**CHAPTER I**

**EXECUTIVE SUMMARY**

**INTRODUCTION**

Poverty and unemployment are the two major problems of under developed countries, to which India is no exception. The union government has implemented various schemes to reduce poverty and promote gainful employment opportunities. But the most attractive scheme with less effort is the “Self Help Groups”. It is a toll to remove poverty and improve rural development. Self Help Groups (SHGs) can be defined as supportive, educational and usually change-oriented mutual aid group that addresses life problems or conditions commonly shared by all members.

 The concept of the SHG stands to underline the principal "for the people, by the people, and of the people". A self-help group is a small economically homogeneous and affinity group of rural poor women who voluntarily agree to contribute to a common fund to be lend to its members, as per the decision of the group which works for groups solidarity, self and group awareness, social and economic empowerment in the way of democratic functioning. The empowerment of women through self-help groups lead to benefits, not only to the individual women and women groups but also to the family and community as a whole through collective action for development. These groups have a common perception of need and an impulse towards collective action.

 SHGs play a major role in transforming rural economy. Micro-finance helps the rural poor to improve their living standard and fulfill their credit needs. SHGs are a 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 to improve the economic status of each and every individual member of the SHG in the rural areas. The effect of SHGs is often seen in the economic independence of the rural poor and especially among the rural women also. This economic independence is an effective tool for the rural poor to escape from the clutches of poverty. This is possible by setting up of sustainable income generation operation like micro-finance, agricultural-labor, artisan, food processing, petty-traders, trade, service sector, production and financial service. Though, the above said modalities of remuneration help the poor to get some income, they do not support the poor to complete the fulfillment of their need.

As per latest survey, 89% of rural population does not have any access to credit. This exclusion of the population warranted a new form of intermediary. Consequently, self-help groups emerged in India in this direction. Microfinance programme through SHGs has been effective in making positive social change to the group members. Rural sector is always remaining the main component of the development process of Indian economy. India has 6.40 lakh villages and its 72.2% of the population is living in rural areas. The emergence of SHGs has brought some hope regarding the finance and credit facilities to economically poor sections. SHGs are proving to be the most effective instruments for financial inclusion and also empower the poor. SHGs through the network of commercial banks, co-operative banks, regional rural banks, NABARD and NGO's has been largely supply driven and a recent approach in the provision of financial services to the poor. The SHG movement is a noble mission on the lines of the microfinance movement which originated in Bangladesh under the leadership of Noble Laureate Muhammad Yunus. The innovative concept, that has roots in Bangladesh, has touched every part of the globe. Today the SHG movement is increasingly accepted as an innovation in the field of rural credit in many developing countries including India to help the rural poor. It is considered a vehicle to reach the disadvantaged and marginalized section, which in the normal course cannot avail of credit facility from the banks

 SHG is a registered or unregistered voluntary association of poor people of 10-20, from the same socio-economic background, involving primarily in saving and credit activities. It can be all women members group, all men members group or even a mixed group. SHG are also popularly called as DWACRA groups after the programme i.e. development of women and children in rural areas40. However, over 90% of these are women members group. Savings, loans, loan repayments are taken care of at the group level. These groups are in turn linked to a financial or a micro-finance institution for sourcing of additional funds as well as depositing their savings41. Best examples of this type of technology are the Self-Help Group Bank Linkage Programme in India, the ProgrammeHubungan Bank Danksm (PHBK) project in Indonesia, and the Chikola groups of K-REP in Kenya (Satish 2005)

**CHAPTER II**

**PROBLEM STATEMENT**

**STATEMENT OF PROBLEM**

Self-Help Groups are informal associations of people who choose to come together to find ways to improve their living conditions. They help to build Social Capital among the poor, especially women. A study on role of self help groups in social-economic development in KUNNUMMAL Grama Panchayath. The most important functions of a Self-Help Groups are to encourage and motivate its members to save, to persuade them to make a collective plan for generation of additional income, and to act as a conduit for formal banking services to reach them. Such groups work as a collective guarantee system for members who propose to borrow from organized sources. Consequently, Self-Help Groups have emerged as the most effective mechanism for delivery of micro-finance services to the poor. The range of financial services may include products such as deposits, loans, money transfer and insurance. Self Help Group plays an important role in socio-economic development of rural area. Self Help Group arranges the training facilities to carry out certain kind of work, which are suitable to India. Government provides maximum support for its performance.SHG became more or less a part of the society. A study on SHG will enable us to know the role of members in socio-economic development of the countries, it also help us in locating the strength, weakness,opportunities and threats of this project and to give suggestions for improvement and remedial measures wherever necessary. Though there is a no more studies related to Self Help Group. Hence this study assumes greater importance.

**OBJECTIVES OF THE STUDY**

* To enumerate the various activities undertaken by the Self-Help Groups in Kunnummal Grama Panchayath.
* To examine the impact of microfinance programmes on employment and Income level of SHG members in Kunnummal Grama Panchayath
* To analyze the ability of SHGs to deal with risky situations faced by the households.
* To analyses the contribution of the Self-Help Groups to the Social, Economic, Political and Educational development of the masses in Kunnummal Grama Panchayath
* To understand the problems of SHGs and to provide alternate strategies to make SHGs effective.

**SCOPE OR IMPORTANCE OF THE STUDY**

The study was conducted with a special preference on Kunnummal Grama Panchayath. SHG provide great help to attain the overall empowerment of women and men. Further the study would highlight the role and importance of SHG. This study have also been made to find out the benefit attained after the implementation of Self Help Group and effectiveness made under this study. The study also surveys problem faced by the members of the group.

**RESEARCH METHODOLOGY**

 Specific objectives of the study as stated earlier require use of both primary and secondary data. Methods used for the collection and analysis of data are provided in this section. Specific tools of analysis and empirical models are also presented.

**SOURCE OF DATA**

 Survey method is employed to collect the data from the SHG members. The data used for the present study are primary in nature. So an interview schedule is prepared and applied on the basis of the objectives of the study. Secondary data were also collected for the study.

**Primary Data**

 The required primary data are collected from the selected respondents with the help of a comprehensive, pre-tested questionnaire through personal interview method. The data are collected over a period of 1 month. Special care has been taken to avoid bias and necessary cross checks that are applied to ensure the accuracy of data.

**Secondary Data**

 Secondary data were collected from the various sources like published thesis, journals, websites etc

**Sampling Design**

 The Kunnummal Grama Panchayath has been selected as the universe for this study for two reasons. First, the Panchayathas a large number of Self Help Groups. Secondly, the researcher is familiar with the area and so it is possible to get the co-operation of the officials and also respondents.

**DATA COLLECTION**

 The present study was based on primary data;the primary data were collected in the form of Questionnaire, from its members of SHG. The secondary data collected from website, journal, book,etc.

**TOOLS FOR ANALYSIS OF DATA**

 The various statistical tool used to conduct the study can be pointed as follows, simple percentage technique, diagrams, Ranking method, etc,

**OPERATIONAL DEFINITIONS**

SELF HELP GROUP

 Self Help Group are the voluntary organizations, perform for the socio-economic, cultural and educational development of the members and society.

**LIMITATIONS OF THE STUDY**

* The study is confined to 50 individuals, thus finding may have limited applications.
* A detailed study could not be carried out owing to the time limit.
* A comparative study with other areas could not be conducted due to time constraints.
* Prejudicial attitude of certain people to supply correct information.

**REVIEW OF LITERATURE**

**Puhazhendi and Satyasi (2000)** conducted a study to assess the impact of MicroFinance on the living conditions of the rural people. The study covered 560 household members in 223 SHGs spread over 11 States of the country. The study observed that the living conditions of the SHG members in terms of ownership of assets, savings mobilization, repayment rate, income generation etc. had been improved due to the intervention of the SHG-Bank Linkage Programme. The findings of the study showed that the average value of assets per household increased by 1.72 times during the post-SHG period. The average savings per household increased from Rs 460 in the pre SHG period by 214.0 per cent in the post SHG period. The study also revealed that poverty reduced from 42.0 per cent in the pre SHG period to about 22.0 per cent in the post SHG period. Similarly, employment increased by 17.0 per cent between pre and post SHG period. The study concluded that participation in the SHG had improved the empowerment and self confidence of the members. After joining the SHGs, family violence had been reduced among the member and members could able to solve various problems faced in everyday life.

