

The Role of SHG in Social and Economic conditions of Women in Tiruvannamalai District

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Abstract: This study analysed the role of the SHG movement in women development in the study area of Tiruvannamalai district. This shows that SHGs are playing a crucial role in promoting various skills among women and in that process enable them to become self employed. This has helped them to become entrepreneurs, while they were previously engaged as agricultural labourers and unskilled workers or as homemakers. Thus, their earning capacity has improved which has resulted in increased capacity to spend more on their own health and that of their children's education and health and also asset mobilisation. Their ability to save and invest in productive ventures too has gone up. The SHG have made them to gain significant socio-economic development.

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I. INTRODUCTION

Women in India are victims of multiple social, economic and cultural factors. Though women need to be developed in all areas, it is economic independence, which is the most prominent means of development. Therefore, enhancing income earning opportunities is increasingly viewed as an effective means for empowering women and improving their status. In the process of participatory development and empowerment of women, many benefits automatically follow with the provision of income generating activities to women. It helps to arouse self confidence. Women begin to be recognized as an economic entity end as an individual in their own right. They have greater exposure and awareness, greater control over self, leading to capability and to making informal choices. They get a platform to express themselves, share their problem and gain social acceptance (Raheem and Sultana, 2007).¹

Women's access to savings and credit gives them a greater economic role in decision-making through their decision about savings and credit. When women control decisions regarding credit and savings, they will optimize their own and the household's welfare. The investment in women's economic activities will improve employment opportunities for women, and thus have a 'trickle down and out' effect. The financial sustainability and feminist empowerment paradigms emphasize women's own income-generating activities. In the poverty alleviation paradigm, the emphasis is more on increasing incomes at the household level and the use of loans for consumption. In the feminist empowerment paradigm, individual economic empowerment is seen as dependent on social and political empowerment (Mayoux, 2016).²

Microfinance is playing a vital role in poverty alleviation as well. Access to financial services enables the rural poor to leverage their initiative, accelerating the process of generating income and economic security. Conventional financial institutions seldom serve the needs of low income families especially to women led families. Microfinance is required to meet large, unmet demands of rural poor. Though the MFIs are small and insignificant, yet they meet larger unmet demands. The strategy of poverty alleviation has been modified keeping in view the past experience (Saravanan, 2008).³

There always exists a gap between the intended objective and the realised one, which is quite true in the case of any programme initiated by the Government. The microfinance initiative along with that of the SHG movement was aimed to provide short term institutional credit to women, which is otherwise unreachable to them. Even though higher interest rate is levied on such borrowings, the rate of repayment, with more than 90 per cent, has been quite phenomenal. However, when analysed in terms of actual benefits achieved on the ground like creation of new assets, increase in net investment, new business, etc., results are contradictory. Many studies have in fact questioned the results made by the microfinance and SHG movement. Some studies have noted that loans extended have only increased the consumption expenditure of the households, though the higher rate of repayment made by the beneficiaries disproves such claim (Institute for Financial Management and Research, 2014).⁴ Thus, it is necessary to examine the actual impact made by the microfinance initiative

among the women, especially in terms of the extent of poverty reduction in such households. This will provide greater understanding about the role played by the SHG movement through the microfinance institutions, which is attempted in this study.

1.1 Area Of The Study

This study examines the extent of impact created by the microfinance initiative through SHG movements in the poverty levels of the sample households. For this purpose, Tiruvannamalai district in Tamil Nadu has been selected as the sample district, since it is one of the backward districts in the State, with more than three-fourth of rural based population and display lower levels of literacy than that of the State average. In Tiruvannamalai district, two taluks, viz., Arani and Vandavasi, in which the former is more urbanised and the latter is more rural oriented, are selected for this study. Thus, these two taluks form the area of the present study.

1.2. Review Of Literature

Kundu and Mitra (2010)⁵ revealed that there has been no significant impact of microfinance program in terms of improvement of the outcome variables among the member households, in spite of the low interest rate charged on loans, high repayment rate within the groups and small size of SHGs. The reasons are lack of skill-based training programmes for the members of groups and lack of marketing facilities to promote and sell the products produced by the members. The only positive aspect is that the members can now protect themselves from the clutches of professional money lenders who charge exorbitant rates. Time spent in savings and credit meetings automatically decrease women's time for other social and political activities. Programmes may also increase conflicts between men and women within communities and may not have adequate mechanisms to support women. On the basis of current evidence, it is impossible to say how many women are benefitting and how many are being further disadvantaged (Mayoux, 2015).⁶

In the opinion of Kar (2015),⁷ the credit-plus proponents contend that the poor have to be "enabled" to make prudent use of the credit made available in order to have a positive impact on their income levels. In this context, the Government, banks and NGOs can act as catalysts to help SHGs to overcome obstacles by providing training and marketing facilities. The study also emphasised the fact that SHGs will have to be made sustainable through backward linkages with credit and technology and forward linkages with markets.

