

## **Problems of Women Self Help Groups in Cuddalore District**

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### **Abstract**

Micro finance institutions have been promoted for providing finance to the poor under various poverty alleviation programmes. The aim of the present study is problems of self help groups in cuddalore district. This study covers both primary and secondary data. The primary data were collected from the 200 sample respondents with the help of questionnaire. Secondary data were collected through various journals, magazines report and website. These study statistically tools used for Percentage analysis, Friedman test (Rank Correlation), F-value. This study find out the problems of self help groups in supervising problems, product, marketing, arrange finance, training. It suggested that Training programmes are being conducted to the animators, representatives and members to improve the cohesiveness and solidarity among the members in the group. It concluded that the study marketing of product and non availability of raw materials are the major problems of self help groups. It is right time for government to take effective step to sort out the problems to self help group movement.

**Key words:** self help group problems, training, and finance

### **Introduction**

The growing problem of poverty has promoted economic planners to come up with various programmes that can help in combating it. While most of these programmes have failed to deliver the expected results, certain innovative efforts hold out fresh hopes. One of such efforts is the formation of self- help groups for enabling the poor to participate in the process at development. It would be more useful to adopt the approach of group development. Poor women do not have enough capital to take up any business enterprise on an individual basis. In India several micro finance institutions have been promoted for providing micro finance to the poor under various poverty alleviation programmes.

### **Meaning of Self - Help Groups**

A self help group is a voluntary association of persons with common interest, formed democratically without any political affiliation. The main objective of the group is to improve economic and social status of its members with special focus on thrift and credit management. Although un registered the group would function within the framework of an informal set of bylaws formulated by the members themselves. SHG may comprise of men, women young and old.

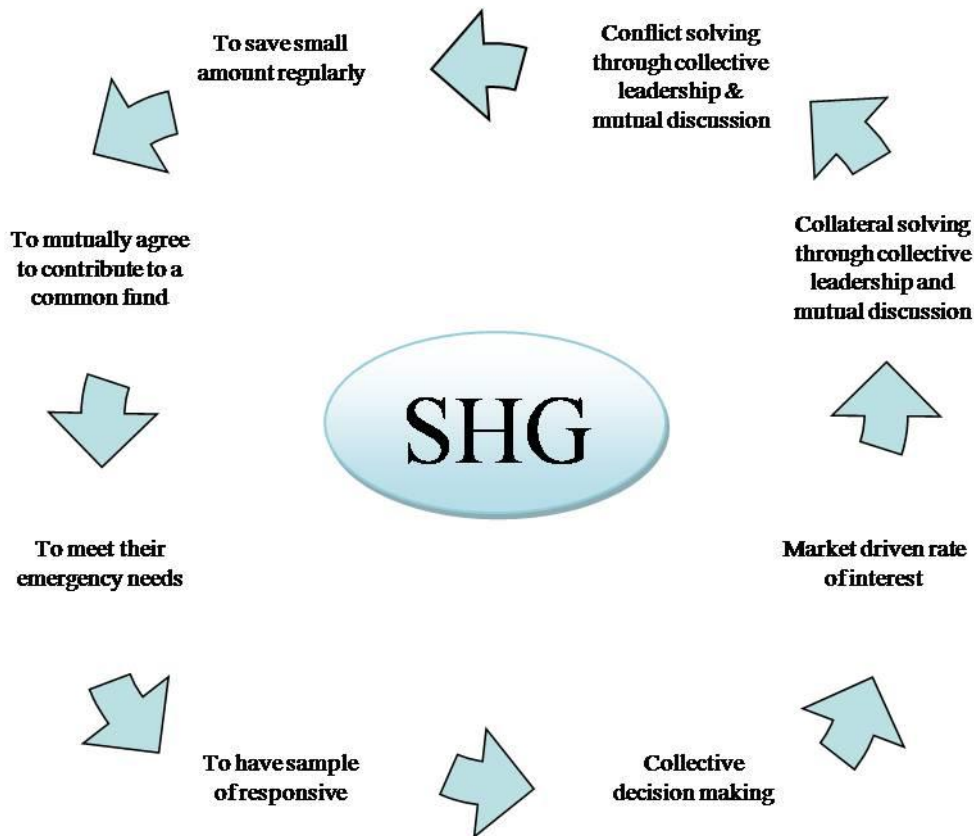
### **Concept of SHG**

A self help group (SHG) is a small economically homogenous and affinity group of rural poor generally not exceeding 20 members voluntarily coming together.

