

SOCIO ECONOMIC STATUS OF WOMEN SELF HELP GROUPS IN COIMBATORE DISTRICT, TAMIL NADU

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Abstract

SHG-Bank Linkage Programme (SBLP) launched by NABARD way back in 1992 envisaging synthesis of formal financial system and informal sector has become a movement throughout the country. The objective of this study was to analyze the socio economic status of women SHGs in Coimbatore District. Field survey method was followed for this study. Both primary and secondary sources of data have been used for the study. Multi stage sampling technique was followed for this study. This study found that the SHGs have emerged as a popular and novel method of working based on the principle of 'by the people, for the people and of the people'. The attempt to marry microfinance with the cooperatives has created a 'win-win' situation both for the banks and the resource poor so that they are able to get access to the formal sources. This linkage was quite appreciable in the study area in bringing effective social impact and group cohesiveness.

Introduction

Microfinance has made tremendous strides in India over the years and it became a household name in view of the multi-pronged benefits from microfinance services to the poor in our country. Self Help Groups (SHGs) have become the common vehicle of development process including microfinance. SHG-Bank Linkage Programme (SBLP) launched by NABARD way back in 1992 envisaging synthesis of formal financial system and informal sector has become a movement throughout the country. With this, the formal financial institutions in India have ventured into microfinance in a massive way. It is considered as the largest community based on microfinance programme in terms of outreach in the world and many other countries are keen to replicate this model. This is also recognized as a part of priority sector lending and normal banking business by the Reserve Bank of India. As on 31 March 2022, the SHG - BLP programme had a total membership of about 119 lakh SHGs covering 14.2 crore households across India. During the year 2021-22 the number of SHGs increased by 6.70 lakh with a corresponding increase in the savings to R47,240.48 crore from R37,477.61 crore during the respective years.

The concept of SHG becomes a viable organized set up to disburse micro credit to the rural women and encourage them to enter into entrepreneurial activities. In order to facilitate smoother and meaningful banking with the poor, a modest pilot project for providing micro credit by linking SHGs with banks was launched by NABARD in 1991-92.

Tamil Nadu is ranked 12th in the country, after Jammu and Kashmir, in SHG – Credit linkage programme. Wider network of NGOs, encouraging support of banks and Government Agencies etc. contributed to the expansion of the movement in the State. Regular thrift, maintenance of books of accounts, internal lending and prompt repayment are the major factors which determined the efficient functioning of the groups and enhanced the credit absorption capacity. The concept

of SHG becomes a viable organized set up to disburse micro credit to the rural women and encourage them to enter into entrepreneurial activities. NABARD's mission under SHG - Bank linkage programme aimed at the economic empowerment of the rural poor by improving their access to the formal credit system through various credit innovations in a cost effective and sustainable manner (Balasaheb Vikhe Patil, 2005). As on 31 March 2022, the SHG - BLP programme had a total membership of about 119 lakh SHGs covering 14.2 crore households across India. During the year 2021-22 the number of SHGs increased by 6.70 lakh (as opposed to 9.80 lakh in FY 2020-21) with a corresponding increase in the savings to R47,240.48 crore from R37,477.61 crore during the respective years. During 2021-22, a sum of Rs.677205.04 lakh has been disbursed to 1,56,569 Self Help Groups.

The role of lending agencies to SHGs made a vital part in enhancing the services, standard of living and the socio-economic members of the SHGs. In competitive scenario with many formal and informal organizations, they have to keep the positions, fulfill the needs of members and enhance them economically and in other ways. Among the various organizations, the cooperative organizations, particularly the PACCSs play a vital role through the financial assistance and in various methods to the SHGs for uplifting the downtrodden. With this background, it is important to explore: How the SHGs are functioning? What are the various types of assistances given to the SHGs? Is there any development in the economic status of members before and after joining in groups? Therefore, to assess the real picture at the micro level, an empirical research study is needed to analyse the socio-economic status of women SHGs in Coimbatore District.