Microfinance is encouraging as a powerful instrument for poverty alleviation in the new economy. Microfinance has received extensive recognition as a strategy for poverty reduction and for economic development (Chinmiah et al, 2015).⁸

Suri and Kaur (2016)⁹ says that in recent years, microfinance programmes have been used not only as a tool for economic upliftment but also an effective way to meet women's practical and strategic needs. It has a positive impact on economic growth and improves the social status of women. SHGs serve as a useful forum to women for identification of problems and intervention. Besides offering a means to access resources the SHG starts functioning as a collective which can address common problems through group action, can be heard by policymakers and demand its rightful share in the development process.

II. OBJECTIVES OF THE STUDY

The objectives of the study are:

1. To analyse the characteristics of the sample respondents in the study area;
2. To study the activities carried out by the sample respondents in the study area;
3. To evaluate the role of SHGs in the social development of the sample respondents;
4. To examine the impact of SHGs on the economic indicators of the sample indicators;
5. To trace the role of SHGs through micro finance on poverty reduction among the sample households in the study area; and
6. To study the problems faced by the sample respondents in the functioning of the SHG movement in the study area.

2.1 Hypotheses Of The Study

The following hypotheses are framed to establish the role of micro financing in women empowerment and poverty reduction:

1. There is no significant difference in the level of savings made by the respondents due to the initiatives of microfinance;
2. There is no significant difference in the household expenditure made by the respondents due to the initiatives of microfinance;

2.2 Methodology Of The Study

The questionnaire contained queries pertaining to identification particulars of the respondents, their household details, information about the SHGs, financial management of the SHGs, impact of SHGs on employment, income, expenditure, savings and investment, women empowerment, their social awareness, and their role in household decision making. The collected data has been analysed in terms of area of the respondents, their level of education, age levels, and other factors. The impact on their empowerment has been examined on the basis of their opinions which have been collected on a five point Likert type scale, while impact on the level of poverty has been measured by calculating their monthly per capita income at the household level, before and after their participation in the SHG movement, by taking the official line poverty as the reference.

III. RESULT AND DISCUSSION

3.1 DESIGNATION OF SHG MEMBERS

The members of SHGs function in different capacities in their groups and Table I presents the village-wise designation of the SHG members. It is observed that among the 456 sample respondents, 135 (29.6 per cent) function as ordinary members, 212 (46.5 per cent) are active members, 72 (15.8 per cent) function as cashiers/secretaries and 37 (8.1 per cent) are presidents for their groups or the opinion leaders. Village-wise, in the case of the 120 respondents who belong to Sirumur, 23 (19.2 per cent) are ordinary members, 58 (48.3 per cent) function as active members in their groups, 25 (20.8 per cent) function as cashiers/secretaries and 14 (11.7 per cent) are presidents; among the 109 members who reside in Meyyur, 29 (26.6 per cent) function as ordinary members, 53 (48.6 per cent)

Table I: Village-wise Designation of the Sample Respondents

Designation		Village				Total
		Sirumur	Meyyur	Avaniyapuram	Kovalai	
Ordinary Member	No.	23	29	46	37	135
	R%	17.0%	21.5%	34.1%	27.4%	100.0%
	C%	19.2%	26.6%	37.4%	35.6%	29.6%
Active Member	No.	58	53	53	48	212
	R%	27.4%	25.0%	25.0%	22.6%	100.0%
	C%	48.3%	48.6%	43.1%	46.2%	46.5%
Cashier/ Secretary	No.	25	19	15	13	72
	R%	34.7%	26.4%	20.8%	18.1%	100.0%
	C%	20.8%	17.4%	12.2%	12.5%	15.8%
President	No.	14	8	9	6	37
	R%	37.8%	21.6%	24.3%	16.2%	100.0%
	C%	11.7%	7.3%	7.3%	5.8%	8.1%
Total	No.	120	109	123	104	456
	R%	26.3%	23.9%	27.0%	22.8%	100.0%
	C%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: R% refers to row-wise percentage and C% refers to column-wise percentage.

Source: Primary data.

are active members, 19 (17.4 per cent) function as cashiers/secretaries and eight (7.3 per cent) are presidents or the opinion leaders; out of the 123 members who reside in Avaniyapuram, 46 (37.4 per cent) are ordinary members, 53 (43.1 per cent) function as active members in their groups, 15 (12.2 per cent) function as cashiers/secretaries and nine respondents (7.3 per cent) are presidents; and among the 104 members who reside in Kovalai, 37 (35.6 per cent) function as ordinary members, 48 (46.2 per cent) are active members, 13 (12.5 per cent) function as cashiers/secretaries and six respondents (5.8 per cent) are presidents or the opinion leaders. This indicates that the share of those who function as active members is the highest in all villages, and this is especially true in Sirumur and Meyyur which belong to Arani taluk compared to Avaniyapuram and Kovalai that belong to Vandavasi taluk. which underscores their eagerness in the same.

