

**IMPACT OF SELF HELP GROUPS ON SOCIAL,  
ECONOMICAL AND PSYCHOLOGICAL DEVELOPMENT OF  
WOMEN IN TIRUNELVELI URBAN AREA**

**A PROJECT PROPOSAL**

Submitted to

**IMPRESS**

**Indian Council of Social Science Research**

**Aruna Asaf Ali Marg**

**New Delhi- 110067**

**PROJECT DIRECTOR**

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**St. Xavier's College of Education (Autonomous)**

**(Re-accredited (3<sup>rd</sup> Cycle) at 'A' Grade by NAAC with CGPA: 3.67)**

**Palayamkottai, Tirunelveli**

**Tamilnadu, India-627002**

**November 2018**

  
**Principal**  
**St. Xavier's College of Education**  
**(Autonomous)**  
**Palayamkottai- 627002**



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HXCE/RES/PROP/IMPRESS/2018-2019/01

Date: 19.11.2018

To

**Impress**

Indian Council of Social Science Research

Aruna Asaf Ali Marg

New Delhi- 110067

Respected Sir,

Sub: Applying for Major Research Project on 'Impact of Self Help Groups on Social, Economical and Psychological Development of Women in Tirunelveli Urban Area'-reg.

Ref: Your advertisement in the website [www.icssr.org](http://www.icssr.org)

St. Xavier's College of Education established in 1950 has set its mark of excellence in the educational map of India. The college offers B.Ed, M.Ed, M.Phil and Ph.D in education. Being an autonomous institution since 2006, NAAC re-accredited our college with 'A' grade, CGPA of 3.67 for a period of five years from 2012-13. The college has produced 390 M.Phil and 111 Ph.D scholars in Education.

As per the information available in the website, I am applying for a major project titled 'Impact of Self Help Groups on Social, Economical and Psychological Development of Women in Tirunelveli Urban Area', Tamilnadu along with the necessary documents. The same has been uploaded in the website. Kindly accept and do the needful.

Thanking you

Encl

1. Personal Information
2. Biodata
3. Abstract of Project Completed
4. No objection Certificate
5. Proposal



Yours faithfully

*Thomas Alexander*

PRINCIPAL

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21/11/18  
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## **Abstract**

Self Help Group (SHG) enables the people below poverty line to build in their own organization in which they participate freely to attain self-reliance, self-sufficient, self-dependent, self-regulated and homogeneity for financial inclusive development. They develop the habit of savings and purchasing of assets for livelihood assurance. SHG women attain a unique status and identity in the heterogeneous society. These women gain strength to oppose harassment and deprivation laid on them. At the National Level there is the National Bank for Agriculture and Rural Development (NABARD) to organize the Agricultural Cooperatives. The women SHGs Development Fund would be used to address issues related to imbalances and state wise disparities in the SHG Bank Linkage programme with particular focus on women SHGs in backward regions identified in consultation with the Ministry of Rural Development where the progress of SHG Bank Linkage is slow. The main thrust of these credit programmes has been the provision of financial assistance to the poor at a concessional rate of interest coupled with capital subsidy to enable them to rise above the poverty line. In Tirunelveli district for the last 6 years Rs.1351.49 crore loans has been given to SHGs as Bank linkage programme. Though the SHGs were started in 1997 in Tamil Nadu, the concept penetrated down only in recent years. Now there is a greater amount of socio-economic emancipation among the members of the SHGs. Hence there is a need for evaluating the social and economic impact of the SHGs on their members. In Tirunelveli district the urban centers have more rural bias and the economic activities are more agro-based. Hence the SHGs have been formed for meeting the needs of industrial and agricultural activities. As on November **2008**, there were 3.78 lakh of SHGs in Tamil Nadu with a membership of 60.63 lakh. In Tirunelveli District there were 16,773 SHGs with a membership of 2, 69,014.

## **Introduction**

The status of women in India has come across tremendous changes over the past few decades. Women's history reformed through ages from ancient to medieval period to the promotion of equal rights in the present. Women are vital part of the Indian economy, both at the national and the household levels. They make one-third of the national labour force. Contrary to common perception, a large percentage of women in India are actively engaged in traditional and non-traditional work. Educated women are just on the threshold of transition from tradition to modernity. The traditional status and role sets of women are breaking up and new role sets based on achievement, independence and equality are gradually coming up. Women in India have the perfect blend of strength and tenderness. Women who now represent 48.2% of the population in India are getting access to education and then employment.

Indian women have held high authoritative offices in the political and social arena. However, women in India continue to face numerous undesirable cruelties like gender inequality, dowry, economic dependence and bias in all sectors while treated as second gender. To overcome all such inequalities and disparities, the central government has been initiating various schemes to promote their lifestyle.

Alleviation of poverty remains a major challenge before the government. Development is a multi-dimensional process that affects society in multiple ways. It is well documented that women's population does not have their share in the economy and other development spheres remain neglected. This large section of population have been facing economical disadvantages within the family and society. (Mishra, (2006))

India has 6, 38,345 villages and 24 crores of poor are engaged in micro enterprises. As per the Government of India's Ministry of Micro, Small and Medium Enterprises (MSES) Annual report of 2008-2009, there are 133.68 lakhs (in number) micro enterprises in India. Poverty in India is widespread with the nation estimated to have a one - third of the world's poor. Financial services are provided to the rural masses in general and to the poor in particular through the rural financial markets comprising an unorganized sector consisting of commission agents, moneylenders, landlords and the like and an organized sector consisting of pyramid type cooperative credit institution – broadly classified into urban credit cooperatives and rural credit cooperatives. The urban

credit cooperatives are also known as Urban Cooperative Banks. The urban cooperative banks aim at meeting the credit requirements of the people living in urban areas.

