**CHAPTER-1**

**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 poor38. 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)

**1.2 SIGNIFICANCE OF THE STUDY**

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 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,weekness,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.

**1.3 STATEMENT OF THE PROBLEM**

The statement of the problem regarding the role of self-help groups (SHGs) in socio-economic development revolves around understanding the effectiveness and challenges faced by SHGs in contributing to holistic development. Key issues to explore include the extent of SHGs' impact on poverty alleviation, women's empowerment, and community resilience. Additionally, it is crucial to examine barriers hindering the optimal functioning of SHGs, such as limited access to financial resources, lack of technical support, and socio-cultural constraints. By addressing these challenges, the study aims to uncover strategies and interventions that can maximize the socio-economic potential of SHGs, thereby fostering inclusive growth and sustainable development at the grassroots level.

**1.4 OBJECTIVES OF THE STUDY**

* To enumerate the various activities undertaken by the Self-Help Groups.
* To examine the impact of microfinance programmes on employment and Income level of SHG members in Kannur district
* 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 Kannur district
* To understand the problems of SHGs and to provide alternate strategies to make SHGs effective.

**1.5 SCOPE OF THE STUDY**

The scope of the study on the role of self-help groups (SHGs) in socio-economic development encompasses a comprehensive examination of the various dimensions of SHG activities and their impact on communities. This includes assessing the formation and functioning of SHGs, analyzing their role in enhancing livelihood opportunities, promoting financial inclusion, empowering marginalized groups, and fostering social cohesion. Additionally, the study will explore the enabling factors and constraints affecting SHGs' effectiveness, such as institutional support, access to credit, capacity building, and socio-cultural dynamics. By delving into these aspects, the study aims to provide valuable insights and recommendations for policymakers, development practitioners, and stakeholders to optimize the contribution of SHGs towards sustainable socio-economic development.

**1.6 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. 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 Kannur district at 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.

**1.7 SAMPLE SIZE:**

The study was conduct a sample of 50 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-economical, cultural and educational development of the members and society.

**1.7 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.

**1.8 CHAPTER SCHEME**

The study has been divided in to 5 chapters

* The first chapter deals with Introduction of the study.
* The second chapter deals with Review of literature
* The third chapter deals with Theoretical frame work of the study.
* The fourth chapter deals with Data analysis and interpretations of the

study.

* The final chapter furnishes the findings, suggestions and conclusion for

the study.

**CHAPTER-2**

**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 50 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.

**CHAPTER-3**

**PROFILE OF THE STUDY**

**3.1 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-HELPGROUPS 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.

**SHG 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 “SwarnaJayantiGramaSwarojgarYojana” (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.

**CHAPTER-4**

**DATA ANALYSIS AND INTERPRETATION**

**TABLE NO. 4. 1**

**CATEGORY OF MEMBERS**

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

Source: Primary Data

**FIGURE NO. 4.1**

**CATEGORY OF MEMBERS**

**INTERPRETATION**

The table 20 reveals that 80% of the respondents are APL and 20% are belonging to BPL category.

**TABLE NO. 4.2**

**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

**FIGURE NO 4.2**

**YEAR OF EXPERIENCE IN SHG**

**INTERPRETATION**

The table 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.

**TABLE NO. 4.3**

**KNOWING ABOUT SHG**

|  |  |  |
| --- | --- | --- |
| **Source** | **No.of respondents** | **Percentage** |
| Neighbours | 16 | 32 |
| Bank staff | 6 | 12 |
| Panchayat | 11 | 22 |
| SHG members | 17 | 34 |
| **Total** | **50** | **100** |

Source: Primary Data

**FIGURE NO. 4.3**

**KNOWING ABOUT SHG**

**INTERPRETATION**

This table show that motivator for joining the SHG.34% of the respondents came to know about SHG from other SHG members, 32% from their neighbors, 22% came to know from their panchayat and 12% from their bank.