**Myrada (2002)** conducted a study on the “Impact of SHGs on the Social/Empowerment Status of Women Members in Southern India”, to study the impact of the linkage programme on social status and empowerment of women members. The primary data had been collected from 190 members of 12 SHGs promoted by four professionally managed NGOs (DHAN, RASS, CHASS and MYRADA) one for each States of Kerala, Tamil Nadu, Karnataka and Andhra Pradesh. Out of the 12 SHGs, 8 groups were three years old (old groups) and 4 groups were less than one year old (new groups). The study considered three aspects such as economic resources, participation in decision making and general welfare of the family to determine the empowerment of SHG members. The study revealed that about 45.0 per cent of SHG members were illiterate in the new groups and 47.0 per cent in the old groups. The study pointed out that 54.0 per cent of the members in the new groups were non-earning members, whereas in the old groups 66.0 per cent members were either the chief wage earners or contributors to the family earning. The study showed that average share of earning of members in their family income was higher in old groups, i.e. 40.0 per cent as compared to 26.0 per cent in young groups. The study observed that SHG had positively influenced on the share in the family income of older groups than in the new one. The study further revealed that the financial position of 89.0 per cent of members of old groups and 71.0 per cent in the new groups had improved after joining the groups. The study found that the control over own lives of the members had improved in the case of older groups and members had a better role in making decision than before. But political sphere of life of SHG members was same as before. SHG had changed the confidence level of members of old groups that enabled them to deal with other people and institutions. The study concluded that the members of older groups were more conscious about their health, technically more skilled and financially more secured as compared to young groups. The study suggested that group leaders should focus only on married women to reduce migration of members

 **Gaiha, Raghav and Nandhi, Mani Arul (2007)** carried out a study on “Micro Finance, Self Help Groups and Empowerment in Maharashtra”, to assess the benefits of micro finance through SHG and some key dimensions of women`s empowerment such as expansion of freedom of choice and action to shape their own lives. The data had been collected from the 72 participants of SHG and 25 non participants through interview in selected villages in Pune district. Moreover, for the study, five officials at the district and block levels were also interviewed to overview of the role of micro-finance in rural development and poverty alleviation. The study revealed that the repayment rate of poor members was higher as compared to non poor members, though their loan size was lower than non poor members. The study observed that earning of the poor members was significant and most of them had got the ability to save money for future unforeseen expenditure including children education, family health and purchasing physical assets. The study stated that a large majority of members had gained self-confidence, greater respect within the family and were able to participate in decision making process in the household matters. The study concluded that all these developments had reduced domestic violence of the SHG members.

**Rangappa, K. B, RenukaBai, Renuka and Ali, Sandesh (2007**) studied on “SHGBank Linkage Programme and Financial Inclusion”, to assess the impact of the Programme on financial inclusion. The study computed institutional and noninstitutional sources of borrowing separately for the households “without SHG” and “with SHG”. The study based on primary data that were collected from 240 rural households in Davangere district of Karnataka of which 140 were “with SHG” and 100 were “without SHG” households. The study showed that the borrowing percentage of institutional sources was higher among the households “with SHG” compared to the households “without SHG” in all the farm size, where difference was more observed among the landless and marginal farm size groups. The study revealed that the SHG-Bank Linkage Programme had reduced the dependence of household “with SHG” on non-institutional credit and increased institutional credit in all the farm size. The study observed that the savings of households “with SHG” in the formal institutions was 100.0 per cent in all the farm size, whereas for households “without SHG” it ranged from zero percent to 50.0 per cent depending on farm size. The study pointed out that SHG-Bank Linkage Programme had increased the percentage of household reaching the medium and high degree of financial inclusion. Among the landless and marginal farm size, no households reached the high degree of financial inclusion, while 62.5 per cent of large farmers were able to reach the high degree of financial inclusion.

 **Apmas (2009)** carried out a study on “Quality and Sustainability of SHGs in Assam”, in four districts of Assam such as Kokrajhar, Sonitpur, Sibsagar and Cachar to find out the quality and sustainability of SHGs promoted by SHPIs, the issues or challenges in strengthening SHG movement and capacity building needs of SHGs and their promoters. The study was based on the primary data collected from 109 SHGs of the selected districts and 50 key stakeholders representing banks, blocks, district officers, State level institutions, NGOs and key informers. The selected SHGs consisted of three types such as women groups, men groups and mixed groups and among them only 2 groups achieved the grade “A”, 67 groups achieved grade “B” and 40 groups achieved “C” grade. The study revealed that the quality of women groups was substantially high compared to men and mixed groups and quality was high in the groups of 5 years and above. Moreover, the quality of SHGs having accounts with the NGO-MFI was higher than SHGs having accounts with commercial banks. The study pointed out that SHG had improved savings habit, increased income, decreased family debts and reduced dependence on money lenders. Over 80.0 per cent of SHGs experienced increase in savings habit, credit availability, increase income and increase in easy access to formal credit and about 75.0 per cent of SHGs experienced a decline in family debts, interest burden and dependence on money lenders. The study further revealed that over 50.0 per cent of SHGs were able to increase expenditure on food, education and health. The leadership of women and their interaction with the government officials had improved after joining the SHG. The study observed that the leadership quality and interaction ability of group members had imprint and 82.0 per cent respectively. The study suggested for setting up a “task force” for strengthening the SHG movement in Assam.

 **Anjugam (2011)** Studied on the “Impact of SHG-Bank Linkage Programme on financial inclusion- Rural Household Study in Tamil Nadu” with the specific objective of analyzing the Programme on promotion of financial inclusion in rural areas in terms of access to banks, savings, borrowing and insurance by SHG members and non-members and analyzing the gender equity in financial inclusion among SHG members and non-member households. The study covered 120 respondents, which included 60 SHG members and 60 non-member households. To assess the impact analysis was separately done for households “with SHG” and “without SHG”. The study revealed that access to savings in financial institutions was significantly high among women (i.e. 45.0 per cent) than men (i.e. 15.0 per cent) in case of SHG member households, whereas it was the reverse in case of non-member households. The study observed that nearly 48.0 per cent of member households took steps for getting the benefits of life insurance schemes, whereas only 37.0 per cent of non member households took this facility. The study pointed out that the percentage of life insurance holders was high among the landless households compared to farming households and the percentage of health insurance holders was high among the member households than the non-member households. The study further revealed that the percentage of households reaching the medium degree of financial inclusion was relatively high among the member households as compared to non member households in landless and small farm size groups and no households belong to the marginal and small farm size categories were able to reach the higher degree of financial inclusion. The study concluded that SHG-Bank Linkage Programme had increased the flow of institutional credit to landless and marginal farm households and discouraged non institutional borrowings.

NABARD (2000) observed the following results in study covering 500 SHG member households from 283 SHGs spread over 11 states in India. The average value of the assets increased in post SHG period by 72 per cent. About 38 per cent of the households reported increase in assets, improvement in housing conditions. Further, almost all the members developed saving habits in the post SHG situation and about 70 per cent loans were taken in post-SHG situation for IGAs.

**CHAPTER III**

**THE STUDY**

**PROFILE**
 Self-Help Groups are informal associations of people who choose to come together to find ways to improve their living conditions. They help to build Social Capital among the poor, especially women. The most important functions of Self-Help Groups are (a) to encourage and motivate its members to save, (b) to persuade them to make a collective plan for generation of additional income, and (c) to act as a conduit for formal banking services to reach them. Such groups work as a collective guarantee system for members who propose to borrow from organized sources. Consequently, Self-Help Groups have emerged as the most effective mechanism for delivery of micro-finance services to the poor. The range of financial services may include products such as deposits, loans, money transfer and insurance.

**CONCEPT OF SELF HELP GROUPS AND ITS HISTORICAL DEVELOPMENT**

A Self-Help Group (SHG) is a registered or unregistered group of micro entrepreneurs having homogenous social and economic background voluntarily, coming together to save small amounts regularly, to mutually agree to contribute to a common fund and to meet their emergency needs on mutual help basis. The group members use collective wisdom and peer pressure to ensure proper end-use of credit and timely repayment thereof. In fact, peer pressure has been recognized as an effective substitute for collaterals. A Self-Help Group is defined as a voluntary group valuing personal interaction and mutual aid as means of altering or ameliorating problems perceived as alterable, pressing and personal by most of its participants.

