

**Socio-Economic Development of Self Help Groups in Namakkal District, in
Tamilnadu**

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Abstract

Self help group placed an essential role in social transformation and social economic betterment of rural women. The present paper is to analyze the role of SHG in developing socio economic development of rural women, and measure the impact of self-help group members in Namakkal district. This study has selected randomly 10 groups of Self help groups, where 50 members have been selected to collect the necessary primary data. Anova, chi-square test, regression and average method are used as statistical tools for analyzing the data and testing the hypothesis. This study finds that women self help group are doing different kinds of small business for earning money to improve their social and economical status. The government provides various financial schemes to improve their earning capacity as well as their social status. This paper concludes self help group is an important tool which helps the rural women to acquire power for their self supportive life and nation building efforts.

Keywords: Socio economic, self help groups, Building effort, Anova, Regression

Introduction

The self help group women occupy an important position in society. The development of status of women is considered as an important condition of social development. This condition varies from country to country, state to state and region to region depending upon their culture, power of adoption of modern changes and education. In India, women produce 30 per cent of food commodities consumed by the country but earn only 10 per cent of income and own just 10 per cent of the property or wealth of the country (Khan, 1996). The process of nation's economic development would be incomplete and lopsided unless women are fully involved in it. Hence, emancipation of women is an essential pre-requisite for economic development and social progress of the nation. The World Bank had given emphasis on necessity of Gender equality, i.e., equality of opportunity, equality of rewards for work, equality in access to human capital, equality under law and equality of voice (the ability to influence and contribute to the development process). Gender equality implies 'equivalence in life outcomes for women and men, recognizing their different needs and interests, and requiring a redistribution of power and resources. (World Bank, 2001). Thus non-form activities like handicrafts, rope making, embroidery, catering services, repair shops, soft drink stalls give immense scope for women.

Self - Help Group

A self- help group is a small voluntary association of poor people preferably from the same socio-economic background. They come together for the purpose of saving their common problems through self - help. The number of members in one SHG does not exceed 20 (Surender and Manoj Kumar, 2010). The group size is limited to 20 because any group larger than this would need to be registered under the India legal system.

Voluntarily coming together to save small amounts regularly. They mutually agree to contribute to a common fund and to meet their emergency needs on mutual help basis. The group member use collective wisdom and peer pressure to ensured proper end use of credit and timely repayment. Infect peer pressure had been recognized as an effective substitute for collaterals. An economically poor individual gains strength as part of a group besides financing through self help groups reduce transaction costs for both lenders and borrows while lenders have to handle only a single self help groups account intends of a large number of small sized individual accounts, borrowers as a part of a SHG cut down expenses on travel (to and from the branch and other places) for completing paper work and on the loss of workdays in canvassing for loans.

Review of Literature

Reji (2013) have pointed out that 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. The aim of the present study was assessing the effectiveness self help groups in the economic status of women. This study is analytical and descriptive in nature. Both primary and secondary data were used for the study 100 Self help groups are randomly selected and from each SHG 2 members interviewed. Thus a total number of 200 SHG members. The research data were analyzed and interpreted by using various statistical tools like percentage and Wilcoxon on signed ranks test. This study was concluded that it was found that the Self help groups are helping for the economic conditions of its members. It can be conclude that the self help groups are help full for the socio-economic status of women.

Sajeev and Thangavel (2012) have evaluated the socioeconomic developments of SHG in various districts in Kerala state using cluster analysis. The aim of the study include the regularity of the members in attending meetings and training, social and economic benefits gained by the members in personal level. In this paper introducing data mining method for easy and fast analysis based on clustering analysis using K-Means and Fuzzy C-Means, This study find that maximum number of Coolies is from Malapuram, Trivandrum and Calicut Districts more than half the group is coolies in all districts. Most of the SHG members have taken loans for educational purposes. It is a fact one of the major demands for loans within the Self Help Groups (Self help groups) is for meeting the education expenses of the children of the women members. This result concluded that that Government should take necessary steps to improve educational status of SHG members.

Pavithra and Narayana (2013) pointed out that the self help group is a small voluntary association of rural/urban people, preferably womenfolk from the same socio-economic background. The present study was to examine the socio-economic status of rural women has covered the entire Yalagiri (Vellore) District in Tamilnadu. A sample of 350 respondents was selected on the basis of Simple Random Method from the universe and Crombach’s Alpha criterion was applied to test the reliability. Interview method was also followed on self help group. The research focused on three aspects of development of women through self help group in Yalagiri (Vellore) District. The result tools were used for percentage analysis, compound analysis, and Bartlett’s test. This study concluded that signifies the economic relevance that is associated with the self help group and rural development. From the study, it is understood that the activities of self help group are considered more important for the upliftment of the rural self help group.

Objectives of the Study

- ❖ To evaluate the role of SHG in socio-economic status of rural women.
- ❖ To ascertain the impact of the Self help groups in Namakkal district.

