

## PERFORMANCE ANALYSIS OF WOMEN SELF-HELP GROUPS IN NAGAPATTINAM DISTRICT, TAMILNADU

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### ABSTRACT

*In India, SHG movement was started in early 90s and gained its momentum since 1998. Tamil Nadu, West Bengal, Maharashtra and Andhra Pradesh are performing better in the formation of women SHGs. Tamil Nadu has formed the highest women SHGs numbering 44,13,111 with 69,91,366 members and their pooled saving Rs.2,56,800.99 lakhs during 2011-12. Nagapattinam district, one of the districts in Tamil Nadu, with a large number of poor, has developed SHGs as a tool for alleviation of poverty. Group members improve the financial status of their family by developing linkage with banks. It is learnt that SHGs create more economic opportunities through micro credit, integrating contribution to social and economic infrastructure is utmost important.*

### INTRODUCTION

Self-Help Groups (SHGs) are micro credit institutions, which have emerged at the village level based on self-help, collective perception, decision making and implementation of common programmes. SHGs are now occupying a predominant position in the rural credit delivery system. SHGs are playing a vital role in attaining the objectives of economic planning viz., economic, social development of women and thereby bringing empowerment of women. A self-help group consists of 12 to 20 women from homogeneous class, who joined together for solving their common problems. The groups are encouraged to inculcate the habit of thrift and savings. The regular savings of members are pooled and the augmented fund at their disposal is rotated among the members at an agreed rate of interest. Banks are interestingly involved in the provision of credit to SHGs in certain multiples of savings collected by the group. The linkage of Bank credit with SHGs is an innovative programme with the objective of promoting banking habit among those who are not bankable.

## EVOLUTION OF SHGs IN TAMILNADU-SLOW AND STEADY

In Tamil Nadu State, a typical pattern emerging on SHGs growth horizontally. NGOs and Women were struggled to form the first SHG. Subsequently formation of SHGs resulted in large numbers has been motivated largely from within. It was the struggle of first SHG even to conduct weekly meetings and collecting money to save for six months. A small amount of saving was remitted with bank as deposit on a weekly or monthly basis. The group lent it to members within a period of six months after withdrawn from bank. This is called internal lending. The suspicion that the organizers run away with the savings was the first very important incident took place to the MaThi proved wrong.

The reason is transparent SHG operation and each and every member aware of the details. The savings of SHG deposited in to a bank account. A pass book was given by the bank in which the amount of saving deposited was entered. These details are made known to each member during the weekly meeting. Periodical visits are often made by NGOs and MaThi officials and they verify the pass book. The Group won the trust and confidence of local people. The performance, progress and growth of first SHG made a remarkable success, really it is becoming beautiful. The village people had a close watch over the progress of the first SHG. After two years, the impact of this on other women in the village was like a thunderstorm.

In India, SHG movement was started in early 90s and gained its momentum since 1998. Tamil Nadu, West Bengal, Maharastra and Andhra Pradesh are performing better in the formation of women SHGs. Tamil Nadu has formed the highest women SHGs numbering 44,13,111 with 69,91,366 members and their pooled saving Rs.2,56,800.99 lakhs during 2011-12. Nagapattinam district, one of the districts in Tamil Nadu, with a large number of poor, has developed SHGs as a tool for alleviation of poverty. Group members improve the financial status of their family by developing linkage with banks. It is learnt that SHGs create more economic opportunities through micro credit, integrating contribution to social and economic infrastructure is utmost important.

## STATEMENT OF THE PROBLEM

SHGs have assumed greater importance, which is considered as the most necessary tool to adopt participatory approach for the social and economic improvement of women. SHG consists of poor women who do not have access to formal financial institution. It develops 'we' feeling among the members and helps to learn to co-operate and work in a group environment. SHG increases the borrowing power and provides strength; it can be antidotes to the uncared and downtrodden poor women. Nagapattinam district is one among the front line districts in the promotion of SHGs, which

are developed as a tool for the eradication of poverty. The district is coastal in nature and also surrounded by villages engaging in agriculture. But the district was consecutively worst hit by natural calamities such as Tsunami, flood and cyclone. Now the district proclaimed as drought prone area. In this situation, the role of SHG movement is all the more important for the promotion of economic interest of the inhabitants of the districts especially women. In Nagapattinam district, studies evaluating the performance of SHGs are rare. The contributions made by academicians are limited in scope and the attention was focused on either single or a few problems of a given region. Based on the earlier study, it is learnt most of the studies concentrate in analysing performance of SHGs, Bank linkage programme, Micro credit under various schemes. Even such studies were not undertaken in Nagapattinam District, Tamil Nadu during the last ten years to assess the socio-economic conditions of members of women SHGs. Hence, there is a need to make a study on the performance of SHGs and their impact on the socio-economic conditions of women members. The present study is an attempt in this direction, which evaluates the performance of SHGs in Nagapattinam district.

