



A STUDY ON THE PROGRESS OF SELF HELP GROUPS IN COIMBATORE

BY

KALAIARASI.R

Reg.no.71206631017

Of

Department of Management Studies  
**Kumaraguru College of Technology**  
**Coimbatore**

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COIMBATORE**

**BONAFIDE CERTIFICATE**

Certified that this project report titled “A STUDY ON THE PROGRESS OF SELF HELP GROUPS IN COIMBATORE” is the bonafide work of **Ms.KALAIARASI.R (71206631017)** who carried out the research under my supervision. Certified further, that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

Faculty Guide

Director

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**Evaluated and viva-voce conducted on .....**

**Examiner I**

**Examiner II**

## **DECLARATION**

I, hereby declare that this project report entitled as “A STUDY ON THE PROGRESS OF SELF HELP GROUPS IN COIMBATORE”, has undertaken for Academic purpose submitted to Anna University in partial fulfillment of requirement for the award of the degree of Master of Business Administration. The project report is the record of the original work done by me under the guidance of Mrs. R. Hemanalini during the academic year 2007-2008.

I, also declare hereby, that the information given in this report is correct to the best of my knowledge and belief.

Place: Coimbatore

Date:

.....  
(KALAIARASI.R)

## **EXECUTIVE SUMMARY**

SHG is a group of rural poor who have volunteered to organize themselves into a group for eradication of poverty of the members. They agree to save regularly and convert their savings into a Common Fund known as the Group corpus. The members of the group agree to use this common fund and such other funds that they may receive as a group through a common management.

Generally a self-help group may consist of 10 to 20 persons. However, in difficult areas like deserts, hills and areas with scattered and sparse population and in case of minor irrigation and disabled persons, this number may be from 5-20. The difficult areas have to be identified by the State Level SGSY Committee and the above relaxation in membership will be permitted only in such areas.

Against this background, the study was conducted to understand the progress of self help groups in Coimbatore. Further the study attempts to identify the self help group's level of satisfaction with the financial institutions, trainings and aid provided by the government. The study assumes the characteristic of descriptive research. A sample of one hundred and fifty groups was taken in Coimbatore on convenience basis and data was collected through interview schedule.

The findings and recommendations of the study reveal that in future self help groups would remain as the back bone of Tamil nadu, self help groups would help to quench the thirst of employment and income generation of the poor.

## **ACKNOWLEDGEMENT**

It is inevitable that thoughts and ideas of other people tend to drift into the subconscious when one feels to acknowledge helping derived from others. I acknowledge to all those who have helped me in the preparation of this project work.

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## **CHAPTER - I**

### **INTRODUCTION**

#### **1.1 BACKGROUND**

Self-Help Group (SHG) is a small voluntary association of poor people, preferably from the same socio-economic background. They come together for the purpose of solving their common problems through self-help and mutual help. The SHG promotes small savings among its members. The savings are kept with a bank. This common fund is in the name of the SHG. Usually, the number of members in one SHG does not exceed twenty.

The group should maintain simple basic records such as Minutes book, Attendance register, Loan ledger, General ledger, Cash book, Bank passbook and individual passbooks. These could be used with necessary changes/ modifications wherever required.

The primary focus of self-help groups is to provide emotional and practical support and an exchange of information. Such groups use participatory processes to provide opportunities for people to share knowledge, common experiences, and problems. Through their participation, members help themselves and others by gaining knowledge and information, and by obtaining and providing emotional and practical support. These groups have been particularly useful in helping people with chronic health conditions and physical and mental disabilities. Traumatic life events such as death and divorce are also the basis for groups. Self-help groups are voluntary, and they are mostly led by members. Generally, groups meet on a regular basis, are open to new members, and do not cost money to join.

## **OBJECTIVES OF SELF-HELP GROUPS**

The SHGs comprise very poor people who do not have access to formal financial institutions. They act as the forum for the members to provide space and support to each other. It also enables the members to learn to cooperate and work in a group environment. The SHGs provide savings mechanism, which suits the needs of the members. It also provides a cost effective delivery mechanism for small credit to its members. The SHGs significantly contribute to the empowerment of poor women.

### **Organizations that help in The formation of SHGs**

Non Governmental Organizations (NGOs) Social Workers, health workers, village level workers, etc Informal Associations of local people Development oriented government departments Banks, Bank personnel and other individuals (in their personal capacities) Farmers Club under the Vikas Volunteer Vahini ( VVV) Program of NABARD and other development institutions.

### **Does SHG's comprise only poor people**

The SHG-bank linkage program is targeted to reach the poorest sections, which are bypassed by the formal banking system. Therefore, it is essential that only the very poor be considered as the target group for the SHG -bank linkage program.

### **Should the SHG comprise only women members**

An SHG 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. Mixed group is not preferred in many of the places, due to the presence of conflicting interests. Youth groups under AGAMT (Anaithu Grama Anna Marumalarchi Thittam)are at infant stage

### **Team Development:**

A survey is made to get the number of helpless women from each family in a particular village. Next step is to make aware of this team to the rest of the villages Illiterates of the village are also made aware of this team. A team consist f 12 women and remembers from one team are restricted to join other teams. Ladies from families poor in

income, education, job and assets are only eligible to be the member of this self helping group. If this team is success in their job they are free to introduce one more teams

### **Issue of Loans:**

The team starts issuing the loan after 3 months and its upto the team members about fixing the interest rate, repayment, maximum loan and etc. The repayment of installment amount depends upon the loan taken (i.e) higher the loan, higher the repayment amount. During initial period small loans are issued so that they can be repaid completely within 6 months.

The team also issues loan for the medical expenses, education expenses, business investment or any other emergency expenses of the members.

They have to maintain certain crucial records such as:

- o To whom has the team issued?
- o How much to issue?
- o When to repay?
- o Their interest rate etc.

The group should maintain simple basic records such as Minutes book, Attendance register, Loan ledger, General ledger, Cash book, Bank passbook and individual passbooks. These could be used with necessary changes/ modifications wherever required.

### **The advantages of financing through SHGs**

An economically poor individual gains strength as part of a group. Besides, financing through SHGs reduces transaction costs for both lenders and borrowers. While lenders have to handle only a single SHG account instead of a large number of small-sized individual accounts, borrowers as part of a SHG cut down expenses on travel (to & from the branch and other places) for completing paper work and on the loss of workdays in canvassing for loans.

## **The SHG-bank linkage program of National Bank for Agriculture & Rural Development (NABARD)**

With a view to facilitating smoother and more meaningful banking with the poor, a pilot project for purveying micro credit by linking Self-Help Groups (SHGs) with banks was launched by NABARD in 1991-92. Reserve Bank of India (RBI) had then advised commercial banks to actively participate in this linkage programme. The scheme has since been extended to RRBs and co-operative banks.

### **TRAINING:**

#### **The importance of training and the success of SHG strategy:**

Training can contribute significantly to the success of the SHG bank linkage programme. Appropriate training (formal or informal) at each stage of SHGs' growth is one of the essential inputs required. Training are given to the team members for 2 day, Once in a month and for the representatives its once in 45 days members are to teach the other members of the teachings to other members too. During the training, they are taught how to record and maintain accounts does and doesn't of the group activities, Social work, etc.

The training timing is from morning 10.00 am to evening 5.00pm and all the members are to be in the training camps at sharp time or else they would have to pay the fine.

Training date and camp place has to be fixed according to the convenience of the team members to achieve 100% attendance.

The team members have to discuss about the teachings in the meeting held, immediately after the training.

## TYPES OF TRAINING

Sl. No.	Nature of Training
1	Catering, Motor winding
2	Electrician ,Fitter
3	Tailoring,Rexine leather, Paper plate
4	Tailoring,Beautician,Rexine, Coir making
5	Tailoring,Man.of Bags,Baking,Beautician
6	Computer,Tailoring,
7	Candle, appalam, seaweed /Crab culture, Book binding, Horticulture, Coir making, Herbal Products, Palm products & Masonry
8	Appalam, Jam, seaweed /Crab culture, Vermi culture
9	Lather products
10	Terracotta,Greeting card, Ready made,Home appliance
11	Driving
12	Screen Print,Home App,Note making, Table mat making
13	Toys making.
14	Coir, Fisheries, Honey
15	Seashore sippies, Panai
16	Servise Kiask, Lather products, Bakery, Napkin, wiring,seaweed /Crab culture, Coir making, Herbal Products, Palm products & Masonry, Fishnet, Tailoring, Hollow Block, Tiles, Photography



## 1.2 REVIEW OF LITERATURE:

<sup>1</sup>This article reports on an evaluation of women's Self Help Groups (SHGs) in an area in south India. Groups were evaluated, not in terms of their success as micro credit schemes, from a financial perspective, but in relation to their contribution to gender development. Evidence emerged that women perceived changes in their identity towards working collectively to influence for change at the village and panchayat levels. They engaged in community and social action programmes, both at the local level and by joining with issues beyond the local. When considered within constructs of empowerment, capability poverty, citizenship, and participation in democratic processes, such SHG outcomes, and the community development processes that accompany their work, can be seen to make a modest but significant contribution to broader transformations of oppressive structures.

<sup>2</sup>For the urban poor, housing finance from ROSCAs (rotating savings and credit association) is an alternative to conventional housing finance, which requires conventional collateral. Contrary to conventional housing finance, the creditworthiness of ROSCA participants is determined largely by social factors. Moreover, a link exists between ROSCA participation and house (or shack) ownership. Apart from obtaining short- to medium-term ROSCA finance, participation offers security for obtaining finance from, for example, moneylenders. Notably, auction ROSCAs offer cheaper housing finance than Indian housing finance corporations. The middle classes mainly use this finance, but the poor tend to obtain more expensive finance for incremental building.

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<sup>1</sup> Strengthening communities through women's self help groups in South India

Frank Tesoriero(2008)<sup>[1]</sup>,Senior Lecturer and Director ,University of South Australia

<sup>2</sup> Roscas as a source of housing finance for the urban poor: an analysis of self-help practices from Hyderabad, India, Peer Smets<sup>0</sup> (2008)<sup>[2]</sup>, Vrije Universiteit, 1081 HV Amsterdam, The Netherlands

<sup>3</sup>This paper discusses how poor women in India have challenged existing middle-class women's organizations, as well as existing, patriarchal trade union structures in the last two decades. They have done this by offering radically different approaches to self-organization from 'below', rather than through rich, upper-caste patronage from 'above'. The paper offers two differing examples of such organizations, that of the Self-Employed Women's Association (SEWA) and the Annapurna Mahila Mandal (AMM) to show how this has been achieved. It argues that by directly identifying poor women's urgent need for recognition of their invisible informal sector income-generating activities, both SEWA and the AMM have been highly successful in improving the everyday lives of their members. Self-organization from below has also led to individual and group empowerment for those usually at the bottom of social and economic hierarchies. The results are impressive and this is reflected in the fact that poor countries elsewhere are attempting to replicate these models in their agendas for development.

<sup>4</sup>Social capital is broadly defined as the 'value' of social relationships. A substantial amount of work has been conducted into the role of social capital, but little of it has focused on Latin America and Peru in particular. Standard tools are often used to measure social capital in different cultural settings. We argue that while there are common themes, the exact nature of social capital is dependent upon the specific norms of behavior, networks and organizations that characterize a given setting. Social capital is a multidimensional and culturally specific concept. The contribution that different organizations and networks make to different aspects of social capital varies by setting (rural/urban), person involved (male/female), and over time, highlighting the need for

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<sup>3</sup> Who else will support us? How poor women organize the unorganizable in India  
Dina Abbott(2008)<sup>[3]</sup>

<sup>4</sup> *Understanding sources and types of social capital in Peru*, Mary J De Silva, Trudy Harpham, Sharon R Huttly, Rosario Bartolini and Mary E Penny(2008)<sup>[4]</sup>

culturally sensitive measures. Two approaches are used to describe the characteristics of social capital in Peru: a literature review of research on social capital in Peru, and qualitative in-depth interviews with twenty respondents from one rural and two urban areas of Peru.

<sup>5</sup>The paper discusses the significance of mutual support arrangements for the coping, consolidation and emancipation needs of the poor in South Asia. It draws on the results of fieldwork in Bangladesh and Pakistan. Mutual support groups among agricultural laborers and rotating savings and credit associations of urban sweepers are analyzed regarding their potential to affect five aspects of poverty: vulnerability, lack of dignity, little power to bargain or resist, lack of entitlements, weak coping capacity. It is concluded that the rotating savings and credit associations do fit specifically the consolidation and emancipation needs of the moderately poor, whereas the mutual support groups also address the special needs of the very poor and tend to reduce their vulnerability.

