

A STUDY ON PERCEPTION TOWARDS SHGs IN COIMBATORE

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Abstract

Self help groups have involved overtime all over the world, and the journey has been at several levels from labor/unkind/pre-monetary currency to cash from non-financial to financial groups; from short living to semi-permanent, or supposedly permanent group; and from saving-only to savings driven credit groups. Self-help groups have emerged as the appropriate people's institution. It is not a static body, and rather it grows in its resources and management skills of its members. Their increasing confidence has motivated them for enhanced involvement in public spheres and has helped them to undertake common action programmes. In recent years, they have emerged as a major strategy for the promotion of informal credit to the poor. The present study is made as attempt to identify the perception of members towards the self-help groups.

Key words: Self help groups, common action programmes and informal credit.

Introduction and Problem Discussion

Self help groups are necessary to overcome exploitation, create confidence for the economic self-reliance of rural poor, particularly among women who are mostly invisible in the social structure. A group becomes the basis for action and change. It also helps building of relationship for mutual trust between the promoting organization and the rural poor to constant contact and genuine efforts. Group members usually create a common fund by contributing their small savings on a regular basis. Groups evolve flexible systems of working sometimes with the help of (NGOs) and manage pooled resources in a democratic way.

Loan requests are considered by groups in periodic meetings and competing claims on limited resources

are settled by consensus. The loan amounts are small, frequent for short duration and are mainly for conventional purposes. The rates of interest vary from group to group and the purpose of loan. It is higher than that of banks but lower than that of moneylenders. Self help group members suffer from the problem of lacking in capital. Shortage of finance is one of the major problems facing self help group members. Self help group members need financial resource to improve their standard of living.

The institutional finance to self help group members through self help groups has helped the groups to achieve a measure of economic and social empowerment. It has developed a sense of leadership, organizational skill, management of various activities of a business, right from acquiring finance, identifying raw material, market and suitable diversification and modernization. Hence institutional finance through self help groups is contributing to the development of self help group members in a meaningful manner. It is seen that significant changes in the living standards of self help group members have taken place in terms of increase in income levels, assets, savings, borrowing capacity and income generating activities. With the above setting, the present research can be carried to find the solution for the following research objective;

1. To identify members perception towards Self Help Groups.

Review of Literature

Dilip Sarma (2000) explains that approximately 400 million people in India living below or close to poverty line could be roughly translated into 75 million households out of which around 60 million are rural household. So poverty in India has predominantly a rural character. While there are several structural dimensions to the rural poverty it is generally accepted that it arises due to the lack of capital or lack of surplus. The rural poor is perpetuating poverty and is the victims of the "Vicious of poverty". Both the government and financial institutions are now operating through the Non-Governmental Organizations (NGOs) to develop SHGs

Kumaran, K.P. (2011) examined the role of self help groups in addressing some of the problems faced by persons with disabilities such as social exclusion, discrimination, lack of awareness about their rights and privileges, and absence of livelihood programmes. One hundred persons with disabilities were randomly drawn for the study from 50 self help groups in 2 districts that were covered under a popular poverty alleviation programme implemented by the state of Andhra Pradesh in India. An interview schedule was used to collect information. Before joining the group, some of the persons with disabilities were mostly confined to their houses, and viewed as less productive and incapable of leading a 'normal' life. After joining the groups, they came out of their seclusion and started to work together for their collective welfare and development. They gained knowledge about their rights and privileges and started income generation activities with the help of loans made available to them. They gained better acceptance within their families, but attitudes of their communities was slower to change. A feeling that "disability is not inability"

seemed to have been internalized among the members of the groups. Self-help groups can be very effective in helping persons with disabilities to come out of their isolation and in promoting their participation and inclusion in societal mainstream.

Hypothesis

H₀₁: The association between the perception towards self help groups and the demographic profile of respondents is not significant

Research Methodology

The study is analytical and is based on both primary and secondary data. The population targeted for this study consisted of members of self help groups and commercial banks granting financial assistances to the self help groups in the Coimbatore district. A sample size of 10 respondents is chosen adopting the simple random sampling. The interview schedule is being used to collect data from the respondents. The other data required for the study is being collected from the various published and unpublished resources.

Analysis and Discussion

Table 1
Demographic Profile of the Respondents

Classification	No of Respondents	Percentage
Age (Years)		
Less than 25	11	11
26 – 35	24	24
36 – 50	33	33
Above 50	32	32
Marital Status		
Married	82	82
Unmarried	18	18
Educational qualification		
Illiterate	27	27
SSLC	18	18
HSC	23	23
Graduation	08	08
Diploma	11	11
Others	13	13
Occupation		
Agriculture	26	26
Coolies	15	15
Cattle rearing/dairying	33	33
Others	26	26
Number of dependants		
1	11	11
2	21	21
3	28	28
More than 3	40	40

Residence		
Rural	47	47
Urban	16	16
Semi-urban	37	37
Total	100	100

Source: Compiled and calculated using primary data

The above table represents the demographic profile of the respondents who are the members of self help groups in Coimbatore. Out of 100 sample selected nearly 33 percent of the Respondents were between 36 – 50 years of age, 82 were Married, 27 were illiterates, There were significantly more responses from respondents involved in cattle rearing/dairying that made up 33.0 percent. Most of the respondents at 40 percent have more than 3 dependants in their family. It was clear that the majority of respondents at 47 percent were from rural residence.

H₀₁: The association between the perception towards self help groups and the demographic profile of respondents is not significant

Table – 2
Chi-square analysis

Variables	χ^2	P-value	S/ NS
Age	3.55	.00	S**
Marital Status	12.11	.02	S*
Educational Qualification	11.82	.00	S**
Occupation	.50	.03	S*
Number of dependants	3.22	.00	S**
Residence	.40	.00	S**

*Significant at 5 per cent level **Significant at 1 per cent level

Source: Compiled and calculated using the primary data

The table above represents the analysis of association using chi-square analysis between the perception towards self help groups and the demographic profile of respondents. It is clear from the table that the all the personal profiles; are found significant at 1 per cent and 5 per cent levels respectively.

Hence the null hypothesis is rejected and concluded that the association between perception towards self help groups and the demographic profile of respondents is significant viz, age, marital status, educational qualification, occupation, number of dependants and residence.

Conclusion

Self-help groups play today a major role in poverty alleviation in rural India. A growing number of poor people (mostly women) in various parts of India are members of Self-Help Group and actively engage in Savings (in actual term Thrift) and Credit, as well as in other activities (income generation, natural resources management, literacy, child care, nutrition, etc.). The Savings and Credit focus in the group is the most prominent element and offers a chance to create some control over capital. The system has proven to be very relevant and effective in offering women the possibility to break gradually away from exploitation and isolation. Almost all major donor agencies support group in India in one way or another and many success stories are available, describing how membership in Self Help Groups changed the life of a particular individual or group for the better. Self Help Group is really a boon in the rural areas which gives financial autonomy to the self help group members and makes them economically independent. The groups have become a platform for exchange of experiences and ideas. The group members have tremendous energies to start their own enterprises given the right opportunities. The programme has been proved to be successful model, where the outreach has expanded substantially within a small frame of time. These groups enable them to come together for a common objective and gain strength from each other to deal with exploitation, which they are facing, in several forms.

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