3.2 Savings Made By The Sample Respondents

The sample respondents are engaged in different type of entrepreneurial activities and earn different levels of income. The respondents make savings as one of the major factors for their success and also that of their SHGs. Thus, it is imperative to understand the extent of savings among the respondents in the study area, which is done in this section. Table II presents the village-wise regularity of savings among the sample respondents.

Table – II: Village-wise Saving made by the Respondents

Regularity		Village				Total
		Sirumur	Meyyur	Avaniyapuram	Kovalai	
Weekly	No.	64	59	58	50	231
	R%	27.7%	25.5%	25.1%	21.6%	100.0%
	C%	53.3%	54.1%	47.2%	48.1%	50.7%
Fortnightly	No.	34	32	34	28	128
	R%	26.6%	25.0%	26.6%	21.9%	100.0%
	C%	28.3%	29.4%	27.6%	26.9%	28.1%
Monthly	No.	16	14	22	19	71
	R%	22.5%	19.7%	31.0%	26.8%	100.0%
	C%	13.3%	12.8%	17.9%	18.3%	15.6%
None	No.	6	4	9	7	26
	R%	23.1%	15.4%	34.6%	26.9%	100.0%
	C%	5.0%	3.7%	7.3%	6.7%	5.7%
Total	No.	120	109	123	104	456
	R%	26.3%	23.9%	27.0%	22.8%	100.0%
	C%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: R% refers to row-wise percentage and C% refers to column-wise percentage.

Source: Primary data.

The table indicates that among the 456 respondents, 231 (50.7 per cent) have the habit of saving on weekly basis, 128 (28.1 per cent) save fortnightly, 71 (15.6 per cent) save on monthly basis, while 26 respondents (5.7 per cent) do not save. Village-wise, in the case of the 120 respondents who belong to Sirumur, 64 (53.3 per cent) save on weekly basis, 34 (28.3 per cent) save fortnightly, 16 (13.3 per cent) save on monthly basis and six respondents (5 per cent) do not save; out of the 109 respondents who reside in Meyyur, 59 (54.1 per cent) have the habit of saving weekly, 32 (29.4 per cent) save fortnightly, while 14 (12.8 per cent) save on monthly basis and four respondents (3.7 per cent) do not save; in the case of the 123 respondents who belong to Avaniyapuram, 58 (47.2 per cent) save on weekly basis, 34 (27.6 per cent) save fortnightly, 22 (17.9 per cent) save on monthly basis and nine respondents (7.3 per cent) indicate that they do not save; and among the 104 respondents who belong to Kovalai, 50 (48.1 per cent) have the habit of saving weekly, 28 (26.9 per cent) save fortnightly, 19 (18.3 per cent) save on monthly basis, while seven respondents (6.7 per cent) report that they do not save. Thus, around 50 per cent of the respondents save on weekly basis, which is more than 53 per cent in Sirumur and Meyyur, but less than 48 per cent in Avaniyapuram and Kovalai. Moreover, the proportion of respondents who state that they do not save is also less in the former two villages, compared to the latter two villages. This clearly underscores the fact that the SHG movement has made the members to improve their habit of savings which is quite essential to increase their economic condition. The regularity of savings among the respondents is also examined on the basis of their duration of membership in the SHGs and the required data is presented in Table III.

The table reveals that among the 81 respondents who are members for the last one year, 21 (25.9 per cent) save on weekly basis, 22 (27.2 per cent) save fortnightly, 26 (32.1 per cent) save on monthly basis and 12 respondents (14.8 per cent) do not save; out of the 108 respondents who are members for 1-2 years, 53 (49.1 per cent) have the habit of saving weekly, 24 (22.2 per cent) save fortnightly, 23 (21.3 per cent) save on monthly basis and eight

Table III: Duration of Membership and Savings among the Respondents

Regularity		Duration				Total
		Upto 1 Year	1-2 Years	2-3 Years	Above 3 Years	
Weekly	No.	21	53	68	89	231
	R%	9.1%	22.9%	29.4%	38.5%	100.0%
	C%	25.9%	49.1%	58.6%	58.9%	50.7%
Fortnightly	No.	22	24	30	52	128
	R%	17.2%	18.8%	23.4%	40.6%	100.0%
	C%	27.2%	22.2%	25.9%	34.4%	28.1%

Monthly	No.	26	23	12	10	71
	R%	36.6%	32.4%	16.9%	14.1%	100.0%
	C%	32.1%	21.3%	10.3%	6.6%	15.6%
None	No.	12	8	6	Nil	26
	R%	46.2%	30.8%	23.1%	Nil	100.0%
	C%	14.8%	7.4%	5.2%	Nil	5.7%
Total	No.	81	108	116	151	456
	R%	17.8%	23.7%	25.4%	33.1%	100.0%
	C%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: R% refers to row-wise percentage and C% refers to column-wise percentage.