A Self-Help Group is a group of poor people having a common goal of socioeconomic sustainable, development discussing their problems and resolving it through appropriate participatory decision making process. Self-Help Groups are not looked at as service delivery institutions but as a self-motivated, self-managed people’s institutions at the grass roots. Though the Self Help Groups underlying fulcrum on which they function is financial management both internal and external, they are the big players in social transformation and empowerment of women. Sustainability of these institutions rest on two major linkages: the forward linkages with other appropriate institution like the banks and sideways linkages to strengthen them as a movement through federations.

**The Origins of SHGs**

The habit of savings is the inherited quality of people. The habit and desire to possess and wear golden ornaments is an offshoot of the habit of savings. Pawning the golden ornaments for getting ready cash for emergent needs in the family is a common practice among people. This is done most to meet the need for agricultural inputs, medical assistance and educational fees. Very often a small circle of close relatives helps one another this way. Self-Help Group attitude has been encouraged by the ancestors. The same has been encouraged in the modern times by governments and non-governmental organizations.

**EVOLUTION OF SELF-HELP GROUPS IN INDIA**

 In India, soon after independence, there has been an aggressive effort on the part of the government, which was concerned with improving the access of the rural poor to formal credit system. Some of these measures have been institutional, while some others were through implementation of focused programmes for removal of rural poverty. Reaching out of the far flung rural areas to provide credit and other banking services to the neglected sections of the society is an unparalleled achievement of the Indian banking system. The main emphasis is the spread of the banking network and introductions of new instruments and credit packages and programmes were to make the financial system responsive to the credit the weaker sections in the society. comprising small and marginal farmers, rural artisans, landless agricultural and non-agricultural labourers and other small borrowers falling below poverty line. With the implementation of the various policies, government of India in its developmental planning emphasized the promotion of agriculture and other allied economic activities through credit intervention for ensuring integrated rural development and securing the prosperity of the rural areas. In pursuance of this, formal credit institutions have been guided by the principle of growthwith equity and a large share of the credit disbursed for various activities was channelized towards the weaker sections of the society. Consequently, by the implementation of several poverty alleviation programmes, the number of people below the poverty line has declined from 272.7 million in 1984-85 to 210.8 million in 1989-90, in 1991-2000, which constitutes over 21 percent of the population. The number of operational holdings is expected to have crossed the 100 million mark with more than 80 percent being small and marginal holdings. The institutional credit system needs to meet the challenges of delivering credit to an ever increasing number of rural people who need greater access to formal credit. It may have to reinforce its own structure at the grass root level and also have to devise new ways of reaching out of the rural poor.

 As a result, the experience of implementation of the poverty alleviation programmes lead to the introduction of the Integrated Rural Development Programme (IRDP) on 2nd October, 1980 with the specific objective of raising the poor rural families above the poverty line. Such families considered credit support from banks as an important input in taking up economic and gainful activities.

 In spite of these impressive achievements in the expansion of the credit delivery system and special programmes, nearly half the indebted rural households are still outside the ambit of the institutional system. They approach the moneylenders for meeting their consumption and production in the absence of institutional support. Some of the poor who have not been reached even by the vast network of the institutional credit delivery system, have organized themselves into Self-help groups (SHGs) and many such groups have come into existence either spontaneously or with the active involvement of the voluntary agencies which motivated the rural poor to pool their meager financial resources for meeting their small and frequent consumption and production credit needs.

**SHGS IN KERALA**

Kerala’s land reform which intended to place agricultural land in the hands of the tillers and ensure a dwelling place for the hutment dwellers was expected to usher in, a more equitable society and accelerate agricultural production. The bulk of the former tenants who benefited from the land reforms were people who did not have any direct dependence on land for their livelihood. The agricultural laborers who directly worked on land for their livelihood did not benefit much from land redistribution since they got only hutment dwellings and very little cultivable lands. The organizations like the cooperative movement or the self help groups emerged from the rural society in its efforts to institutionalize its mechanisms to respond to the environmental stimuli that challenge the rural agrarian livelihood options. The evolution of the self help groups has to be viewed in the backdrop of the dynamics of rural innovation, micro-level management and creation of collective bargaining power. The tendency to stay together and act together for common livelihood concerns were innate in human nature. A common cause often led to the creation of a common platform to stay together.

The second scenario pictured planning for the future of the rural and urban populations, depending on ways that make rural life more productive and attractive. It is through such initiatives that the rural economies benefit from their perseverance to find solutions to their survival problems. A critical factor in the success of such efforts is creating organizational capabilities at local levels that can mobilize and manage resources more effectively for the benefit of many.

Readings through the instructive examples suggest that some such efforts had external donor assistance while others had none. Some were conceived and nurtured by remarkable individuals while others were the products of team efforts or institutional initiatives. However, success depended on the set of persons who saw acutely both the needs and the solutions and those who innovated as they persevered bringing into being major programs that benefited large number of their fellow human beings.

In Kerala the mass political activism was radical in nature. Several economists have highlighted the fact that the so-called Kerala Experience cannot be elevated to the status of a model worth replicating. The failure was the low growth of the economy itself. With the advent of democratic decentralization and people’s planning, the scope of democratic growth and development has been redefined.

**GUIDING PRINCIPLES**

* Effort is built on mutual trust and mutual support
* Every individual is equal and responsible
* Every individual is committed to the cause of the group
* Decision is based on the principles of consensus
* The belief and commitment by an individual that through the group their standard of living will improve
* Savings is the foundation on which to build the group for collective action

**NEED OF SHG**

The very existence of SHGs is highly relevant to make the people of below poverty line hopeful and self-reliant. SHGs enable them to Increase their income, improve their standard of living and status in society. It acts as a catalyst for bringing this section of society to the main stream. Ultimately, the nation reaps the advantages of socialism. The Government of India and various state Governments have been implementing various programmes for rural upliftment. However, rural poverty and unemployment still persist in the country. This problem is becoming severe and acute. The available latest statistics relating to the Indian Economy indicates that about 26% of the total population in the country belongs to the rural poor.

Considering the gravity and intensity of the problem, many Voluntary Development Organisations (VDOs) have come forward with different programmes for the rural poor in the country. These agencies undertake various innovative programmes and schemes to address the issues of poverty and unemployment prevailing in our country. Among the various programmes “SwarnaJayanti Grama Swarojgar Yojana” (SGSY) is an important one. This programme was launched on 1st April, 1999, at 75: 25 costs sharing between Central and State Governments. The main objective of this programme is to bring the beneficiaries above the poverty line by providing income generating assets to them through bank credit and government subsidy. The Self-Help Groups (SHGs) are the major component of this scheme.

Women are a vital part of the Indian Economy, both at the national and the household levels. They make one-third of the national labour force. Compared with their men folk, Indian women contribute a much larger share of their earnings to basic family maintenance with the result that women’s earnings positively and immediately affect the incidence and the security of poverty. Despite all this, social conventions and gender ideology deprive them of the access to, and control over, the resources which would enable them to increase their productivity. Women form the backbone of agricultural operations and majority of agricultural labourers are woman. Seventy to eighty percent of the field work is done by women.

Most post-harvest and processing tasks are their sole responsibility. They are heavily involved in animal husbandry, particularly small livestock. About 85 percent of persons engaged in dairy production are women. Since independence, government’s policy on women’s development has taken varying types of emphasis: from the initial welfare oriented approach to the current focus on development and empowerment.

The planning commission, with the aim of converging the benefits in the social and economic development sectors for women in the Ninth plan, envisaged “inclusion of an identifiable women component plan in the programmes of the respective ministries right from the planning process, and to monitoring and implementation of programmes to ensure the reach of benefits to women”. The Ninth Plan Document (1997-2000) also laid emphasis on the participation of people in the planning process, and the promotion of self-help groups. Self-Help Group (SHG) is a homogeneous group of poor, women. This group is a voluntary one formed on areas of common interest so that they can think, organise and operate for their development.

