

## **Role of SHGS and Banks in Empowering Women in Madurai District**

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Empowerment liberates anyone from various clutches of bondage or slavery system of various clutches such as colour, caste, creed, gender and so on. The empowerment of women is the need of the hour which can be achieved by different approaches or strategies that vary from one situation to another. Empowerment is now increasingly seen as a process by which the one's without power gain greater control over their own lives. This means control over material assets, intellectual resources and ideology. It involves power to, power with and power within. Some define empowerment as a process of awareness and conscience, of capacity building and leading to greater participation, effective decision-making power and control leading to transformative action.

Globally, 70% of the 1.5 billion people living on one dollar per day or less are women, according to a (UNDP) study in 1995. There are many factors which contribute to women being disproportionately poorer, and many ways in which women experience poverty differently from men. Women farm the land but they don't own it. It is estimated that over the past decade, women's work has contributed more to the global growth than China or India (The Economist, 2006). Women in the US have earned only 77 cents for every 1 dollar earned by a man in 2005. In the developing world, the ratio is just 73 cents, according to the estimates by IWPR. For women of colour, the gap is even worse - African American women earn 63 cents and Latinas 53 cents (IWPR, 2004). Though women are responsible for 60% to 80% of food production in developing countries according to Women in Development Service of FOA, inheritance and property laws often exclude women from land ownership. In post-tsunami the countries such as Indonesia and India, women's lack of property rights contributed to reconstruction inequities, as women in these countries do not have ownership rights to the land registered in their husband's or father's name and are not recognized as heads of households. In Sri Lanka, joint ownership of land remains an unresolved issue in relation to post-tsunami re-allocation of land. Women have less access to economic resources.

### **Self Help Group and Women Empowerment**

Self-Help Group (SHG) is a small voluntary association of poor people preferably from the same socio-economic back drop. The micro-credit given to them makes them enterprising. It can be all-women group, all-men group or even a mixed group. However, it has been the experience that women's groups perform better in all the important activities of SHGs. In Tamil Nadu the SHGs started in 1989 at Dharmapuri District. At present 1.40 lakh groups are functioning with 23.83 lakh members, (CS). Now the SHGs are an overwhelming trend.

### **Statement of the Problem**

World's income distribution gives a very telling story. Ninety four percent of the world income goes to 40 percent of the population while sixty percent of the people live on only 6 per cent of world income. Half of the world population lives on two dollars a day. Over one billion people live on less than a dollar per day. Of the world's 1.3 billion

poor people, it is estimated that nearly 70 per cent are women. (United Nations Department of Public Information -- DPI/1862/Rev.2 -- May 1997). In India, the reality of women's lives begin with the family to the nation, the child sex ratio (0 to 6 years) has dropped from 945 females per 1000 males in 1991 to 927 females per 1000 males in 2001. The women's wage rates are, on an average only 75 % of men's wage rates and constitute only 25% of the family income. In no Indian State do women and men earn equal wages in agriculture. Under the educational sphere, close to 245 million Indian women lack the basic capability to read and write and on the part of health it is highly worrying that the average nutritional intake of women is only 1400 calories daily. The necessary requirement is approximately 2200 calories. 38 per cent of HIV positive people in India are women and yet only 25% of beds in AIDS care centers in India are occupied by them, 92% of women in India suffer from gynecological problems, 300 women die every day due to childbirth and pregnancy related causes and the maternal mortality ratio per 100,000 live births in the year 1995 has been 440 (source: United Nations statistics and the Human Development Report, 1995). Sprawling inequalities persist in their access to education, health care, physical and financial resources and opportunities in the political, economic, social and cultural spheres.