The rural credit cooperatives may be further divided into short-term credit cooperatives and long term credit cooperatives. With regard to short term cooperatives, at the grass-root level there are Primary Agricultural Credit Societies (PACS) dealing directly with the individual borrowers. At the central level (district level) District Central Cooperative Banks (DCCB) function as a link between the primary societies and State Cooperative Apex Banks (SCB). At the National Level there is the National Bank for Agriculture and Rural Development (NABARD) to organize the Agricultural Cooperatives. Also there is National Cooperative Union of India, as an apex institution at National Level.

The poor, however heavily depend on **unorganized sector** of credit like traders, landlords, moneylenders and the like. The unorganized credit sector has a number of advantages such as prompt supply of credit, no formalities, no security or collaterals with excellent recovery results. The dark side of the unorganized credit sector is limited credit supply and exorbitant interest rates. In order to enlarge the flow of credit to the hard-core poor, the NABARD launched a scheme of organizing them into self-help groups (SHGs) and linking the SHGs with banks, in 1992. Self help groups otherwise called mutual help, mutual aid or support groups, are groups of people especially women who provide mutual support for each other. Under the scheme, poor, preferably the women are organized in the SHGs and banks are financing these SHGs for lending money to those poor who are eligible for concessional refinance from the NABARD.

The women SHGs Development Fund would be used to address issues related to imbalances and state wise disparities in the SHG Bank Linkage programme with particular focus on women SHGs in backward regions identified in consultation with the Ministry of Rural Development where the progress of SHG Bank Linkage is slow. The main thrust of these credit programmes has been the provision of financial assistance to the poor at a concessional rate of interest coupled with capital subsidy to enable them to rise above the poverty line. However, the poor could not derive the intended benefits from the co-operatives mainly because the size of these societies was too large and people of diverse interests were grouped together. Economic and caste barriers were too strong for the people to work together as one cohesive unit.

The public sector and private sector banks have not encouraged the extension of credit to the weaker sections because of inadequate securities and overdue problems. Micro-credit through self-help groups is a novel scheme introduced by the Reserve Bank of India to cater to the needs of small traders and those engaged in small business. The micro-credit system provides for organisation of SHGs consisting of members with homogeneous economic interests. People with limited means join together as an informal group, approach the bank to raise loans individually and the security for the loans is given in the form of a collective guarantee. The banks are assured of getting back their principal amount with interest since the borrowed funds are being used for undertaking some small economic ventures. The economic bondage between the banker and the SHGs provides an opportunity for both the bankers and the SHG members to increase the scale of borrowing. Moreover, the members help one another in running their economic ventures successfully.

### **Background**

Agriculture is the main stay of Tirunelveli district. The district has diverse geographical and physical features such as lofty mountains, low plains, river cascades, sea coast, thick inland forest, sandy soils and fertile alluvium, a variety of flora and fauna, and protected wild life. The glory of Tirunelveli District is the pride of Tamils. The crawling clouds on the Western Ghats, the picturesque Pothigai hills and the Courtallam waterfalls are the special features, which make Tirunelveli unique. The city also goes by the name Nellai. The district is known for its paddy fields. The name 'Tiru-Nel-Veli' owes to a Hindu mythological story where Lord Shiva protected the paddy ('nel') by creating a fence ('veli'). The district is located in the southern part of Tamil Nadu and surrounded by Virudhunagar District on the North, Western Ghats on the West, Kanyakumari District on the South, Thoothukudi District on the East. The lifeline of the district river Tamiraparani feeds the district and quenches the thirst of the residents of Thoothukudi district too. As per 2001 Census, the total population of Tirunelveli District was 27, 23,988, which included 13, 90,049 (51%) as women population. There were 16,085 women SHGs and the number of women enrolled under the schemes are 2, 58,630 and they had saved Rs. 6684.25 lakhs up to March, 2008. Twenty one approved NGOs are functioning in this district to form and monitor the SHGs; they are Arumbergal Trust, Action Trust, Amarseva sangam, Aussi, BOWDA, CRT, CAST, CODE, CPE, CABARD, GSSS, Janapriya Trust, Malarchi Trust, RIP, RRO, TSSS, Silent Island, RVS, SCAD, SANDS

and SRSN. Women's empowerment has long been a central attribute of the partnership between International Fund for Agriculture Development (IFAD) and the Government of India. Key instruments for supporting women's empowerment are self-help groups, whereby 10-20 rural women from the same village, mostly poor women, come together to contribute weekly or monthly dues as savings and provide group loans to their members. The self-help group approach was not created by IFAD-supported operations, but IFAD has contributed to the mainstreaming of this approach in India and to financing programmes for promoting self-help groups in states such as Tamil Nadu and Maharashtra supported by the Women's Development Corporation, an arm of the State Government involved in supporting women's development. Self-help groups are generally facilitated by Non- Government Organizations (NGOs), and increasingly advise and train members in a variety of on- and off-farm income-generating activities. Indeed, in a number of recent projects, NGOs were substituted by trained facilitators and animators drawn from self-help groups.