<sup>6</sup>Some forms of participation are often criticized as tokenist, giving participants no power. Participation in government schemes often means no more than using the service on offer or providing inputs to resource it. Participation may treat people as objects in ‘self-help’ schemes that have not been designed by those affected. It may be a means of indoctrination, place responsibility for development with those least able to bear it, become a kind of forced labour, or discourage utilization by the poor. However, in developing countries benefits may be derived from even the weakest forms of participation. Five such forms are identified -utilization, contributions, enlistment, cooperation, and consultation - and their benefit to community development considered.

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<sup>5</sup> Mutual Support Arrangements among the Poor in South Asia

Pieter H. Streefland (2007)<sup>[5]</sup>

Royal Tropical Institute

<sup>6</sup> Participation without power: Subterfuge of development?

B. C. Smith (2007)<sup>[6]</sup>

<sup>7</sup>In recent years, micro-credit to self-help groups of 20 or more women has emerged as one of the more meaningful ways of providing access to financial services. Micro-finance through self-help groups has enabled many poor women to start or expand micro-enterprises that would allow them to break out of poverty.

Shikshan ane Samaj Kalyan Kendra (SSKK) is working to organize self-help groups in drought-prone Saurashtra, helping local communities generate income and reducing migration. Dayaben, a resident of Rabarika village, formed a self-help group to break free of the unending cycle of debt. The Kendra provided her group with technical support, trained the members, helped organize meetings, write proceedings, make financial calculations and keep records. The group has set up a shop selling miscellaneous articles and is approaching banks for loans to start other income-generation activities.

Gramin Evam Nagar Vikas Parishad has been working amongst the illiterate and oppressed women of rural Bihar, organizing self-help groups, and providing basic education, inculcating the saving habit and creating awareness about their rights and legal issues. Today there is a notable change in the women's status. They have started saving and depositing the money with their group leaders and utilizing these funds when needed.

The experience of self-help groups has shown that the poor can save and use credit productively. An estimated 75 million poor households in India have a micro-finance demand of around Rs 50,000 crore. There is a lot of work to be done.

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<sup>7</sup> At least 26% of India's population is still below the poverty line. 75% of the poor are in rural areas, with limited access to formal financial institutions.

**Self-help is the best help (2007)**<sup>[7]</sup>

<sup>8</sup>Self-help is often perceived as a valuable, if not essential, element to development programs. At the same time, as a concept it has generally escaped scrutiny. Two types of claims are made about the benefits of self help programs. First, it is suggested that self-help empowers its participants more so than other externally directed or implemented programs. The second less vocal claim is the compatibility of self-help with cost-reduction strategies: both in terms of material costs and costs to the prevailing social and economic structure. This article explores these two claims through a case study of a self-help group (SHG) program in Tamil Nadu, India. It argues that although empowering outcomes are stated as the rationale for self-help, these are often neglected in favour of achieving cost-reduction ones. This is an outcome of the concept of self-help being absorbed into the practices and discourses of the dominant development paradigm. Self-help has thus been divorced from its role in enabling self-direction, and has become the rationale for pressuring the marginalised to take responsibility for improving their condition within a non-negotiable economic and social structure.

Development agencies have increasingly regarded ‘empowerment’ as an essential objective to improve the well-being of marginalized women in India. The perceived success of self-help group (SHG) programmes in this project has encouraged their widespread application across India, becoming the primary mechanism to empower women. However, this success has often been assumed rather than proven, with evaluations generally lacking a conceptualization of empowerment based on theoretical understandings of power relations. This article aims to overcome this by evaluating the potential of SHG programmes through the reduction of internal, institutional and social constraints that prevent the marginalized from pursuing their interests. An analysis of the ‘normative’ model of SHG programs, and its actual application shows that while SHG programs have the potential to empower women, this is often not realised through the

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<sup>8</sup> The Rationale of Self-help in Development Interventions

A Case Study of a Self-help Group Programme in Tamil Nadu

Tanya Jakimow, Patrick Kilby (2007)<sup>[7]</sup>, Australian National University, Canberra, Australia.

persistence of 'top-down' approaches in implementation. SHG programs are further limited in their ability to transform social relations due to their apparent insistence that the marginalised are the only legitimate actors in their own empowerment. Rather than argue for the discontinuation of SHG programmes in India, their potential to empower women can be increased through a 'bottom-up' orientation in implementation, while recognizing that in and of themselves SHG programmes cannot reduce all the constraints preventing the pursuit of interests.

### **1.3 STATEMENT OF THE PROBLEM**

It has been realized in many parts of the world that an effective way to tackle poverty and to enable communities to improve the quality of life is through social mobilization of disadvantaged people, especially into Self Help Groups (SHGs). The concept of Self Help Groups is based on the idea of community participation, as sustainable community development requires the active participation of the entire community. 'Popular participation ensures that the benefits of development are equitably distributed. To further this, proposals are made for the decentralization of the authority so as to ensure redistribution of wealth, improved access to education and other social services. Consequently the focus of self-help groups is to develop the capacity of the disadvantaged, particularly women, and to organize them, so that they can deal with socio-political and socio-economic issues that affect their lives. This made the researcher to study on the development of SHG's at rural and urban areas Coimbatore.

#### **1.4 OBJECTIVES OF THE STUDY:**

##### **Primary Objective:**

To study the progress of self help groups in coimbatore

##### **Secondary Objectives:**

- To identify the role played by government in development of women self help group.
- To analyze the reasons for delay payment of interest.
- To analyze the effectiveness of training programs provided to the SHG's.
- To analyze the nature of business into which the SHG's are mostly concentrated.
- To identify the group co-ordination among the women SHG's.
- To analyze the export opportunities.

#### **1.5 SCOPE OF THE STUDY**

The study is very useful for the SHG members to know their problems through suggestions given in the study. The study can encourage the SHG members to improve their saving habit to meet their financial requirements

#### **1.6 METHODOLOGY OF THE STUDY:**

##### **1.6.1 Type of study:**

This study comes under descriptive research.

Under this research, the researcher goes into the researching stage with a specific topic about which he have not made any kind of conclusions. Often it is called as question. The researcher surveys the information and views already out there both before and during research. That will require reading, plus evaluation of the resources handled by the researcher. By the end of the research the researcher will be able to contribute his own thoughts to the academic discussion by drawing some conclusions about the topic he has chosen. Hence this study comes under descriptive research.

### **1.6.2 Sample design:**

The study was conducted exclusively for the self help groups of the organization. There are 1500 groups under the NGO they are considered as the population of the study. Sample of 150 (10% of the total population) groups were selected on convenient sampling method.

### **1.6.3 Method of Data Collection:**

- Primary data was acquired through personal interview. Pre-structured questions were used to collect the data's from the respondents. The instrument was designed by the researcher comprising enquires relating to various factors that support the development of the SHG's
- The secondary data was gathered through various sources like journals, web sites

### **1.6.4 Tools for analysis:**

- Chi-square analysis
- Weighted average
- Percentage analysis

### **1.7 Limitation of the study:**

. The limitation of the study is,

- The researcher had to face certain difficulties during the course of research. There are many factors, which hindered the progress and the scope of the study. They were firstly the time and distance. The researcher found difficult to meet the respondents personally to collect adequate information. This was time consuming.



## **1.8. CHAPTER SCHEME:**

The FIRST CHAPTER is introductory in nature. This chapter tells about the objectives and scope of the study and its limitations.

The SECOND CHAPTER conveys about the history of the NERD SOCIETY., highlights the origin and development, objectives, financial and working of the company, development programs and plan of the company.

The THIRD CHAPTER gives the macro and micro scenario with respect to the capital market.

The FOURTH CHAPTER presents the data analysis and interpretation.

The FIFTH CHAPTER gives summary of findings and concludes the study with relevant suggestions.

## CHAPTER 2

### ORGANIZATION PROFILE

NGOs are organizations and networks within civil society that are proactive in the areas of development aid and development policy, and are particularly concerned to help establish (continuing) political and, wherever possible, financial independence

#### 2.1 HISTORY OF THE ORGANIZATION

The Non-conventional Energy and Rural Development Society (NERD Society) is a women voluntary organization (established in 1984) run by women, working for the empowerment of women with integrated development and providing clean and environmental friendly renewable energy services. A small women group of development workers initiated the establishment of Non-conventional and Rural Development Society for bringing about transformation in the rural energy scenario.

#### **Objectives of NERD:**

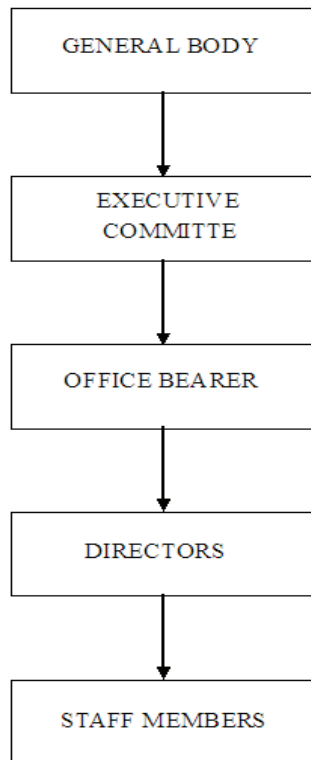
- To provide clean energy services in areas hitherto in-reached
- To empower the rural women through the promotion of Self Help Groups.
- To bring social change through economic change
- To generate awareness and promote adoption of energy efficient and renewable energy technologies
- To develop sustainable markets for renewable energy technologies
- To facilitate commercial utilization of renewable energy technologies for domestic, agricultural and industrial sector
- To promote village groups, organizations and institutions to undertake integrated rural development alternatives in rural areas of our country which are consistent with the national and regional policies of the government
- To develop areas of co-operation and understanding among various voluntary agencies, organizations, associations, institutions, groups and individuals who are involved in rural development activities

- To educate the member organizations to develop alternative low cost methods of integrated rural development and energy options and to integrate further such activities and plans for unified joint actions and programs
- To undertake activities to promote innovations and research related to rural development.

## **2.2 MANAGEMENT**

- **K.Sathia Jothi** - Founder President.
- **V.R.Eswaran** - Executive Director.
- **Vandarkulali** – District co-ordinator
- **Mahesh**-Admin staff
- **Geetha** - SHG Co-ordinator ( Annur )
- **Jayanthi** - SHG Chief Co-ordinator ( Corporation )
- **Balan** - Technician
- **Chitra** SHG Co-ordinator ( Annur )

### 2.3 ORGANIZATION STRUCTURE



### 2.4 PRODUCTS PROFILE AND MARKET POTENTIAL

- **Solar lantern program**

The society has promoted about 260 solar lanterns and opened 4 sales cum service centers as follow up mechanism

- **Night soil linked Biogas plant program**

The maintenance of Community toilets was the major concern so far. Now the Self Help Groups are maintaining the toilets in a clean and better environment. But the groups were facing the problem of paying the monthly electricity bill for the lighting and water pumping. Further they have to empty the septic tank since it is getting filled with night soil often. To overcome this problems, NERD Society has designed and promoted the

night soil based biogas plant for treating the night soil through anaerobic digestion in an environmental friendly way. In this context, the NERD Society has installed 12 night soil linked demonstration biogas plants in 12 districts of Tamilnadu state to meet the lighting and pumping energy need of Women and sanitary Complexes run by the SHG's.

- **Solar cooker program**

Solar cooker is an environmental friendly cooking device making use of natural solar energy. So far about 150 cookers have been promoted.

Biogas is an efficient cooking fuel. In comparison to the impending depletion of the nature sources such as fuel wood and the ever – escalating prices of commercial fuels like LPG, Biogas is efficient user friendly and safe fuel. Biogas is free of smoke and soot.

A cow and a calf can assuredly meet the cooking fuel needs of a small household. Biogas is definitely a boon to housewives in the rural areas of India. The society has installed 10,500 biogas plants during the last 23 years.

- Cattle potential for biogas production.
- Biogas plant under construction.
- A farmer maintaining a biogas plant in his farm house to meet his cooking fuel need and manure demand of his land.
- A canteen waste cum night soil fed biogas plant in a polytechnic college.

- **Improved smokeless chulha program**

This is an improved cook stove, which consumes less fuel but without smoke due to proper combustion. The program has installed about 4550 smokeless chulhas benefiting  
Waste management program

Disposal and treatment of solid waste is a major problem not only for big cities but also for small towns. The burning of plastic waste creates environmental hazards to human beings. The present collection system is also not efficient one. Peoples have to be motivated for the segregation of waste at the source level itself, otherwise it is

not economical to segregate waste in the dumping yard. Many towns have failed in the segregation of waste in the dumping yard.