SHGs function on the basis of co-operative principles and provide a forum for members to extent support to each other. It is considered is a means of empowerment. SHGs organise very poor people who do not have access to financial system in the organised sector. In groups, normally transparency and accountability are lacking.

However, in a group like SHG, they are ensured through collective action of the members. This scheme mobilises the poor rural people especially women to form groups for mutual benefits. SHGs play a crucial role in improving the savings and credit and also in reducing poverty and social inequalities.

**OBJECTIVES OF SHG**

1. To inculcate the savings and banking habits among members.
2. To secure them from financial, technical and moral strengths.
3. To enable availing of loan for productive purposes.
4. To gain economic prosperity through loan/credit.
5. To gain from collective wisdom in organising and managing their own finance and distributing the benefits among themselves.
6. To sensitize women of target area for the need of SHG and its relevance in their empowerment.
7. To create group feeling among women.
8. To enhance the confidence and capabilities of women.
9. To develop collective decision making among women.
10. To encourage habit of saving among women and facilitate the accumulation of their own capital resource base.
11. To motivate women taking up social responsibilities particularly related to women development.
12. To acts as the forum for members to provide space and support to each other.

SHGs are considered as one of the most significant tools to adopt participatory approach for the economic empowerment of women, SHG is a group of people that meets regularly to discuss issues of interest to them and to look at solutions of commonly experienced problems. The group may or may not be promoted by Government or non-Government institutions.

The SHG is group of rural poor who have volunteered to organise themselves into a group for eradication of poverty of the members. They agree to save regularly and convert their savings into a common fund known as Group Corpus. The members of the group agree to use this common fund and such other funds that they may receive as a group through a common management.

Generally, all members of the group should belong to families below the poverty line (BPL). However, if necessary, a maximum of 20% and in exceptional cases, where essentially required, up to a maximum of 30% of the members in a group may be taken from families marginally above the poverty line (APL) living continuously with BPL families and if they are acceptable to the BPL members of the group.

This will help the families of occupation groups like agricultural labourers, marginal farmers, and artisans marginally above the poverty line, or who may have been excluded from the BPL list to become members of the SHG. However, the APL member will not be eligible for the subsidy under the scheme.

The group shall not consist of more than one member from the same family; a person should not be a member of more than one group. The BPL families must actively participate in the management and decision making, which should not ordinarily be entirely in the hands of AIM, families. Further, APL members of the SHG shall not become office bearers (Group Leader, Assistance Group leader or Treasurer) of the group.

The group should devise a code of conduct (Group management norms) to bind itself. This should be in the form of regular meetings (weekly or fortnightly) functioning in a democratic manner allowing free exchange of views, participation by the members in the decision making process. The group should be able to draw up an agenda for each meeting and take up discussions as per the agenda.

The members should build their corpus through regular savings. The group should be able to collect the minimum voluntary saving amount from all the members regularly in the group meetings. Tiu- savings so collected will be the group corpus fund. The Group Corpus Fund should be used to advance loans to the members. The group should develop financial management norms covering the loan sanction procedure, repayment schedule and interest rates.

The members in the group meetings should take all the loaning decisions through a participatory decision making process. The group should be able to prioritise the loan applications, fix repayment schedules, fix appropriate rate of interest for the loans advanced and closely monitor the repayment of the loan instalments from the loanee.

The group should operate a group account preferably in their service area bank branch, so as to deposit the balance amounts left with the groups after disbursing loans to its members. The group should maintain simple basic records such as minute’s book, attendance register, loan ledger, general ledger, cash book, Bank pass book and Individual pass books. 50% of the groups formed in each block should be exclusively for the women. In the case of disabled persons, the groups formed should ideally be disability-specific wherever possible, however, in case sufficient number of people for formation of disability-specific groups are not available, a group may comprise of persons with diverse disabilities or a group may comprise of both disabled and non-disabled persons below the poverty line.

**FORMATION OF SELF-HELP GROUPS**

There are three stages in SHG evolution.

1. Group formation

2. Capital formation through revolving fund and skill development.

4. Income generating activities.

1. Group Formation: - Group formation is not a spontaneous process. External agencies, individual working with communities can act as a facilitator in the formation of groups and its development. Self-help Group Institution (SHGI) plays a vital role in the initial stages of group formation. The external facilitators are generally Non-Government Organization, social workers, village level worker, informal associations of local people, community based organizations, government departments, banks, farmer clubs etc. They interact with the poor families especially women to identify the small homogenous groups. The members regularly meet on a fixed time and date in a month to collect savings from members under the supervision of SHGs. Thus SHGs will inculcate the habit of thrift and credit among the members, who generally belong to the families of BPL.

2. Capital formation through revolving fund and skill development: - Self-help groups are taught simple principles of accounting and facilitated to receive external funds in multiples of their savings. SHPIs, bankers or donors are the sources of funding for SHGs. The corpus consists of own savings and other external funds (Revolving fund, grants, loans). Small loan from corpus fund are given to needy members. The loans are given to members on a participatory method during the regular meeting etc. The loans have a definite repayment schedule, which is usually of short duration. The funds thus are rotated among themselves. Thegroups shall have a bank account to deposit the savings, revolving funds etc. The group shall maintain certain basic records as well

4. Income Generating Activities (IGA): - SHG members take up different income generating activities. SHPIs play an important role in taking up the suitable IGAs by the members based on the skills.

Income Generation Activities of SHG

 Agriculture

 Chicken shops

 Animal husbandry

 Mess

 Hosiery

 Mid-day meals

 Candle preparation

 Embroidery

 Cane items

 School uniform stitching units

 Carpets

 Brick making

 Khadi, leather items

 Pot making

 Spinning and weaving

 Saree business

 Basket weaving

 Candle making

 Woolen blankets weaving

 Sale of fruits and seeds

 Pickle making

 Vegetable vending

**FEATURES**The features of SHG’s may be categorized in the following manner:

* Group’s members usually create a common fund by contributing their small savings on a regular basis; groups manage pooled resources in a democratic way; considers loan requests; and loans are disbursed by purposes. The rates of interest vary from group to group and the purpose of loan, interest rates are higher than that of banks but lower than moneylenders.
* The average deposit and loan size of SHG account is larger than individual accounts under the priority sector, bank transaction cost of dealing with SHG’s is obviously lower than that of individual borrowers; the rate of growth of credit absorption of SHG’s is much higher than individual borrowers under the priority sector.
* Banks can reduce the operating costs of forming and financing of SHG’s, involving NGO’s or youths for forming and nurturing SHG’s.
* The innovative forms of financing is imperative to supplement credit strategies for meeting the needs of the poor by combining the flexibility, sensitivity and responsiveness of the informal credit system with the technical and administrative capabilities and financial resources of formal financial institutions and also to build material trust and confidence between bankers and the rural poor and to encourage banking in a segment of population that formal financial institutions usually find difficult to reach.
* The entire process of internal savings and credit is backed by financial and management counseling, promotion of new avenues of employment and motivation for enhancement of earnings from the ongoing activities.
* The groups develop their own management system and accountability for handling the resources generated. The interaction among the members is based on participatory mechanism in terms of decision-making.
* Small savings of rural women can generate the required resources, which can wean the people away from the exploitation of moneylenders. Thus, the voluntary savings constitute the key for economic progress. Promotion of SHG’s can bring women into the mainstream of economic development.
* Credit through SHG’s is being regarded more suitable by banks and NGO’s since creditability of SHG’s regarding utilization and recovery is praise worthy.
* Credit accessibility through SHG’s is cost effective and group approach can ensure wider coverage of poor families through bank credit, even the members of the group learn interdisciplinary approach the 5 banks for advance lead to direct interaction and guidance from the bank officials.

SHG’s can create a unique, alternative need based credit-delivery-mechanism by pooling their meager resources for catering to their consumption and production requirements.

**ACTIVITIES OF SELF- HELP GROUPS.**

Self-Help Groups are formed in the socio, economic, political and educational sphere of the society at large and in the rural society in particular. It is hard to distinguish whether a particular activity falls into any one of the spheres exclusively. They intermingle with one another. An economic activity that enables women to earn a handsome amount gives her a new role in the decision-making in the family. The training programmes most of the time aimed at skill development also enables the women to become confident to contest in the election for the local bodies. Any one shall standing that the results of a particular activity can always lead women to enter into other spheres of public life.