Review of Literature

1. Choudary and Chitra (2012) carried out a case study of Kancheepuram District in Tamilnadu with regards to Women Empowerment through Self Help Groups. The aim of the study was to analyze the operating efficiency of SHGs. As a result of location-specific factors, the researcher selected 10 SHGs from each of the five blocks of the district—Kancheepuram, Sriperambadur, Tambaram, Chengalpattu, and Madurantakam—where the study was conducted. In total, 49 SHGs totaling 800 members were included in the study. Field observation and structured questionnaire survey approaches were used to collect and obtain primary data. The study demonstrates that the SHG's organisational effectiveness and group dynamics differ among blocks. This may be due to a number of things, including the circumstances surrounding the founding of the SHG, internal issues, the promoters' backing, strong leadership, etc.

2. Thangamani and Muthuselvi (2013) investigated the Women Empowerment through Self-help Groups with special reference to Mettupalayam Taluk in Coimbatore District. The study's objective was to examine the participants of the self-help groups' spending, saving, and earning patterns. The respondents, who number roughly 200, are chosen using a convenient sampling technique. In order to analyze the data in accordance with the study's aims, both primary and secondary sources were utilized. With the help of an interview schedule, primary data were gathered. Websites and specialized books were

used to acquire secondary data. For the analysis, simple frequency tables and charts were created. The study's findings indicate that the socioeconomic element has changed as a result of joining self-help groups and that saving is increasing at an earlier stage of life, with a majority of respondents (39%) believing that joining self-help groups can help one's savings grow.

3. Saravanan (2016) studied the Impact of Self-help groups on the Socio-Economic Development of Rural Household women in Tamilnadu. The study sought to expand employment opportunities while reducing rural poverty. Primary data sources for the current paper are secondary sources. The current study is on the movement and impact of Tamil Nadu self-help groups. According to the study, low-cost rural lending programmes like microfinancing SHGs were created to give the impoverished in rural areas access to sufficient funding. In addition to helping the underprivileged rise economically, socially, intellectually, and attitudinally, microfinance through SHG has turned into a stepping stone for them to do so as well as a means of assisting them in escaping the grasp of predatory lenders. Rural impoverished people now have the opportunity to work for themselves thanks to the introduction of SHG.

4. Siddeswari et al. (2020) researched the manifest changes through self-help groups among women entrepreneurs in Andhra Pradesh. The study sought to understand how women entrepreneurs changed after joining SHGs. It was deliberate to choose Andhra Pradesh. According to the highest density of SHGs, one district from each of the three state areas of Chittoor, East Godavari, and Srikakulam was specifically chosen. 240 female entrepreneurs made up the study's sample through the use of a straightforward random sampling process. The researchers come to the conclusion that SHGs had a significant impact on women entrepreneurs through their entrepreneurial activities, such as annual income, productive working days, monthly savings, monthly expenditure, debt status, employment generation, prevalence of bonded labour, dependency on local informal money lenders, social status, type of house, domestic assets, mode of transportation, skills in paraprofessional work, and awareness of institutional financial transaction.

5. Naik and Rodrigues (2018) examined the Role of SHG Towards Self Employment and Development of Entrepreneurship Skill. The study's objective was to evaluate how SHGs affected members' ability to become entrepreneurs. A random sample of 300 SHG members who are women is chosen for the study. A systematic questionnaire and interviews with randomly chosen respondents are used to gather the primary data. According to the study, women's skill development through training programmes has raised their knowledge among SHG members. It is also apparent that women members have improved their management abilities, and their contribution to the family's income has increased along with their income.

6. Banerjee and Borhade (2016) studied the importance of training programmes and its impact on SHG members with special reference to Pune City. The study's main objective is to list the numerous training programmes that SHGs provide to its members. The current

study uses the survey method and is empirical in nature. Field observations and an interview schedule were used to get first-hand information. The disproportionate stratified random sample procedure was used to pick 155 respondents who completed the survey in full for this investigation. 75 of the 155 respondents are from commercial SHGs, and 80 are from government SHGs. According to the study's findings, SHGs have a high rate of training in tailoring (16.77%), embroidery (10.97%), beauty training (6.45%), candle and diya making (5.81%), production and sale of papad (5.16%), fashion designing (5.16%), production and sale of soap and detergent (4.52%), dairy (3.87%), bookkeeping and accounting (3.87%), and composite manure production and sale (5.16%).