#### **Tamilnadu Corporation for Development of Woman (TNCDW)**

The SHG movement has grown from strength to strength over the years bringing about substantial social change among women in the state. The immediate goal of TNCDW is to ensure that all poor women particularly widows, destitute and marginalised are included in SHGs. TNCDW's vision is to build strong and self reliant SHG federations at the Village Panchayat, Block and district levels. The Government of Tamil Nadu is implementing a special scheme called Tamil Nadu State Rural Livelihood Mission from the year 2012-13. The Mission activities are funded by Government of India and the State Government in the ratio of 60:40. The objectives of TNSRLM is to build strong and vibrant institutional platforms of the poor in the rural areas which enable them to increase their household incomes through livelihood enhancements and access to financial and other services. Under this scheme the target group comprises of poor and vulnerable section of the community. The target people are organized into active Community Based Organizations (CBOs) to provide sustainable livelihood opportunities.

#### **TNSRLM in Tirunelveli District**

TNSRLM Project is being implemented in all 425 panchayats of Tirunelveli district. Eradication of poverty is the main objective of the TNSRLM. Households with very poor, poor, differently abled and vulnerable people are identified through



PIP (Participatory Identification of Poor) exercise and importance is given to livelihood promotion under this project.

Totally 1,14,706 families have been identified as target families through PIP process. Village Poverty Reduction Committees (VPRC) have been formed in all 425 village panchayats. The VPRC's are being involved in the livelihood promotion activities of the target people families.

### **SELF HELP GROUPS**

Among 1,14,706 target families, 2728 number of self help groups and 951 number of special self help groups have been formed. Among this 2687 number of SHGs have been affiliated to PLF/VPRC. All these SHGs were given Animator/ Representatives and members training and also all these groups were credit rated and given revolving Fund.

All the 425 Panchayat Level Federations were restricted and registered under Societies registration Act. So far Rs.425 Lakhs has been given as Incentive fund to all the 425 PLFs. From this fund, the SHG members are provided loans for doing economic activities. PLFs are also motivated to obtain bulk loan from banks for promoting the livelihood activities of their SHG members.

15,514 differently abled persons and 16452 vulnerable families were identified in PIP process. So far Individual loan assistance has been provided to 8657 Differently abled persons and 8943 vulnerable families amounting to Rs.2640 lakhs. TNSRLM has taken up the task of focusing on SHG Bank Linkage programme for uplifting of poorest among poor to improve their livelihoods in order to lead better life. In Tirunelveli district for the last 6 years Rs.1351.49 crore loans has been given to SHGs as Bank linkage programme.

### **Review of Related Studies**

In order to understand the concept of self help groups and also to identify the areas already investigated, some of the important studies already undertaken and related to the objectives of the present study are mentioned.

In the study entitled "A Study on Women Self-Help Groups in Andhra Pradesh", by Mohana Rao (2000) concluded that SHGs showed a positive impact on the households of the members in respect of building of self-confidence and social development skill and formation and social empowerment of members.

Jothy and Sundar (2002) published a paper entitled “Self-Help Groups under the Women’s Development Programme in Tamil Nadu: Achievements, Bottlenecks and Recommendations” in “Social Change”. This paper profiles the self help groups under the women’s development programme in Tamil Nadu (Mahalir Thittam), on the basis of indicators relating to districts covered, growth of self-help groups and members, per cent of SC/ST members, growth of savings and growth of internal lending and internal rotation. The paper finds that the SHGs have played the positive role in development of women.

Ritu, Kushawaha and Srivastava (2003) in their work, “Socio-Economic Impact Through Self Help Groups”, examined the functioning of Self-Help Groups in Kanpur Dehat District. Twenty five women from Self-Help Groups were selected as sample for the study. Ten woman members from each self-help group and ten non-members from the same village were selected as respondents, to study the impact of the self-help groups on their socio-economic status. The results show that there is relationship between the self-help groups and the socio-economic status of women.

Venkatachalam and Jeyapragash (2004) in their work, “Self Help Groups in Dindigul District,” found that the total savings of the SHG members in Dindigul District amount to Rs.622.99 lakhs. The Sangha Loan sanctioned to its members is in tune of 4.3 times of savings. In words, the total amount of Sangha loan sanctioned is Rs.27.20 lakhs. The SHGs in Dindigul District have made a silent revolution for the economic empowerment of poor rural women.

Reddy (2005) in his work, “Self Help Groups: A Key Stone of Micro Finance in India”, analyse that micro finance has evolved over the past quarter century across India into various operating forms and to varying degree of success. One such form of micro finance has been the development of the Self-Help movement. The results from these Sell-Help Groups (SHGs) are promising and have become a focus of intense examinations as it is proving to be an effective method of poverty reduction.

In their paper entitled “Personal and Economic Empowerment in Rural Indian Women: A Self-Help Group Approach” published in “International Journal of Rural Management”, Tracey L. Moyle, et al (2006) examined the empowerment of women by addressing two dimensions: economic empowerment and personal empowerment. The quantitative data found that working women reported moderate to high levels on

collective efficacy, proactive attitude, self-esteem and self-efficacy with no significant reporting of psychological distress. In contrast, examination of the qualitative data revealed positive appraisals of self-worth, purpose and independence and negative appraisals of pressure, challenge and stress.

Tanmoyee Banerjee (Chatterjee) (2009) published on “Economic Impact of Self-Help Groups: A Case Study” in “Journal of Rural Development”. The paper makes an effort to estimate the impact of Self-Help Groups. It has been observed that income generation through group activities has improved the average income of group members but the inequality of distribution of income is high among the group members than that of the non-group members. Secondly, there has been a significant decline in the medical expenditure and school dropout rate in the families of group members than that of non-group members.