- To save small amounts regularly.
- To mutually agree to contribute to a common fund.
- To meet their emergency needs on mutual help basis.

- To have collective decision making.
- To solve conflicts through collective leadership and mutual discussion.
- To provide collateral free loans with terms decided by the group at market given rates.

### What is Self- Help- Groups?



### SHG in Tamil Nadu

The success of SEWA of Ahmadabad, my data of my sore and several other experiences in other parts of the country, has attracted many states for replicating the strategy. It has been widely accepted that the programme. If taken up and implemented in the right direction would be very effective in poverty eradication and women empowerment – Self Help Groups in Tamilnadu have made significant strides in this field earlier efforts made by some NGOs were confined mostly to a few areas or remained rather scattered, making the concept relatively unknown and non-replicable.

Non-government organizations also intervened in this area. In Tamilnadu NGOs have been identified as the best promotional agency because of their long experience in working with local people. SMSSS on NGO at Pudukkottai districts is playing an effective role and its contribution towards nurturing and making women groups self-reliant. NGOs under the guidance of NABARD have also promoted groups in Tamilnadu.

### 1.6 Definition of Micro Finance

Micro finance means providing very poor families with very small loans (micro credit) to help them engage in productive activities or grow their tiny businesses. Overtime micro finance has come to conclude a broader range of service (credit, saving, insurance etc) as it has realized that the poor very poor who

lack access to traditional formal financial institutions require variety of financial products.

### Review of Literature

**Chidambaranatham, M. (2007)**, stated that most micro finance programmers in the country are currently delivered through women's self help groups (SHGs) constituted at 15 to 20 women who come together to save their money. Extend small loans from it and access additional loans from the formal banking sector or NGOs/ micro finance organization.

**Dr.C.Rangarajan (2006)** in his topic "Microfinance and its future directions" in the introductory part of the book, outline the evolution of SHG through microfinance evolve through in three stages. First, to meet survival requirement need, in the second stage is to meet the subsistence level through investing in traditional activities and in the final stage by setting up of enterprises for sustainable income generation. Micro Finance Programs for women are currently promoted not only as a strategy for empowerment.

**Bibbu Dutt Padhi (2003)**, in his study on maintaining Micro Finance has pointed out that NGO's have a crucial role in group formation, nurturing SHGs in pre-micro enterprise stage, capacity building and enhancing credit absorption capacities. He mentioned that SHGs provided effective copying mechanisms and peer pressure acts as the best collateral. The author pointed out that high repayment rates of SHGs run through NGO's is not an inherent structural feature at SHGs but a commitment to group values.

**Anjugam et.al (2001)**, in their study on "impact of micro finance through self help group". A case study examined the economic, social, and institutional, impact of micro finance through self help groups in kodikulam village, Madurai district. The study revealed that the self help group helped them to use the loan properly. It has increased the awareness of members for girls education, improved outside contact and decision making skill. The study indicated that when the group formation was correct, then definitely there would be positive impact on all aspects.

**Sharma (2001)** opined that micro finance through SHG is significantly contributing to the development of the rural poor in terms of increase in income levels, assets, saving, borrowing capacity and income generating assets.

**Singh, V.K. (2001)** has observed that micro finance through SHGs is a better system for inculcating the habit of self. Help among the rural poor. The beneficiaries are involved in every aspect of financing from the very beginning owing to the belongingness to the funds. The recovery percentage is found to be 100% in all the seven SHGs. Members receive the finance whenever it is needed simply by providing an affidavit on three rupees stamp paper and security of two members. The SHGs provided loan to their members for purchase of animals, to start small business, to solemnize the marriage of their dependents, to meet the medical expenses of the family members, educational expenses, other social obligation etc. The members as well as the bank officials are of the opinion. That the members of SHGs could get loans in such magnitude and purpose for which banks cannot finance due to high operational cost.

