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A study on self-help group members' attitude towards poverty extermination in Vellore district

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ABSTRACT

Poverty eradication is one of the major objectives of planned development. The magnitude of the problem is still quite incredible. In Indian economy has grown steadily over the last two decades; its growth has been uneven when comparing different social groups, economic groups, geographic regions, and rural and urban areas. A study with special reference to Vellore District, has been taken up to document the efforts of SHGs in promoting welfare of the women. The study is based on non-probability sampling method. There are 1184 Self Groups Vellore District, Out of 1184 groups, 150 groups were selected by adopting convenient sampling method. This study concluded that apart from problems Women gained more as a result of Self Help Groups. She comes out from the four walls and engaged themselves in socio-economic activities like business, contribution to the orphanage, participation in public programmes etc. SHG helps the members to improve their standard of living by the way of empowering them which leads to eradicate poverty.

1. INTRODUCTION

Poverty eradication is one of the major objectives of planned development. The magnitude of the problem is still quite incredible. 36 per cent of the Indian population was below poverty line in 1993-94, The number of poor was 320 million, out of which 244 million (37 per cent of the rural population) lived in rural areas. The incidence of poverty declined from 54.9 per cent in 1973-74 to 36 percent in 1993-94. Indian economy has grown steadily over the last two decades; its growth has been uneven when comparing different social groups, economic groups, geographic regions, and rural and urban areas. The Rural Poverty have New Realities, New Challenges-New Opportunities for tomorrow's generation, majority of the world's poor are still found in the rural areas despite 350 million rural poor escaping poverty during the past decade. The report has, thus, asked for greater investment in agriculture and efforts to boost livelihoods.

"Freedom depends on economic condition over more than political and if the women are not economically free and self-earning she will have to depend on her husband or someone else and dependents are never free". - Mahatma Gandhi

A SHG is a small economically homogeneous affinity group of the poor women voluntarily coming together to save small amount of money regularly, which is deposited in a common fund to meet members emergency needs and to provide collateral free loan decided by the by the group.
The formations of Self Help Group create awareness among poor women about social issues and embolden them to take up their cause with authorities. The SHGs also create confidence among women to work in union for their economic development. The basic principles of the SHGs are group approach, mutual trust; organization of small and manageable groups, group cohesiveness,

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sprit of thrift, demand based lending, collateral free, and women friendly loan, peer group pressure in repayment, skill training capacity, building and empowerment.
The SHGs by their excellent performance have earned the confidence of every one and won plaudits. The SHGs help the poor with focus on categories like landless labourers, widows, divorces, deserted and handicapped women and women belonging to SC/ST and other socially backward communities. The bankers also feel that helping SHGs is a profitable venture and less risky as there is peer pressure from the group to repay and also there is refinance available from NABARD. Many NGOs have come forward to promote SHGs all over the country." Unlike some of the mindless populist rural credit schemes, SHG has on internal dynamics. "Said a NABARD officials pioneered, by the Bangaldesh Economist Mohammed Yunus. The concept of "SHGs" appears to be good alternative strategy to involve people in the development process.

2. STATEMENT OF THE PROBLEM

Since, 1950, the government of India has tried various programmes to alleviate poverty. In most developing countries the formal financial system reaches only the top 25 per cent. Among the economically active population the bottom 75 per cent has no access to financial services except to those of money lenders. People's participation in credit delivery and recovery and linking of formal credit institutions to borrowers through SHGs have been recognized as a supplementary mechanism for providing credit support to the rural poor. The distinguishing feature of the SHGs is creating social and economic awareness among the members. It enables the members to lead this life in a sound hygienic environment and pursue a better living. The women members involve themselves more in taking decisions regarding the educations of their children, the investment of the family, managing the economic assets of the family and bringing up cohesion among the members of the family and others for a better living. SHGs provide large numbers of employment opportunities for women. There are namely, vegetable stalls, dairy forming, running teat stalls, grocery shops, pickle making, coir business, sambar and detergent powders, paper bag making etc, are carried out more effectively by women. In this context the present study aims on performance appraisal of women SHGs. A study with special reference to Vellore District has been taken up to document the efforts of SHGs in promoting welfare of the women.