Kulgoud and Sonkamble (2010) has written a paper entitled “Self-Help Groups and Social Empowerment of Rural Women” in *Orient Journal of Law and Social Sciences* on Self-Help Groups and their impact on social empowerment of rural women. The study was conducted in Bagalkot Taluka in Karnataka covering 120 Office Bearers and 180 Members of Self-Help Groups. The paper concluded with the remarks that the rural women are becoming conscious of their rights and duties towards marriage and family.

Tripathy and Jain (2011) published a paper entitled “Income Impact of Micro-enterprise Finance: An Empirical Study on Government Initiatives in Rural India” in *International Journal of Rural Management*. This paper assesses the distributional implications of the world’s largest-ever government operated micro-finance programme and examines the suitability of the Self Help Group (SHG) –micro-enterprise framework towards effective income generation and poverty alleviation. The results highlight that the socially and economically forward regions are more likely to benefit from this programme. This has policy implications towards effective governance of government operated micro-finance initiatives in developing nations.

Sundaram (2012) writes on “Impact of Self-Help Group in Socio-economic Development of India” in *IOSR Journal of Humanities and Social Science*. The main aim of this paper is to examine the impact of Self help Group in Socio-economic development of India. The present status of Self-Help Group in India, impact of Self-Help

Group in India, Shortcomings of Self-Help Group in India, Suggestions to improve Self-Help Group in India are discussed and conclusion is given.

Tanmoyee Banerjee and Chandralekha Ghosh (2012) published a paper “What Factors Play a Role in Empowering Women? A Study of SHG Members from India” in “Gender, Technology and Development”. The study concluded that training significantly influences various dimensions of empowerment, and the trained group members are more likely to be both empowered as well as employed.

Ramakrishna, et al (2013) writes on “Performance of Self-Help Group-Bank Linkage Performance (SBLP) in India: An Analytical Study” in *Tactful Management Research Journal*“. The present study is based on secondary data source and considered as the powerful instrument for women empowerment and eradication of poverty. The SBLP has made an adventure in the economy by transforming the formal banking services to rural poor and needy people particularly women group. The study is concluded with remarkable findings and suggestion found during the review of earlier studies.

Reji (2013) published a paper entitled “Economic Empowerment of Women through Self-Help Groups in Kerala” in *International Journal of Marketing, Financial Services & Management Research*“. The Ministry of Rural Development has special components for women in its programmes and funds are —women component to ensure flow of adequate resources for the same. One of the major schemes implemented by the Ministry of Rural Development having women’s component is the SGSY.

Thangamani and Muthuselvi (2013) The Study reveals empowerment of women through Self Help Groups (SHGs) would lead to benefits not only to the individual women, but also for the family and community as a whole through collective action for development. Self Help Groups have linkages with NGOs (Non-Government Organizations) and banks to get finance for development.

Savitha and Rajsekar (2014) Self Help Group are playing important role in the process of financial inclusion of women empowerment, and addressed the poverty and social issues among the members. The study based on the personal, financial, marketing, and production oriented problems faced among the members and upliftment of members among the SHGs.

Kaur Simrenjit (2015) Self Help Groups (SHGs) are proved successful for the empowerment of rural women by way of their entrepreneurial development which had put

a major impact upon their social and economic life. For the achievement of the sustainable Entrepreneurial development among the members of the SHGs more need is to be given for the development and encouragement of SHGs.

Ajith, Satyanarayan, Jagadee swary, Rajeshwari Veeranna and Harisha (2017) in this study reveals Self Help Groups are the effective strategy for poverty alleviation, human development and social empowerment of poor, especially women in rural areas of our country. Socio-economic factor has been changed after joining the Self Help Groups. But the saving is increasing at earlier stage of life. It is the clear that by involving voluntary organizations in social mobilization and creating an enabling policy environment, micro financé can achieve a vast scale and can become a rational movement. The self-help group is important in re-strengthening and bringing together of the human race.

### **Identification of research gap**

The review of genesis and development of SHG reveals that existing formal financial institutions have failed to provide landless marginalized and disadvantaged group. Number of new policies pertaining to the improvement of economic status and societal status of the SHG members has to be implemented by the central government. Their behavioural transformation is to be studied on the basis of psychological variable measurement scores; therefore a direct individual interview schedule employed would full fill the requirements. Hence the present study is undertaken to study the Impact of Self Help Group on Social, Economical and Psychological Development of Women in Tirunelveli Urban Area.

### **Significance of the Study**

SHG formation is a social mobilization process which enables the poor to build their own organization in which they participate freely, fully and directly and take decision on all issues concerning poverty eradication, employment creation and income generation. The basic function of SHG is to be saving and thrift. The savings used to be as guarantee of loans for members. The purpose, amount, rate of interest etc. are to be decided by the groups itself with due maintenance of accounts. Any problems of the group are to be discussed thoroughly and decided amicably. The ultimate goal of SHG is to attain self-reliance, self-sufficient, self-dependant, self-regulated and homogeneity for financial inclusive development.