In order to demonstrate the scientific way of waste collection, segregation, treatment and disposal, the nearby Vadavalli town has been selected by the NERD Society. Sixty poor women were selected in the Vadavalli town and they were formed as four Self Help Groups. They are being involved for the waste collection. The town panchayat authorities are paying the wages for the selected SHG members with the supply of push cart for the collection of waste. The peoples are motivated for the segregation of waste at the source itself. It is planned to install vermi-composting units for the conversion of waste in to value added organic manure. By the selling of manure by the unemployed youth, the system will become a sustainable one without any more financial requirement. The Toyoto foundation is supporting this innovative scientific solid waste management programme..

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- **Vermi-Composting.**

In order to convert the domestic and agricultural waste materials in to value added organic materials, a simple vermi-composting unit is designed and installed in houses, farms and educational institutions. The organic manure obtained through vermi-composting replaces the chemical fertilizer and also helpfull for the sustainable organic farming.

- **Tribal Electrification with Biogas**

It is proposed to electrify the Thalingi Tribal Settlement and to meet the cooking demand through Biogas Generation.The Thalingi Settlement is located in Amaravathy Forest Division, Udumalpet Taluk, Coimbatore (District), Tamilnadu State. The Tribal hamlet is not yet electrified and there is no transport facility to that hamlet, which is in the interior forest at a distance of 6 KM from the main connecting road.There is no proposal to electrify the hamlet in the near future because it is located in the interior forest area. The cooking demand is met through firewood by cutting the trees and collecting it. The lighting demand is met by the Kerosine.

There are about 400 cattle population in that Triabl hamlet with the daily collection about 4000Kg of cattle dung. At present, they are not only wasting these daily collection by dumpiing it in the open yard but also facing the environmental hazard because of flies and mosquitoes.

Making use of cattle dung for meeting the electricity need through biogas generation is innovative and has a national importance.electricity is provided in the remote forest tribal hamlet, which is waiting for the electrification nearly more than one century. The operation and maintenance of the biogas plant will be made so simple by involving the Self Help Group members formed there by providing the necessary training to them. The project is under implementation with the funding support from UNDP-GEF

Small Grant Programme (through Centre for Environment Education, NewDelhi) and Ministry of New and Renewable Energy Sources, Government of India, NewDelhi.

- **Watershed Development Programme**

In recent years , there has been a growth of awareness among the community regarding the need to manage the natural resources namely land,water and vegetation on a rational basis. Simultaneously understanding of related issues like equity,sustainability and people's initiatives in natural resource management have also grown considerably.. NERD Society has identified Vadavalli Watershed Program in Annur Bloch of Coimbatore District and 1750 Hactare of land is under development with financial assistance of CAPART, Ministry of Rural Development, Government of India, NewDelhi.



## CHAPTER 3

### MACRO-MICRO ANALYSIS

#### MACRO ANALYSIS

The first people in history to demonstrate the power of self-help groups were alcoholics. Alcoholics Anonymous was started in 1935 to help "hopeless alcoholics" recover from alcoholism, something the medical profession had been unable to do. The power of self-help groups to help people suffering from other problems was not widely recognized until after World War II.

In the 1960s, civil right movements began to evolve in many developed countries, as people became aware of their collective power. These power-to-the-people movements provided avenues for the development of the self-help group movement (Vattano, 1972). In Japan, people who had come to enjoy a free society welcomed "the peak of circle movements" in 1955 (Ôsawa, 1976), and, influenced by Western civil right movements, they promoted the establishment of similar movements.

In the 1970s, the emphasis moved from mass movements to small group movements in some countries. In Germany, people began to be more interested in their ordinary lives than in political abstractions (Moeller, 1978) while in Japan, people with disabilities and chronic illnesses started to spend more energy on activities within their local communities rather than on political actions against the central government (Osa, 1991, pp. 43-45; Tsuda, Kida, Yamada, & Saitô, 1977, pp. 62-67). Moreover, by mid-1970s welfare states were being challenged by criticism of their rising public expenditure and inefficiency, while international economic growth rates were declining due to rising oil prices (George & Page, 1995, pp. 8-10).

Then in 1976 a strange coincidence occurred. In North America, two edited books (Caplan & Killilea, 1976; Katz & Bender, 1976) and two journal issues (Borman & Lieberman, 1976; Riessman, 1976) written by social scientists appeared

which featured self-help groups. In Japan that same year, a voluminous edited book on "small grassroots groups" was published with detailed reports on various groups, including self-help groups for people with disabilities (Shisô no Kagaku Kenkyûkai, 1976). In 1977, in the UK, and in 1978, in Germany and Belgium, research books on self-help groups were published that were clearly influenced by the studies in North America (Brankaerts, 1983; Moeller, 1978; Robinson & Henry, 1977) and in 1979, Japanese psychologists published a book on self-help groups, and introduced the studies of North America to Japanese readers (Murayama & Agari, 1979).

In the 1980s, self-help support systems such as self-help clearinghouses, which provided information and referral services linking the public with the groups and assisted groups to develop, were established in North America and Germany (Matzat & Estorff, 1989; Oka, 1992; Wollert, 1987). In our opinion, it was at this point that these countries and Japan went their different ways. Although Japan had as many self-help groups as North America and Germany, it has never established any self-help clearinghouses with paid staff. Even today, Japan has only a few volunteer-based self-help clearinghouses and paid-staff-based clearinghouses catering to a limited client base, such as a women's clearinghouse (Oka, 1994a).

Another characteristic trend of the 1980s was the development of international networks of self-help supporters. In 1980, the Regional Office for Europe of the World Health Organization established a Copenhagen-based working group on self-help and health. This resulted in an international report on self-help (Hatch & Kiebusch, 1983). In 1983, another international report was published which covered self-help groups in countries, including the UK, Germany, the US, Canada, and New Zealand (Pancoast, Parker, & Froland, 1983). As a result of this internationalization and other factors, in 1992 an international conference in Ottawa, Canada, attracted people not only from North America but also from Europe and East Asia. Two years later, the conference research committee (a Canadian, American, and an Israeli) edited a book published with papers from the conference including ones from Eastern Europe, Japan, Israel, and Hong Kong (Lavoie, Borkman, & Gidron, 1994).

In the 1990s, a new trend appeared: online self-help groups (Madara & White, 1997). Going on-line has contributed to the self-help group movement in the following ways: first, the Internet has made it much easier for people to communicate with each other especially those who are separated by great distances. International interactions have increased (our co-authorship, for example, would be impossible if we were unable to use the Internet), and people with very rare and special needs, who naturally live great distance from each other, can now easily form groups. Second, by using searching engines, people can easily find out if groups they would like to participate in exist as long as they have web pages.

### **MICRO ANALYSIS**

In India, Self Help Groups or SHGs represent a unique approach to financial intermediation. The approach combines access to low-cost financial services with a process of self management and development for the women who are SHG members. SHGs are formed and supported usually by NGOs or (increasingly) by Government agencies. Linked not only to banks but also to wider development programmes, SHGs are seen to confer many benefits, both economic and social. SHGs enable women to grow their savings and to access the credit which banks are increasingly willing to lend. SHGs can also be community platforms from which women become active in village affairs, stand for local election or take action to address social or community issues (the abuse of women, alcohol, the dowry system, schools, water supply).

The major form of microfinance in India is that based on women's Self Help Groups (SHGs), which are small groups of 10-20 members. These groups collect savings from their members and provide loans to them. However, unlike most accumulating savings and credit associations (ASCAs) found in several countries, these groups also obtain loans from banks and on-lend them to their members. By 2003, over 700,000 groups had obtained over Rs.20 billion (US\$425 million) in loans from banks benefiting more than 10 million people. Delinquencies on these loans are reported to be less than 5 percent. Savings in these groups is estimated to be at least Rs.8billion (US\$170 million). Despite these considerable achievements, sustainability of the SHGs has been suspect because

several essential services required by the SHGs are provided free or at a significantly subsidized cost by organizations that have developed these groups. A few promoter organizations have, however, developed federations of SHGs that provide these services and others that SHG members need, but which SHGs cannot feasibly provide

The self-help group model has been identified as a potential pathway to alleviating poverty. The number of poor women and men who are enrolling in SHGs all over rural India has been increasing remarkably. They are not only active in thrift and credit management but are also taking up other activities, such as natural resource management and development work, literacy, knowledge management, nutritional security etc. SHGs lay the foundation for self-reliance through building up of institutions, which have the capacity to generate employment opportunities for the rural poor, and the poorest, and lead to job-led economic growth.

**CHAPTER 4**  
**DATA ANALYSIS AND INTERPRETATION**

**TABLE - 1**  
**FACTOR FOR CHOOSING SHGS**

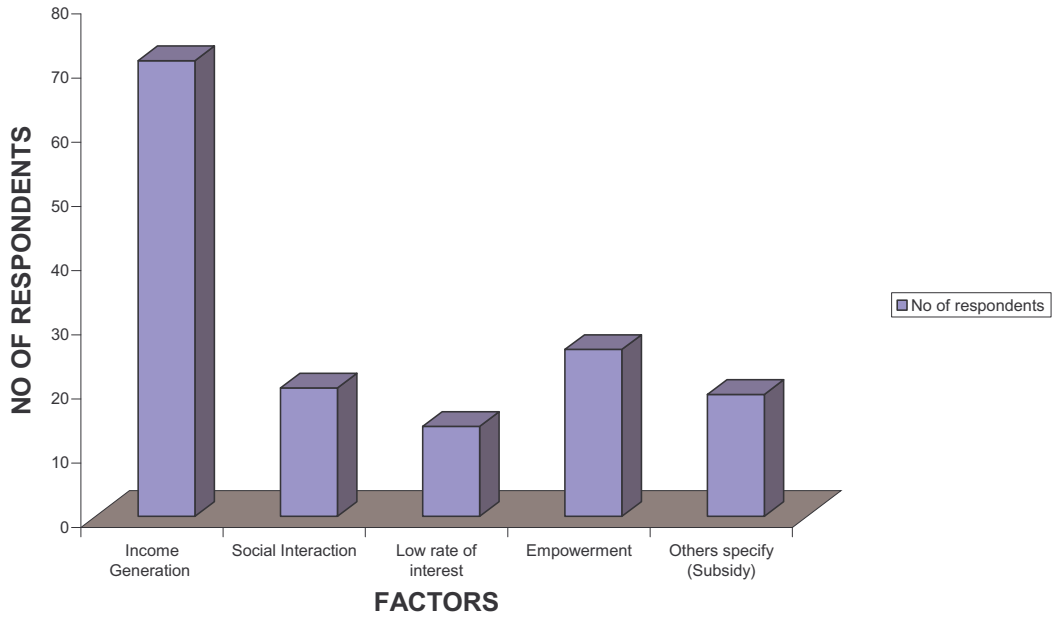
<b>Factors</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Income Generation</b>	71	47.33
<b>Social Interaction</b>	20	13.33
<b>Low rate of interest</b>	14	9.33
<b>Empowerment</b>	26	17.33
<b>Others specify (Subsidy)</b>	19	12.67
<b>Total</b>	<b>150</b>	<b>100</b>

The above table shows that a maximum 47.33 of the respondents have selected SHG because of income generation to their family. 17.33 % of the respondents have selected because of social empowerment and the least of 14 respondents selected because of low rate of interest.

So majority of the SHG members have selected because of the income generation for their livelihood.