On the other hand, the women from elite group contribute to the social and political spheres a like holding higher position in corporate, representing local panchayat councils (village panchayats) and the like. This shows a clear indication of positive development of women. But in rural areas and in the outskirts of urban areas the situation has remained unchanged until recent past. But, as of now through the SHGs and bank's intermediation this cloud of sufferings is gradually changing and has shown the empowerment horizon both socially and economically according to state and central Governments assessment reports. The banks, too ratify those things of economic inclusion occurred- prompt loan repayment, capability to operate the bank accounts individually, exploring business capitals from banks and other financial institutions. In this context the issues listed in the following become relevant to study which deal with how the roles of self helps groups and banks are important in empowering women. It obviously deals with the women issues and problems occur in the social aspects like unity, decision making power, gender equity and addressing of violence against women and economic spheres like, habits of savings, accessibility of banks, increase of purchasing power, increase of household domestic things, becoming entrepreneur, getting rid of manipulation of money lenders and privilege of insurance facility and political empowerment of participation in group, Panchayat level election.

### **Objectives**

In tune with the issues already mentioned, the researcher has framed following objectives;

- (a) To analyze the role of self help groups in empowering women
- (b) To assess the performance of the respondent's banks in empowering women
- (c) To study the impact of self help groups and micro finance credit lending by banks on women empowerment
- (d) To assess the influencing factor for the empowerment of women and
- (e) To offer suggestion to policy makers

**Methodology**

The study is based on both the primary and secondary data. The researcher has used a well formed interview schedule for collecting primary data from self help groups and bankers. The secondary data are collected from various sources like books, newspapers, journals, annual reports, and periodicals, report of Tamil Nadu Corporation for Development of Women (TNCDW) referred from different universities, info cubs and websites related to the subject.

**Sample Design**

In Madurai district, Tamil Nadu Women Development Corporation has affiliated 14 Non Governmental organisations under Mahalir Thittam Scheme. These NGOs work with TNWDC for the promotional and developmental activities of SHGs in all 13 revenue blocks. According to Mahalir Thittam, Madurai, the SHGs are 1528 in Madurai district as on 31<sup>st</sup> December 2007. The Government of India particularly the Government of Tamil Nadu has forced 33 % of reservation for women in Loakshaba, State assembly and Civic election. Therefore it is felt that there would be better to adopt the same proportion in choosing the women SHGs as sample. In order to get a better analysis the percentage needs to be rounded off nearly to 5. Thereby 35 per cent of 1528 SHGs which is 535 SHGs are taken into consideration. These chosen 535 SHGs from 13 revenue blocks are identified by using proportionate random sampling technique. The researcher was unable to reach all respondents for many reasons such as the members’ ignorance, inability, irresponsiveness and negligence. Overcoming all these, the researcher was able to reach 520 SHGs only and this becomes the actual sampling size of this research. The revenue blocks and selected sample SHG members are presented in Table 1

TABLE 1  
Revenue Blocks and Selected Sample of SHGs

Sl.No	Name of the Block	Number of SHGs	Selected Sample	Actual Sample
1	Alanganallur	103	36	35
2	Chellampatti	109	38	38
3	Kallikudy	116	40	40
4	Kottampatty	129	45	43
5	Madurai East	147	51	49
6	Madurai West	119	42	39
7	Melur	133	46	46
8	Sedapatty	118	41	41
9	Thirupprankunram	139	49	45
10	Thirumangalam	126	44	44
11	T.Kalupatti	152	53	50
12	Usilaptti	79	27	27
13	Vadipatti	67	23	23
	Total	1528	535	520

Source: Publication of TNWDC, Madurai Project Implementation Unit, Madurai 2008

In each SHG sample of one respondent is identified through Lottery method. Thereby 520 women are the sample size of this study.

In the selected research area there are 326 branches of different banks working with SHGs. 15 per cent of banks among 326 branches (The Lead Bank, Madurai District, Nov 2008) are chosen by lottery method. As a result, 48.6 branches are identified from total banks. For the sake of study purpose this figure is rounded up to nearest 10. Hence 50 branches are taken into consideration as sample size for this research study.