### OBJECTIVES OF THE STUDY

- To analyse the performance of sample women SHGs in the study area.
- To study the problem faced by women SHGs in Nagapattinam District.

### METHODOLOGY

The study is descriptive in nature. Nagapattinam district is purposely selected as the study area. The study is based on both primary and secondary data.

### SAMPLING

Nagapattinam district comprises of eleven blocks viz., Nagapattinam, Thirumarugal, Kilvelur, Keelaiyur, Thalainayar, Vedharanyam, Mayiladuthurai, Sembanarkoil, Sirkali, Kuttalam, and Kollidam. Each block is designated as stratum. Proportionate Stratified Random Sampling procedure was adopted to select sample self-help groups from all the eleven blocks in Nagapattinam district. The size of sample for SHGs is calculated with a margin of error at 1 percent level and 99 percent confidence level arrived as 378 groups out of 16548 groups in the district. Further from each stratum (block) the sub sample size is calculated proportionately.

### DATA COLLECTION

Survey method has been adopted along with personal interview technique for the collection of primary data from women SHGs. An interview schedule, well structured and pretested was



administered for gathering of information from sample SHGs respondents. Further, secondary data were pooled from the office records of TNWDC at Nagapattinam, books and journals. The Simple statistical tools were used for the analysis of the data.

### LIMITATIONS

The study is confined to the views of women SHGs only. Views of the Members of women SHGs, NGOs and banks are not taken in to consideration.

### PERIOD OF THE STUDY

The primary data collection was carried out in all the blocks during 2014-15. The period of the study was normal, free from abnormalities in climatic and monsoon conditions.

### YEAR OF EXPERIENCE

The period of existence of SHGs is considered to be an important factor for the performance. The experience gained during the period of existence, the SHG is exposed to various schemes, rapport with financing institution, mutual knowledge of members, inbuilt mechanism of peer monitoring leading to better loan recoveries and productive credit utilization. The period of existence of sample SHGs is tabulated herewith.

**TABLE 1.1**  
**AGE OF THE SAMPLE SHGs**

Year of experience	Area				Total	
	Rural		Urban			
	F	%	F	%	F	%
Up to 2 years	52	13.76	10	2.65	62	16.40
2 to 4 years	105	27.78	30	7.94	135	35.71
4 to 6 years	78	20.63	14	3.70	92	24.34
Above 6 Years	71	18.78	18	4.76	89	23.54
Total	306	80.95	72	19.05	378	100

Source: primary data; F: Frequency

Table 1.1 depicts the existence of SHGs. It is clear that 306 SHGs are from rural areas and 72 SHGs are from urban centers. In regard to existence of groups in terms of period, it is observed that 62 SHGs are functioning for a period up to 2 years, of which 52 are from rural and 10 from urban.

On the other hand, 89 SHGs are in existence for a period more than 6 years, 71 and 18 are from rural and urban respectively.

### SIZE OF SHGs

SHGs consisting of 10-20 members in which they participate fully and take decisions on all issues concerning poverty eradication. The details relating to size of sample SHGs are given in the table 1.2

**TABLE 1.2**  
**SIZES OF SAMPLE SHGs**

Total number of members	Area				Total	
	Rural		Urban			
	F	%	F	%	F	%
Up to 15 members	199	52.65	46	12.17	245	64.81
16 to 17 members	57	15.08	17	4.50	74	19.58
18 to 19 members	38	10.05	9	2.38	47	12.43
20 members	12	3.17	-	-	12	3.17
Total	306	80.95	72	19.05	378	100

Source: primary data; F: Frequency

The Table 1.2 reveals the area wise number of SHGs and members distribution in the study area. It is obvious to note that out of 378 sample SHGs, nearly one- fifth consisting of 16 to 17 members, of which 57 from rural and 17 from urban, whereas the members' strength laid between 18 and 19 for 47 SHGs consisting of 38 and 9 from rural and urban respectively. Further, 199 rural SHGs and 46 urban SHGs are consisting of less than 15 members.