### Objectives of the study

- ❖ To find out the demographic variables of self Help Groups in Pudukkottai area.
- ❖ To find out the source and usage of financial assistance provided to Self Help Groups.
- ❖ To analyze the problems of Self Help Groups in Pudukkottai district.

## Research Methodology

### Data Collection

This study covers both primary and secondary data. The primary data were collected from the sample respondents with the help of schedule method. Secondary data were collected through various journals, magazines report and website.

### Statistical Tools

A proper and suitable statistical tools has been used to analyses the date. The following are the statistical tools used in this study.

- Percentage analysis
- Friedman test (Rank Correlation)
- F-value

## Research and Discussion

**Table-1**

### Distribution of the sample according to age of the group

Sl.No	Age of the group	N	Percentage
1	Less than 1 years	61	30.5
2	1-3 years	52	26.0
3	3-5 years	56	28.0
4	Above 5 years	31	15.5
	Total	200	100.0

Table shows that out of 200 respondents selected for the present study, 61 (30.5%) of the respondents are the members in the SHG for less than 1 years, 52 (26.0%) of the respondents are 1-3 years, 56 (28.0%) of the respondents are 3-5 years and 31 (15.5%) of them are above 5 years. So, majority of the respondents are the members for less than 1 year in the Self help groups.

**Table-2**

### Distribution of the sample according to profession of the group

Sl.No	Professional of the group	Sample chosen	Percentage
1	Farm activity	125	62.5
2	Non-farm activity	75	37.5
	Total	200	100.0

Table 2 reveals that 125 (62.5%) of the respondents are involved in Farm activity and 75 (37.5%) of the respondents are involved in Non-farm activity. So, majority of the respondents are involved in Farm activity.

**Table-3**

**Distribution of the sample according to marital status**

Sl.No	Marital status	Sample chosen	Percentage
1	Married	118	59.0
2	Unmarried	32	16.0
3	Widow	36	18.0
4	Divorces	14	7.0
	Total	200	100.0

Table shows that out of 200 respondents selected for the present study, 118 (59.0%) of the respondents are married, 32 (16.0%) of the respondents are unmarried, 36 (18.0%) of the respondents are widow and 14 (7.0%) of them are Divorces. So, majority of the respondents are married.

**Table-4**

**Friedman test and Kendall’s co-efficient of concordance test results regarding the objectives of go to a job**

Factor	Mean Rank	Assigned rank
To increase family income	3.78	6
Self satisfaction	3.70	5
To make use of educations	3.25	1
To have a status	3.38	3
Personal security	3.25	2
Others	3.65	4
Chi square (df=5)	16.35	
Kendall W	0.024	
P	0.006	

Source: Primary sources

It is inferred from the above table, as per the raking given by the respondents for the expected objectives of go to a job ranked first which is followed by to make use of educations, personal security and to have a status.

According to the Friedman test results, the respondent’s ranking for expected objectives of go to a job are significantly different at 1% level of significance. Since the Kendall’s value (w) is moderate, it is inferred that the significantly different at 0.01 level (P<0.01).

**Table-5**

**Friedman test and Kendall’s co-efficient of concordance test results regarding the Tamilnadu women development organization is helpful**

Factor	Mean Rank	Assigned rank
Supervision	3.64	5
Escort service	3.38	2
Product selection	3.40	3
Marketing	3.19	1
Arrange finance	3.47	4
Training	3.93	6
Chi square (df=5)	18.99	
Kendall W	0.027	
P	0.002	

Source: Primary sources

It is exhibits from the above table, as per the raking given by the respondents for the expected Tamilnadu women development organization is helpful ranked first which is followed by Marketing, Escort service and Product selection.