**CHART - 1**

**FACTORS FOR CHOOSING SHGS**



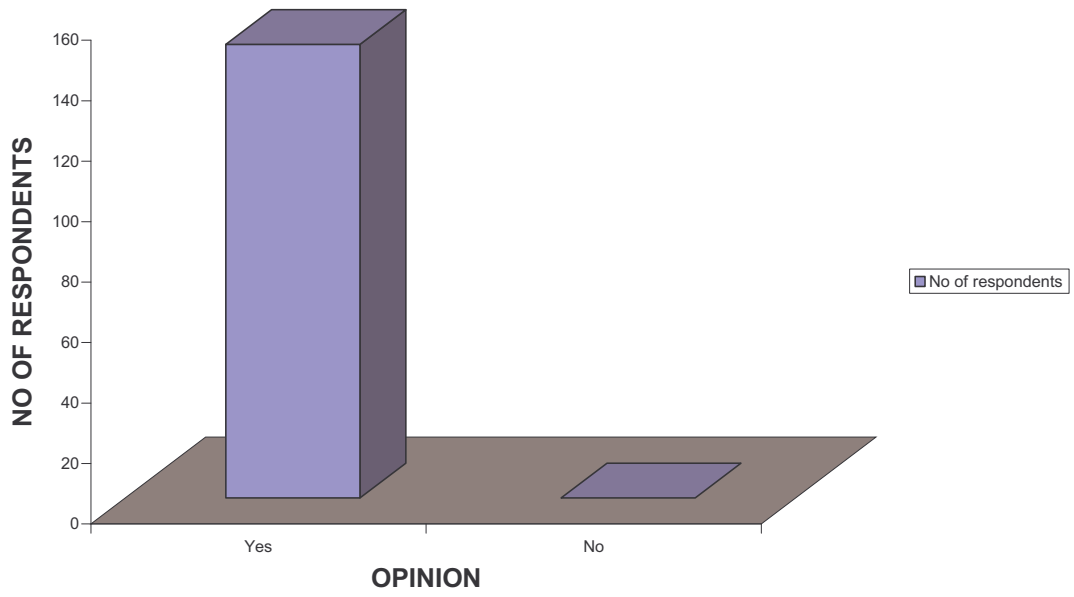
**TABLE – 2**  
**AWARENESS OF GOVERNMENT AID**

<b>Opinion</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Yes</b>	150	100
<b>No</b>	0	0
<b>Total</b>	<b>150</b>	<b>100</b>

While questioning about the awareness of the government aid available for them , all the respondents i.e. 100% informed that they were aware about the availability of government aid.

**CHART - 2**

**AWARNESS OF GOVERNMENT AID**





**TABLE - 3**  
**OPINION REGARDING AID FROM GOVERNMENT FINANCIALLY**

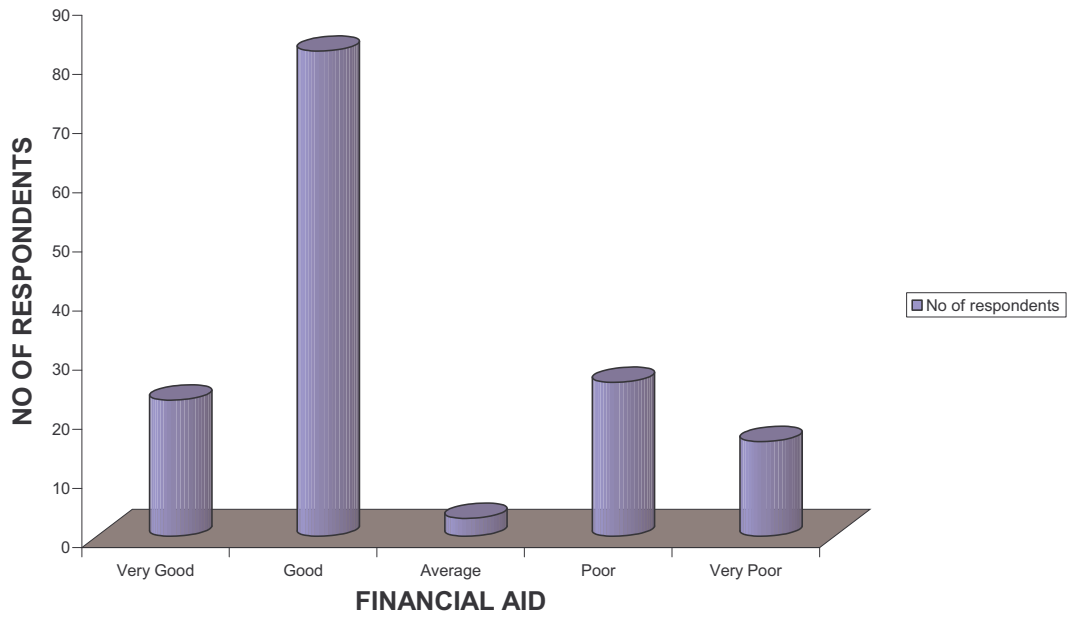
<b>Financial Aid</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Very Good</b>	23	15.33
<b>Good</b>	82	54.67
<b>Average</b>	3	2
<b>Poor</b>	26	17.33
<b>Very Poor</b>	16	10.67
<b>Total</b>	<b>150</b>	<b>100</b>

From the above table, 54.67% of the respondents have informed that the aid given by the government is good and 17.33% of the respondents have informed that the aid is poor. 15.33% of the respondents have said very good, 10.67% of the respondents have said very poor and only 2% of the respondents have said average.

So majority 70% of the respondents have informed that the aid from the government is good. Only 30% of the respondents are informed that the aid should be given more.

**CHART – 3**

**OPINION REGARDING AID FROM GOVERNMENT FINANCIALLY**



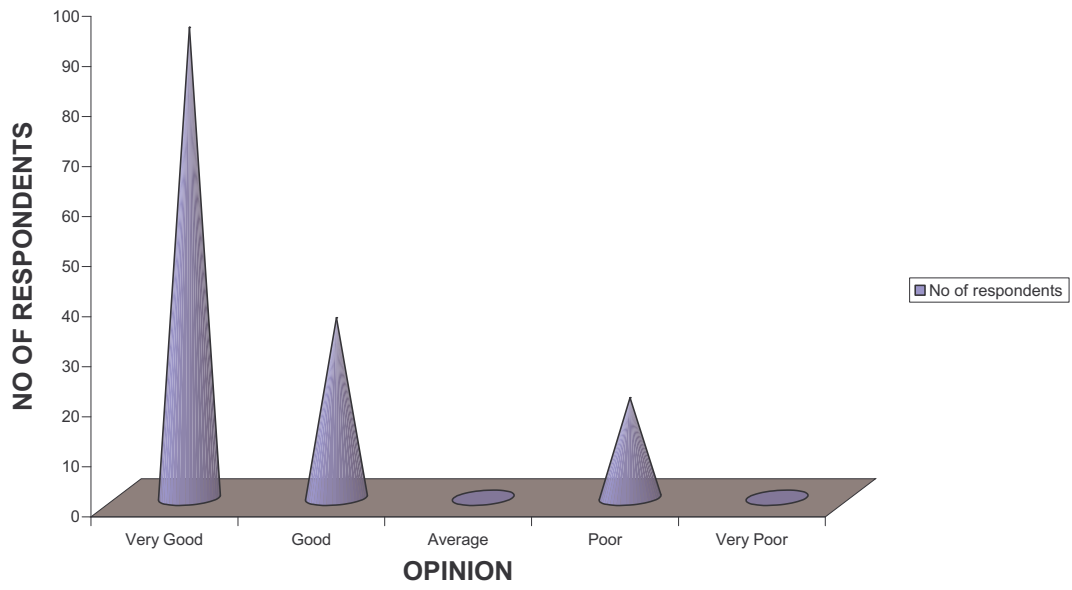
**TABLE - 4**  
**PROGRAMS AND TRAINING**

<b>Programs and Training</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Very Good</b>	94	62.67
<b>Good</b>	36	24
<b>Average</b>	0	0
<b>Poor</b>	20	13.33
<b>Very Poor</b>	0	0
<b>Total</b>	<b>150</b>	<b>100</b>

The above table shows that 94 respondents opined that the programs and training offered by the government is very good and useful. 24% of the respondents informed that the training is good. Only 20 respondents representing 14% informed that the training program is poor and it should be improved more to get better training.

**CHART - 4**

**OPINION REGARDING AID FROM GOVERNMENT PROGRAMS AND TRAINING**



**TABLE - 5**  
**LOAN AND INTEREST RATES**

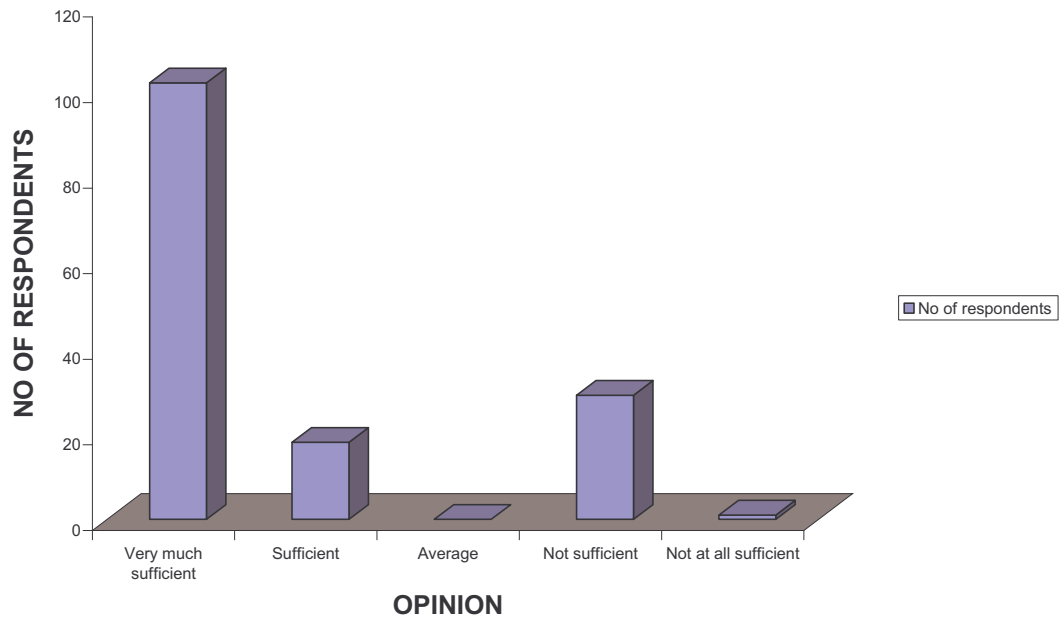
<b>Opinion</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Very much sufficient</b>	102	68
<b>Sufficient</b>	18	12
<b>Average</b>	0	0
<b>Not sufficient</b>	29	19.33
<b>Not at all sufficient</b>	1	0.67
<b>Total</b>	<b>150</b>	<b>100</b>

From the above table, 68% of the respondents have said that the loan provided and interest rates charged are very much sufficient, 19.33% of the respondents have said that the loan and interest rates charged are not sufficient, 12% of the respondents have said that the loan and interest rates charged are sufficient, and 0.67% of the respondents have said that it is not at all sufficient.

So maximum respondents informed that loans provided and interest rates charged are very much sufficient and had helped in the abolishment of kandhuvatti.

**CHART - 5**

**GOVERNMENT LOAN AND INTEREST RATES PROVIDED**



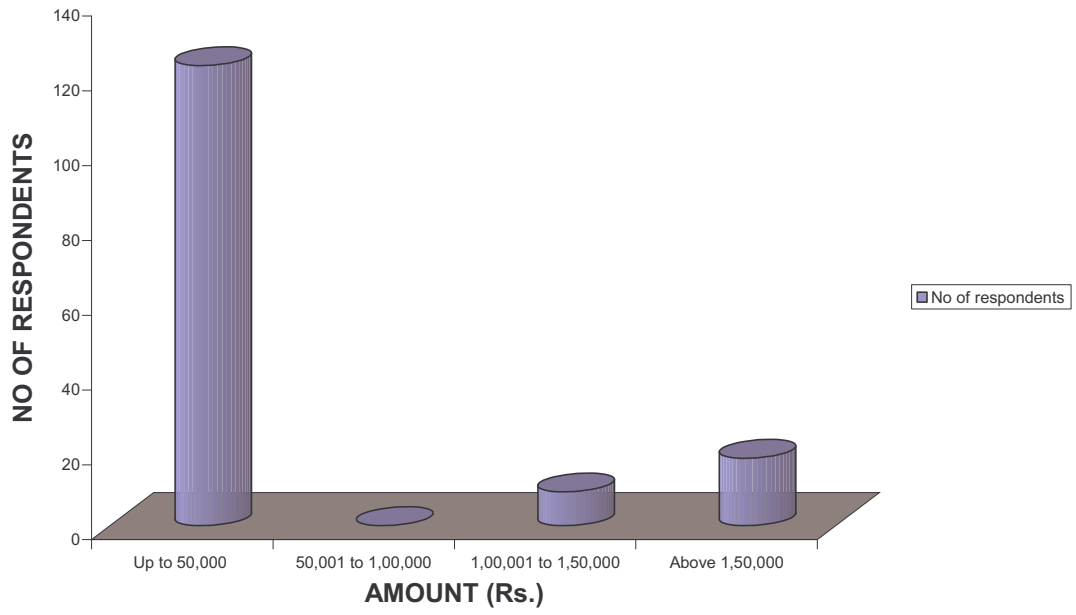
**TABLE - 6**  
**INVESTMENT PATTERNS**

<b>Amount in Rs</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Up to 50,000</b>	123	82
<b>50,001 to 1,00,000</b>	0	0
<b>1,00,001 to 1,50,000</b>	9	6
<b>Above 1,50,000</b>	18	12
<b>Total</b>	<b>150</b>	<b>100</b>

The above table shows that a maximum of 123 respondents have invested up to Rs. 50,000 to start the business and 9 respondents invested between 100001 to 1,50,000. 18 members have started their venture with above Rs. 1,50,000 capital due to financial problem only less capital can be invested by the SHG members.