Hypothesis:

Ho: There is no association between socio economic status and demographic profiles of self Help group members.

Ho: There is no significant between age and socio-economic status of self help group

Methodology:

The study is analytical based on both primary and secondary sources. Primary data were collected from with the help of well structured questionnaire; Secondary data is obtained from various published and unpublished records, books, journals and information given by the Mahalir thittam office Namakkal district. Multi stage purposive and random sampling has been adopted for the present study. At the first stage all the five taluks have been selected for the study. 10 women self help groups (WSHG) established in not less than 1year have been randomly selected from each taluk. 5 respondents who are member of the group for at least one year and taken at least one loan have been randomly selected from each group. This study percentage analysis, Anova, chi-square test and average method is used as statistical tools for analyzing the data and testing the hypothesis.

Analytical Framework

The present study is concerned with the socio economic profiles of the sample of self help group members in Namakkal district.

Respondents Based on Age

S.NO	Age	No.of respondents	Percentage (%)
1	Below 25	4	8
2	26-35	23	46
3	36-45	10	20
4	Above 45	13	26
	Total	50	100

Source: Primary Data computed

The above table reveals that 8% of the respondents are below 25, 46% of the Respondents 26-35, 20% of the respondents 36-45, and remaining 26% of the respondents above 25. So majority of the respondents are 26-35 years.

Respondents Based on Residential Area

S.NO	Residential Area	No.of respondents	Percentage (%)
1	Rural	38	76
2	Urban	12	24
3	Total	50	100

Source: Primary Data computed

The above table shows that 76% of the respondents are rural area, and remaining 24% of the respondent's urban area. So majority of the respondents are from rural areas.

Respondents Based on Religion

S.NO	Religion	No.of respondents	Percentage (%)
1	Hindu	36	72
2	Christian	6	12
3	Muslim	5	10
4	Others	3	6
	Total	50	100

Source: Primary Data computed

The above table found that 72% of the respondents are Hindu, 12% of the Respondents are Christian, 10% of the respondents are Muslim and remaining 6% of the respondents are others. So majority of the respondents are Hindu.

Respondents Based on Educational Qualification

S.NO	Educational Qualification	No.of respondents	Percentage (%)
1	Illiterate	11	22
2	Primary education	13	26
3	Up to SSLC	9	18
4	H.sc	10	20
5	Degree	7	14
	Total	50	100

Source: Primary Data computed

From the above table explain that 22% of the respondents are Illiterate, 26% of the Respondents are primary education, 18% of the respondents are Up to SSLC, 20% of the respondents are H.sc, and remaining 14% of the respondents are Degree. So majority of the respondents are Primary education.

Respondents Based on Family Size

S.NO	Family size	No.of respondents	Percentage (%)
1	1-2	16	32
2	3-4	12	24
3	5-6	18	36
4	7 and above	4	8
	Total	50	100

Source: Primary Data computed

The above table proves that 32% of the respondents are 1-2 family size, 24% of the Respondents are 3-4 family size, 36% of the respondents 5-6 family size, and remaining 8% of the respondents 7 and above. So majority of the respondents are 5-6 family size.

Respondents Based on Occupation

S.NO	Occupations	No.of respondents	Percentage (%)
1	Pickle preparation	5	10
2	Candle making	6	12
3	Food processing	16	32
4	Petty shop	5	10
5	Tailoring shop	13	26
6	Others	5	10
	Total	50	100

Source: Primary Data computed

The above table initiate that 10% of the respondents are Pickle preparation, 12% of the Respondents are candle making, 32% of the respondents are food processing, 10% of the respondents are petty shop, 26% of the respondents are tailoring shop, and remaining 10% of the respondents are others. So majority of the respondents are food processing.

Reliability Statistics	
Cronbach's Alpha	N of Items
.809	62

Survey Instrument Validity

The survey instrument was subsequently validated with appropriate reliability analysis comprising the computed value of Cron- Bach alpha noted that the alpha value for all the dimensions taken up in the survey instrument is found to be above the suggested value of (*Nunnaley, 1967*)

ANOVA

State the interest for the above loan					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.566	2	1.783	1.299	0.282
Within Groups	64.514	47	1.373		
Total	68.080	49			
Multiple Comparisons					
State the interest for the above loan					
(I) socio economic status	(J) socio economic status	Mean Difference (I-J)	Std. Error	Sig.	
Low	Medium	.857	.572	0.140	
	High	.800	.524	0.134	
Medium	Low	-.857	.572	0.140	
	High	-.057	.379	0.881	
High	Low	-.800	.524	0.134	
	Medium	.057	.379	0.881	

Independent Variable: Perceived Quality of work life; * significant at 5 percent level;

Source: Computed from primary data.