A SHG is composed of about 10-20 members. Each homogenous group meets monthly or weekly close to members home. At the designated meeting, all members save a commonly agreed amount. The group then lends these savings to its members, stores them in a cashbox, or deposits them in a group bank account in order to leverage a group loan. In cases of emergency or need, members can access a loan quickly from their group's fund. The basic philosophy lies in the fact that shortcomings and weaknesses at the individual level are overcome by the collective responsibility and security afforded by the formation of a group of such individuals. The collective coming together of individual members is also used for a number of purposes: education and awareness building, collective bargaining power and peer pressure, among others. As the group matures, income enhancement and entrepreneurial activities are initiated. These can be both individual as well as group activities. Groups also start connecting with other groups in the area and start the process of cluster formation, networking and federating, thus acquiring a larger status and becoming a larger pressure group operating in an enhanced sphere. The 11th Five Year Plan (2008-2012) talks of transforming SHGs to community based organizations which will enable them to operate on a bigger scale and truly come up as poor people's institutions. They would also be in a position to shift from micro credit to larger credit facilities offered by banking institutions and thus will come into their own as a formidable economic force. The 12th Five Year Plan (2012-17) focuses on federation of SHGs that became powerful units of economic empowerment enabling the poor to change the balance of power in the market that they participate in as both producers and consumers.

In India self-help groups (SHGs) are an integral part of the National Bank for Agriculture and Rural Development (NABARD) program for linking banks and SHGs. Nevertheless, they are generally not registered. Under Indian law, SHGs are only required to be registered (as a society, trust or cooperative) if they have more than 20 members. For this reason, many SHGs restrict their membership to 20 persons or less. The purpose around which an SHG is initially formed varies depending on the kind of program being implemented and the need for collective working. It varies from managing a collective resource to promoting a social cause. In the context of microfinance, SHGs are formed to foster savings and credit. A small group of individuals become members and pool their savings on a regular basis to form a collective fund. This fund is then rotated as credit amongst the members through a system of self-generated norms. Hence, the basis of the

SHG is the mutuality and trust in depositing individual savings in group funds. Once the initial trust is established, the incentive or motivation for a member is the access provided to financial services through the common pool fund, which is higher than the individual's own savings.

Though the SHGs were started in 1997 in Tamil Nadu, the concept penetrated down only in recent years. Now there is a greater amount of socio-economic emancipation among the members of the SHGs. Hence there is a need for evaluating the social and economic impact of the SHGs on their members. Among the various districts of Tamil Nadu, Tirunelveli District occupies a predominant position in the starting of the SHGs. In Tirunelveli district the urban centers have more rural bias and the economic activities are more agro-based. Hence the SHGs have been formed for meeting the needs of industrial and agricultural activities. As on November **2008**, there were 3.78 lakhs of SHGs in Tamil Nadu with a membership of 60.63 lakhs. In Tirunelveli District there were 16,773 SHGs with a membership of 2, 69,014.

### **Statement of the Problem**

Poverty and unemployment are the twin problems faced by the developing countries. According to the Planning Commission more than one third of India's total population i.e. 320 million live below the poverty line. Policy makers in India have realized the need for generating employment opportunities at a large scale to bring the teeming millions of its population above the poverty line. While the labour force in India is increasing in number every year, the number of unemployed is swelling and takes the form of huge backlog. As majority of the population (about 70 percent) live in rural area and many of them suffer owing to seasonal unemployment, underemployment and disguised unemployment, the Government brought out a number of schemes which aimed at generating employment. Looking at the poverty alleviation programmes over the years a clear shift is visible in the thinking of the development planners in the nature of employment to be generated. They realize the need for transition from income generation to self-employment and from self-employment to entrepreneurship development.

Credit is a crucial input process of development. During the developing period institutional financing agencies failed to a large extent, to meet the requirements (consumption and production) of the farmers. Some of the factors responsible for their failure are inadequate supply of credit, poor recovery, demand-supply gaps, interference

by politicians, lack of monitoring, mis-utilisation of credit, problems in identification of target groups, high transaction costs, and lags in time, natural calamities and competition from informal credit agencies.

Further, a review of the genesis and development of the SHGs in India reveals that the existing formal financial institutions have failed to provide finances to landless marginalized and disadvantaged groups. The origin of the SHGs could be traced to mutual aid in Indian village community. The Co-operatives are formal bodies whereas the SHGs are informal. The SHGs encourage savings and promote income-generating activities through small loans. The SHGs have reliability, stimulate savings and in the process help borrowers to come out of vicious circle of poverty.

In India, the financial institutions have not been able to reach the poor households particularly women in the unorganized sector. Structural rigidities and overheads led to high cost in advancing small loans. Experience in implementing different anti-poverty and other welfare programmes has shown that the key to success lies in starting appropriate community-based organizations with participation at the grass-root level. Moreover, the group approach may be one of the effective ways to reduce the difficulties of small businessmen and agriculturists. Motivating individual farmers, artisans and entrepreneurs to form small groups to pool their resources to handle selected operations may lead to a great success. Participation of people in credit delivery and recovery and linking of the formal credit institutions to borrowers through the SHGs have been recognized as a supplementary mechanism for providing credit support to the rural poor. The SHGs are informal groups formed on a voluntary basis, for providing the necessary support to their members for their social and economic emancipation. These groups are distinct from the co-operative societies, mainly in terms of their size, homogeneity and Performance. The Non-Governmental Organizations play an important role in preparing the members by changing their attitude to participate in-group activities.

The NABARD is a pioneer in conceptualizing and implementing the concept of the SHGs through the pilot project of linking the SHGs with the banks. The distinguishing feature of the SHGs is creating social and economic awareness among the members. The social awareness enables the members to lead their lives in a sound hygienic environment and pursue a better living. The woman members involve themselves more in taking decisions regarding the education of their children, the



investment of the family, managing the economic assets of the family and bringing up cohesion among the members of the family and others for a better living.

From the economic point of view both men and women work shoulder to shoulder to increase the income of the family. Every member of the SHGs has felt the need for more involvement in economic activities. The spirit for social and economic upliftment of members is the significant contribution of each and every SHG.