**CHART - 6**

**INVESTMENT PATTERNS**





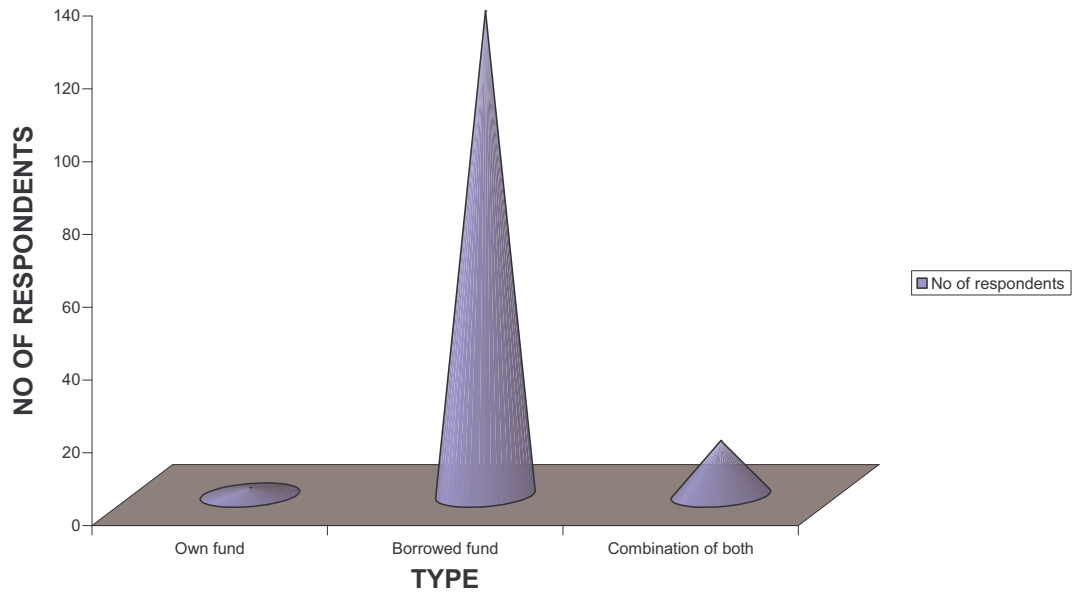
**TABLE - 7**  
**INVESTMENT TYPE**

<b>Type</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Own fund</b>	2	1.33
<b>Borrowed fund</b>	133	88.67
<b>Combination of both</b>	15	10
<b>Total</b>	<b>150</b>	<b>100</b>

A maximum of 133 respondents representing 89% have invested only through the borrowed fund. Only 2 members have invested their own fund. 15 respondents have invested both borrowed funds and own funds. So it can be revealed that maximum SHG members are having financial difficulties.

**CHART - 7**

**INVESTMENT TYPE**



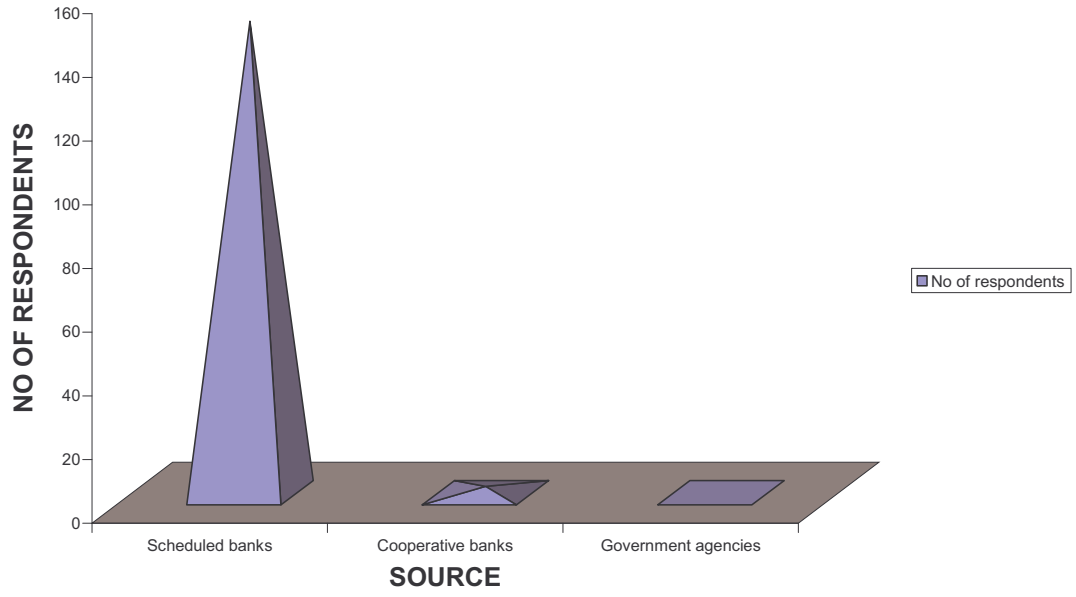
**TABLE - 8**  
**SOURCE OF FUND BORROWED**

<b>Source</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Scheduled banks</b>	148	98.67
<b>Cooperative banks</b>	2	1.33
<b>Government agencies</b>	0	0
<b>Total</b>	<b>150</b>	<b>100</b>

From the table, 98.67% of the respondents have borrowed the fund through scheduled banks, 1.33% of the respondents have borrowed through cooperative banks and no one has borrowed through government and other agencies.

**CHART - 8**

**SOURCE OF FUND BORROWED**



**TABLE - 9**  
**MONEY INVESTMENT – TYPE OF BUSINESS**

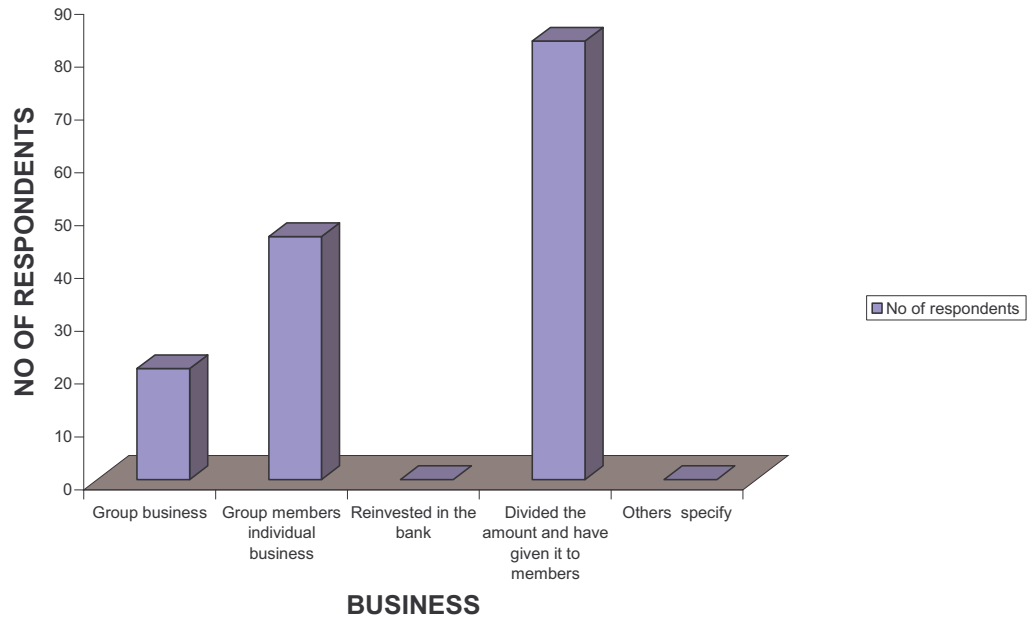
<b>Business</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Group business</b>	21	14
<b>Group members individual business</b>	46	30.67
<b>Reinvested in the bank</b>	0	0
<b>Divided the amount and have given it to members</b>	83	55.33
<b>Others specify</b>	0	0
<b>Total</b>	<b>150</b>	<b>100</b>

From the above table, 55.33% of the respondents have divided the amount and have given it to members, 30.67% of the respondents have invested the money in group member's individual business, 14% of the respondents have invested in group business and is none of the respondents have reinvested in the bank.

It is inferred that majority of the groups had divided the loan amount among its group members and they are involved in different type of business.

**CHART - 9**

**MONEY INVESTED IN BUSINESS**



**TABLE - 10**  
**PAYMENT OF AMOUNT IN DUE TIME**

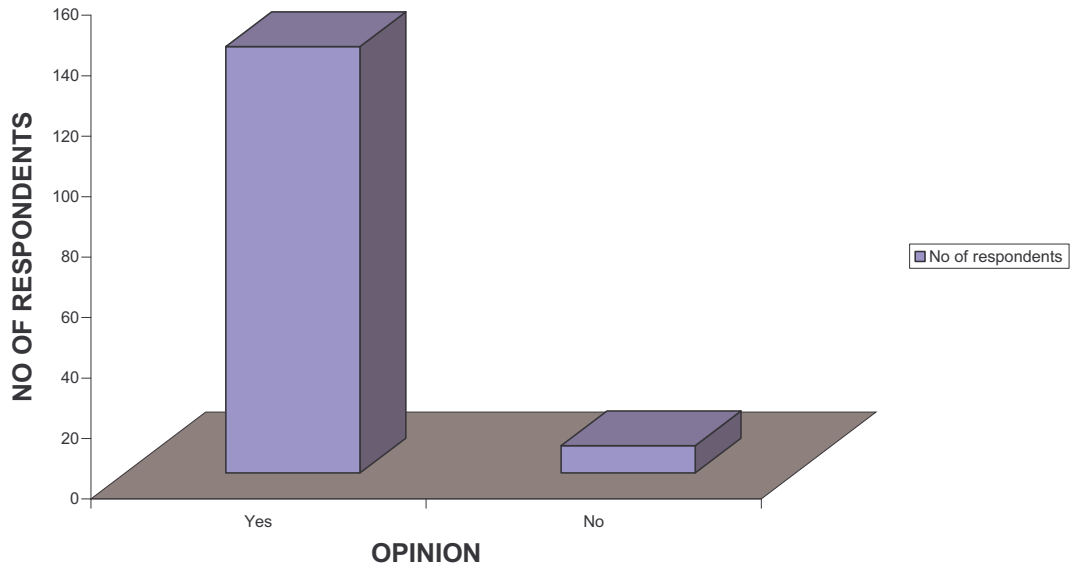
<b>Opinion</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Yes</b>	141	94
<b>No</b>	9	6
<b>Don't know</b>	-	
<b>Total</b>	<b>150</b>	<b>100</b>

From the above table, 94% of the respondents have paid the principle and interest for the loan in the due time and 6% of the respondents have paid neither the principle nor the interest for the loan in the due time.

So maximum respondents are settling their dues in time and bad debts are very less.