**TABLE NO. 4.4**

**FACTORS THAT MIGHT HAVE INFLUENCED TO JOIN SHG**

|  |  |  |
| --- | --- | --- |
| **Factors** | **No.of respondents** | **Percentage** |
| To obtain credit | 7 | 14 |
| Empowerment | 19 | 38 |
| To interact with others | 20 | 40 |
| For employment opportunity | 4 | 8 |
| **Total** | **50** | **100** |

Source: Primary Data

**FIGURE NO 4.4**

**FACORS THAT MIGHT HAVE INFLUENCED TO JOIN SHG**

**INTERPRETATION**

The table shows that, the interaction with the others is the most influencing (40%) factor for joining the SHG, 38% of the respondents joined for empowerment,14% are to obtain credit and 8% have joined SHG for employment opportunity.

**TABLE NO. 4.5**

**SATISFACTION LEVEL WITH THE PERFORMANCE OF SHG**

|  |  |  |
| --- | --- | --- |
| **Level of satisfaction** | **No.of respondents** | **Percentage** |
| Very good | 12 | 24 |
| Good | 30 | 60 |
| Average | 8 | 16 |
| Below average | - | - |
| **Total** | **50** | **100** |

Source: Primary Data

**FIGURE NO. 4. 5**

**SATISFACTION LEVEL WITH THE PERFORMANCE OF SHG**

**INTERPRETATION**

The table reveals that 24% of respondents feel very good satisfaction with the performance of SHG, while 60% feel good satisfaction with the performance. 16% feel only average satisfaction with the performance of SHG.

**TABLE NO. 4.6**

**TRAINING FROM SHG**

|  |  |  |
| --- | --- | --- |
| **Training** | **No.of respondents** | **Percentage** |
| Yes | 21 | 42 |
| No | 29 | 58 |
| **Total** | **50** | **100** |

Source: Primary Data

**FIGURE NO.4. 6**

**TRAINING FROM SHG**

**INTERPRETATION**

The table show that 42% of the respondents have got the training from the SHG,58% of the respondents do not get any training from the SHG.

**TABLE NO. 4.7**

**KNOWLEDGE ABOUT RULES AND BYELAWS**

|  |  |  |
| --- | --- | --- |
| **Knowledge about Rules** | **No.of respondents** | **Percentage** |
| Yes | 42 | 84 |
| No | 8 | 16 |
| **Total** | **50** | **100** |

Source: Primary Data

**FIGURE NO. 4. 7**

**KNOWLEDGE ABOUT RULES AND BYELAWS**

**INTERPRETATION**

The table shows that 84% of the respondents have knowledge about the rules and byelaws of the SHG, while 16% of the respondents do not know the rules and byelaws of the SHG.

**TABLE NO. 4.8**

**PROBLEM FACING IN THE FUNCTIONING OF SHG**

|  |  |  |
| --- | --- | --- |
| **Problems** | **No.of respondents** | **Percentage** |
| Faced | 30 | 60 |
| Not Faced | 20 | 40 |
| **Total** | **50** | **100** |

Source: Primary Data

**FIURE NO. 4.8**

**PROBLEM FACING WHILE FUNCTIONING OF SHG**

**INTERPRETATION**

The table reveals that 60% of the respondents faced some problems such as timing of the meeting, issue with members; financial difficulties etc. and 40% do not faced any problem.

**TABLE NO. 4.9**

**SHG FULFILL THE MEMBERS’ NEEDS**

|  |  |  |
| --- | --- | --- |
| **Fulfil the needs** | **No.of respondents** | **Percentage** |
| Yes | 34 | 68 |
| No | 16 | 32 |
| **Total** | **50** | **100** |

Source: Primary Data

**FIURE NO. 4.9**

**SHG FULFILL THE MEMBER’S NEEDS**

**INTERPRETATION**

The table reveals that 68% of the respondents have the opinion that the SHG fulfill their needs and 32% feel that they do not have fulfilled their needs.