There is a general tendency to consider the SHGs as a panacea for all the ills of the rural community. This is evident from the mushroom growth of self help groups in the states and also in Tirunelveli District. In Tirunelveli District, in the year 1998, the number of SHGs formed was 821. But in the year 2008 it was 16,773. In many cases it has been a blind replication of success models without considering the intricacies involved in group formation and sustainability. Hence the present study is undertaken to study the impact of self help groups on social, economical and psychological development of women in Tirunelveli urban area. **The empirical findings of this study would pave the way for taking certain policy decisions for strengthening the SHGs and hence the study has been undertaken in Tirunelveli urban area.**

#### **TITLE OF THE STUDY**

**Impact of Self Help Groups on Social, Economical and Psychological Development of Women in Tirunelveli Urban Area.**

#### **Objectives of the Study**

The objectives of the present study are as follows:

- i. To trace the genesis and development of SHGs in Tirunelveli Corporation Area.
- ii. To evaluate the Achievements of the SHGs in Tirunelveli Corporation Area.
- iii. To analyze the changes in the social conditions of the members of the self-help groups
- iv. To measure the impact of the SHGs on the economic condition of the members
- v. To analyze the attitude of the members of the SHGs towards economic impact, social impact, psychological impact and political impact and

- vi. To Identify the Problems and to offer suggestions to improve the working of the SHGs for the National Development.

### **Scope of the Study**

The present study attempts to examine the socio-economic impact of the SHGs on the beneficiaries in terms of achievements. It examines how far the programme has helped in raising the income and level of living of the poor women and in enabling them to cross the poverty line. The present study is from the standpoint of the SHGs and their members.

In order to measure the Achievements of SHGs in Tirunelveli urban area, various factors such as homogeneity, regularity in conducting the meetings, regularity in attendance, role of NGOs in meetings, repayment function, decision on financial transactions, utilization of common fund, increased rate of savings, awareness of rules and regulations, and maintenance of accounts will be taken into account.

To assess the social impact of the SHGs on its members, first the socio-economic factors of the members will be studied. Then social issues like modernity, self-awareness, awareness of social evils, behavioral changes, change in education level, access to amenities, the pattern of using social media and political participation also will be discussed.

The economic impact of the SHGs on the members will be analyzed in terms of their level of savings, amount of borrowings, creation of assets, employment generation, income generation, poverty level and expenditure pattern.

The perception of the economical impact, social impact, psychological impact and political impact shaped by the SHGs will be analyzed with the help of a scaling technique.

### **HYPOTHESES**

With a view to analyzing the relationship between factors like tenure of existence, literacy level of the leader, size of membership of the groups and Achievements of the SHGs, the following null hypotheses were framed.

1. There is no significant difference in the Achievements of the SHGs and tenure of existence of the SHGs.

2. There is no significant difference in the Achievements of the SHGs and the literacy level of the leaders of the SHGs.
3. There is no significant difference in the Achievements of the SHGs and the size of the membership of the SHGs.

In order to analyze whether there is any significant difference in the social and the economic conditions of the members before joining the SHGs and afterwards, the following null hypotheses were framed.

1. There is no significant difference in the self-worth of the members before and after joining the SHGs
2. There is no significant difference in the communication skill of the members before and after joining the SHGs.
3. There is no significant difference in the reaction to the social evils of the members before and after joining the SHGs.
4. There is no significant difference in the behavioral changes of the members before and after joining the SHGs
5. There is no significant difference in the literacy level of the members before and after joining the SHGs.
6. There is no significant difference in the availing of amenities by members before and after joining the SHGs
7. There is no significant difference in the pattern of using Social Media before and after joining the SHGs
8. There is no significant difference in the political impact before and after joining the SHGs.
9. There is no significant difference in the economic conditions before and after joining the SHGs.

With a view to analyzing the association between the social factors and the attitude of the members towards economic, social, psychological, technological and political impact the following null hypotheses have been framed.

1. There is no significant difference in the perception scores of the different groups of members classified according to their age.

2. There is no significant difference in the perception scores of the different groups of members classified according to their occupational patterns.
3. There is no significant difference in the perception scores of the different groups of members classified according to their community.
4. There is no significant difference in the perception scores of the different groups of members classified according to their marital status.
5. There is no significant difference in the perception scores of the different groups classified according to their literacy level.

### **LIMITATIONS OF THE STUDY**

1. The study is limited to Tirunelveli Urban Area.
2. Only the SHG members, Tirunelveli corporation officials are taken for the study.
3. Only Interview schedule, Perception scales and Questionnaire are used for collecting data.

### **METHODOLOGY**

It is proposed to use qualitative and quantitative methods by conducting survey and interview for studying the problem

### **POPULATION FOR THE STUDY**

The Self-help Groups functioning in the Tirunelveli urban area and their members will be the population for the study.

### **SAMPLING TECHNIQUE**

For the selection of the sample, the investigators will approach the NGOs functioning under the Mahalir Thittam (Plan for Women), a Government sponsored programme. Under Mahalir Thittam in Tirunelveli District, 21 NGOs have developed women self-help groups in 55wards blocks. So there are 2310 self-help groups functioning in Tirunelveli urban limits. It is proposed to use random sampling with the help of lottery method for selecting the SHG and the members of the group. It is proposed to select 500 SHGs and 2500 members randomly for the study.