Interpretation:

The Socio-economic status between different Demographic profiles of self help group members. Such as age, educational qualification, monthly personal income, marital status among the self help group are defined in the hypothesis-1 taken up and its results are shown in table 2 as an outcome of one way ANOVA model conceptualized. From the results of this one way ANOVA model shown in table 1, it can be inferred that the F values of 1.299, 0.282 corresponding to each Demographic profile of self help group members are found to be not significant at 5 percent level. Hence, the hypothesis-1 is accepted at 5 percent level of significance.

Model		Un standardized Coefficients		Standardized Coefficients	T	F	Adjusted R Square
		B	Std. Error	Beta			
1	(Constant)	2.510	.667		3.763	2.479 *	0.108
	Age	.140	.138	.186	1.013		
	Educational qualification	-.037	.097	-.072	-.379		
	Occupation	-.140	.067	-.297	-2.092		
	Monthly income of the family through SHG	.077	.100	.107	.774		

Dependent Variable: socio economic status

Dependent Variable: Perceived Quality of work life;* significant at 5 percent level;

Source: Computed from primary data.

Interpretation:

The Socio economic status acceptance such as age, educational qualification, occupation, monthly income among self help group is defined in the hypothesis-2 taken up and its results are shown in table 2 as an outcome of regression model conceptualized. From the results, it can be inferred that the F value of 2.479 is found to be significant at 5 percent level and hence, the hypothesis 1 is rejected. These results suggest that the socio economic status depends on the age, educational qualification, occupation, Monthly income acceptance levels of the SHG members. Further, the adjusted R square value of 0.108 from the table-1 indicates that significant. Also, the “t” values of 3.763, 1.013,-.379, -2.092, .774 corresponding to all the dimensions of socio economic status acceptance are found to be having significant effects on the model conceived.

Cross tabulation					
Socio economic status				Total	
	Low	Medium	High		
Age	Below 25	0	3	0	3
	26-35	5	6	13	24
	36-45	0	3	7	10
	Above 45	1	2	10	13
Total		6	14	30	50
Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)		
Pearson Chi-Square	12.429 ^a	6	Significant at 5% level		
N of Valid Cases	50				
a. 8 cells (66.7%) have expected count less than 5. The minimum expected count is .36.					

* **Significant at 5 percent level; Source: Computed from primary data.**

Interpretation:

The kind of association that exist between socio economic status and their age group was defined in the hypothesis 3 taken up and its results are shown in table 3 as an outcome of Chi-Square analysis and corresponding cross tabulation. From the results shown, it can be inferred that the Chi-square value of 12.429 with 6 degree of freedom has been found to be significant at 5 percent level. Hence, the hypothesis is rejected and this establishes significant levels of association between socio-economic and their age group. Also, the corresponding cross tabulation established between the different levels of socio-economic and self help group members and their different levels of association can be identified between medium & good levels of socio economic status and medium & good. More specifically 65 percent employees highlighted with shaded pattern (6+14+30) in the cells of table 12 are categorized as the self help group members.

Findings

From the results of this one way ANOVA model shown in table 2, it can be inferred that the F values of 1.299, 0.282 corresponding to each Demographic profile of self help group members are found to be not significant at 5 percent level. Hence, the hypothesis-1 is accepted at 5 percent level of significant.

These results suggest that the socio economic status depends on the age, educational qualification, occupation, Monthly income acceptance levels of the SHG members. Further, the adjusted R square value of 0.108 from the table-1 indicates that significant. Also, the “t” values of 3.763, 1.013,-.379, -2.092, .774 corresponding to all the dimensions of socio economic status acceptance are found to be having significant effects on the model conceived.

The corresponding cross tabulation established between the different levels of socio-economic and self help group members and their different levels of association can be identified between medium & good levels of socio economic status and medium & good. More specifically 65 percent employees highlighted with shaded pattern (6+14+30) in the cells of categorized as the self help group members.

Suggestions

Women Self help groups are doing different kinds of small business for earning money to improve their social status. So the government provides various financial schemes to improve their earning capacity as well as their social status.

Self help group are facing lot of problems in the society in the aspects of to fulfill their individual needs, family financial commitments and low personal confidence, so to solve women SHG's problems that the government should facilitate new motivational training programmes for motivating and getting good status in the society.

The Micro finance institutions can further provide insurance and other such facilities to the successful self help group retail outlet facilities for products can give a big boost to the activities of self help groups.

NGO can insist upon rotation in leadership to improve the functioning of Self help groups

Conclusion

The self help group mechanism is theoretically a very sound concept and can surely lead to expansion in choices, opportunities, and autonomy. Since the study is concerned with women Self help groups suffers from lack of time, mobility, skills, literacy, education, health services, employment opportunities, Labour market and access to productive resources. The critical issues that were researched in the extent and ways to which the Self help groups have development of women who are members. The Self help groups have helped in raising the income and the levels of their living to enable them to cross the poverty line were by self help groups can lead to financial and social intermediation, employment generation, poverty alleviation human development, women development and rural development.

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