* Economic Activities of the SHGs
* Production of Artifacts
* Managerial Activities

 **CHARACTERISTICS OF SHGs**

* Each group should contain 15 to 20 members.
* The members of this group should live below the poverty line.
* Every group member should have a clear conception of the vision and mission of their group.
* They should have good faith in themselves with similar ideology and common interest.
* They should have a better understanding and inter-member cohesiveness among group members.
* Every member should meet with each other at least once a week at a common place to discuss their common concerns so as to ventilate their narrow feelings.
* Leadership in each group is confined for a period of three years and the members should make change of leadership as the term is over.
* Every group has an identity by its name and place of operation.
* One-family, one-member norm is followed during registration of the members for a group.
* Members will be entitled for having credit facility after practicing regular weekly savingsfor a period of more than six months.
* Only the group members are entitled for savings and credit from group.
* Registration of new members or cancellation of membership should be made within oneyear from the date of formation of group.

**NORMS OF SHGS**

Any self-help group will have certain norms: help to function properly for sustainability of SHGs. It is mandatory for any SHG to have certain byelaws pertaining to -

1. Objectives of the group

2. Meetings - time, periodicity

4. Savings - amount, periodicity, rate of interest.

4. Credit - procedure for sanction, ceiling amount, purposes, rate of interest to be charged, repayment period.

5. Fines - defaulters in attending meetings, savings and credit repayment

6. Leadership - election or nomination of leaders, rotation of leaders etc.

7. Personal / Social improvement - minimum literacy to be achieved, social work to be done, convergence of facilities etc.

The norms are further elaborated as follows.

**Meetings: -**

 The group decides the periodicity of the meetings and regular monitoring, attendance of the meeting, punctuality of the members, disciplinary action on errant members etc. Generally, each group meets at least once in a month at a fixed time, some groups meet twice a month to transact their business. The meeting place may be the house of a leader, a common place, a temple, panchayat building etc. Absentee member is liable for fine, which becomes the part of corpus funds of the group.

**Maintenance of registers: -**

Each SHG maintain certain basic register for effective monitoring, accountability and transparency. The register of SHGs includes minute book, attendance register, ledger book, cash book, bank pass book etc. These registers are suggested by promoter (banker, NGO), which may vary from place to place. The details of meetings, proceedings, attendance, member wise savings and credit, bank transactions etc. are verifiable from these registers. The registers are maintained by a book keeper (President / treasurer / literate members), who is paid monthly honorarium for maintaining these registers.

**Pattern of leadership: -**

 Each group shall have leaders, who represent the group matters in various platforms. The nomenclature of leaders varies =from region to region and state to state. The leaders are elected from the members on rotation. Leaders aid to democratic function of the group. The purpose of rotation is to see that the leadership qualities are developed among the members of the group. However, the experience in Andhra Pradesh indicates that the rotation of leadership apparently take place on the prescribed manner. The same leaders continue to hold the office and or influence the leadership.

**Awareness of group: -**

The group will create an awareness among the members and empowerment of members take place. The members will have to know the purpose of group formation, activities and operations, savings, credits etc. The members are expected to participate actively in the group discussion and decision making process. SHG helps to work as a cohesive group and will have transparency in the transactions.

**Group activities: -**

 Savings and credit are the two important dimensions of SHG movement. Regularity in savings and method of dealing with defaulters are the important features of savings. The credit function of SHGs is judged by decision making process adopted credit requirement and quantum of loans sanctioned, system of monitoring credit repayment pattern etc. The group has to monitor their performance regularly.

**Revolving of fund: -**

The SHGs to become eligible for sanction of revolving fund, community investment fund etc. they need to pass through certain stages.

Stage - 1 (Grading of SHG): - The formation stage lasts for 6 months. It is necessary to test whether it has evolved into a good group or not. This helps to understand the weakness of the group and to overcome such deficiencies. Members also evaluate their own performance through a participatory approach.

Stage - 2 (Capacity Building of SHG): - It is a crucial stage to enhance the capacity of groups and enables to receive the revolving fund, which become a part of corpus fund of the group. The external fund received enhances the group capacity to extend loans to the maximum.

**GROWTH OF SHGs IN INDIA**

 In early 1990’s the emergence of SHGs has brought in major conceptual changes in assistance to the excluded sectors of economy, such as empowerment, habit of thrift, small loan that brought them out of the clutches of local money lenders, and aided the promotion of micro enterprises. They gained the confidence of bankers through SHG-Bank Linkage Programme, which was initiated by NABARD. The bank also extends Micro Enterprises Development Programme (MEDP) to members of SHG in various areas ranging from preparation of pickles, jam, squash, sweets, fruits and vegetable process. Agro based industries like mushroom cultivation, floriculture, milk products, organic farming, ornamental pisciculture, vermin cultivation, herbal shampoo, manufacturing of products such as bakery, detergent powder, washing and cleaning powder etc. These types of training help them to venture in to economic activity and for a sustained development. In India, within a span of 10 to 15 years, SHGs have produced good results. At the inception stage, there were only 255 SHGs in India. During the last 15 years this number has crossed a mark of one million

**SHG IN KUNNUMMAL**

Following re the important category of SHG in Kunnummal Village

1.Based on activity

2.Based on age

4.Baesd on occupation of members

4.Based on sex

**Activities of SHG in** Kunnummal

* Agricultural activities
* Cultural activities
* Economical activities
* Educational activities
* Welfare activities

**Working**

 For the smooth functioning of SHG, threre is a well administrating structure. Following are the important terms followed by the SHG in Kunnummal Grama Panchayath

**(a) Memberships**

1. Only one responsible person from a family aged around 21-60 years can become member in the groups.

2. The members / persons who are involved in any party politics activities or involved in any type of antisocial activities or the willful defaulters are not eligible for membership in the group.

4. The size of the group shall be around 10 to 20 members.

**(b) Group Meeting**

1. The group member’s meetings should be held once a week or fortnight / month regularly on a convenient day, place and time as decided by the group.

2. The members should attend all the meetings in time without fail.

4. The member who unable to attend the meeting for genuine reasons, the same has to be intimated to the group in person or through a messenger in advance or at least informed at the same meeting. If fails, the member is liable to pay fine for the absence as decided by the group. 4. The latecomers for the meeting and those who walk out in the middle without intimating the chairpersons are liable to pay fine as decided by the group.

5. If a member is absent for three consecutive meetings without genuine reasons, such person's membership shall be suspended or cancelled with or without notice.

6. Unrelated issues / points should not be brought for discussion in the group meetings.

7. The members should not use vulgar words or physical force against any member during the meeting and the violators or misbehaviors have to pay fine as decided by the group or their membership shall be cancelled.

8. The members should not sleep or stay separate from the group during the meeting.

9. All the members should have to sign in the minutes book at the end of the meeting after recorded proceedings of each meeting are read out and confirmed.

**(c) Members Participation in the Group**

1. All the members should participate in the discussions and decision-making process orally and mentally in the group meetings.
2. Equal opportunities and encouragement should be given to all the members for their full participation in the meeting and in all the activities of the group.
3. All the members should attend the related training / workshop / seminars / exposures etc. within and outside the village without fail. The violators are liable to pay fine except for the genuine reasons.
4. The members should co-operate and participate in all the developmental activities related to the member’s families, village, the group environment etc. Appropriate actions against no cooperators / non-participators shall be taken by the group.
5. The members should participate in researching/learning dissemination and adoption of appropriate technologies for development.
6. The illiterate members should show interest and put efforts to become literates. The group shall run a learning center at the convenient time for this purpose.
7. All the members should involve in regular savings and credit management activities with a special focus.
8. All the members should work with concern towards creating/building socio-economical safety society and stress on population control.