**Hypothesis**

By virtue of analysis and interpretation the data on the perception and attitudinal changes of the women member of self help group and banks intermediation in Madurai district, the research has formulated a null hypotheses test for the features which influence the opinion of the women members such as age, marital status, family type, size of family, literacy level, occupation, income level, number of members in the group, training period, meeting attended, status role in the group and housing condition of the respondents and levels of the perception independent (that is there is no relationship between influencing factors and the level of opinion of women members of self help group in the study given) then the computed value of the Chi-square is valued at 5 per cent level of significance with appropriate degrees of freedom, thereby to determine the acceptance or rejection of the hypothesis.

**Limitation of the Study**

This research study has been limited to 50 bankers only from the urban area. In case of inadequate support received from rural bankers the study is limited to these urban respondents. The bankers have taken excessive timing to return the filled in questionnaire to the researcher.

**Amount of Saving**

The distribution of members according to the amount of savings before and after joining the SHGs is depicted in Table 5.2

TABLE 5.2

Amount of Savings per Month

Sl.No.	Amount of Savings	Before Joining SHG	After Joining SHG
1	Upto 1500	395 (76)	170 (32.67)
2	Rs1500 – 3000	68 (13)	281 (54.12)
3	Rs 3000- 6000	57 (11)	66 (12.71)
4	Rs 6000 and above	0 (0)	3 (0.50)
Total		520	520

Note: Figures in brackets denote percentage Source: Primary data

It is evident from Table 5.38 that only 125 (24%) sample respondents have saved more than Rs.1500 before joining the SHG but in contrast, there are 320 (67.33%) respondents have saved more than Rs.1500 after joining the SHGs. This shows that the number of members has increased in savings.

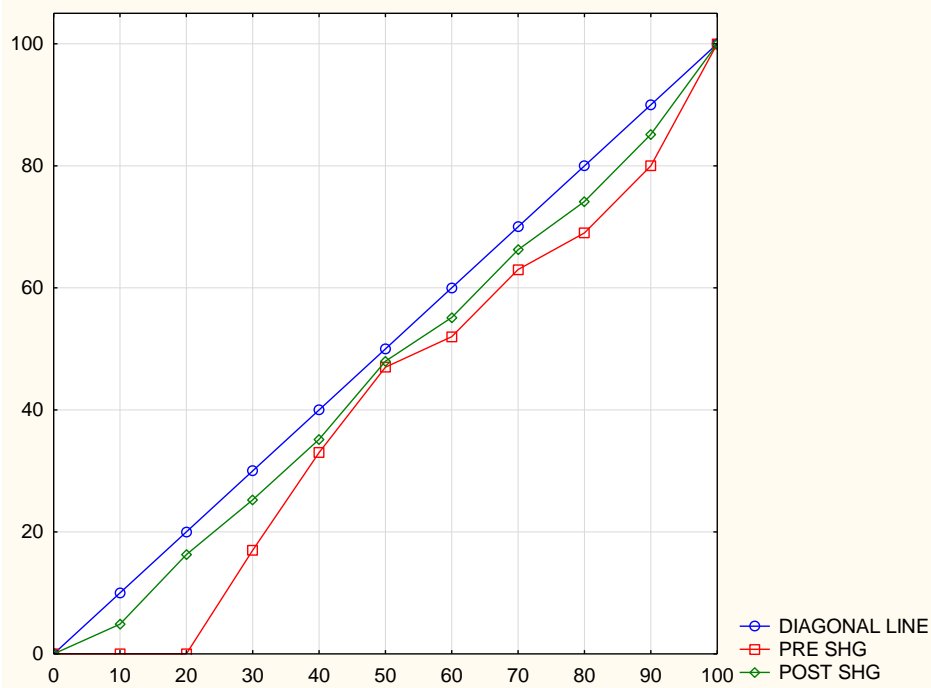
With a view to find out whether the amount of savings is equal or unequal before and after joining the SHGs, the Lorenz curve has been used. The computation for drawing the points in the curve is shown in Table 5.2

**TABLE 5.2**

Distributing Percentage of Cumulative Savings according to Deciles

Deciles	Before Joining SHGs	After Joining SHGs
1	0	4.88
2	0	16.27
3	17	25.27
4	33	35.17
5	47	47.98
6	52	55.15
7	63	66.26
8	69	74.16
9	80	85.17
10	100	100

It is seen from Table 5.2 that no savings are made by huge amount of households. After joining the SHGs the tendency has changed among the respondents to save money steadily. Thus the inequality in savings pattern has come down and savings were broad based after their joining the SHGs. The Lorenz Curve in Figure 3 demonstrates the distribution pattern of savings among the respondents.