7. Leelavathi and Murugesan (2020) investigated on employment and income generation opportunities among Self help Group of Krishnagiri District in Tamilnadu. Examining socioeconomic information, benefits, employment possibilities, and money generation of self-help groups in Krishnagiri district were among the objectives of the study. Out of the 200 questionnaires used for data collection, 184 respondents participated in the study as a sample, and they were selected using a convenience sampling method since they were available. Techniques for data analysis include descriptive and factor analyses. The results of the study show that 28% of the respondents are employed in the "agriculture" sector. The "Below 5 years" category in the SHG contains 34% of the replies. 36% of participants "agree" that their financial circumstances have improved. 39% of the respondents rate their agreement with the group's compensation as "highly agree" after receiving it.

8. Kumawat and Bansal(2018) aimed to study the problems faced by SHG Members in carryout the SHG activity in Udaipur district of Rajasthan. Ten groups in total were chosen from the Badgaon panchayat samiti. A sample of 130 respondents (100 SHG members and 30 non-members) who were chosen for the study were surveyed using an interviewing technique. According to the survey, women had difficulties receiving informational, technical, and financial support while trying to join a self-help group. Even though the ladies were eager to join a SHG, they were unable to do so because of a lack of support, leaving it vacant. As a result, the women saw these issues as serious ones.

9. Sharma, Thakur and Sing (2020) discussed the role of Self-help Group on Women Economic Empowerment. The aim was to study the role and impact of SHGs for economic development of tribal women's of Tribal area of MP. A systematic questionnaire is used to collect the pertinent data for this descriptive-cum-exploratory study, which predominantly relies on primary sources of information. This study is based on a sample of 400 female respondents from a chosen Madhya Pradesh tribal district. For the study, the districts of Dhar, Barawani, Jhabua, Chhindwara, and Khargone were used. Both tabular reports and descriptive statistics have been produced using it. There are a few statistical tests that are utilised, including mean, standard deviation, chi-square test, Wilcoxon signed rank test, SPSS, and ANOVA. The discussion comes to the conclusion that SHGs have a favourable effect on women's empowerment but a negative effect on local economic growth. Although

SHGs have raised indigenous women's awareness levels in many areas, the majority of them still lack basic financial literacy and knowledge of government programmes.

10. George and Priya (2021) studied the Socio-Economic Impact Study of Rural Women Self Help Groups in Methukummal Village in Tamilnadu. Analyzing the identity and potential for empowerment attained by rural women through SHG activities is the study's main goal. The research is a descriptive study based on primary sources. As instruments for gathering data, a questionnaire and an interview schedule were utilised. The study consists of roughly 50 samples that were chosen at random. According to the study, the majority of respondents—91.7%—said they felt empowered as a result of joining the self-help group. The self-help group's members have expressed how the group is assisting them in overcoming shyness, boosting confidence, realising their potential, overcoming obstacles, achieving financial stability, gaining prestige, developing a favourable reputation, and altering their social attitudes.

Objectives of the Study

To analyze the socio economic status of women SHGs in Coimbatore District

Methodology

Field survey method was followed for this study. Both primary and secondary sources of data have been used for the study. Secondary data were collected from various annual reports, audit reports, journals and other library sources.

Sampling Technique

Multi stage sampling technique was followed for the study. In the First Stage, Coimbatore district was purposively selected which consists of 11 taluks. In the second stage, one Primary Agricultural Cooperative Credit Society was purposively selected from each taluk which has higher number of SHGs linked. In the third stage, 25 women SHG borrowers from 11 taluks have been randomly selected from each PACCSs. Finally the sample size of the present study was 525.

Period Covered for the study

The present study covered a period for ten years i.e. 2015-16 to 2021-22 and the data from the respondents were elicited during the period from June 2022 to December 2022.

Result and Discussion

Impact of joining in SHGs

SHGs play a major role in transforming rural economy. Micro finance helps the rural poor to improve their life standard and fulfill their credit needs. SHGs are new innovation in the field of rural economic development, to finance the rural people and also to satisfy their credit needs. This in turn will help to transform the rural economy by way of improving the economic status of each and every individual member of the SHG in the rural areas apart from providing scope for women empowerment. Thus, SHGs play a major role in women empowerment, micro- finance through bank linkages in collaboration with NGOs and contribute to the upliftment of the rural economy