**(d) Duties and Responsibility of the Members**

1. All the members should promote co-operation and unity in the group.
2. The members should create equal opportunities and the give encouragement to all the members in the groups.
3. The member should mobilize, use and manage the needy resources properly / judicially.
4. It is the responsibility of all the members to take necessary collective action against the willful defaulters and recovers the loan amount.
5. The members should take responsibility carefully for their all-round development and should also take leadership responsibility in the group with service motive.
6. All the members should involve in planning, implementing, monitoring and evaluate the development programmes of the family, village and environment time to time and to give attention for the results of evaluations with proper actions.
7. The member should promote and protect the unity and integrity of the group and the village.

**(e) Executive Committee**

1. An executive committee consisting three representatives selected unanimously in the group should take overall responsibility of the smooth functioning of the group.
2. The period of the executive committee shall be six months or one year as group decides and the new committee should be selected three months in advance and trained to take over the position of their representatives.
3. The above three position of the representatives shall be called as (a) President, (b) Secretary (c) Treasurer. Two out of the above three shall jointly operate the Group's bank account. This committee is responsible for the group's cash at hand, cash at bank or post office.
4. The executive committee members should ensure remitting the cash at hand immediately to the group's bank account. The cash in hand should not be kept more than two days for emergencies, if kept, the concern member should pay fine plus interest as decided by the group.
5. The active member / cashier / treasurer should ensure proper maintenance of books of accounts of the group on day to day basis regularly up to date. They are also responsible for getting the accounts inspected once a month and audited once in six months or year and to submit the accounts statements and reports to the group meeting for appraisal.
6. The executive committee should facilitate the programmelanning, timely implementation, monitoring, evaluation and actions.
7. The executive committee should facilitate the regular group meetings and smooth functioning of the group.
8. The executive committee members should have good contact with the Govt. Departments, credit institutions, voluntary organizations and other related institutions and mobilize resources for the improvement of group and village.
9. The executive committee members can execute any agreement / deeds / contact on half of the group with prior discussions and resolutions in the group each time for each subject.

**(f) Members Savings in the Group**

1. Each and every member should save at least minimum or maximum as per members wish per week or per month in the group which should be maintained in each individual member’s name.
2. Savings account may be withdrawn by the members only at critical circumstances with prior approval of the group. However, the member should maintain a minimum balance of Rs. 1000/- in their savings account.
3. No interest will be paid for the members’ savings with group. But 12% interest shall be paid for the amount kept in the group as fixed deposit for a minimum period of six months.
4. The members should save from the family income earned only, but not the borrowed money for interest.
5. The members will not be encouraged to adjust their savings amount against their loans due to the group. Only at extreme circumstances, the group shall consider to adjust.

**(g) The Credit Management**

1. The credit can be given to the needy members of the group for the purposes such as consumption, income generation, asset creation, clearing the old burden loans, socio-religious and any other appropriate purposes.
2. The credit shall be given to the needy person of the group only after careful study, through discussion and unanimous decision on the quantum of credit, rate of interest and the repayment schedule each loan.
3. All SHG members regularly save a small amount. The amount may be small but have to be regular and continuous habit with the members.
4. Savings first credit later should be the motto of every SHG member.
5. The loaner should give a written agreement to the group for the loan amount as the official procedures in the presence of the witness to the group at the time of taking credit. The loaner should give a guarantor within the group if necessary.
6. The loan amount should be utilized for the agreed purpose only. In case of any change of purpose, it should be approved by the group in advance. The violators are liable to pay fine/penal rate of service charge.
7. The loaner should repay the credit/loan amount with service charge as per repayment schedule agreed upon. If failed such member is liable to pay fine or penal rate of service charge @ Rs. 12% annum in addition to the normal rate of service charge from the date of overdue or as decided by the group.
8. The members those who are irregular for the SHG meetings or irregular in savings are not eligible for credit/loan from the group.
9. All the members shall have equal opportunity for loan from the group on eligibility / priority basis.
10. The funds of the group should be resolved to the optimum extent for the benefit of all the members.

**CHAPTER IV**

**DATA ANALYSIS & INTERPRETATION**

**TABLE NO. 4.1**

**TABLE SHOWING SIZE OF THE SHG**

|  |  |  |
| --- | --- | --- |
| **No. of Members** | **No.of respondents** | **Percentage** |
| Below 10 | 1 | 10 |
| 10-15 | 1 | 10 |
| 15-20 | 5 | 50 |
| Above 20 | 3 | 30 |
| **Total** | **10** | **100** |

 *Source: Primary Data*

**CHART NO. 4.1**

**CHART SHOWING SIZE OF THE SHG**

**INTERPRETATION**

 The table 4.1 reveals that 50% of the SHGs come under the size of 15-20,30% of the SHGs come under the size of above 20, 10% are having member size of 10-15 and 10% of the SHGs are with below 10 members**.**

**TABLE NO. 4.2**

**REGISTRATION STATUS OF SHG**

|  |  |  |
| --- | --- | --- |
| **Registration status** | **No. of respondents** | **Percentage** |
| Registered | 7 | 70 |
| Not registered | 3 | 30 |
| **Total** | **10** | **100** |

*Source: Primary Data*

**CHART NO. 4.2**

**REGISTRATION STATUS OF SHG**

**INTERPRETATION**

The table reveals that 70% of the SHGs are registered and 30% SHG are not registered. The registration of SHGs are compulsory for availing various benefits from local government.

**TABLE NO. 4.3**

**FOCUSING AREA OF SHG**

|  |  |  |
| --- | --- | --- |
| **Area** | **No.of respondents** | **Percentage** |
| Financing activities | 2 | 20 |
| Welfare of the members | 3 | 30 |
| Cultural activities | 2 | 20 |
| Agriculture | 1 | 10 |
| Educational activities | 1 | 10 |
| Business | 1 | 10 |
| **Total** | **10** | **100** |

*Source: Primary Data*

**CHART NO. 4.3**

**FOCUSING AREA OF SHG**

**INTERPRETATION**

 The table4.3 reveals that 30% of the SHGs are working for ensuring the welfare of the members, 20% of the SHGs’ area of focusing is financing activities, 20% of the SHGs are focusing on cultural activities, 10% of the SHG are focusing on agriculture,10% are on educational activities and 10% are focusing on business.

**TABLE NO. 4.4**

**CREDIT FACILITY TO MEMBERS**

|  |  |  |
| --- | --- | --- |
| **Credit facility** | **No.of respondents** | **Percentage** |
| Provided | 9 | 90 |
| Not provided | 1 | 10 |
| **Total** | **10** | **100** |

*Source: Primary Data*

**CHART NO. 4.4**

**CREDIT FACILITY TO MEMBERS**

**INTERPRETATION**

The table 4.4 reveals that 90% SHGs are providing credit facility to members and 10% of the SHGs are not providing credit facility to members**.**

**TABLE NO. 4.5**

**AMOUNT OF LOAN PROVIDED BY SHGs**

|  |  |  |
| --- | --- | --- |
| **Amount** | **No.of respondents** | **Percentage** |
| Up to20000 | - | - |
| 20000-30000 | 2 | 20 |
| 30000-50000 | 6 | 60 |
| Above 50000 | 2 | 20 |
| **Total** | **10** | **100** |

*Source: Primary Data*

**CHART NO. 4.5**

**AMOUNT OF LOAN PROVIDED BY SHG**

**INTERPRETATION**

The table shows that 60% of the SHGs are providing loan between Rs. 30000-50000, 20% of the SHGs are providing Rs.20000-30000 and 20% provide above Rs. 50000.

**TABLE NO. 4.6**

**PERIOD OF REPAYMENT**

|  |  |  |
| --- | --- | --- |
| **Period** | **No.of respondents** | **Percentage** |
| One month | - | - |
| Six month | 2 | 20 |
| One year | 7 | 70 |
| Above one year | 1 | 10 |
| **Total** | **10** | **100** |

*Source: Primary Data*

**CHART NO. 4.6**

**PERIOD OF REPAYMENT**

**INTERPRETATION**

The table shows that 70% of the SHGs’ loan repayment period is one year, 20% SHGs collect repayment after six months and 10% are providing loan for more than one year.