3. OBJECTIVES OF THE STUDY

The following are the objectives of the study.

- To analyze the socio-economic conditions of the SHG members.
- To study the impact of SHG among the members.
- To offer suitable suggestions on the basis of the findings of the study.

METHODOLOGY

Data which is a vital aspect in any research has been collected through various resources. Both primary and secondary data have been used in this study. Primary Data is the first hand information, which has been collected through interview schedule from the members of self-help group in Vellore District, The Secondary data is an integral part of any research study or a project report as it provides information on key variables, which play a major part in the actual research. The sources of Secondary data collected include

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SAMPLING DESIGN

The study is based on non-probability sampling method. There are 1184 Self Groups in Vellore District. Out of 1184 groups, 150 groups were selected by adopting convenient sampling method. From each group the researcher selected 1 member by adopting convenient sampling method.

4. TOOLS OF ANALYSIS

To analyze the objectives of the study, the following tools are used.

- For comparison purpose, the percentage analysis is used.
- To find out Rank correlations mean score.

ANALYSIS

NUMBER OF MEMBERS

SHG is a small, similarity group of 12 to 20 poor women. It is noted that the group size should be in the range 12 to 20. In no case should the group size exceed 20. The member should be women. Preferences should be given for the poorest women with focus on widows, divorces and handicapped women.

MEMBER WISE DISTRIBUTION OF SHGS

S.NO.	NUMBER OF MEMBERS	NUMBER OF SHGS	PERCENTAGE
1	12	21	14
2	13	6	4
3	14	18	12
4	15	30	20
5	16	21	14
6	17	12	8
7	18	24	16
8	19	3	2
9	20	15	10
	Total	**150**	**100**

Source: Primary Data

TABLE NO 1

It is understood from the Table 1 that out of 150 SHGs, 30(20 per cent) groups having 15 members and only 3 (2 per cent) SHGs have 19 Members. In order to have a clear idea about member wise distribution of sample SHGs.

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AGE WISE CLASSIFICATION

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SL. NO.	AGE (IN YEARS)	NUMBER OF RESPONDENTS	PERCENTAGE
1	16 - 25	84	56.00
2	26 -35	48	32.00
3	36 - 45	18	12.00
	Total	**150**	**100.00**

Source: Primary Data

TABLE NO 2

It is inferred from the above Table 2, 84 respondents (56.0 per cent) are in the age of below 25 years. 48 respondents (40 per cent) are in the age of 25-35 years, 18 respondents (12 per cent) are in the age of 35-45 years. Majority Of the members (56.0 percent) are in the age of 16 -25.

COMMUNITY WISE CLASSIFICATION

COMMUNITY WISE CLASSIFICATION

S.NO	COMMUNITY	NUMBER OF RESPONDENTS	PERCENTAGE
1	FC	46	30.7
2	BC	12	8.0
3	MBC	20	13.3
4	SC	39	26.0
	Total	**150**	**100**

Sources: Primary Data

TABLE NO 3

Table 3 shows that out of 150 respondents, 30.7 per cent of the respondents are FC, 8.0 per cent of the respondents are BC ,13.3 per cent of the respondents are MBC, 26.0 per cent of the respondents are SC .Therefore , it is noted that most of the members 46 are FC.

GROUP SAVINGS

The group members must be encouraged to save, SHGs starting with fixed savings can be motivated to switch to optional savings (to a minimum savings). This is especially relevant as most SHG members have seasonal employment and can make up for poorer savings during lean season with higher savings during employment seasons by adopting optional savings, Regular weekly saving is the quicker sustainability.

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TOTAL SAVINGS OF SHGS

S. NO	SAVINGS (IN RS.)	NUMBER OF SHGS	PERCENTAGE
1	Up to 5000	3	2
2	5,001 -10,000	9	6
3	10,001 - 20,000	25	17
4	20,001- 30,000	19	13
5	30,001- 40,000	48	32
6	40,001-50,000	26	17
7	Above 50,000	20	13
	Total	**150**	**100**

Source: Primary Data

TABLE NO 4

It is understood from the Table 4 that 13 Per cent of the selected SHGs have a total savings of more than Rs. 20,000. In order to have a clear idea about group wise savings of sample SHGs.