### AMOUNT OF SAVINGS

Contributing a fixed sum on weekly, fortnightly and monthly basis as savings is one of the major activates of SHG. Further, it provides easy access to credit. The group decides the quantum and periodicity of savings of members. The quantum of savings deposited by members of sample SHGs is indicated in Table 1.3

Table 1.3

### AMOUNT OF SAVING (PER MEETING)

Amount of Savings in Rs.	Area				Total	
	Rural		Urban			
	F	%	F	%	F	%
Up to 50	66	17.46	15	3.97	81	21.43
51 to 100	92	24.34	19	5.03	111	29.37
Above 100	148	39.15	38	10.05	186	49.21
Total	306	80.95	72	19.05	378	100

Source: primary data; F: Frequency

Table 1.3 shows the saving amount of members fixed by the sample SHGs in the study area. Generally, the amount ranges between Rs.50 to Rs.100 and above. Out of 378 sample SHGs respondents, 186 of them decided to save above 100 rupees, of which 148 are rural and 38 are urban. On the other hand, 66 rural SHGs and 15 urban SHGs are fixed the amount up to Rs.50.

### TRAINING TO SHG MEMBER

Skill development is a significant component of SHGs. It envisages proper utilization of loan on the part of members. Training helps them to identify the lucrative the activities in which they invest. The details relating to training are presented in Table 1.4

**TABLE 1.4**  
**TRAINING TO SHG MEMBER**

No. of Training/ Nature of Training	One		Two		Three		More than Three		Nil		Total
	F	%	F	%	F	%	F	%	F	%	
SHG	63	16.67	105	27.78	90	23.81	114	30.16	6	1.59	378
EDP	144	38.10	98	25.93	29	7.67	-	-	107	28.31	378
Vocational	132	34.92	42	11.11	6	1.59	-	-	198	52.38	378

Source: primary data; F: Frequency

Table 1.4 shows the training given to SHG members. In the sample district, three kinds of training viz., SHG training, EDP training and vocational training are offered to SHG members. Each

type of training involves four stages. Each stage of training is conducted for a period of three to seven days. It is clear from the above table that three hundred and seventy two sample SHG members have availed SHG training and nearly one-third of them have completed all the four training phases. Under EDP and vocational training programmes, no SHG have completed four phases of training. Further, more than half of the sample SHGs have undergone no vocational training and one-third did not get EDP training.

### PERFORMANCE OF ACCOUNT MAINTENANCE

The SHGs are required to keep books of accounts such as attendance register, minute's book, savings ledger, loan ledger, general ledger, cash book and individual pass book. The books have to be kept and updated regularly. The primary responsibility of maintaining books of accounts vests with the Animator. The performance of sample SHGs in respect of maintenance of accounts is projected in Table. 1.5.

**TABLE 1.5**  
**PERFORMANCE OF ACCOUNT MAINTENANCE**

Block	Performance of account maintained by the SHG								Total
	Very good		Good		Poor		Very Poor		F
	F	%	F	%	F	%	F	%	
Nagapattinam	6	16.67	22	61.11	2	5.56	6	16.67	36
Thirumarugal	3	14.29	8	38.10	4	19.05	6	28.57	21
Kilvelur	5	23.81	12	57.14	1	4.76	3	14.29	21
Keelaiyur	4	21.05	10	52.63	3	15.79	2	10.53	19
Thalainayar	3	12.50	16	66.67	-	-	5	20.83	24
Vedharanyam	7	16.67	18	42.86	5	11.90	12	28.57	42
Mayiladuthurai	8	17.39	28	60.87	3	6.52	7	15.22	46
Sembanarkoil	8	15.38	27	51.92	6	11.54	11	21.15	52
Sirkali	6	12.24	27	55.10	5	10.20	11	22.45	49
Kuttalam	5	17.86	17	60.71	3	10.71	3	10.71	28
Kollidam	6	15.00	24	60.00	3	7.50	7	17.50	40
Total	61	16.14	209	55.29	35	9.26	73	19.31	378

Source: primary data; F: Frequency



It is obvious from the table 1.5 that more than two-third of sample SHGs have maintained their accounts in an excellent manner. Only 108 SHGs out of 378 have poor and inadequate maintenance of accounts.

### PROBLEMS FACED BY SHGs

Rural women are poor, weak and lack resources to solve their problems. When SHG is encouraged to help its members, it will be easier for them to encounter the difficulties. As members of a group, many problems creep into them. The problems faced by the sample SHGs are indicated in Table 1.6.

