limitation, SHGs scheme through NGOS is no doubt a successful one as about 50 percent women have got benefit and their all round personality have developed due to socio- economic up-liftment.

Hence there is a need for massive, support from government, civil society group, NGOS and the international community in this regard.

**References**

1. Rao and K.Geetanjali, "Self -Help Groups and Women Empowerment Velu Suresh Kuamr, A.Thaba Sahad and M.Karupiah, "SHGs: Micro Finance Strategy in Empowering Rural Women", *Southern Economist*, Vol.49, No.7, August 1, 2010. p.40.
2. K.Jothy and Sundar, "SHGS under the Women's Development Programme in Tamilnadu", *Social charge* Vol.32, No.3, September - December 2002.
3. E.Nagabhushana: A Case Study", Vol.49, no.6, July 15, 2010, p.12.
4. Husheni,s.RS Schuler and I Riley (1996)Rural Credit Programmes and Women Empowerment in Bangladesh ,World Development Report, Vol.24(4).
5. Komala K., K.V. Alyanna and Chikkarangaswamy, "SHG's as an Instrument for Women, Empowerment", *Southern Economist*, Vol.48, No.17, January 1, Santhos Kumar S. and R.Vasanthagopal, "Micro- Credit Dispensation Models and Employment Generation, *Southern Economist*, Vol.48, No.17, January1, 2010, p.10.
6. C.Gangaiah, B. Nagaraja c.Vasu Devlu Naidu, (2006) Impact Self-Helf Groups on Income and Employment, A Case Study, *Kurukshetra* March 2010,p.33.
7. Gupta M.L(2006) Econonic Empowerment of Women through SHGs Kurushetra, pp.23-26
8. Dwivedi Archana (2008)SHGs Credit Yojana Vol.52, pp.47-48
9. Swamy vigheshwara P.M (2006) Self Help Groups and Women Empowerment *Journal of Development And Social Change*, Vol.3 & 4
10. Tangirala H.S.K (2008) SHG is a tool of Economic Development of Cooperative and its Members The cooperatives Vol.45, No.7.