

A STUDY ON THE SOCIO-ECONOMICAL FACTORS OF SHG WITH SPECIAL REFERENCE TO OMACHIKULAM VILLAGE IN MADURAI DISTRICT

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Abstract: *Self-help group are clusters of individual in villages coming together in performing some business activities at micro level in order to generate income for their livelihood they function under certain rules and norms towards fulfilling common needs. These groups help mainly in upliftment of country's economic development. Self help group are also called as mutual or help a mutual aid groups and a compound of peers. Who share a similar mental, emotion or physical problem, these people are banded together to improve their chances for survival by pooling their social and economical resources. They work for same needs and purpose. They have increased in member in our country. It is a financial intermediary committee usually composed on 10-20 local woman or men. The word itself denotes it is mutual help within the group member. In layman's language it means it is a group of people who might be daily or weekly wage earners, who form a group and from that group one person collect the money and gives the money to the person who is in need Members regularly make small savings contributions over a few months till there is enough money in the group to begin lending.*

Professor Mohamad Yusuf was the man behind the Garmeen bank who realized that it was a difficult task for the poor village people to procure loans from banks without collateral securities.

In India, Micro finance through SHG is only a recent phenomenon in micro credit system which has been developed only after the nationalization of commercial banks in 1969. The central government introduced a lot of credit based programmes in linkage with. Integrated Rural Development programme. This was mainly a poverty alleviation programme launched by government of India in 1999.

The magic of success depends on the good will of the members in borrowing utilization and repayment of funds as it is dealt with joint accountability.

STATEMENT OF THE PROBLEM:

The concept SHG is really born in rural areas. It gives financial autonomy to rural women and makes them economically independent. They could start their own enterprises. It develops their self confidence and their self esteem. It helps them to overcome economic poverty and social issues which are also tackled effectively through this process.

During the planned period the government has taken lot of efforts on improving the status of women. The rural people are tied up with lot of financial problem on messing with small loans.

In this article the research attempts to analyse the socio economical conditions of the SHG in the Omachikulam village of Madurai district,

OBJECTIVES OF STUDY:

The study has taken up with following objectives.

1. To find out the Socio-economic status of the self-help group members.

2. To study the savings habit of self-help group members.
3. To analyse the performance of self-help groups in Omachikulam village, Madurai district.

Among the various districts of Tamil Nadu, Madurai district occupies a prominent position and referred village called Oomachikulam is a small rural area in north of Madurai city.

The Researcher has chosen this area of study because this village is in the outskirts of Madurai city and the areas has more rural based agro industries. The Researcher analysis the socio economic condition of SHG in that village.

REVIEW OF LITERATURE:

1. Dr. N. Nisar Ahmed and T. Mohamed Ilyas in their article entitled "Entrepreneurs achievement through self help group in Tamil Nadu", Stated that there are nearly one lakh SHG's with more than 22.5 lakh woman members are functioning and their saving and capital divestment around to Rs 320 cores.

2. Dr. MRs. Selva Chandra “Micro – Finance through self-help groups” Kissan world July 2005.
3. Dr. Kamala Kannan and Dr. N. Mamsivayan “Economic Empowerment of women through Entrepreneurship development need for Economic Empowerment” Kisan world pointed out that empowering is development skills and abilities of people to enable them to manage or negotiate with existing development delivery system. It is essentially concerned with enabling people to decide up on and undertake actions which they relieve are essential to their development.
4. Dr. U. Ganeshan “Rural Transformation through SHG’s Kisan world nerved in his article entitled that women are now catering the labour force in large member in many areas to ensure rural transformation. The image of women in the society is fast changing but it is difficult to define clearly the changing shape of the image.
5. T. Chiran Jeevulu “Empowering women through self-help groups”. (Experiences and Experiments) Kurukshetra, in recent years, Micro finance programmes have been used as not only a tool for Economic upliftment but also an effective It is indeed a patch chosen by women to shape their own destine, Challenges and their grow the demands.
6. Mrs. G. S. Kala “Economic Empowerment of women through SHGs” in her article emphasized their poverty and unemployment have the worst effect on women leading to the phenomenon of familiarization of poverty. The major problems for the bulk of rural favorites is the availability of employment. The pressure on land, the extension of curtain handicrafts.
7. Mr. P. Loganathan Reserve Bank of India “Report of Need and progress of Banking in India” supplement To RBI bulletin has stressed in his article entitled in India Micro-credit programme has been introduced through SHG’s, The (NABARI) with the policy support of RBI lunched a pilot scheme for linking SHG’s with the formal banking system.

RESEARCH METHODOLOGY:

Both the primary and secondary data are extensively used in this study. The primary data was collected by interview schedule and the secondary data was collected from books, journals and publications. The questionnaire was duly prepared, pretested and finally drafted.