Pattern of Saving Before After Joining the SHG

Figure 1

The distance between the diagonal line and the Lorenz curves indicates the level of inequality. It is clear from Figure-1 that the inequalities in the distribution of savings have been declining after joining the SHGs compared to that of before joining the SHGs.

**Composite Index of Standard of Living**

The overall impact of micro credit encompassing economic as well as social aspects is measured by the aggregate measurement known as the Composite Index of Standard of Living. The distribution of households according to the Index of Standard of Living is shown in Table 5. 2

TABLE 5.2

Distribution of Households According to Index

Sl.No	Index	Social Index		Economic Index		Overall Index	
		Before joining as member	After joining as member	Before joining as member	After joining as member	Before joining as member	After joining as member
1	Upto 25	247	0	8	0	8	0
2	26 – 50	134	0	24	15	299	0
3	51 – 75	107	0	277	233	189	35
4	76 – 100	32	520	211	272	24	485
Total		520	520	520	520	520	520
Average Value of Index		38.43	87.56	70.12	75.90	50.79	83.01

It is observed from Table 5.52 that the distribution of households according to the Value of Composite Index clearly brings out a shift. There are 87.56 per cent of the households with the value of the social index has increased after joining SHGs. The estimated average composite index is 38.43 before joining SHGs; it indicates an increase of 49 points. The index based on economic indicators has risen from 70.12 to 75.90 before and after joining the SHGs. The overall index indicates that the change has occurred from 50.79 to 83.01, hence 32 points is increased. So the social impact is relatively higher than economic impact

In order to test the null hypothesis that there is no significant difference in the economic and social impacts on respondents before joining and after joining the SHGs, the Sign test has been used in Table 5.3

### **Suggestions**

1. The state through its intermediary bodies should regulate the SHG members to participate in the monthly meetings. The banks also facilitate capacity building trainings benefiting all women.

2. The bank must lend its loan directly to SHG members on individual basis through SHGs. It should regulate all SHGs to open a bank account for the entire individual member at the nearest locality (as a part of financial inclusion process)

3. The banks which lend loan to SHGs are supposed to maintain the KYC profile about their customers well. This system can be extended at district level through LAN network under this name MAD-KYC PROFILE. Undoubtedly this is a credit portal like CIBIL. This will certainly support the bank or other financial institutions to eschew duplication of loans and multiple lending.

4. Political Education is a must to these SHG women to mobilize large number of women to participate in politics. The state with support of other stake holding institutions including NGOs, civil society organizations, educational institutions and universities should impart this education to SHG women.

5. The bank should arrange internship training to these SHG women who are currently involved in small or petite enterprise. The district administration should start a district level training centre to train these SHG women exclusively.

6. The Reserve Bank of India by its directive should regulate the banks to adopt a same rate of interest to those who are involved in the credit lending mission to SHGs

### **Conclusion**

The Linkage scheme has a long way now to attain a paradigm shift from one phase to another. Many of the financial institutions pool up money on the poor. But however the recent statistics states that half of the Indian citizens are not able to open the bank account. Still the banking services are denied. This modest piece of research is an effort on the part of the researcher. She has to explore as many aspects of the subject as possible within the framework of Doctoral thesis. All findings and suggestions quoted in the course of study are supported by authentic statistics gathered during the research period. It is believed that at least a few of the suggestions will be taken into the consideration and implemented by the stakeholders and policy makers in ensuing days.