## **TOOLS PROPOSED TO USE FOR THE STUDY**

The variables used in the study will be identified during the discussions with the officials of the NABARD, the NGOs and a preliminary interview with the selected Self-Help Groups. The variables thus identified by the researcher will be operationalised. The draft tools will be circulated among a few experts for a critical review with regard to wording, format and sequences. The tools will be suitably redrafted in the light of their comments. The pilot study will be conducted for validating the tools. The tool for the SHGs will be given to the office bearers of the SHGs. The tools for the members of the SHGs will be given to 30 members. In the light of their comments the tools will be further modified. The following tools will be constructed and validated for the study.

1. A Questionnaire on the Achievements of Self-Help Groups in Tirunelveli Urban Area and Empowerment of Women
2. Interview schedule for self help group Members on economical and social empowerment of women
3. The perception Scale of the economical impact, social impact, psychological impact and political impact shaped by the SHGs
4. A Perception scale on the execution of government schemes to SHGs by the government officials.

### **Fieldwork and Collection of Data**

For the purpose of this research, and in order to achieve the objectives will be collected and will be used both primary and secondary data. The Project Director ,the project co-directors, Research Associate , Research Assistant and the Field Investigator with the help of the NGOs will carry out the fieldwork for this study. It will be undertaken for a period of six months. As stated earlier, the researcher will use four tools, one for the collection of data from the SHGs, the second and third tools for the collection of data from their members and the fourth tool for collecting data from Tirunelveli government officials managing the self-help groups. The completed tools will be checked and the omissions will be rectified on the spot.

### **Framework of Analysis**

The Achievements of the SHGs will be analyzed with the help of 12 indicators. They are Homogeneity ,Regularity in Conduct of Meetings, Regularity in Attendance,

NGOs Participation in Meetings , Repayment Achievements, Decision on Financial Transactions, Utilization of Common Fund Adequacy of Training, Share of Production Loan to Total Loan, Increased Rate of Savings, Awareness of Rules and Regulations and Maintenance of Book .The responses of the office bearers of the SHGs for every indicator will be quantified by computing mean and standard deviation and assign the rank. For assessing the impact of the SHGs, the comparison of the position before and after joining the SHGs will be made. The year 2008 – 2009 will be taken as the reference year. To study the social impact of the SHGs on their members, factors like the level of self-awareness, modernity, pattern of use of Social media ,the behavioural changes and the participation in social life will be taken been taken into account.

### **STATISTICS PROPOSED TO USE FOR THE STUDY**

1. With a view of finding out whether there is any significant association in social conditions of members between the period before and the period after joining the SHGs, the MC Nemar Test and the Sign Test will be used.
2. To study the economic impact of the SHGs on their members and factors like value of assets possessed, level of income earned by members, expenditure pattern of members and level of savings by members before and after becoming members of the SHGs will be considered. Here Kruskal Wallis Rank Sum Test will be used.
3. The proportion of member households that crossed the poverty line due to their association with the SHGs will be estimated. The income will be taken as the cut-off level for the reference period 2017-2018.
4. In order to analyze the perception of members on the impact from the SHGs, they will be asked to respond to the selected statements starting from “Strongly Agree” (5) to “Strongly Disagree” (1). These statements will be grouped under the following five categories:

Economic Impact, Social Impact, Psychological Impact, Technological Impact and Political Impact .The perception scores were classified into three groups:

- i) High Perception: Scores Above 60 in the T score
- ii) Moderate Perception: Scores Ranging From (40 to 60 in the T score)

- iii) Low Perception: Scores Less Than 40 in the T scores. Where  $T = 50 + (\text{Raw Score} - \text{Mean}) / \text{SD}$ . Here Kolmogorv Smirnov test will be used.

### **PERIOD OF THE STUDY**

For the collection of secondary data, the functioning of the SHGs during the period from 2008-2009 to 2018-2019 (eleven years) would be taken for reference. The required primary data will be collected from the self help group members during the year 2018-2019.

### **SCHEME OF THE REPORT**

The first chapter, “Introduction and Conceptual Frame Work”, will present the introduction, concept of SHG, characteristics of SHGs, formation and development of SHGs, role of the NABARD, role of the NGOs and the progress of the SHGs in International, in India, in Tamil Nadu and in the study area ,statement of the problem, objectives of the study, hypotheses, scope of the study, methodology, period of the study, framework of analysis, limitations of the study and scheme of the report.

The second chapter, “Review of Related Studies”, will present review of previous studies on Self-help groups.

The third chapter, “Methodology”, will furnish the method used, population sample, tools and statistics used for the study

The fourth chapter, “Achievements of the SHGs in Tirunelveli Corporation”, will furnish the profile of the sample SHGs and the factors influencing their Achievements in Tirunelveli Corporation. The fourth chapter, “Social Impact on Members of SHG”, will highlight the impact of the SHGs on the social conditions of the members. It will explain the self-awareness, behavioural changes, access to facilities and political participation.

The fifth chapter, “The Economic Impact on the Members of the SHGs”, will deal with the impact of the SHGs on the economic conditions of the members. It highlights the economic impact in terms of changes in asset value, savings, borrowings, impact on income generation, poverty alleviation and employment generation.

The sixth chapter, “Perception of Members on the Impact of the SHGs”, will give the opinions of the members on the impact of the SHGs. The details such as measures of perception, extent of perception, ranking of various impact and relationship between personal variables and various impacts will be given in this chapter.

The final chapter will present the summary of the findings; problems faced by the Self-Help Groups and offer various suggestions for the successful implementation of the SHG concept.