According to the Friedman test results, the respondent’s rankings for expected Tamilnadu women development organization is helpful are significantly different at 1% level of significance. Since the Kendall’s value (w) is moderate, it is inferred that the significantly different at 0.01 level ( $P < 0.01$ ).

**Table-6**

**Showing the F-ratio for micro financial problems of women self help groups on the basis of their marital status**

S.No.	Marital status	N	Mean	S.D	Std error	F-value	LS
1.	Married	118	184.82	6.60	0.61	2.97	Significant
2.	Unmarried	32	183.97	6.87	1.22		
3.	Widow	36	185.28	4.74	0.79		
4.	Divorces	14	189.94	5.42	1.45		
	Total	200	185.06	6.34	0.45		

Ho: There is no significant difference in the micro financial problems of women self help groups on the basis of their marital status.

The above table inferred the F-value of micro financial problems of women self help groups on the basis of their marital status. The calculated F-value (2.97) is significant at 0.01 levels. Hence, the alternative hypothesis is accepted and null hypothesis is rejected. Therefore, Divorces respondents have high micro financial problems groups than other groups.

## Findings

The statistical application to the data collected brought out the following findings which the same have been given here as a brief summary:

- ❖ Result shows that 61 (30.5%) of the respondents are less than 1 years, 52 (26.0%) of the respondents are 1-3 years, 56 (28.0%) of the respondents are 3-5 years and 31 (15.5%) of them are above 5 years age of Self help groups. (table 1)
- ❖ Further result inferred that 125 (62.5%) of the respondents are Farm based activity and 75 (37.5%) of the respondents are Non-farm activity. (table 2)
- ❖ Analysis exhibits that 118 (59.0%) of the respondents are married, 32 (16.0%) of the respondents are unmarried, 36 (18.0%) of the respondents are widow and 14 (7.0%) of them are Divorces. (table 3)
- ❖ Further result inferred that respondent's ranking for expected objectives of go to a job are significantly different at 1% level of significance. Ranked first which is followed by to make use of educations, personal security and to have a status. (table 4)
- ❖ Further result exhibits that respondent's ranking for expected Tamilnadu women development organization is helpful are significantly different at 1% level of significance. Ranked first which is followed by Marketing, Escort service and Product selection. (table 5)
- ❖ Further result inferred that above table inferred the F-value of micro financial problems of women self help groups on the basis of their marital status. The calculated F-value (2.97) is significant at 0.01 levels. Hence, the alternative hypothesis is accepted and null hypothesis is rejected. Therefore, Divorces respondents have high micro financial problems groups than other groups. (table 6)

## Suggestions

Primitive and conservative nature of women is often shown as a block for entrepreneurship. However, successful entrepreneurs have witnessed tremendous change in their mentality and outlook. Their involvement in assessing the enterprise as a project and discussion with officials, other entrepreneurs, bankers, input-sources, marketing agents and dealers bring about a psychological revolution in the mind of women entrepreneur. Improved economic status of women has been a major focus of all development strategies, as it is an important indicator of empowerment of women. Women have slowly come out as vehicles of silent-socio-economic revolution. Improved economic growth of women attracts the respect from other members of the family thus elevating their status in the family.

## Remedies Taken to Overcome Problems and Issues

- ❖ Training programmes are being conducted to the animators, representatives and members to improve the cohesiveness and solidarity among the members in the group.
- ❖ By attending the evening weekly meetings the groups are guided to solve their problems, which arise in their groups.
- ❖ Entrepreneurship development programmes (EDP) are conducted by NGO's to promote the income generating programmes.

## Conclusion

The present study concluded that the study marketing of product, and non availability of raw materials are the major problems of self help groups. It is right time for government to take effective step to sort out the problems to self help group movement. By attending the evening weekly meetings the groups are guided

to solve their problems, which arise in their groups. Entrepreneurship development programmes (EDP) are conducted by NGO's to Promote the income generating programmes.

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- ❖ [www.ndltd.org](http://www.ndltd.org)