

# A Study On The Functioning System Of Self Help Groups In Tiruchirappalli District

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**Abstract** Poverty continues to be a primarily rural Problem. In India, which affects the females more than males resulting in the “Feminization of Poverty”. The combat this several anti poverty programmes were launched by the Government of India. This is a holistic programme covering all aspects of self employment, such as organization of the poor into Self – Help Groups, training, credit, technology, infrastructure and marketing. They serve as a platform to establish the banking with the poor which is reliable, accountable and a profitable business.

**Keywords:** women self help group, poverty, banking and so on.

## I. INTRODUCTION

Poverty is the major issues of our nation and also it becomes lifelong problem of rural people. Women is pillar of family and she manage all the difficulties related to economic issues. Government take more initiatives to reduce or eradicate poverty. This is a holistic programme covering all aspects of self employment, such as organization of the poor into Self – Help Groups, training, credit, technology, infrastructure and marketing. The goal of Self help groups (SHG) is to become effective agents of change<sup>1</sup>. They serve as a platform to establish the banking with the poor which is reliable, accountable and a profitable business.

Women self help group is the key operation tool which facilitates the economic development and also purchasing power of rural people. It was came into existence with the view to empower the rural people individually and group by linking the group with banks and extending the loan to empower them by opening of business in group or as individual as well as for consumption purposes. The fact goes like this that women those never get any identity in home and society come forward in groups for availing the finance through SHG-BL for domestic and society empowerment.

A Self Help Group is a group of 10-20 women or men who work for the capacity building of themselves. The goal of Self help groups (SHG) is to become effective agents of change. They serve as a platform to establish the banking with the poor which is reliable, accountable and a profitable business. SHG also enables livelihood opportunities for village women through micro-credit with the existing banks in the area.

<sup>1</sup> BargoriaFinsonKiprop (2018) Challenges experienced by women in Self-help Group in Tinderet Sub-County, Nandi county Kenya, IOSR Journal Of Humanities And Social Science (IOSR-JHSS) Vol.23(6), PP 50-58.

## II. REVIEW OF LITERATURE

Nandini R , Prof. Sudha (2016) reviewed the literature related to Microfinance and the Self Help Groups (SHG) in India and to analyze the effectiveness of SHG on women empowerment in Ramanagar district. Study used primary data and selected sample (random) of 50 women respondents out of 20 SHG's in the district of Ramanagar. The found that proved that positive impact on women empowerment in Ramanagar district, Karnataka through self help groups, in terms of increase in social awareness and participation, savings habits, income level, self employment, asset creation, repayment of other debts, improvement in decision making skills and improved nutrition level at their household<sup>2</sup>.

According to Athanne (2011) women do not generally have property on their names to use them as collateral for obtaining funds from external sources. Most women who venture into businesses in the rural areas lack the needed collateral to enable them secure bank loans. the study investigated if the same challenges were faced by women participating in self-help group in Tinderet sub-county, Nandi County<sup>3</sup>.

**Devaprakash (2005)** Hence in group formation, homogeneity in economic status should be given due weightage. Continuity in the perusal of social causes and issues, group processes, and other social parameters should be considered while fixing determinants of group quality. Quality assessment of SHGs has come to be accepted as an important tool to ensure standards in SHGs. In the

<sup>2</sup> Nandini R , Prof. Sudha (2016) “A Study On Women Empowerment Through Self Help Groups – With Special Reference To Ramanagar District, Karnataka”, Vol.1(1) accessed at: <http://informaticsjournals.com/index.php/bims/article/view/16210>

<sup>3</sup> Athanne , K., (2011). Entrepreneurship in Kenya, Nairobi, Nairobi Acts Press

enthusiasm to ensure monitoring of SHGs every stakeholder had their own innovation in designing a new tool for grading of SHGs.<sup>4</sup>

**Sa-Dhan (2005)** studied SHG-Bank linkage among the bankers, without due emphasis on quality which needs to be given priority. This tool helps the SHPIs to measure the quality of SHGs and to identify the areas of strengths and weaknesses of SHGs that would in turn help them to design their capacity building initiatives for SHGs in a more focused and cost effective manner. This tool also helps banks to understand and assess SHGs performance in the required detail for credit linkage<sup>5</sup>.

**Reddy (2005)** identifies key areas of weakness which undermine the sustainability of SHG movement. The researcher identifies the major areas such as financial management, governance and human resource ranges on the SHG-Bank-linkage programme in India, addressed a wide range of issues including cases of dropouts from SHGs, internal politics, issues of social harmony and social justice, community actions, book-keepings, equity, defaults and recoveries etc., and sustainability of SHGs<sup>6</sup>.

#### OBJECTIVES OF THE STUDY

- To study the role of micro finance in poverty alleviation.
- To study the socio economic characteristics of rural women.
- To study the role of micro finance in women empowerment

#### SCOPE OF THE STUDY

- The importance of SHG structure in maximizing Micro finance utilization.
- The extent to which socio – economic status is influenced by group characteristics and accessibility to Micro finance and Micro enterprises.