Source: Primary data.

respondents (7.4 per cent) do not save; in the case of the 116 respondents who are members for 2-3 years, 68 (58.6 per cent) save on weekly basis, 30 (25.9 per cent) save fortnightly and 12 (10.3 per cent) save on monthly basis and six respondents (5.2 per cent) do not save; and among the 151 respondents who have a membership duration of more than 3 years, 89 (58.9 per cent) have the habit of saving weekly, 52 (34.4 per cent) save fortnightly and ten (6.6 per cent) save on monthly basis and in this case too, all of them do save. This clearly underlines a relationship between duration of membership and regularity of savings among the respondents, as those who have higher membership duration, save more regularly and that too on a weekly basis, while among those who have a shorter membership duration, regularity of saving declines. For instance, among those who have one year membership duration, 25.9 per cent of them save on a weekly basis, while 14.8 per cent of them do not save, which is 58.9 per cent and zero respectively among those who have more than 3 years membership duration.

3.3. Extent Of Savings Made By The Respondents

The amount saved by the sample respondents is analysed here and to make the amount saved comparable, their savings are taken on monthly basis, though they save for different time periods. Table IV presents the village-wise monthly savings of the sample respondents.

Table IV: Village-wise Monthly Extent of Savings among the Respondents

Monthly Savings	Village				Total	
	Sirumur	Meyyur	Avaniyapuram	Kovalai		
Upto Rs. 500	No.	26	30	36	42	134
	R%	19.4%	22.4%	26.9%	31.3%	100.0%
	C%	22.8%	28.6%	31.6%	43.3%	31.2%
Rs. 501-1000	No.	31	22	41	22	116
	R%	26.7%	19.0%	35.3%	19.0%	100.0%
	C%	27.2%	21.0%	36.0%	22.7%	27.0%
Rs. 1001-2000	No.	30	28	20	19	97
	R%	30.9%	28.9%	20.6%	19.6%	100.0%
	C%	26.3%	26.7%	17.5%	19.6%	22.6%
Above Rs. 2000	No.	27	25	17	14	83
	R%	32.5%	30.1%	20.5%	16.9%	100.0%
	C%	23.7%	23.8%	14.9%	14.4%	19.3%
Total	No.	114	105	114	97	430
	R%	26.5%	24.4%	26.5%	22.6%	100.0%
	C%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: R% refers to row-wise percentage and C% refers to column-wise percentage.

Source: Primary data.

It is noted that among the 430 respondents who save, 134 (31.2 per cent) save upto Rs. 500 per month, 116 (27 per cent) save in the range of Rs. 501-1000 per month, 97 (22.6 per cent) come under the savings range of Rs. 1001-2000 per month and 83 respondents (19.3 per cent) belong to the monthly savings class of above Rs. 2000.

On the basis of village, out of the 114 respondents who save in Sirumur, 26 (22.8 per cent) fall in the lowest saving class of upto Rs. 500 per month, 31 (27.2 per cent) save in the range of Rs. 501-1000 per month,

30 (26.3 per cent) belong to the monthly savings class of Rs. 1001-2000 and there are 27 respondents (23.7 per cent) who save above Rs. 2000 per month; in the case of the 105 respondents who save in Meyyur, 30 (28.6 per cent) save upto Rs. 500 per month, 22 (21 per cent) save in the range of Rs. 501-1000 per month, 28 (26.7 per cent) come under the savings range of Rs. 1001-2000 per month and 25 respondents (23.8 per cent) belong to the monthly savings class of above Rs. 2000; among the 114 respondents who save in Avaniyapuram, 36 (31.6 per cent) fall in the lowest saving class of upto Rs. 500 per month, 41 (36 per cent) save in the range of Rs. 501-1000 per month, 20 (17.5 per cent) belong to the monthly savings class of Rs. 1001-2000 and there are 17 respondents (14.9 per cent) who save above Rs. 2000 per month; and out of the 97 respondents who reside in Kovalai, 42 (43.3 per cent) save upto Rs. 500 per month, 22 (22.7 per cent) save in the range of Rs. 501-1000 per month, 19 (19.6 per cent) come under the savings range of Rs. 1001-2000 per month and 14 respondents (14.4 per cent) belong to the monthly savings class of above Rs. 2000. This implies that among the respondents who save, 41.9 per cent save more than Rs. 1000 per month, which is 50 per cent in Sirumur, 50.5 per cent in Meyyur, 32.4 per cent in Avaniyapuram and 34 per cent in Kovalai. Hence, the saving capacity of those who belong to Vandavasi taluk is considerably less than that of those who reside in Arani taluk.

The monthly savings pattern is further examined on the basis of duration membership of the respondents and Table V presents the required data.