**TABLE 1.6**  
**PROBLEMS FACED BY THE SHGs**

Problems	1		2		3		4		5		6		Total
	F	%	F	%	F	%	F	%	F	%	F	%	F
Lack of unity among the group members	72	19.0	56	14.8	41	10.8	28	7.4	85	22.5	96	25.4	378
Delay in getting loan from the Bank	148	39.2	82	21.7	26	6.9	33	8.7	78	20.6	11	2.9	378
Lack of help from the NGO	69	18.3	77	20.4	91	24.1	57	15.1	42	11.1	42	11.1	378
Lack of help from the Government agency	61	16.1	55	14.6	88	23.3	97	25.7	45	11.9	32	8.5	378
Lack of technology support	15	4.0	65	17.2	61	16.1	93	24.6	59	15.6	85	22.5	378
Lack of marketing support	13	3.4	43	11.4	71	18.8	70	18.5	69	18.3	112	29.6	378

Source primary data; F: Frequency

Regarding the problem “Lack of unity among the group members” the analysis shows that twenty five percent of the respondents assigned rank six. Thirty two percent of the SHGs assigned rank one for the problem “Delay in getting loan from the Bank”. Regarding “Lack of help from the NGO”, twenty four percent of the SHGs assigned rank three. Towards “Lack of help from the Government agency”, twenty five percent of the respondents assigned rank four, twenty four percent of the SHGs’ assigned rank four for “Lack of technology support” and twenty nine percent of the SHGs’ assigned rank six for “Lack of marketing support”.

In order to identify the problem which is more influencing the SHGs towards attitude, the



Friedman's test analysis was used and the results were given in Table 1.6(a).

**TABLE 1.6(a)**

**FRIEDMAN TEST**

**PROBLEMS FACED BY THE SAMPLE SHGs**

Problems	Mean	SD	Mean Rank
Lack of unity among the group members	3.76	1.90	3.76
Delay in getting loan from the Bank	2.59	1.67	<b>2.59</b>
Lack of help from the NGO	3.14	1.59	<b>3.14</b>
Lack of help from the Government agency	3.28	1.49	<b>3.28</b>
Lack of technology support	3.98	1.51	3.98
Lack of marketing support	4.26	1.50	4.26

**Source:** Computed Data

It could be noted from the above Table that among the six problems, “Delay in getting loan from the Bank” was ranked first. It is followed by the “Lack of help from the NGO”. “Lack of help from the Government agency” was ranked third.

**FINDING OF THE STUDY**

- It has been ascertained from the above analysis that nearly one-fourth of the SHGs have more than half a decade existence. Further more than one-third of the SHGs have two to four years of existence. While analyzing the formation and existence of SHGs, it is observed that the formation of SHGs in urban area is very slow and which are below ten percent in all categories. Further it is heartening to note that the formation and existence of SHGs are more in members as the rural women have more interest in forming and taking part in the activities of their groups and thereby they indent to develop economically and socially.
- It has been ascertained from the above analysis that more than three-fifth of them having membership size up to 15 members. Further, nearly 3 percent of them having 20 members in their groups. It is probed that an optimum number of members needed for every SHGs to manage themselves is up to 15. It is considered as compact size of SHGs. A constant growth in saving satisfy internal lending and external borrowing, group cohesiveness, understanding the personal and social problems and decision making are achieved by SHGs through the optimum

size of membership in Nagapattinam district.

- It has been ascertained from the above analysis that 111 sample SHGs have the habit of saving Rs.51 to Rs.100. It leads to a small and tiny size of internal fund. A huge amount of saving determines the size of internal loan and external bank credit. It is suggested that in order to increase the size of saving, the amount of saving from members must be members choice based, which enable the members to deposit varied amount subject to a minimum amount fixed by the groups.
- It has been seen that the trainees have acquired the required skill to produce a product which have demand in the market. The training provides an opportunity to SHGs for venturing into a business or taking up manufacturing work. There are examples in the sample district, post period of training enabled the SHGs to involve themselves in coir making, dry fish processing, leaf weaving, candle making and brick making. The cited works were undertaken by SHGs and thereby developed their members economically. It is recommended that training should be provided to all SHGs in the district, for which training is to be conducted at Panchayat level and all groups have to be encouraged to undergo training.
- It is encouraging to notice that more than two-third of sample SHGs have proper maintenance of accounts. TNWDC and NGOs have to take steps to provide training to all SHGs in the sample district to enlighten them in the field of accounts and ensured proper maintenance of account in all SHGs in the district.
- It could be noted from the above Table that among the six problems, “Delay in getting loan from the Bank” was ranked first. It is followed by the “Lack of help from the NGO”. “Lack of help from the Government agency” was ranked third.

## CONCLUSION

The performance of sample SHGs has been assessed in terms of existence of SHGs, size of membership, attendance in meetings of SHGs, savings collected, training imparted, maintenance of accounts. The assessment over the performance of sample SHGs reveals the under mentioned facts. Majority of sample units have two to four years of existence. Optimum membership was observed in sample groups. Nearly half of sample respondents have ninety percent attendance in the meeting of SHGs. Sample units collected low level of savings from their members. Less number of SHGs members underwent training. Sample units ensure proper maintenance of accounts.

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