**CHART - 10**

**PAYMENT OF AMOUNT IN DUE TIME**





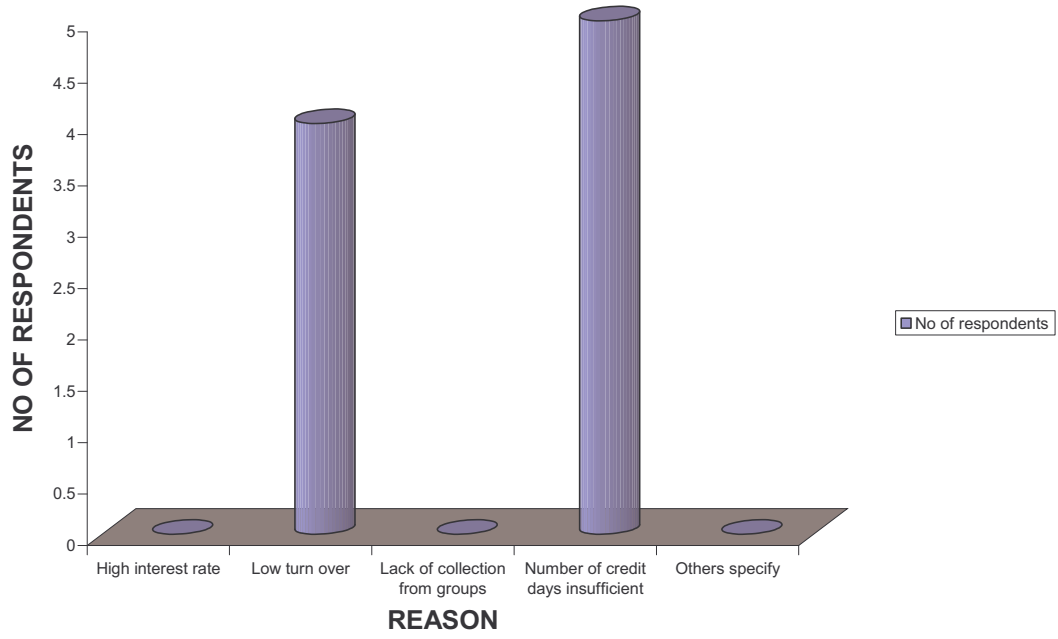
**TABLE - 11**  
**REASON FOR NON-PAYMENT OF LOAN**

<b>Reason</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>High interest rate</b>	0	0
<b>Low turn over</b>	4	44.44
<b>Lack of collection from groups</b>	0	0
<b>Number of credit days insufficient</b>	5	55.56
<b>Others specify</b>	0	0
<b>Total</b>	<b>9</b>	<b>100</b>

Out of the 9 defaulted members, 4 members informed that they cannot repay the loan because of low turnover. 5 members informed that the due time is not sufficient to repay the loan. So the genuine customer's loan period can be extended by the bankers.

**CHART - 11**

**REASONS FOR NON-PAYMENT OF LOAN**



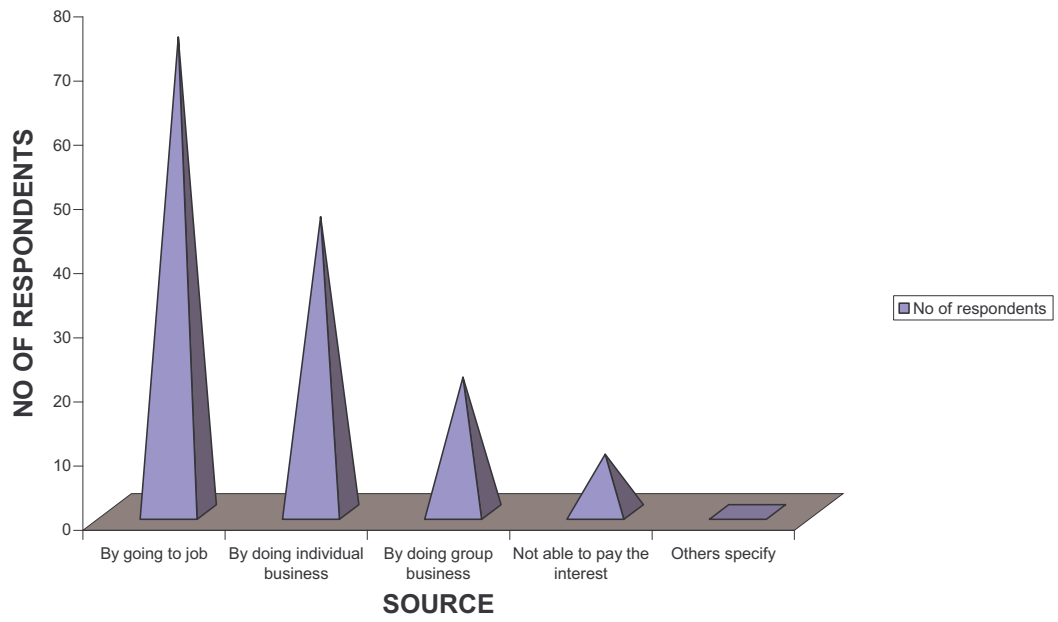
**TABLE - 12**  
**SOURCE THROUGH WHICH INTEREST IS PAID**

<b>Source</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>By going to job</b>	74	49.33
<b>By doing individual business</b>	46	30.67
<b>By doing group business</b>	21	14
<b>Not able to pay the interest</b>	9	6
<b>Others specify</b>	0	0
<b>Total</b>	<b>150</b>	<b>100</b>

From the above table, 49.33% of the respondents are paying the interest by earning through job, 30.67% of the respondents are paying the interest by the way of doing individual business, 14% of the respondents pay the interest by doing group business and 6% of them are unable to pay the interest.

**CHART - 12**

**SOURCE OF PAYMENT**



**TABLE - 13**  
**TRAINING OR ORIENTATION PROGRAM UNDERGONE**

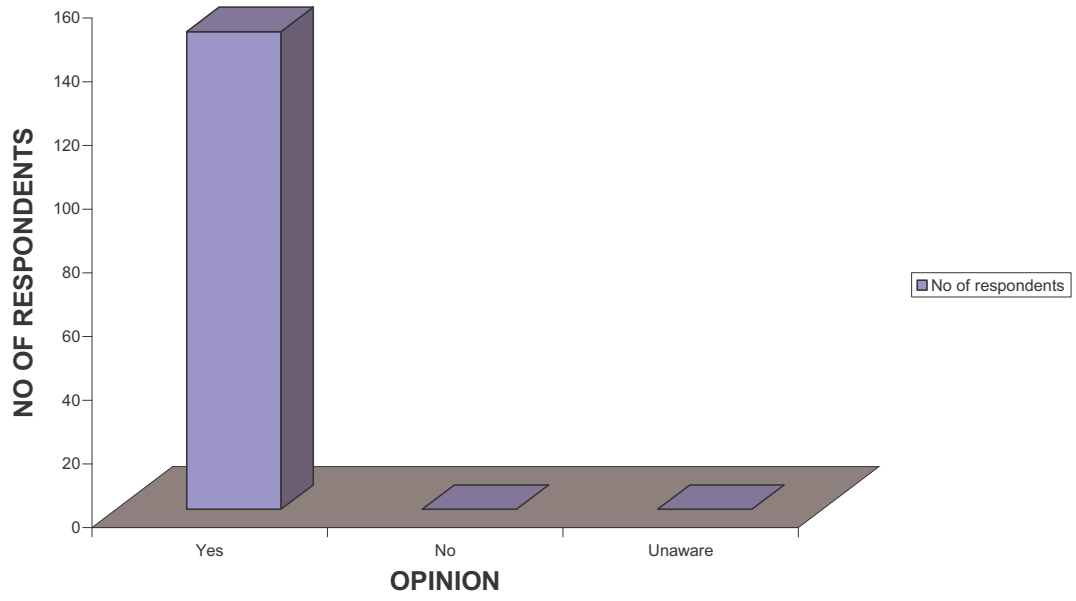
<b>Opinion</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Yes</b>	150	100
<b>No</b>	0	0
<b>Unaware</b>	0	0
<b>Total</b>	<b>150</b>	<b>100</b>

From the above table, 100% of the respondents have undergone the training program and orientation program and no one have avoided the training program.

So all the members of the groups undergo the training programs provided by the government.

**CHART - 13**

**TRAINING OR ORIENTATION PROGRAM UNDERGONE**



**TABLE - 14**  
**OPINION ON THE PERIOD OF TRAINING**

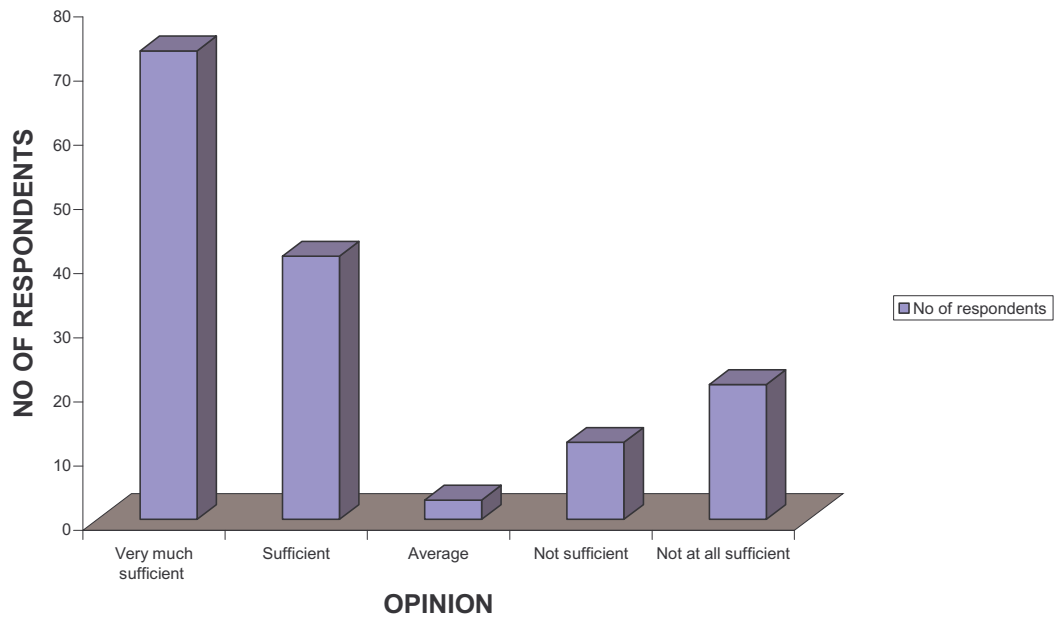
<b>Opinion</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Very much sufficient</b>	73	48.67
<b>Sufficient</b>	41	27.33
<b>Average</b>	3	2
<b>Not sufficient</b>	12	8
<b>Not at all sufficient</b>	21	14
<b>Total</b>	<b>150</b>	<b>100</b>

From the above table, 48.67% of the respondents said the training period is very much sufficient, 27.33% of the respondents said that the training period is sufficient, 14% of the respondents said that the training period is not at all sufficient, 8% of the respondents said that the training period is not sufficient and 2% of the respondents said that the training period is average. Nearly 36 respondents out of 150 are not satisfied about the training period.

So the authorities can take steps to satisfy regarding the training period.

**CHART - 14**

**OPINION ON THE PERIOD OF TRAINING**





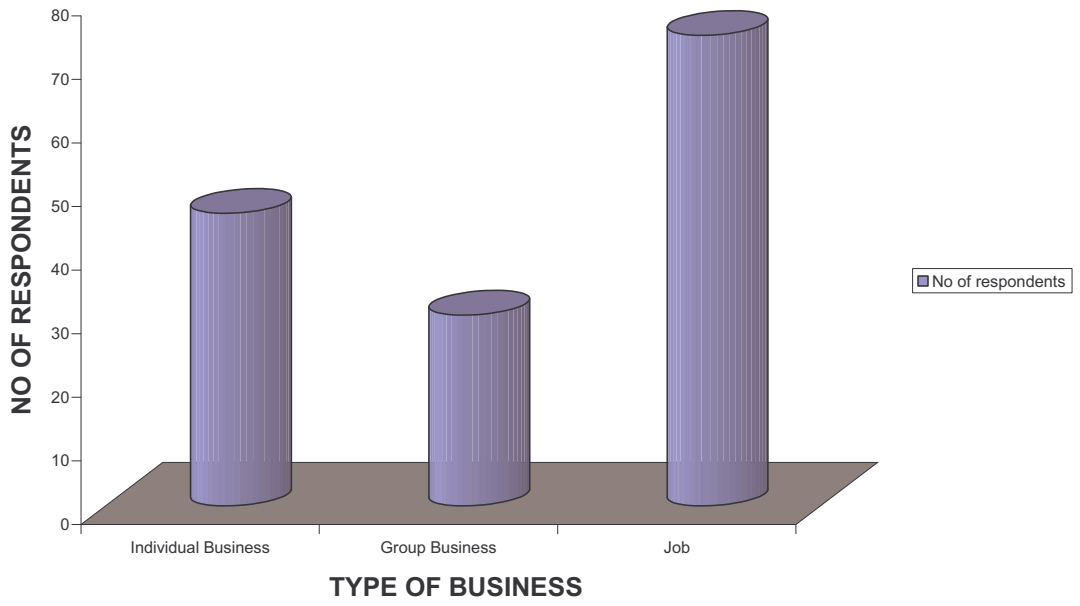
**TABLE - 15**  
**TYPE OF BUSINESS**

<b>Type of business</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Individual Business</b>	46	30.67
<b>Group Business</b>	30	20
<b>Job</b>	74	49.33
<b>Total</b>	<b>150</b>	<b>100</b>

From the above table we infer that 49.33% of the respondents have said that majority workers are going to job and they are daily wage earners, 30.67% of the respondents have said that majority workers are doing individual business and 20% of the respondents say that the workers are in group business.