Table – 1
Impact of joining in SHGs – Changes in Assets, Income and Expenditure

Variables	N	Minimum	Maximum	Mean	S.D
Annual income of the family -Before joining	525	40000	181000	83725.7143	32008.30352
Annual income of the family -After joining	525	35000	195000	98005.7143	33081.12233
Total annual expenditure of family-Before joining	525	35000	98000	61523.8095	18972.10449
Total annual expenditure of family-After joining	525	15000	158000	57211.4286	30771.80017
Total movable assets of family-Before joining	525	15000	80000	38114.2857	18991.91988
Total movable assets of family-After joining	525	25000	95000	56390.4762	20389.10390
Total immovable assets of family-Before joining	525	15000	110000	54556.1905	32250.02492
Total immovable assets of family-After joining	525	25000	125000	67350.4762	34676.18781

The table indicates the impact of joining in SHGs. The results of descriptive statistics showed that mean Annual income of the family of the respondents have increased to Rs.98005.7143 after joining in SHGs whereas it stood at Rs.83725.7143 before joining in SHGs. At the same time, the annual family expenditure of the respondents have also decreased to Rs.57211.4286 with the SD of Rs.30771.80017 after joining in SHGs. Total movable and immovable assets of the respondents have also considerably increased after joining in SHGs. The group initiatives to approach the cooperative institutions have also contributed for the stabilization and growth of individual respondents and their respective groups.

KENDALLS COEFFICIENT OF CONCORDANCE

Kendall's Coefficient of concordance (W) was applied to find out the extent of similarity among the respondents in assigning the ranks to the given items. The value of W varies between 0 and 1. Higher the value of W higher will be the similarity among respondents in assigning the ranks. Lower the value indicates less agreement among the respondents higher the value indicates more agreement among the respondents. The Kendall's being 0.651 indicates that there is more similarity among the respondents in assigning the ranks.

Table –2
Reasons for joining in SHGs (Ranks)

S.No	Reasons for joining SHGs	Mean Rank
1	Income generation	1.57
2	Getting loan	1.87

3	Meeting unexpected expenses	3.65
4	Meeting household expenses	4.33
5	Compulsion of others	5.47
6	Improving the socio economic status	4.11

Kendall's Coefficient of Concordance

Kendall's W	.651
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Income generation (mean 1.57) was the first and foremost reason to join in SHGs. The second reasons for joining in SHGs was mainly for getting the loan which secured mean rank of 1.87. Meeting unexpected expenses, Improving the socio economic status, Meeting household expenses and Compulsion of others received the subsequent ranks.

Annual income of the family -Before and after joining SHGs

The following table gives the details of Annual income of the family before and after joining the SHG. The average annual income of the family before joining in SHGs stood at Rs.83725.71 which was increased to Rs.98005.71 after joining in SHGs. In order to find whether the Annual income of the family differed significantly before and after joining in SHGs, the following hypothesis was framed and tested.

Ho. There is no significant difference in the Annual income of the family before and after joining the SHG.

Table – 3

Annual income of the family -Before and after joining SHGs

Annual income of the family	Mean	S.D	No.
Before joining SHGs	83725.71	32008.30	525
After joining SHGs	98005.71	33081.12	525

Paired Sample t- Test

The paired t-test was applied to find whether the mean Annual income of the family differed significantly before and after joining SHG. The calculated t-test value stood at 30.552 which was greater than the table value of 2.585 at 1% level of significance. Since the calculated value was higher than the table value it was inferred that the mean Annual income of the family differed significantly before and after joining in SHGs. So, the Hypothesis was rejected.

T	df	Table value	Sig.
30.552	524	2.585	**

Annual expenditure of the family -Before and after joining SHGs

The following table gives the details of Annual expenditure of the family before and after joining in SHGs. The average annual income of the family before joining in SHGs stood at Rs.61523.81 which was reduced to Rs.57211.43 after joining in SHGs. In order to find whether the Annual expenditure of the family differed significantly before and after joining the SHG, the following hypothesis was framed and tested.

Ho. There is no significant difference in the Annual expenditure of the family before and after joining the SHG.

Table – 4

Annual expenditure of the family -Before and after joining SHGs

Total annual expenditure of family-	Mean	S.D	No.
Before joining	61523.81	18972.10	525
After joining	57211.43	30771.80	525

Paired Sample t- Test

T	Df	Table value	Sig.
5.252	524	2.585	**

The paired sample t-test was applied to find whether the mean Annual expenditure of the family differed significantly before and after joining SHG. The calculated t-test value stood at 5.252 which was greater than the table value of 2.585 at 1% level of significance. Since the calculated value was higher than the table value it was inferred that the mean Annual expenditure of the family differed significantly before and after joining the SHG. So, the Hypothesis was rejected.