**TABLE NO. 4.10**

**FACTORS CONTRIBUTING TO THE SUCCESS OF THE SHG**

|  |  |  |
| --- | --- | --- |
| **Factors** | **No.of respondents** | **Percentage** |
| Active support of the SHG members | 24 | 48 |
| Regular saving habit | 11 | 22 |
| Proper maintenance of accounts | - | - |
| Regular meeting | 6 | 12 |
| Efficient leader | 9 | 18 |
| Other | - | - |
| **Total** | **50** | **100** |

Source: Primary Data

**FIGURE NO. 4.10**

**FACTORS CONTRIBUTING TO THE SUCCESS OF THE SHG**

**INTERPRETATION**

From the table, it is clear that 48% of the respondents are of the opinion that ‘active support of the members’ is the major factor for the success of SHG while 22% view ‘theregular saving’ as major factor for the success of SHG. 18% of respondents feel that ‘efficient leader’ as major factor and 12% are of the opinion that ‘regular meeting’ is the major factor for success of SHG.

**TABLE NO. 4.11**

**FINANCIAL BENEFIT FROM SHG**

|  |  |  |
| --- | --- | --- |
| **Financial benefit** | **No.of respondents** | **Percentage** |
| Yes | 36 | 72 |
| No | 14 | 28 |
| **Total** | **50** | **100** |

Source: Primary Data

**FIURE NO. 4.11**

**FINANCIAL BENEFIT FROM SHG**

**INTERPRETATION**

The table shows that 72% of the respondents are getting financial benefits from SHG and 28% are not getting any financial benefit such interest free loan and profit from chits.

**TABLE NO. 4.12**

**MEMBERSHIP IN MORE THAN ONE SHG**

|  |  |  |
| --- | --- | --- |
| **Membership** | **No.of respondent** | **Percentage** |
| Yes | 2 | 4 |
| No | 48 | 96 |
| **Total** | **50** | **100** |

Source: Primary Data

**FIURE NO. 4.12**

**MEMBERSHIP IN MORE THAN ONE SHG**

**INTERPRETATION**

The table shows that 96% of the respondents do not have membership in more than one SHG and 4% are having membership in more than one SHG.

**TABLE NO. 4.13**

**SHG WILL BRING PERSONAL DEVELOPMENT**

|  |  |  |
| --- | --- | --- |
| **Personal Development** | **No.of respondents** | **Percentage** |
| Yes | 50 | 100 |
| No | - | - |
| **Total** | **50** | **100** |

Source: Primary Data

**FIURE NO. 4.13**

**SHG WILL BRING PERSONAL DEVELOPMENT**

**INTERPRETATION**

The 100% respondents believe that SHG will bring personal development.

**TABLE NO. 4.14**

**SOCIO-CULTURAL ACTIVITIES WILL LEAD TO PERSONALITY DEVELOPMENT**

|  |  |  |
| --- | --- | --- |
| **Socio-cultural activities** | **No.of respondents** | **Percentage** |
| Yes | 50 | 100 |
| No | - | - |
| **Total** | **50** | **100** |

Source: Primary Data

**FIGURE NO. 4.14**

**SOCIO-CULTURAL ACTIVITIES WILL LEAD TO PERSONALITY DEVELOPMENT**

**INTERPRETATION**

The table shows that 100% of the respondents believe that socio-cultural activities conducted by respective SHGs will lead to their personality development.

**TABLE NO. 4.15**

**AMOUNT OF CREDIT TAKEN BY MEMBERS**

|  |  |  |
| --- | --- | --- |
| **Amount** | **No.of respondents** | **Percentage** |
| Below 10000 | 6 | 12 |
| 10000-25000 | 24 | 48 |
| 25000-50000 | 8 | 16 |
| Above 50000 | 12 | 24 |
| **Total** | **50** | **100** |

Source: Primary Data

**FIGURE NO. 4.15**

**AMOUNT OF CREDIT TAKEN BY MEMBER’S**

**INTERPRETATION**

The table shows that 48% of the respondents took loan between Rs.10000-25000, 24% took more than Rs. 50000, 16% availed Rs. 25000-50000 and 12% availed loan below Rs.10000.

**TABLE NO. 4.16**

**SOCIAL RESPONSIBILITY ACTIVITIES FOR COMMUNAL DEVELOPMENT**

|  |  |  |
| --- | --- | --- |
| **Social Activities** | **No.of respondents** | **Percentage** |
| Yes | 45 | 90 |
| No | 5 | 10 |
| **Total** | **50** | **100** |

Source: Primary Data

**FIGURE NO. 4.16**

**SOCIAL RESPONSIBILITY ACTIVITIES FOR COMMUNAL DEVELOPMENT**

**INTERPRETATION**

The table shows that 90% of the respondents believe that social responsibility activities undertook by SHGs lead to communal development and 10% do not have such feelings.