### **IMPLICATIONS OF THE STUDY**

The main aim in this study is to address that the functioning of Self Help Groups provides women empowerment and the improvement of mind and overall development as an individual in Tirunelveli urban area. Accordingly, the first major practical contribution of the present research is that it provides much needed empirical data on the actual jobs of SHG trust women, their mundane preoccupations, what they do most of the time and with what in mind. The study would find the achievement of the SHGs for the eleven years of existence with the help of 12 indicators. They are Homogeneity, Regularity in Conduct of Meetings, Regularity in Attendance, NGOs Participation in Meetings, Repayment Achievements, Decision on Financial Transactions, Utilization of Common Fund Adequacy of Training, Share of Production Loan to Total Loan, Increased Rate of Savings, Awareness of Rules and Regulations and Maintenance of Book .The suggestions will be given to the government for the effective function of the SHGs in Tirunelveli District, Tamilnadu.

The study would endorse findings related to social impact that accelerates women in various aspects such as social responsibility, capacity to protest against social evils, societal status, awareness on cleanliness, authority of decision-making on important matters, awareness about health and knowledge of banking operations. The findings with regard to economical impact will be helpful for the women to improve their economic conditions, to increase savings, value of assets, amount of borrowing and amount of expenditure, rise in income, improving savings habit and provision of employment opportunities. The psychological impact constitutes improving self-confidence, awareness on self-reliance, improving literacy, inter-personal skills, leadership skills and communication skills. All these aspects pave way for women to become societal achievers.



### TIME BUDGETING

S.No.	Particulars	Time Required
1	Preparatory work, including selection and appointment of staff and their training	2 months
2	Pilot Study	15 days
3	Drawing of Sample	2 months
4	Tools construction & Validation (including their presentation and Printing)	1 month
5	Data Collection	6 months
6	Data processing (which should include coding, editing, punching, verification, sorting, computer analysis)	1 month
7	Data analysis	1 month
8	Report writing	3 months
9	Report printing	1 month
10	Report Binding	15 days
<b>Total</b>		<b>18 months</b>

**Project Duration:** 18 months

### COST ESTIMATE ABSTRACT

Heads of Expenditure	Number	Months	Rate/Month (Rs)	Amount (Rs)
1. Research Staff				6,75,000
(a) Research Associate	1	18	18,000	3,24,000
(b) Research Assistant	2	18	8000	2,88,000
(c) Field Investigator	3	6	3500	63,000
2. Field Work	NA	NA	NA	4,50,000

Heads of Expenditure	Number	Months	Rate/Month (Rs)	Amount (Rs)
3. Equipment and Study Material	NA	NA	NA	1,50,000
4. Contingency	NA	NA	NA	75,000
5. Workshops/Seminars as part of the Study	NA	NA	NA	75,000
<b>Sub-Total (Rs)</b>				14,25,000
6. Institutional overheads	NA	NA	NA	75,000
<b>Total (Rs)</b>				15,00,000

Specifications are given in the following tables

1. Research Staff

S.No.	Personnel Position	No. of Persons	Salary (Fixed Consolidated)	Duration	Amount Required
1	Research Associate	1	18000	18 months	Rs.3,24,000
2	Research Assistant	2	16000	18 months	Rs.2,88,000
3	Field Investigator	3	10500	6 months	Rs.63,000
<b>Total</b>					<b>Rs.6,75,000</b>

2. Field Work

(i) Travel

S.No.	Particulars of Visit	No. of Times	TA	DA	Total Amount Required
1	To visit the 500 SHGs for studying the Achievements by observations	55	110000	60000	170000
2	To visit 500 SHGs for collecting the data	55	110000	60000	170000
3	To attend the meetings and submitting the quarterly report in the Head office	15	40,000	10000	50,000
4	To Visit the offices of DRDA Mahalir thittam etc	10	20,000	10000	30,000
<b>Total</b>					<b>Rs.4,20,000</b>

**(ii) Books/Journals**

S.No.	Particulars	Number	Amount required (Rs.)
1	Books on SHGs	5	3000
2	Books on Research Methodology	2	1000
3	Books contains reports of commissions	2	3000
4	Books for Statistical Analysis	2	1000
5	Journals on Self Employment	5	2000
<b>Total</b>			<b>Rs.10000</b>

**(iii) Boarding**

S.No.	Number of Places	Number of visits	Amount Required in Rs.
1.	15 (Town Panchayats beyond 80 kms)	2	20,000
<b>Total</b>			<b>Rs.20,000</b>

**4. Equipment and Study Materials**

S.No.	Particulars	Amount required (Rs.)
1	Computer	45000
2	Printer	15000
3	Source material	10000
4	Consultation with experts for draft tools	10000
5	Tabulation of the data for Master Matrix	15000
6	To feed the data to the computer	20000
7	Software and Data Sets	20000
7	Data Analysis	15000
<b>Total</b>		<b>Rs.1,50,000</b>

## 6. Contingency

S.No.	Particulars	Amount Required (Rs.)
1	Stationery, Pen drives, Ink, Sketches, Rubbers, covers, papers, pens, pencils, postage, files etc.,	10000
2	Camera and Photographs	20000
3	Telephonic charges	3000
4	Binding of synopsis of the project	2000
5	Binding of Thesis of the project	3000
6	Printing of Draft tools	2000
7	Printing of Final tools	9000
8	Printing of Draft Project Report	2000
9	Printing of Final Project Report	10,000
10	Binding of synopsis of the project	2000
11.	Electricity expenses	10000
12.	Fuel charges	2000
<b>Total</b>		<b>Rs.75,000</b>

7. Seminar Rs.75,000

8. Institutional Over Heads Rs.75,000

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**Total Rs. 15, 00,000**

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