Table V: Duration of Membership-wise Extent of Savings among the Respondents

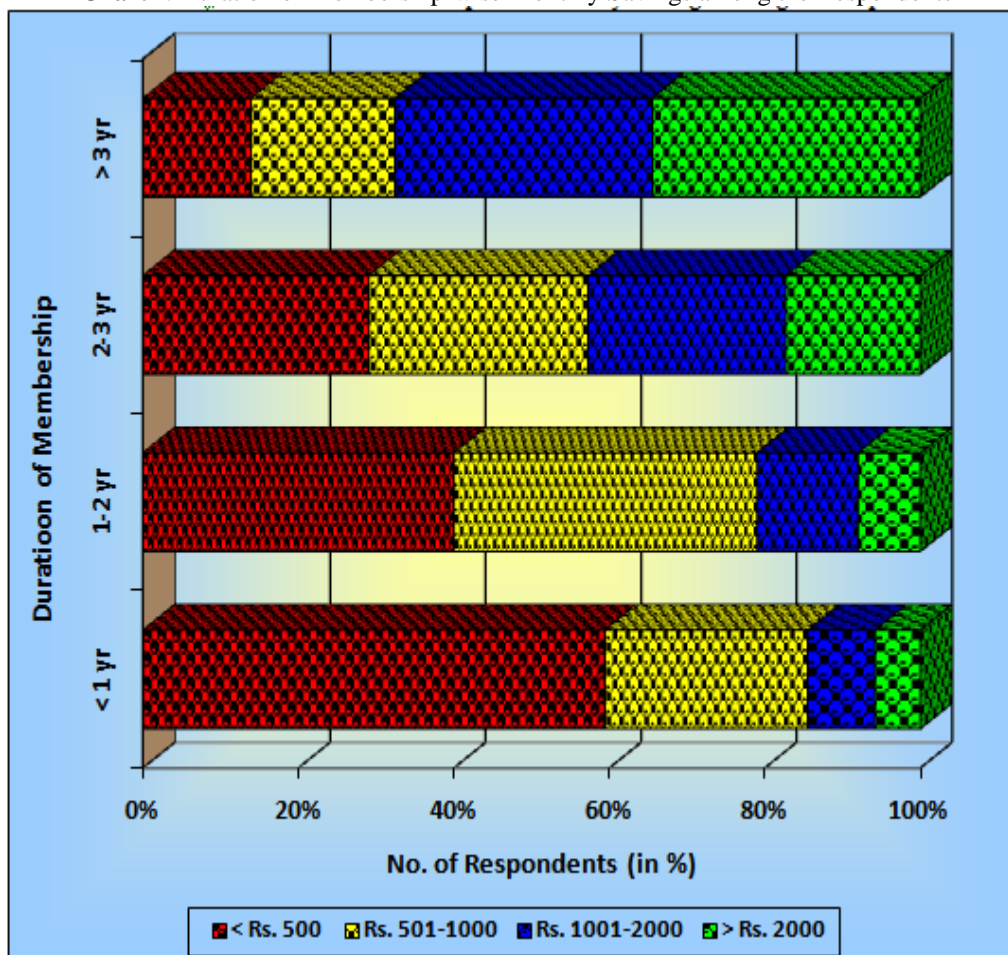
Monthly Savings		Duration				Total
		Upto 1 year	1-2 years	2-3 years	Above 3 Years	
Upto Rs. 500	No.	41	40	32	21	134
	R%	30.6%	29.9%	23.9%	15.7%	100.0%
	C%	59.4%	40.0%	29.1%	13.9%	31.2%
Rs. 501-1000	No.	18	39	31	28	116
	R%	15.5%	33.6%	26.7%	24.1%	100.0%
	C%	26.1%	39.0%	28.2%	18.5%	27.0%
Rs. 1001-2000	No.	6	13	28	50	97
	R%	6.2%	13.4%	28.9%	51.5%	100.0%
	C%	8.7%	13.0%	25.5%	33.1%	22.6%
Above Rs. 2000	No.	4	8	19	52	83
	R%	4.8%	9.6%	22.9%	62.7%	100.0%
	C%	5.8%	8.0%	17.3%	34.4%	19.3%
Total	No.	69	100	110	151	430
	R%	16.0%	23.3%	25.6%	35.1%	100.0%
	C%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: R% refers to row-wise percentage and C% refers to column-wise percentage.

Source: Primary data.