**CHART - 15**

**MAJORITY WORKERS**



**TABLE - 16**  
**INDIVIDUAL BUSINESS**

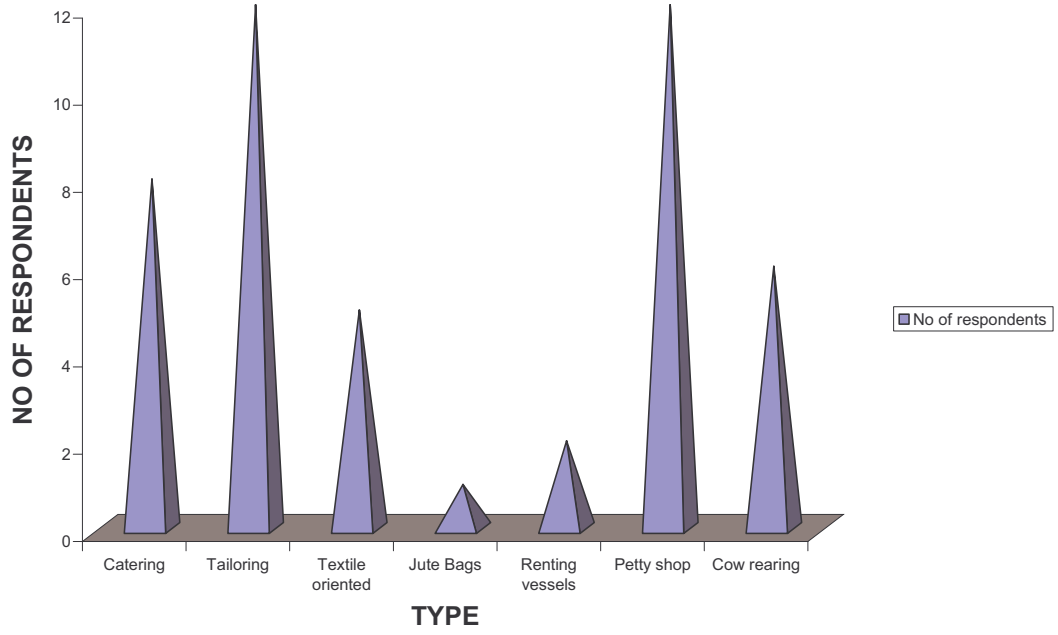
<b>Type</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Catering</b>	8	17.39
<b>Tailoring</b>	12	26.08
<b>Textile oriented</b>	5	10.86
<b>Jute Bags</b>	1	2.17
<b>Renting vessels</b>	2	4.34
<b>Petty shop</b>	12	26.08
<b>Cow rearing</b>	6	13.04
<b>Total</b>	<b>46</b>	<b>100</b>

From the above table, 26.08% of the individual business careers are involved in tailoring and petty shop, 17.39% of the respondents are involved in catering, 13.04% of the respondents are involved in cow rearing, 10.86% of the respondents are involved in textile oriented business, 4.34% of the respondents are involved in renting vessels, 2.17% of the respondents are involved in jute bags.

So the SHG's exclusively help in Promoting Individual Business and group business.

**CHART - 16**

**INDIVIDUAL BUSINESS**



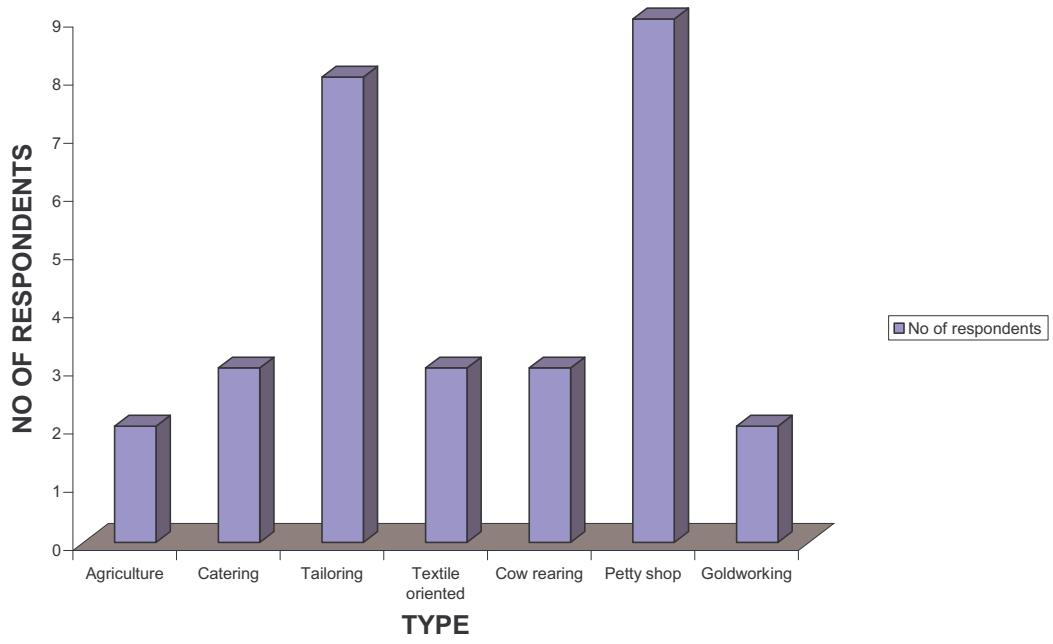
**TABLE - 17**  
**GROUP BUSINESS**

<b>Type</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Agriculture</b>	2	6.67
<b>Catering</b>	3	10
<b>Tailoring</b>	8	26.67
<b>Textile oriented</b>	3	10
<b>Cow rearing</b>	3	10
<b>Petty shop</b>	9	30
<b>Gold works</b>	2	6.67
<b>Total</b>	<b>30</b>	<b>100</b>

From the above table, among the respondents of group business 30% are involved in petty shop, 26.67% are involved in tailoring, 3% are involved in catering, textile oriented business, and cow rearing and 2% are involved in agriculture and gold working. So petty shop and tailoring is the major business carried out by the groups.

**CHART - 17**

**GROUP BUSINESS**



**TABLE - 18**

**JOB**

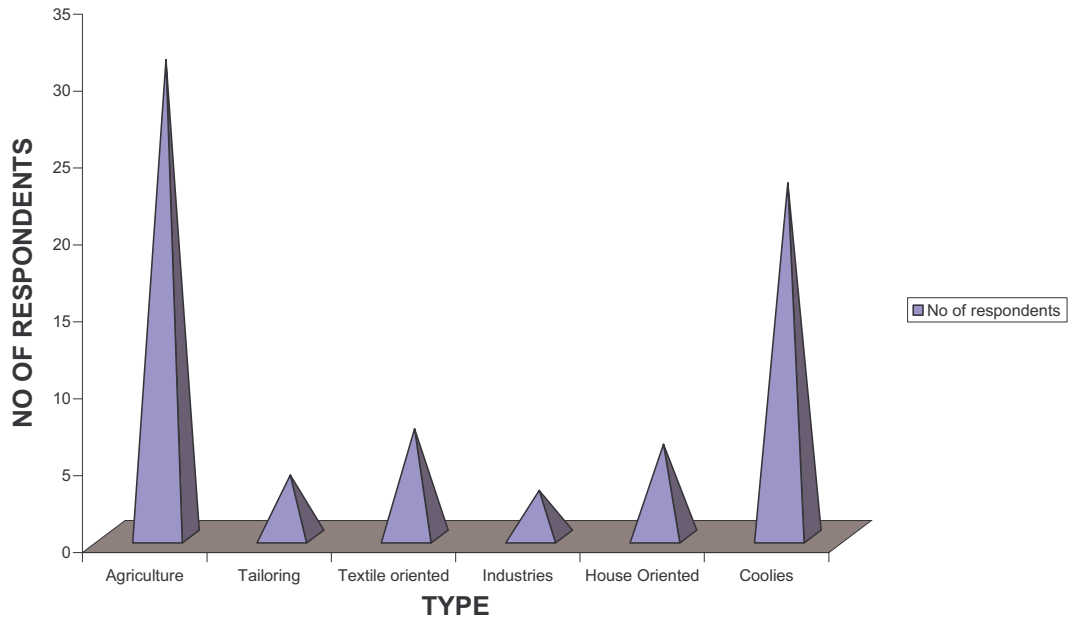
<b>Type</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Agriculture</b>	31	41.89
<b>Tailoring</b>	4	5.40
<b>Textile oriented</b>	7	9.45
<b>Industries</b>	3	4.05
<b>House Oriented</b>	6	8.10
<b>Coolies</b>	23	31.08
<b>Total</b>	<b>74</b>	<b>100</b>

From the above table, among the selected respondents, 41.89% of them are involved in agriculture, 31.08% of them are involved in coolies, 9.45% of them are involved in textile oriented business, 8.10% of them are involved in house oriented business, 5.40% of them are involved in tailoring and 4.05% of them are involved in industries.

So Agriculture Is the Major Occupation of the SHG members in rural areas.

**CHART - 18**

**JOB**





**TABLE - 19**  
**PROBLEMS IN BUSINESS**

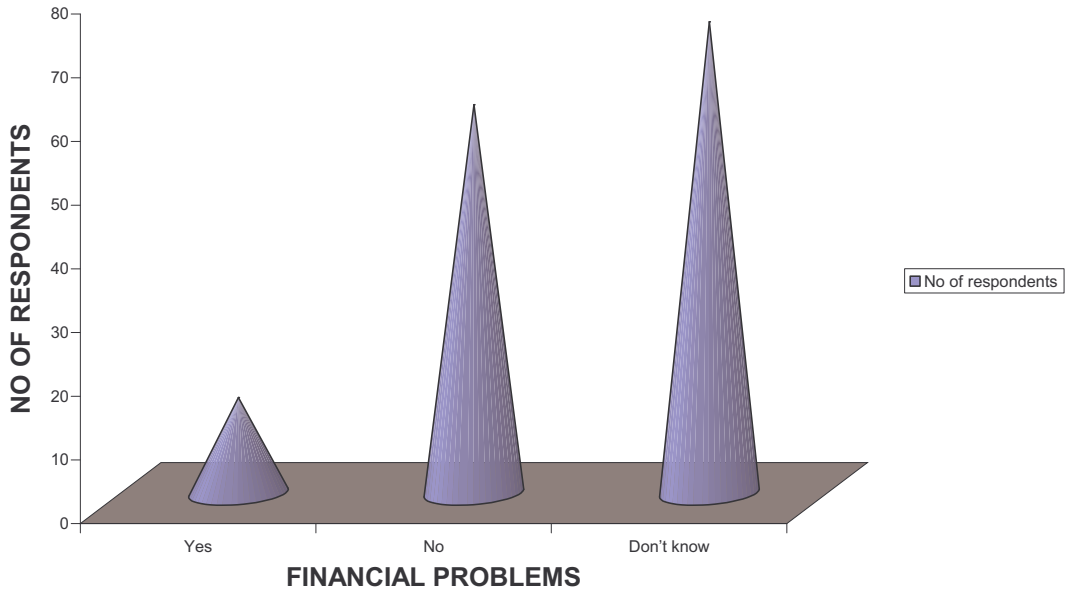
<b>Financial Problem</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Yes</b>	15	10
<b>No</b>	61	40.67
<b>Don't know</b>	74	49.33
<b>Total</b>	<b>150</b>	<b>100</b>

From the above table, among the financial problem category 49.33% of the respondents informed that they don't know the problem, 40.67% of the respondents have said no financial problem and the remaining 10% of the respondents have said they have financial problems.

So majority of respondents are having financial problems.