LOAN FROM COMMERCIAL BANKS

LOANS FROM COMMERCIAL BANKS

S. NO.	PARTICULARS	NUMBER OF SHGS	PERCENTAGE
1	Commercial Bank	12	8.00
2	NABARD	10	6.70
3	Bank	128	85.30
	Total	**150**	**100.00**

Source: Primary Data

TABLE NO 5

It is inferred from the Table 5 that out of 150 SHGs, all groups have availed financial support in the form of loans from the commercial banks.

EDUCATIONAL QUALIFICATION

Education means affecting knowledge. Education is the prime source of source of knowledge and intelligence. Education is one of the most important one, Which determinates the standard of living. The educational qualification of the sample respondents is given in Table 6

EDUCATIONAL QUALIFICATION

S. NO.	LEVEL OF EDUCATION	NUMBER OF RESPONDENTS	PERCENTAGE
1	Primary Education	46	30.70
2	Secondary Education	84	56.00
3	Higher Secondary	20	13.30
	Total	**150**	**100.00**

Source: Primary Data

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TABLE NO 6

Table 6 explains that out of 150 respondents 30.7 per cent of the respondents have had their education up to primary education 56.0 per cent of the respondents Finished Secondary Education. 13.3 per cent of the respondents finished Higher Secondary Education. Therefore, it is noted that most of the respondents (56.0 per cent) are studied upto Secondary Level.

ANNUAL INCOME OF THE FAMILY

Income is a key element of determines the standard of living of every people. There are many sources of income to a family. If the income level is high, then the status also is increasing in society. Table 7 reflects the annual income of the sample respondents.

ANNUAL INCOME OF THE FAMILY

S. NO.	PATTERN	NUMBER OF RESPONDENTS	PERCENTAGE
1	Rs. 20,000 -40,000	82	54.7
2	Rs. 40,000 – 60,000	68	45.3
	Total	**150**	**100**

Source: Primary Data

TABLE NO 7

Table 7 cleared that, 54.7percent of the respondents, annual income are above Rs.20, 000. 45.3 per cent of the respondent's annual income lies between Rs. 40,000 to 60,000. Therefore, majority of the respondents (54.7) per cent annual income are above 20,000.

PERIODICITY OF SAVINGS

Different groups adopt different period for savings. The periodicity of savings divided in to three categories. Table 8 shows that the periodicity of savings of the Self Help Groups.

PERIODICITY OF SAVINGS

S. NO.	PERIOD	NUMBER OF RESPONDENTS	PERCENTAGE
1	Week	84	56.00
2	Month	66	44.00
	Total	**150**	**100.00**

Source: Primary Data

TABLE NO 8

Table 8 clearly shows that, 56.0 per cent of the respondents are paid their subscription weekly, 44.0 per cent of the respondents are pay their subscription monthly. It is clear that, majority of the respondents (56.00 per cent) pay their subscription weekly.

BANK LON RECEIVED BY THE RESPONDENTS

The distribution of Self Help Group on the basis of bank loan granted by each member is shown in Table 9.

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BANK LOAN RECEIVED BY THE RESPONDENTS

S. NO.	AMOUNT (RS.)	NUMBER OF RESPONDENTS	PERCENTAGE
1	Below 5,000	48	32
2	5,000-10,000	57	38
3	10,000-20,000	21	14
4	20,000-30,000	18	12
5	30,000-40,000	6	4
	Total	**150**	**100**

Source: Primary Data

TABLE NO 9

Table 9 divvied that 32 per cent of the respondents borrowed bank loan below Rs. 5,000. 38 per cent of the respondents borrowed bank loan between Rs. 5,000 and Rs. 10,000. 14 per cent of the respondents borrowed loan between Rs. 10,000 and Rs. 20,000. 12 per cent of the respondents borrowed loan between Rs. 20,000 and Rs. 30,000 and 4 per cent of the respondents borrowed loan between Rs. 30,000 and Rs. 40,000.It is understood that majority of the respondents i.e. 57 per cent are borrowed between Rs. 5,000 and Rs.10, 000.