It is noted that out of the 69 respondents who are members for upto one year, 41 (59.4 per cent) save upto Rs. 500 per month, 18 (26.1 per cent) save in the range of Rs. 501-1000 per month, six (8.7 per cent) come under the savings range of Rs. 1001-2000 per month and four respondents (5.8 per cent) belong to the monthly savings class of above Rs. 2000; in the case of the 100 respondents who have a membership duration of 1-2 years, 40 (40 per cent) fall in the lowest saving class of upto Rs. 500 per month, 39 (39 per cent) save in the range of Rs. 501-1000 per month, 13 (13 per cent) belong to the monthly savings class of Rs. 1001-2000 and there are eight respondents (8 per cent) who save above Rs. 2000 per month; among the 110 respondents who are members for 2-3 years, 32 (29.1 per cent) save upto Rs. 500 per month, 31 (28.2 per cent) save in the range of Rs. 501-1000 per month, 28 (25.5 per cent) come under the savings range of Rs. 1001-2000 per month and 19 respondents (17.3 per cent) belong to the monthly savings class of above Rs. 2000; and out of the 151 respondents who are members for more than 3 years, 21 (13.9 per cent) fall in the lowest saving class of upto Rs. 500 per month, 28 (18.5 per cent) save in the range of Rs. 501-1000 per month, 50 (33.1 per cent) belong to the monthly savings class of Rs. 1001-2000 and there are 52 respondents (34.4 per cent) who save above Rs. 2000 per month. Thus, the proportion of monthly savings and duration of membership are positively related, among those who are members for less than one year, 14.5 per cent save more than Rs. 1000 per month, which is 21 per cent, 42.8 per cent and 67.5 per cent in the successive higher age groups. Thus, not only the regularity of savings, but also the amount saved too is higher among those who have longer membership compared to those who are members for a shorter period. The graphical view of duration of membership-wise monthly savings of the respondents is shown in Chart I.

Chart I: Duration of Membership-wise Monthly Savings among the Respondents



3.4. Extent Of Variations In The Economic Conditions Of The Sample Respondents

The previous sections analysed the important characteristics of the sample respondents like their current monthly income, previous monthly income, monthly savings, etc., based on ratio analysis. This explained the trends and patterns of the traits of the sample respondents in the sample villages and implied that there are differences in the values of the variables. In this section, descriptive statistics, viz., mean, standard deviation, minimum and maximum values of the important variables are analysed to understand more about the discrepancies among the sample respondents. Table VI presents the extent of variations in the economic conditions of the sample respondents.

The table indicates that the mean value current monthly income of the respondents who have upto one year of membership stands at Rs. 2823 which ranges from Rs. 2500 to Rs. 6500, while the mean value of previous income is Rs. 2039 and it ranges from nil to Rs. 3500, since some of them were

Table VI: Duration of Membership-wise Extent of Variations in the Economic Conditions of the Sample Respondents

Duration	Variables	Mean	Std. Dev.	Min.	Max.
Upto 1 Year	Current Monthly Income	2823	2645	2500	6500
	Previous Monthly Income	2039	2087	Nil	3500
	Value of Current Assets	129455	17876	105000	500000
	Value of Previous Assets	68443	11098	50000	350000
	Food Expenditure	2845	1342	2250	4100
	Non-Food Expenditure	4629	1765	4000	8500
	Monthly Savings	685	664	Nil	1250
1-2 Years	Current Monthly Income	3659	2794	4000	7250

	Previous Monthly Income	2836	2135	1800	4750
	Value of Current Assets	164255	18287	125000	600000
	Value of Previous Assets	96425	11353	80000	400000
	Food Expenditure	3346	1373	2500	4600
	Non-Food Expenditure	5178	1806	4560	10500
	Monthly Savings	1098	679	300	1750
2-3 Years	Current Monthly Income	4265	2855	4850	8500
	Previous Monthly Income	3397	2389	2675	5500
	Value of Current Assets	195645	20463	155000	750000
	Value of Previous Assets	108462	12704	100000	500000
	Food Expenditure	3965	1536	2950	5100
	Non-Food Expenditure	5864	2020	4900	12500
Above 3 Years	Current Monthly Income	4942	3150	6250	10000
	Previous Monthly Income	3816	2676	3290	7500
	Value of Current Assets	245750	22921	185000	1000000
	Value of Previous Assets	123475	14230	110000	750000
	Food Expenditure	4526	1721	3200	5700
	Non-Food Expenditure	6658	2263	5600	15000
	Monthly Savings	1875	851	500	3500

Source: Computed from field survey data.

homemakers; the value of current assets possessed by the respondents is Rs. 129455, while the minimum value is Rs. 105000 and its maximum value is Rs. 5 lakhs; on the other hand, the mean score of previous asset owned by the respondents is Rs. 68443 and it ranges from Rs. 50000 to Rs. 350000; the mean value of food expenditure incurred by the respondents per month is Rs. 2845 with a minimum value of Rs. 2250 and a maximum value of Rs. 4100; in the case of non-food expenditure, the mean score stands at Rs. 4629 and it ranges from Rs. 4000 to Rs. 8500; and the mean value of monthly savings is Rs. 685, with a minimum of zero and a maximum of Rs. 1250. In the case of the respondents who are members for 1-2 years, the mean value current monthly income stands at Rs. 3659 which ranges from Rs. 4000 to Rs. 7250, while the mean value of previous income is Rs. 2836 and it ranges from Rs. 1800 to Rs. 4750; the value of current assets possessed by the respondents is Rs. 164255, while the minimum value is Rs. 125000 and its maximum value is Rs. 6 lakhs; on the other hand, the mean score of previous asset owned by the respondents is Rs. 96425 and it ranges from Rs. 80000 to Rs. 4 lakhs; the mean value of food expenditure incurred by the respondents per month is Rs. 3346 with a minimum value of Rs. 2500 and a maximum value of Rs. 4600; in the case of non-food expenditure, the mean score stands at Rs. 5178 and it ranges from Rs. 4560 to Rs. 10500; and the mean value of monthly savings is Rs. 1098, with a minimum of Rs. 300 and a maximum of Rs. 1750.