**TABLE NO. 4.7**

**DECISION MAKER IN SHG**

|  |  |  |
| --- | --- | --- |
| **Decision maker** | **No. of respondents** | **Percentage** |
| Secretary | 4 | 40 |
| President | - | - |
| Executive committee | 4 | 40 |
| Group members | 2 | 20 |
| **Total** | **10** | **100** |

*Source: Primary Data*

**CHART NO. 4.7**

**DECISION MAKER IN SHG**

**INTERPRETATION**

The table shows that 40% of the SHGs’ decision maker is secretary, 40% SHGs’ decisions made by executive committee and for 20%, decisions made by group members.

**TABLE NO. 4.8**

**CONFLICT AMONG GROUP MEMBERS**

|  |  |  |
| --- | --- | --- |
| **Conflict** | **No.of respondents** | **percentage** |
| Yes | 5 | 50 |
| No | 5 | 50 |
| **Total** | **10** | **100** |

*Source: Primary Data*

**CHART NO. 4.8**

**CONFLICT AMONG GROUP MEMBERS**

**INTERPRETATION**

The table shows that, in 50 per cent of SHGs, there is conflict between members and in 50% SHGs, have not such conflict.

**TABLE NO.4.9**

**SATISFACTION LEVEL WITH THE PERFORMANCE OF SANGAM**

 **CO-ORDINATION**

|  |  |  |
| --- | --- | --- |
| **Level of satisfaction** | **No. of respondents** | **Percentage** |
| Very good | - | - |
| Good | 1 | 10 |
| Average | 7 | 70 |
| Below average | 2 | 20 |
| **Total** | **10** | **100** |

*Source: Primary Data*

**CHART NO. 4.9**

**SATISFACTION LEVEL WITH THE PERFORMANCE OF SANGAM**

 **CO-ORDINATION**

**INTERPRETATION**

The table shows that 70% are having average level of satisfaction with the performance of the sangam co-ordination, 20% feel below average level of satisfaction and 10% are satisfied with sangam co-ordination.

**TABLE NO. 4.10**

**ATTITUDE OF LOCAL GOVERNMENT WITH SHG**

|  |  |  |
| --- | --- | --- |
| **Attitude** | **No. of respondents** | **Percentage** |
| Positive | 3 | 30 |
| Neutral | 6 | 60 |
| Negative | 1 | 10 |
| **Total** | **10** | **100** |

*Source: Primary Data*

**CHART NO.4.10**

**ATTITUDE F LOCAL GOVERNMENT WITH SHG**

**INTERPRETATION**

The table reveals that 60% of the respondent replies that attitude of local government with SHG is neutral, 30% feel it positive and 10% feel negative.

**TABLE NO. 4.11**

**BANK AND SHG**

|  |  |  |
| --- | --- | --- |
| **Attitude** | **No.of respondents** | **percentage** |
| Positive | 10 | 100 |
| Negative | - | - |
| **Total** | **10** | **100** |

*Source: Primary Data*

**CHART NO.4.11**

**BANK AND SHG**

**INTERPRETATION**

The table 4.11 reveals that 100% SHG are satisfied with the attitude of bank.

**TABLE NO.4.12**

**SOCIO-CULTURAL ACTIVITIES OF SHG**

|  |  |  |
| --- | --- | --- |
| **Socio- cultural activities** | **No.of respondents** | **Percentage** |
| Organising Activities | 10 | 100 |
| Do not Conduct Activities | - | - |
| **Total** | **10** | **100** |

*Source: Primary Data*

**CHARTNO.4.12**

**SOCIO-CULTURAL ACTIVITIES OF SHG**

**INTERPRETATION**

 The table 4.12 reveals that 100% SHG are conducted socio-cultural activities**.**

**TABLE NO. 4.13**

**PROPERTY OF SHG**

|  |  |  |
| --- | --- | --- |
| **Property** | **No.of respondents** | **Percentage** |
| Yes | 3 | 30 |
| No | 7 | 70 |
| **Total** | **10** | **100** |

*Source: Primary Data*

**CHART NO. 4.13**

**PROPERTY OF SHG**

**INTERPRETATION**

 The table 4.13 reveals that 70%of the SHGs do not have any property and 30% of the SHGs have their own properties such as land, building, vehicles etc.

**TABLE NO. 4.14**

**FUND FOR PURCHASING PROPERTY**

|  |  |  |
| --- | --- | --- |
| **Source of fund** | **No. of respondents** | **Percentage** |
| Loan | - | - |
| Members contribution | 1 | 34.33 |
| Profit of group | 2 | 66.67 |
| Other | - | - |
| **Total** | **3** | **100** |

*Source: Primary Data*

**FIGURE NO.4.14**

**FUND FOR PURCHASING PROPERTY**

**INTERPRETATION**

The table 4.14 reveals that 66.67% of the SHGs have purchased their property by using the profit of the group and 34.33% of the SHGs have used members’ contribution for purchasing the property**.**

**TABLE NO. 4.15**

**CONDUCTING SOCIAL RESPONSIBILITY ACTIVITIES**

|  |  |  |
| --- | --- | --- |
| **Social responsibility activities** | **No. of respondents** | **Percentage** |
| Conducting | 8 | 80 |
| Not conducting | 2 | 20 |
| **Total** | **10** | **100** |

*Source: Primary Data*

**CHART NO. 4.15**

**CONDUCTING SOCIAL REPONSIBITY ACTIVITIES**

**INTERPRETATION**

The table 4.15 reveals that 80% of the SHG are conducting the social responsibility activities and 20% not conducted the social responsibility activities.

**TABLE N0.4.16**

**SOURCE OF FUND FOR SHG**

|  |  |  |
| --- | --- | --- |
| **Sources** | **No. of respondents** | **Percentage** |
| Financing activities | **4** | **40** |
| Agriculture | **1** | **10** |
| Contribution from members | **3** | **30** |
| Business | **2** | **20** |
| **Total** | **10** | **100** |

*Source: Primary Data*

**FIGURE NO.4.16**

**SOURCES OF FUND FOR SHG**

**INTERPRETATION**

The table reveals that 40% of the SHGs’ source of fund is financing activities, for 30%, it is contribution from members, 20% are generating fund from business and 10% are from agriculture.

**TABLE NO. 4.17**

**REGULARITY OF MEETING**

|  |  |  |
| --- | --- | --- |
| **Time** | **No.of respondents** | **Percentage** |
| Monthly | 2 | 20 |
| Weekly | 8 | 80 |
| Fortnightly | - | - |
| **Total** | **10** | **100** |

*Source: Primary Data*

**CHART NO. 4.17**

**REGULARITY OF MEETING**

**INTERPRETATION**

 The table reveals that 80% of the SHGs meet weekly and 20% are meeting monthly with all the members who will participate in the discussions and decision making process orally and mentally.

**TABLE NO. 4.18**

**EDUCATIONAL SUPPORT FOR MEMBERS’ CHILDREN**

|  |  |  |
| --- | --- | --- |
| **Educational Support** | **No.of respondents** | **Percentage** |
| Provided | 7 | 70 |
| Not provided | 3 | 30 |
| **Total** | **10** | **100** |

*Source: Primary Data*

**CHART NO.4.18**

 **EDUCATIONAL SUPPORT FOR MEMBERS’ CHILDREN**

**INTERPRETATION**

 The table reveals that 70% of the SHGs are providing educational support to members’ children and 30% are not providing such facility.

**TABLE NO. 4.19**

**ACTIVITIES FOR GENERATING PERSONAL INCOME FOR MEMBERS**

|  |  |  |
| --- | --- | --- |
| **Activities** | **No. of respondents** | **Percentage** |
| Conducted | 5 | 50 |
| Not Conducted | 5 | 50 |
| **Total** | **10** | **100** |

*Source: Primary Data*

**FIGURE NO.4.19**

**ACTIVITIES FOR GENERATING PERSONAL INCOME FOR MEMBERS**

**INTERPRETATION**

The table shows that 50% of the SHGs provide activities for generating personal income for the members and 50% do not provide such activities.

**TABLE NO. 4.20**

**CATEGORY OF MEMBERS**

|  |  |  |
| --- | --- | --- |
| **Category** | **No.of respondents** | **Percentage** |
| APL | 40 | 80 |
| BPL | 10 | 20 |
| **Total** | **50** | **100** |

*Source: Primary Data*

**CHART NO. 4.20**

**CATEGORY OF MEMBERS**

**INTERPRETATION**

 The table 4.20 reveals that 70% of the respondents are APL and 30% are belonging to BPL category.