REPAYMENT PERIOD OF BANK LOAN

The repayment period of bank loan is shown in Table 10.

REPAYMENT PERIOD OF BANK LOAN

S. NO.	PERIOD	NUMBER OF RESPONDENTS	PERCENTAGE
1	Once in a week	42	28
2	Once in a fortnight	105	70
3	Once in a month	3	2
	Total	**150**	**100**

Source: Primary Data

TABLE NO 10

It is evidence from the Table 10 that out of 150 respondents, 28 per cent of the respondents repay their bank loan once in a week, 70 per cent of the respondents repay their bank loan once in a fortnight and the remaining 2 per cent of the respondents repay their bank loan once in a month. Therefore majority of the respondents, (105 per cent) repay their bank loan once in a fortnight.

Purpose of Loan

Self Help Group grants loans for education, medical, small business purpose. By granting loan to women, it encourages them to perform their function independently. The various purpose of loan is presented in Table 11

PURPOSE OF LOAN

S. NO.	PURPOSE	NUMBER OF RESPONDENTS	PERCENTAGE
1	Business	34	23

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2	Education	43	29
3	Medical	19	12
4	Others	54	36
	Total	**150**	**100**

Source: Primary Data

TABLE NO 11

It is understood from Table 11 that 23 per cent of respondents have received the loan for the purpose of business, 29 per cent of the respondents have received the loan for the purpose of education, 12 per cent of the respondents have received the loan for the purpose of medical and 36 per cent of the respondents have received the loan for some other purposes. Therefore most of the respondents received loan for other than above mentioned three purposes.

REASON FOR JOINING SELF HELP GROUP

There are large numbers of factors which induce the women to become member of the self-help groups. The factors which the respondents consider important, includes to get loan, to get training, to run the business, to move with other people etc. A ranking method is used to determine the relative factor of significance of each of the factors. The weighted assigned to each rank is from five to one for the first to fifth rank in order. Table 12 reveals that regarding factor that induce the women to become member.

FACTOR INDUCE TO BECOME MEMBER

S. NO	FACTORS	WEIGHT AGE					NUMBER OF POINTS	WEIGHTED MEAN SCORE	RANK
		5	4	3	2	1			
1	To get Loan	45	30	27	24	24	498	3.32	II
2	To empower themselves	39	24	24	57	6	483	3.22	III
3	To get training	0	15	30	21	84	276	1.84	V
4	To overcome poverty circle	42	45	24	15	24	516	3.44	I
5	To improve their standard of Living.	24	36	45	33	12	477	3.18	IV

Source: Primary Data

TABLE NO 12

The study reveals that, most of the members join the SHGs to overcome poverty circle and have been ranked first with the score of 516. Getting loan ranked second with the score of 498. To empower themselves, scored third rank. To improve their standard of Living ranked fourth with score 477 and to get training with other people ranked fifth.

IMPACT OF SHGS AMONG MEMBERS

S.NO	DETAILS	PRE- SHG (NO)	POST –SHG (YES)	DUE TO SHG

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1	Started Entrepreneurial activities	10	52	Yes
2.	Impact on Income	10	52	Yes
3.	Impact on Savings	19	43	Yes
4.	Impact on Total Expenditure	21	41	Yes
5.	Impact on Investment	17	45	Yes
6.	Impact on Productive assets	14	48	Yes
7.	Impact on Repayment of debt	23	39	Yes
8.	Impact on Economic Status	10	52	Yes

Source: Primary Data

TABLE NO 13

It observed from the table, it is clear that the most of the people are equipped well all the above said activities, particularly compare to other impact factors the impact of Economic Status has shown the highly positive impact among the SHGs members.

5. CONCLUSION

Apart from problems Women gained more as a result of Self Help Groups. She comes out from the four walls and engaged themselves in socio-economic activities like business, contribution to the orphanage, participation in public programmes etc. SHG helps the members to improve their standard of living by the way of empowering them which leads to eradicate poverty.

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