Total movable assets of the family

The following table gives the details of total movable assets of the family before and after joining in SHGs. The average total movable assets of family before joining in SHGs stood at Rs.38114.29 which was increased to Rs.56390.48 after joining in SHGs. In order to find whether the total movable assets of family differed significantly before and after joining in SHGs, the following hypothesis was framed and tested.

Ho. There is no significant difference in the total movable assets of the family before and after joining the SHGs.

Table – 5

Total movable assets of the family -Before and after joining SHGs

Total movable assets of the family	Mean	S.D	No.
Before joining	38114.29	18991.92	525
After joining	56390.48	20389.10	525

Paired Sample t- Test

T	df	Table value	Sig.
47.189	524	2.585	**

The paired sample t-test was applied to find whether the mean total movable assets of the family differed significantly before and after joining in SHGs. The calculated t-test value stood at 47.189 which was greater than the table value of 2.585 at 1% level of significance. Since the calculated value was higher than the table value it was inferred that the mean total movable assets of the family differed significantly before and after joining the SHG. So, the Hypothesis was rejected.

Total immovable assets of the family

The following table gives the details of total immovable assets of the family before and after joining the SHG. The average total immovable assets of family before joining in SHGs stood at Rs.54556.19 which was increased to Rs.67350.48 after joining in SHGs. In order to find whether the total immovable assets of family differed significantly before and after joining in SHGs, the following hypothesis was framed and tested.

Table – 6

Total immovable assets of the family

Total immovable assets of family-	Mean	S.D	No.
Before joining	54556.19	32250.02	525
After joining	67350.48	34676.19	525

Paired Sample t- Test

T	Df	Table value	Sig.
52.230	524	2.585	**

The paired sample t-test was applied to find whether the mean total immovable assets of the family differed significantly before and after joining SHG. The calculated t-test value stood at 52.230 which was greater than the table value of 2.585 at 1% level of significance. Since the calculated value was higher than the table value it was inferred that the mean total immovable assets of the family differed significantly before and after joining the SHG. So, the Hypothesis was rejected.

Total savings of the family

The following table gives the details of total savings of the family before and after joining in SHGs. The average total savings of family before joining in SHGs stood at Rs.9169.05 which was increased to Rs.21610.48 after joining in SHGs. In order to find whether the total savings of family differed significantly before and after joining in SHGs, the following hypothesis was framed and tested.

Ho. There is no significant difference in the total savings of the family before and after joining the SHG.

Table – 7

Total savings of the family -Before and after joining SHGs

Total savings of the family	Mean	S.D	No.
Before joining	9169.05	9566.85	525
After joining	21610.48	20482.04	525

Paired Sample t- Test

T	df	Table value	Sig.
14.122	524	2.585	**

The paired sample t-test was applied to find whether the mean total savings assets of the family differed significantly before and after joining in SHGs. The calculated t-test value stood at 14.122 which was greater than the table value of 2.585 at 1% level of significance. Since the calculated value was higher than the table value it was inferred that the mean total savings of the family differed significantly before and after joining the SHG. So, the Hypothesis was rejected.

Conclusions

Indian economy is an agrarian economy. As the farm income is not sufficient to meet the basic requirements of families, which mainly depend on agriculture, farmers need more credit for rendering agricultural occupation and settling their debt burden due to the agricultural losses. This situation gradually makes them to rely on the informal sources to fulfill their additional credit requirements. Instead of individual lending, group lending approach is the best alternative for the institutional agencies to recover the loans and improve the income generation capacity of the customers. The SHGs have emerged as a popular and novel method of working based on the principle of 'by the people, for the people and of the people'. The attempt to marry microfinance with the cooperatives has created a 'win-win' situation both for the banks and the resource poor so that they are able to get access to the formal sources. This linkage was quite appreciable in the study area in bringing effective social impact and group cohesiveness. Increase in movable and immovable assets, maintenance of savings and loan from cooperatives for indulging in income generating activities are the major benefits derived from the respondents due to the SHG-bank linkage in the study areas.

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