**CHAPTER-5**

**FINDINGS, SUGGESTIONS AND CONCLUSION**

**5.1 FINDINGS**

* Majority of the SHGs provide educational support to members children.
* 50% of the SHGs provide activities for generating personal income for members,so SHGs help to reduce the unemployment.
* From the study, it is found that, 20% of respondents are belonging to BPL category
* 42% of the members have more than 5 years of experience in SHG.
* Neighbors and SHG members are the major source for knowing about SHG
* People join SHG to interact with others and for empowerment. personality development is their motive to join SHG.
* Majority of the members are satisfied with the performance of the SHG
* Majority of the members get training from SHG,like job training,educational training.
* Majority of the members have knowledge about the rules and byelaws of SHG, which helps the smooth functioning of the SHG.
* Majority of the members face some problems with the functioning of SHG like financial difficulties, personal problems etc.
* Majority of the members feel that SHGs fulfill the needs of members.
* Active support of member is the important factor for success of a SHG.
* Majority of the members get financial benefits like interest free loan and profit from chitsfrom SHGs.
* Majority of the respondents are only the member in only one SHG.Only a fewrespondents are members in more than one SHG.
* All of the SHGs bring the personal development to the member.
* Socio-cultural activity by SHG is leads to the personal development of the members.
* Majority of the members avail loan amount between 10000-25000.

**5.2 SUGGESTION**

As three-fourths of households in the country are either poor or vulnerable, NRLM may cover all willing rural households, irrespective their BPL or APL status, in the SHG program for effective financial inclusion.

It may be divided into two sub-programs, viz. Financial Inclusion and Livelihood promotion.

Two programs may be implemented sequentially. The first five years may be totally focusing on promotion and strengthening of SHG institutions SHG banking may be allowed to function as core banking activity without any outside interference like target fixing, interest cap, loan size, etc.

The Government may promote quality SHGs through village/ cluster level; sub-district/ block level and district level federations.

Wherever banks are not accessible or not responsive, federations may be prepared to take up financial intermediation

Promoting agencies play a crucial role in developing quality institutions. Promoting agencies may be given adequate financial and capacity building resources and timeframe. Available evidence indicate that investment of about Rs.15,000 per SHG for 8 to 10 years is required to promote quality

SHGs with strong federations and effective livelihood opportunities.

**5.3 CONCLUSION**

SHG play a central role in the lives of poor. The SHG programme in Kannur district 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 the 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 SHG programme 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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* Das S.K(2012): Socio-Economic Empowerment of Women Through SHG-Banking Linkage Programme: A Boon for Development, IJMBS Vol. 2

**WEBSITE**

http://www.shgfinance.com

# QUESTIONNAIRE

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 
2. How did you come to know about SHG?

Neighbors  Panchayat 

Bank staff SHG Members

1. From the following factor, which is the major factor that might have influenced you to Join SHG. :

To obtain credit  To find fund for unexpected contingency Empowerment  For employment opportunity 

To interact with others 

1. What is your satisfaction level with the functioning of SHG?

Very good  Good Average Below Average

1. Do you get any training from SHG?

Yes  No 

1. Do you know rules and byelaws of SHG ? Yes  No 
2. Have you faced a problem while functioning for SHG? Yes  No 
3. Do you think SHG fulfill the members need?

Yes  No 

1. In your opinion what are the factors contributing to the success of the SHG: Active support of the SHG members  Regular SHG meeting  Regular saving habit  Efficient leader 

Proper maintains of account Others

1. Do you get any financial benefit from SHG? Yes  No
2. Are you member in more than one SHG? Yes  No 
3. Do you believe that SHG will bring personal development for you?

Yes  No 

1. Have you availed credit facility from SHG?

Yes  No 

1. If Yes, Loan amount:

Below 10000  10000-25000 

25000-50000  Above 50000 

1. Does your group provide any facility to participant in socio cultural activities? Yes  No 