Analysis and Interpretation:

The socio-Economic conditions of the SHG members were collected through a structure interview schedule. The sample study was made by the researcher with 110 respondents collected from the Omachikulam village, Madurai district. In this simple percentage method is used

for analysation. The social factors like age, Education status, Occupations status and economical factors like monthly Income, saving of the Respondents purpose of borrowing, Amount of loan borrowed from the group fund and Repayment of loan.

Social Factors:

1. **Age – wise Distribution of the Respondents:** Age is one of the important factor for joining SHG. Those between the Age 20-50 is preferred.

Table 1.1: Age wise Distribution of the Respondents

S. No	Age group	No of Respondents	Percentage
1	21-30	5	4.55
2	31-40	15	136
3	31-0	31	28.18
4	1-50	39	35.5
5	Above 5	20	18.18
	Total	110	100.00

Majority respondents are under the 41-50 yrs category.

2. **Educational status:** The social and Economical development depends on literacy level. Literacy creates better understanding and increases efficiency and develop their initiates.

Table 1.2: Literacy level of the Respondents

S. No	Literacy level	No of Respondents	Percentage
1	Elementary	19	17.27
2	Higher secondary	6	41.82
3	Graduate	28	5.5
4	Post graduate	9	8.18
5	Technical	6	5.5
6	Others	2	1.82
	Total	110	100.00

The table reveals that 59.09% of the members have their education upto higher secondary and rest of the members have above higher Secondary level.

3. **Occupation of the Respondent:** The occupation is an important parameter in analyzing the Economic status of the Responds. It reflects the standard of living of the respondents.

Table 1.3: Occupation of the Respondent

S. No	Literacy level	No of Respondents	Percentage
1	Tailoring	75	68.18
2	Grocery vendors	20	18.18
3	House wife	10	9.09
4	Agriculture	05	.55
	Total	110	100.00

The table 68.18% reveals that majority of the respondents are employed in Tailoring works.

4. Economical factors: Monthly Income of the Respondents

Table 1.4: Monthly Income of the Respondents

S. No	Level of Income	No of Respondents	Percentage
1	Below Rs.4,000	20	18.18
2	Rs.4001-8000	69	62.73
3	Rs.8000-12000	17	15.45
4	Above Rs.12000		3.64
	Total	110	100.00

The income exhibit the earning capacity of the Respondents. Most of the Respondents have an income level between 4001-8000 Rs. Per month.

5. Saving of the Respondent: Regular savings helps to build the Economical condition of the person. A fixed amount will be decided by the group which will be contributed by the group members for monthly savings.

Table 1.5: Level of Income

S. No	Level of Income	No of Respondents	Percentage
1	Up to Rs.100 per month	45	40.91
2	Above Rs.100 per month	65	59.09
	Total	110	100.00

59.09% of the respondents have a saving more than 100 Rs per month.

6. Amount of loan borrowed from group fund: SHG Sanctions internal lending to its members. Internal lending depends on the life of SHG. The amount of loan depend form member to member according to the attitude of the members.

Table 1.6: Amount of loan borrowed from group fund

S. No	Amount	No of Respondents	Percentage
1	Below Rs. 1000	25	22.73
2	Rs.1001-3000	65	59.09
3	Above 3000	20	18.15
	Total	110	100.00

The table depicts that 59.09 percent of the respondents have borrowed a loan amount Rs.1001-3000

7. Repayment of group loan: Regular repayment of the loan in required for the healthy survival of the self help group.

Table 1.7: Repayment of group loan

S. No	Repayment of group loan	No of Respondents	Percentage
1	Promptly paid	92	83.64
2	Delayed by 4 months	13	11.82
3	Delayed by more than 4 months	5	4.54
	Total	110	100.00

Table 1.7 reveals that 83.64 percent of the respondents have repaid the loan promptly.

FINDINGS:

- ❖ Majority of the respondents for under the category 41-50yrs.
- ❖ 59.09 percent of the respondents have an education level upto higher secondary level.
- ❖ 68.18 percent of the respondents to Tailoring works.
- ❖ 62.73 percent the Respondents fall have an income level between 4001-8000 Rs. Per month.
- ❖ 59.09 percent of the respondents have a saving more than 100 Rs per month.
- ❖ that 59.09 percent of the respondents have borrowed a loan amount Rs.1001-3000
- ❖ 83.64 percent of the respondents have repaid the loan promptly.

SUGGESTIONS:

1. The conventional method of training tend to reproduce the prevailing structures
2. The existing system should link up with some kind of credit mechanism
3. NGO's may give more training in tailoring Agarbathi making etc,
4. Banks can increase the loan amount given to SHG's for expansion of their business
5. Marketing is one of the important problems faced by SHG members.