In the case of respondents who are members for 2-3 years, the mean value current monthly income is Rs. 4265 which ranges from Rs. 4850 to Rs. 8500; the mean value of previous income is Rs. 3397 and it ranges from Rs. 2675 to Rs. 5500; the value of current assets possessed by the respondents is Rs. 195645, while the minimum value is Rs. 155000 and its maximum value is Rs. 7.5 lakhs; on the other hand, the mean score of previous asset owned by the respondents is Rs. 108462 and it ranges from Rs. 1 lakh to Rs. 5 lakhs; the mean value of food expenditure incurred by the respondents per month is Rs. 3965 with a minimum value of Rs. 2950 and a maximum value of Rs. 5100; in the case of non-food expenditure, the mean score stands at Rs. 5864 and it ranges from Rs. 4900 to Rs. 12500; and the mean value of monthly savings is Rs. 1425, with a minimum of 400 and a maximum of Rs. 2750. As far as the respondents who have more than 3 years of membership are concerned, the mean value current monthly income is Rs. 4942 which ranges from Rs. 6250 to Rs. 10000, while the mean value of previous income is Rs. 3816 and it ranges from Rs. 3290 to Rs. 7500; the value of current assets possessed by the respondents is Rs. 245750, while the minimum value is Rs. 185000 and its maximum value is Rs. 10 lakhs; the mean score of previous asset owned by the respondents is Rs. 123475 and it ranges from Rs. 110000 to Rs. 6.5 lakhs; the mean value of monthly food expenditure is Rs. 4526 with a minimum value of Rs. 3200 and a maximum value of Rs. 5700; in the case of non-food expenditure, the mean score stands at Rs. 6658 and it ranges from Rs. 5600 to Rs. 15000; and the mean value of monthly savings is Rs. 1875, with a minimum of 500 and a maximum of Rs. 3500. This brings out the extent of differences in the mean values of the variables like current and previous monthly income and assets, food and non-food expenditure and also monthly savings. The mean scores and their minimum and maximum values of income, asset possession, food and non-food expenditure and savings of the respondents increase continuously as their duration of membership increases in the study area. Moreover, the level of current monthly income and the asset value of the

respondents are also higher than the corresponding figures in the previous time period in all categories. This clearly suggests that the SHGs have played a positive role in improving the economic conditions of the respondents. Also, it helps in making use of the SHG model to further their economic conditions as well. At the same time, the standard deviation values also suggest considerable variation in the values among the respondents.

Apart from understanding the economic conditions of the sample respondents on the basis of their duration of membership in SHG, it is even more important to understand the impact of SHG on their economic condition. This is done by comparing the values of the economic variables viz., monthly income, value of assets, food and non-food expenditure, monthly savings and annual investment made by them before and after participating in SHG. This is done here with the help of the data presented in Table VII.

It is noted from the table that the mean value monthly income of the respondents before their participation in the SHG movement stood at Rs. 3022 which ranged from zero to Rs. 7500, while the mean value of assets possessed by them was Rs. 85265, while the minimum value was Rs. 50000 and its maximum value was Rs. 750000; the mean value of food expenditure

Table VII: Impact of SHG on the Economic Conditions of the Sample Respondents

Position	Variables	Mean	Std. Dev.	Min.	Max.
Previous	Monthly Income	3022	2729	Nil	7500
	Value of Assets	85265	18765	50000	750000
	Food Expenditure	2145	1372	1750	3800
	Non-Food Expenditure	3768	1963	3100	9500
	Monthly Savings	865	678	Nil	1800
Current	Monthly Income	3974	3547	2500	10000
	Value of Assets	183776	2967	105000	1000000
	Food Expenditure	3670	1975	2250	5700
	Non-Food Expenditure	5582	2769	4000	15000
	Monthly Savings	1270	1563	Nil	3500

Source: Computed from field survey data.