<sup>4</sup> **Sa-Dhan (2003)**, “Quality Parameters of SHGs: A discussion paper,” Retrieved April 1, 2009 from <http://www.sa-dhan.net/Adls/Microfinance/DiscussionPaperSeries-2.pdf>.

<sup>5</sup> **Devaprakash, R. (2005)**, “Balancing Quality & Quantity in SHGs in India,” IBA Bulletin, (August), 25-39.

<sup>6</sup> **Reddy, C. S. (2005)**, “SHGs: A Keystone of Micro Finance in India: Women empowerment & Social Security,” Retrieved Feb. 21, 2009, from [http://www.aptsources.in/admin/.../1273818040\\_SHGs-keystone-paper.pdf](http://www.aptsources.in/admin/.../1273818040_SHGs-keystone-paper.pdf).

- As elements of action research are made use of in their study, the findings and recommendations will be useful for the rural women development.
- Micro finance to fine – tune their strategies towards enterprises development and poverty eradication

### III. METHODOLOGY

The present study is a Cross – Sectional analyses of SHG members in rural areas for the year 2017-2018. Primary data has been collected through focused group discussion making use of detailed questionnaire. A Random sample of 100 respondents has been identified from the rural areas.

**TABLE -1 TABLE SHOWS – SHG FIX RATE OF INTEREST TO THE MEMBERS**

S. No	Rate of interest fix	No. of Respondents	Percentage (%)
1	NGO	45	45
2	Bank	24	24
3	Promoters	14	14
4	Group members	17	17
	<b>TOTAL</b>	<b>100</b>	<b>100</b>

The above table shows that 45% of the respondents fix the rate of interest by NGO 24% of the respondents said that rate of interest fixed by the bank 14% of the respondents interest rate fix by promoters and 17% of the respondents are the rate of interest fixed by group members.

It is understood that maximum 45% of the respondents rate of interest fixed by non government organization.

**TABLE -2 TABLE SHOWS – SHG SOURCE OF FINANCE FROM VARIOUS FACTORS**

S. No	Source of finance	No. of Respondents	Percentage (%)
1	Self finance	25	25
2	Bank	17	17
3	Private financial institution	23	23
4	NGO	35	35
	<b>TOTAL</b>	<b>100</b>	<b>100</b>

The above table shows that 25% of the respondents are self finance 17% of the respondents are get bank loan 23% of the respondents are get private financial institution and 35% of the respondents are get finance from NGO. Thus 35% of the respondents are get finance from NGO.

**TABLE .3 TABLE SHOWS – SHG MAINTAIN RECORDS AND BOOK KEEPING**

S. No	Source of finance	No. of Respondents	Percentage (%)
1	Representative of outside SHG	25	25
2	Representative	17	17
3	Literate members	35	35
4	Accountant	23	23
	<b>TOTAL</b>	<b>100</b>	<b>100</b>

The above table reveals that 25% of the respondents maintain record representative of outside SHG 17% of the respondents are maintain record representative 35% of the respondents are maintain record literate members and 23% of respondents maintain record by accountant.

#### IV. FINDINGS

- 59% of the respondents are get daily wages.
- 59% of the price of production in market orientation.
- 49% of the respondents are selling cost.
- 56% of the respondents said direct marketing channels.
- of the respondents are paid advance amount.
- of the respondents are face problem in raw material.
- of the respondents are need good leadership.
- 73% of the respondents are always disagreement for divide members.
- 31% of the respondents are saving habits in 25% members.
- 45% of the respondents rate of interest fixed by non government Organization.
- 35% of the respondents are get finance from NGO.
- 35% of the respondents are the satisfaction level.
- 43% of the respondents develop by social factors.
- 64% of the respondents are increase woman capacity in the house.
- 39% of the SHG suffer only by competition.
- 63% of the respondents are first grade by demand
- 58% of the respondents are motivated by self help group members.

#### V. SUGGESTIONS

The following suggestions were arrival from the survey the survey shows that majority SHG facing skilled labors problems to carry out their work effectively further they sell their product on credit basis the buyers buying the products on credit. So they face financial problem on credit. So they face financial problem in the cast of marketing they are not getting proper transport. So transport is the main problem. Further Storage is also another problem. Further storage is also another problem for SHG. Therefore the government tries to provide a place for storing their goods. For up grating of the machine rise and overall business they need fiancé. So the government takes steps to provide finance facilities. Pricing is also another problem faced by them. So government try to fix uniform price this will helps to the SHG to sell their products at normal rate.

#### VI. CONCLUSION

Eradicate poverty is the ultimate objective any government. Women self help group initiatives are the tool to improve economic status of the people. Micro finance is path to increase entrepreneurship. The present study analyses the women self help group process how motivate the entrepreneurship. People get minimum amount of loan from these self help group with support of nationalized banks. Women self help group helps to increase the income of people.

#### REFERENCES

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