**TABLE NO. 4.21**

**YEAR OF EXPERIENCE IN SHG**

|  |  |  |
| --- | --- | --- |
| **Year** | **No.of respondents** | **Percentage** |
| Below 1 year | 5 | 10 |
| 1 to 3 years | 10 | 20 |
| 3 to 5years | 14 | 28 |
| More than 5 years | 21 | 42 |
| **Total** | **50** | **100** |

*Source: Primary Data*

**CHART NO 4.21**

**YEAR OF EXPERIENCE IN SHG**

**INTERPRETATION**

 The table 4.21 reveals that experience in SHG. 42% of respondents are members in SHG for more than 5 years,28% are in 3 to 5 years group, 20% are the members for 1 to 3 years group and 10% are with experience below one year.

**CHAPTER V**

**FINDINGS, SUGGESTIONS & CONCLUSION**

**5.1 FINDINGS**

1. 50% of the Self Help Groups’ size is 15-20 members.
2. Majority of the SHG are registered. These SHG get several allowance from the government.
3. Different SHG are performing different area, like welfare of the members, cultural activities, financing activities and business etc.
4. Majority (90%) of SHGsis providing credit facility to members; these facilities help to the members to meet the urgent needs of them.
5. Majority of SHGs provide loan between 30000-500000. There is no lower limit for providing credit to members.
6. Majority of SHGs loan repayment period is one year (70%).
7. Secretary and executive committee are the major decision maker in SHGs. They decide the day to day activities of the SHGs
8. 50% SHGs have conflict among the member’s, it will badly affect its performance.
9. Majority of SHGs satisfaction level with performance ofsangam co-ordination committee is average.
10. It is found that only 30% of SHGs are having opinion that the attitude of local Government with SHG is positive.60% of SHG are keeping it neutral.
11. From the study found that 100% Banks have positive attitude towards SHGs.
12. It is found that All SHGs are conducting socio-cultural activities for the development of the society.
13. Majority of the SHGs do not have any property, only 30% SHGs have the property. The property helps to increase the confidence of the members in their group.
14. Profit of the group is the main source of fund for purchasing the property; and it is found that groups with property are conducting more profitable activities.
15. Majority of the SHGs conduct social responsibility activities, which help to increase the individual development of the members.
16. Different SHGs have different source of fund for performing and meeting the expenses incurred on conducting different activities.
17. Majority of the SHGs conduct the meeting weekly, which will help to interact with the members more frequently.
18. Majority of the SHGs provide educational support to members children.
19. 50% of the SHGs provide activities for generating personal income for members, soSHGs help to reduce the unemployment.
20. From the study, it is found that, 20% of respondents are belonging to BPLcategory
21. 42% of the members have more than 5 years of experience in SHG.

**5.2 SUGGESTIONS**

1. Self-help groups should extend the area of their business and try to reach to local markets with their home making products
2. There should be regular evaluation and monitoring of SHGs through different useful agencies like government, bankers, etc.
3. There is need for recurring and increased finance to SHGs.The bank should recognize the Members’ requirement of money at the right time for appropriate income generation activities
4. More and more training programmes on income generation and self-employment should be provided. This would enable the SHGs members in getting access to credit, get out of low paying occupation and earn more money
5. Marketing of the products has emerged as one of the major problem faced by SHGs. Efforts should be made to provide marketing facilities through cooperatives and government outlets.
6. All members of SHGs need to be imparted a leadership training and eventually there has to be rotation in leadership to ensure functioning of SHGs on more democratic basis.
7. It is possible for the Sangam co-ordination committee to control the performance of the SHGs. Therefore improvements in the performance of Sangam co-ordination committee are necessary.
8. Government may introduce several schemes for the development of SHG.
9. Government and Banks can introduce attractive saving scheme and insurance scheme for members, which will enhance their thrift habit.
10. Government should come up with a special policy to create a separate cell for solving problems of SHG.
11. SHGs may only concentrate on the growth of the group, but should also show active involvement in the social issues and other essential issues like health, sanitation etc. to develop the entire village.

**5.3 CONCLUSION**

SHG play a central role in the lives of poor. The SHG programme in KUNNUMMAL Grama Panchayath seems to be very successful in reaching the poor. There is evidence of increased household income, increased slandered of living and the members themselves feel that SHG fulfill their need. It has been measured that up to what extent the Self-Help Groups have been successful to inculcate the quality of self-dependence, leadership and entrepreneur qualities among the people.

Thus the present study has proved that the Self-Help Groups (SHG’s) are playing important role in the socio-economic welfare and upliftment of people. Study has also proved that Self-Help Groups have enhanced various skills among the members and the Participation of women in Self-Help Groups (SHG’s) has made them more self-dependent.SHGs can play an effective role in achieving the long cherished objectives of poverty alleviation and rural development through their diversified programmes. The formation of common interest groups has had a substantial impact on the lives of its members. The study states that socio-cultural activities of Self Help Group lead to the social development and financing activities lead to economic development of the society.

It can be hoped that the SHGprogramme could bring about radical changes in the lives of the poor sections of the society in the years to come.

**BIBLIOGRAPHY**

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**APPENDIX**

**QUESTIONNAIRE FOR SHGs**

Name of SHG :

1. What is your group size?

Below 10 [ ]

10-15 [ ]

15-20 [ ]

 Above 20 [ ]

1. Marital status

Married[ ]

Unmarried[ ]

1. Occupation of Spouse

Agriculture[ ]

Govt employee[ ]

Private employee[ ]

Others [ ]

1. Type of family?

Nuclear[ ]

Traditional[ ]

1. Registration status of your group :

Registered[ ]

Not Registered[ ] .

1. Which is your group focusing area?

Financing Activity[ ]

Agriculture[ ]

Welfare of the member [ ]

 Educational Activity[ ]

Cultural Activity[ ]

Business[ ]

1. Does your group provide any credit facility to its members?

Yes [ ]

No [ ]

If yes,

1. How much?

Up to 20000 [ ]

20000-30000 [ ]

30000-50000[ ]

Above 50000 [ ]

1. What is your periodicity of loan Repayment?

6 month [ ]

 One year [ ]

More than 1 [ ]

1. Who take decision on day to day function of group?

Secretary [ ]

President [ ]

Executive committee [ ]

1. Group Members Is there is any conflict among group members?

Yes [ ]

No [ ]

1. State the satisfaction level with the performance of Sangam Co-ordination.

Very-good[ ]

Good [ ]

Average [ ]

Below average [ ]

1. What is your opinion about the attitude of local Government with the SHG?

Positive [ ]

Neutral [ ]

Negative [ ]

1. What is your opinion on the attitude of the Bank towards SHG?

Positive [ ]

Negative[ ]

1. Does your group have any property?

Yes [ ]

No [ ]

1. If Yes, Specify ………….. Which source of fund used for purchasing such property?

Loan [ ]

Member’s contribution [ ]

Profit of group [ ]

Others [ ]

1. Regularity of meetings.

Monthly [ ]

Weekly [ ]

Fortnightly[ ]

1. Do you conduct any socio-cultural activities for your group members?

 Yes[ ]

No[ ]

1. Does your group organize any social responsibility activities?

Yes[ ]

No[ ]

1. What are the major sources of fund for performing your group?

Financing Activity [ ]

Agriculture[ ]

Contribution from members [ ]

Business[ ]

1. Do you conduct any educational activities for supporting the member’s children education?

Yes[ ]

No[ ]

1. Does your group provide any activities for generating the personal income for members?

Yes[ ]

No[ ]

**DEMOGRAPHIC PROFILE**

1. Name :
2. Age :
3. Category :

APL [ ]

BPL[ ]

1. Education :

Illiterate [ ]

SSLC [ ]

Plus two [ ]

Degree and Above[ ]

1. Occupation :

Agriculture[ ]

Business [ ]

Govt. [ ]

Private Employee[ ]

Daily worker [ ]

Self-Employee[ ]

House wife[ ]

1. Since how long you are the members of the group:

Below one year [ ]

3 to 5 [ ]

1 to 3 [ ]

Above 5[ ]