incurred by the respondents per month was Rs. 2145 with a minimum value of Rs. 1750 and a maximum value of Rs. 3800; in the case of non-food expenditure, the mean score stood at Rs. 3768 and it ranged from Rs. 3100 to Rs. 9500; and the mean value of monthly savings was Rs. 865, with a minimum of zero to a maximum of Rs. 1800. On the other hand, after their participation in SHG, the mean value monthly income now stands at Rs. 3974 which ranges from Rs. 2500 to Rs. 10000; the value of assets possessed by the respondents is Rs. 183776, while the minimum value is Rs. 105000 and its maximum value is Rs. 10 lakhs; the mean value of food expenditure incurred by the respondents per month is Rs. 3670 with a minimum value of Rs. 2250 and a maximum value of Rs. 5700; in the case of non-food expenditure, the mean score now stands at Rs. 5582 and it ranges from Rs. 4000 to Rs. 15000; the mean value of monthly savings is Rs. 1270, with a minimum of zero and a maximum of Rs. 3500; and the mean value of annual investment made by them now stands at Rs. 56750 with a minimum value of Rs. 15000 to a maximum value of Rs. 175000. Hence, comparison of the value of the economic variables between the two periods clearly indicates that the mean values, minimum and the maximum values of all variables are higher in the current period compared to the previous period and this unequivocally brings out the impact of SHG movement on the lives of the beneficiaries. Their monthly income, spending capacity, ability to save and also to invest in productive ventures and asset possession has all gone up. Importantly, even though some of the respondents are not able to save even now, which is happening mainly among those who have joined only recently, their number has definitely come down and savings take place among most of them, while all of them make at least some investment in productive venture, with the help of bank credit, which was not their earlier. This is the most important economic impact of the SHG movement on the lives of the sample respondents in the study area.

IV. CONCLUSION

There is a relationship between duration of membership and regularity of savings among the respondents, as those who have higher membership duration, save more regularly and that too on a weekly basis, while among those who have a shorter membership duration, regularity of saving declines. For instance, among those who have one year membership duration, 25.9 per cent of them save on a weekly basis, while 14.8 per cent of them do not save, which is 58.9 per cent and zero respectively among those who have more than 3 years membership duration. Among the respondents who save, 41.9 per cent save more than Rs. 1000 per month, which is 50 per cent in Sirumur, 50.5 per cent in Meyyur, 32.4 per cent in Avaniyapuram and 34 per cent

in Kovalai. Hence, the saving capacity of those who belong to Vandavasi taluk is considerably less than that of those who reside in Arani taluk.

The proportion of monthly savings and duration of membership are positively related, among those who are members for less than one year, 14.5 per cent save more than Rs. 1000 per month, which is 21 per cent, 42.8 per cent and 67.5 per cent in the successive higher age groups. Thus, not only the regularity of savings, but also the amount saved too is higher among those who have longer membership compared to those who are members for a shorter period. After their participation in the SHGs, the number of respondents who were in the lower income slabs has declined, while that of those who come under the higher income slabs has increased. For instance, previously, 79 per cent of the respondents were earning upto Rs. 5000, which has now come down to 63.3 per cent and thus, the share of those who were earning more than Rs. 5000 per month has gone up from 21 per cent to 36.7 per cent. This clearly shows the upward movement of the earning capacity of the sample respondents after their participation in SHG activities. It is also to be noted that previously there were also homemakers who did not earn and now they have started to earn as well.

The previous earning capacity of the sample respondents in general was low, since in both taluks, a considerable proportion of them earned less than Rs. 5000 per month. Moreover, the differing types of activities carried out by the respondents also suggest that the earning capacity of the households in Vandavasi was less *vis-a-vis* those who belong to Arani taluk. For instance, 82.3 per cent of the former earned less than Rs. 5000 per month, which is 74.7 per cent in the latter, while 17.7 per cent of the former and 25.3 per cent of the latter earned more than Rs. 5000 per month. The earning capacity of the sample respondents has gone up after they became members of SHGs, since the proportion of those who came under the monthly income range of upto Rs. 5000 has declined from 79 per cent previously to 63.3 per cent now, and thus, the share of those who could earn more than Rs. 5000 per month has moved up from 21 per cent to 36.7 per cent and this has happened in both taluks. For instance, now 40.6 per cent of the respondents who belong to Arani earn more than Rs. 5000 which is 32.6 per cent in Vandavasi.

Among those who reside in Arani taluk, 34.1 per cent spend more than Rs. 3500 as their monthly food expenditure, which is 25.2 per cent in Vandavasi taluk. This suggests that as in the case of income, spending capacity of those who reside in Arani taluk is higher than that of those who are located in Vandavasi taluk. The area-wise non-food expenditure incurred by the sample respondents suggests that in general, all of them spend more on their non-food requirements than on food. However, in this case also, those who reside in Arani taluk spend more compared to their counterparts who are located in Vandavasi taluk. The asset possession is also not quite high among the respondents, since in both taluks, more than 55 per cent of them hold asset worth of less than Rs. 3 lakhs and it is particularly less in Vandavasi taluk than in the case of Arani taluk. Testing of hypotheses brings out the fact that there is significant difference in the level of savings made by the respondents because of the initiatives of microfinance through the SHG movement. The mean level of monthly savings has gone up among the respondents after their participation in SHG movement and the number of those who do not save too has come down, and thereby promoting the habit of savings among the respondents. There is significant difference in the monthly food expenditure incurred by the respondents between before and after their participation in the SHG movement. This also underscores the improvement in the economic conditions of the sample respondents, which is the outcome of the initiatives of microfinance.

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