**CHART - 19**

**PROBLEMS IN BUSINESS**



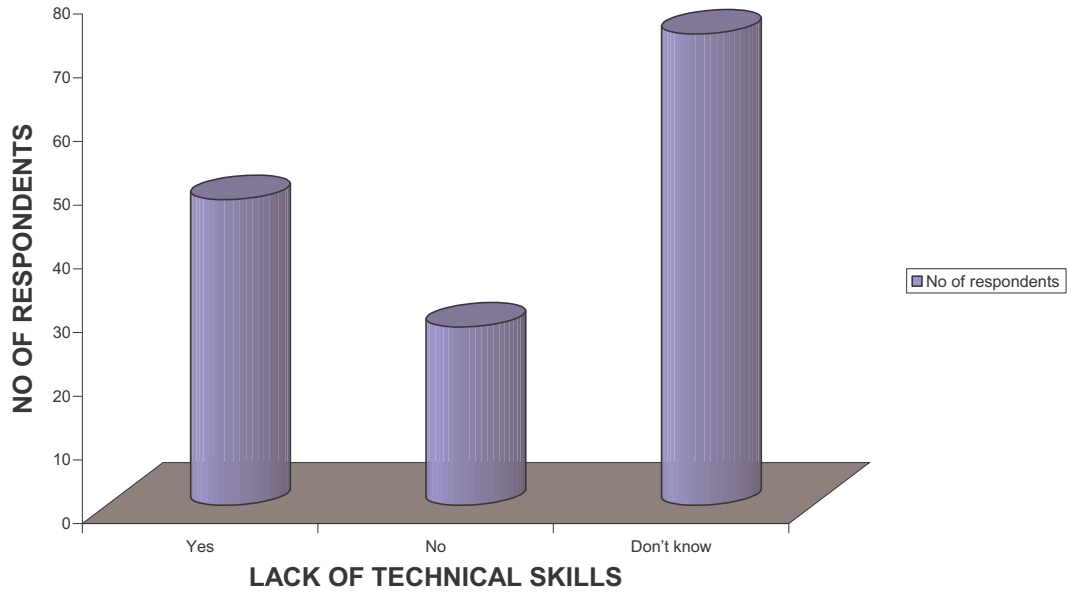
**TABLE - 20**  
**LACK OF TECHNICAL KNOW HOW**

<b>Lack of technical skills</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Yes</b>	48	32
<b>No</b>	28	18.67
<b>Don't know</b>	74	49.33
<b>Total</b>	<b>150</b>	<b>100</b>

From the above table, 49.33% of the respondents said that don't know about technical skills, 32% of the respondents have informed that they know about technical know how. So a maximum of 112 respondents have said that they don't have proper technical know how.

**CHART - 20**

**LACK OF TECHNICAL KNOW HOW**



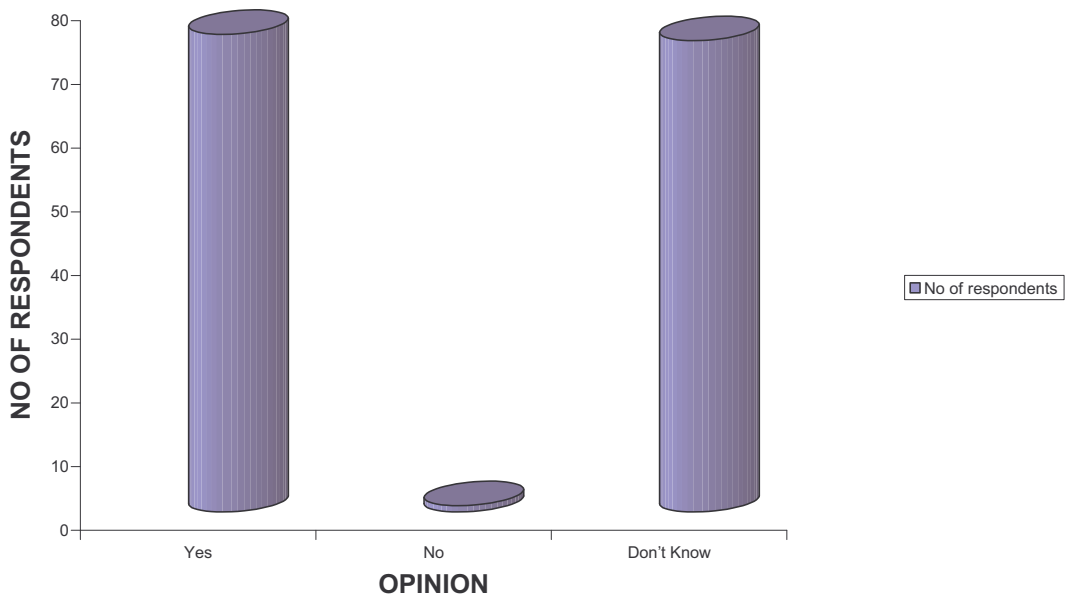
**TABLE - 21**  
**MARKETING PROBLEMS FACED**

<b>Marketing Problem</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Yes</b>	75	50
<b>No</b>	1	0.67
<b>Don't Know</b>	74	49.33
<b>Total</b>	<b>150</b>	<b>100</b>

From the above table, 50% of the respondents have said yes for marketing problems, 49.33% of the respondents have said that they don't know about the problem in marketing and only one respondent said that she is not having any marketing problem. So it can be revealed that 149 respondents are having the problem of marketing knowingly or unknowingly

**CHART - 21**

**MARKETING PROBLEMS**



**TABLE - 22**  
**SOCIAL PROBLEMS**

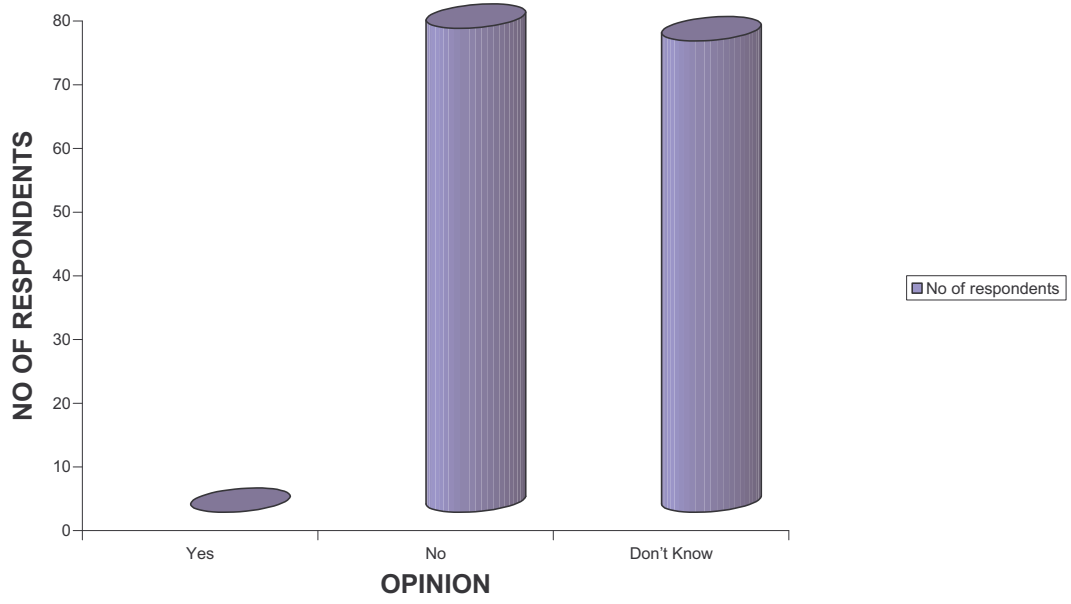
<b>Social Problem</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Yes</b>	0	0
<b>No</b>	76	50.67
<b>Don't Know</b>	74	49.33
<b>Total</b>	<b>150</b>	<b>100</b>

From the above table, 50.67% of the respondents have said that they have social problems and 49.33% of the respondents have said that they don't know about social problems.

So it is inferred that the groups face no social problem.

**CHART - 22**

**SOCIAL PROBLEMS**





**TABLE - 23**  
**POLITICAL PROBLEM**

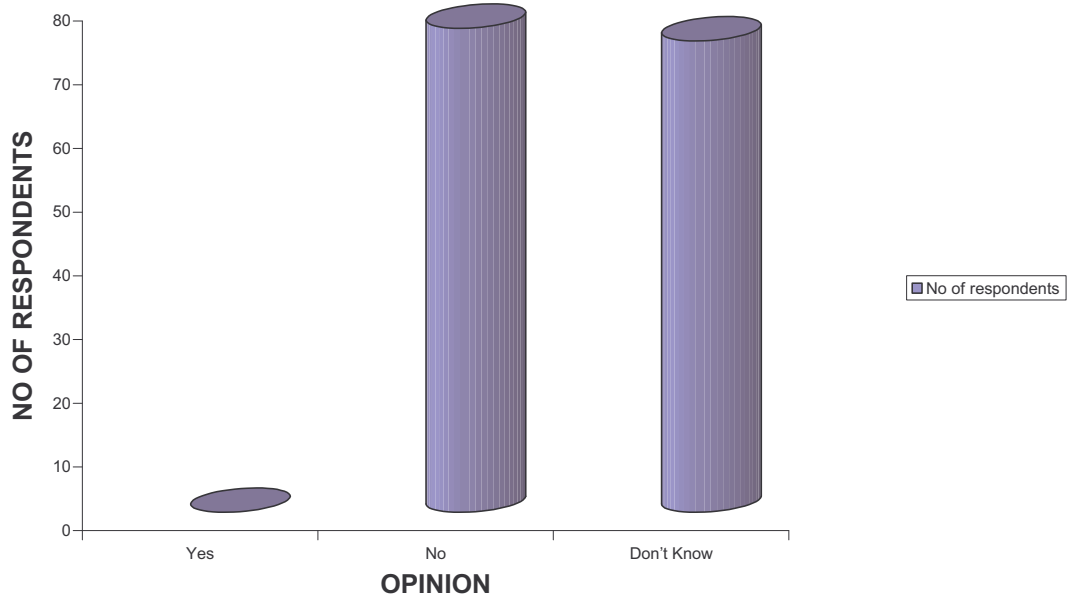
<b>Political Problem</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Yes</b>	0	0
<b>No</b>	76	50.67
<b>Don't Know</b>	74	49.33
<b>Total</b>	<b>150</b>	<b>100</b>

From the above table, 50.67% of the respondents have said that they face no political problems and 49.33% of the respondents have said that they don't know about political problems.

So it is inferred that there is no political interference for the SHG members

**CHART – 23**

**POLITICAL PROBLEM**



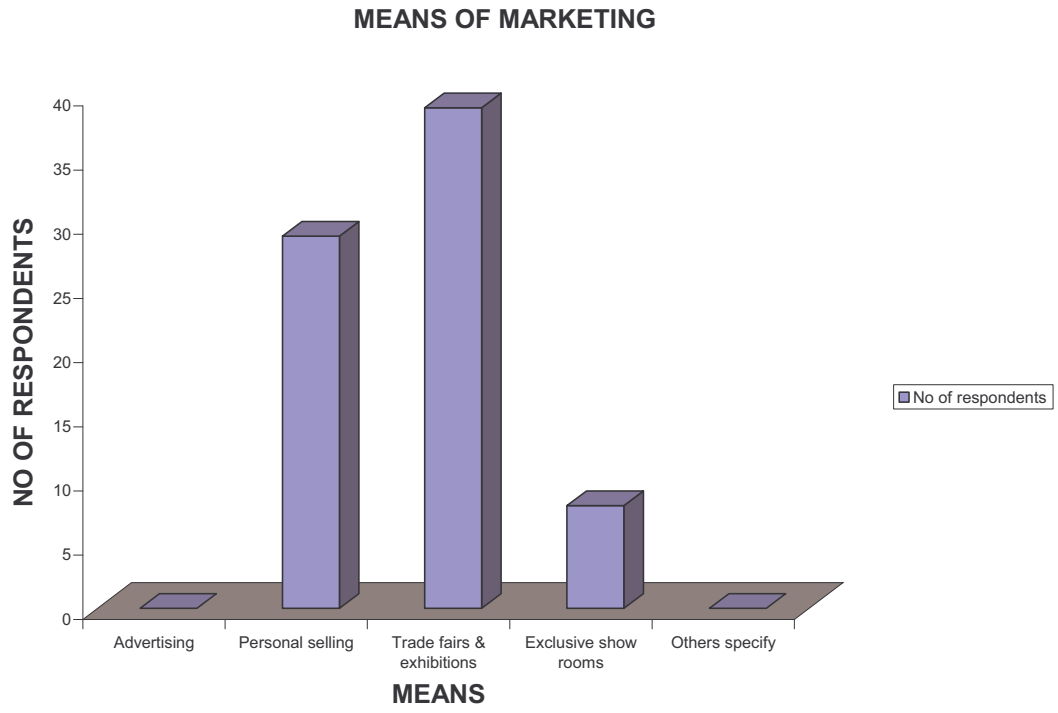
**TABLE - 24**  
**METHOD OF MARKETING**

<b>Means</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Advertising</b>	0	0
<b>Personal selling</b>	29	19.33
<b>Trade fairs &amp; exhibitions</b>	39	26
<b>Exclusive show rooms</b>	8	5.33
<b>Others specify</b>	0	0
<b>Total</b>	<b>76</b>	<b>100</b>

From the above table, 26% of the respondents said market through trade fairs and exhibitions, 19.33% of the respondents said they market through personal selling and 5.33% of the respondents said they market through exclusive showrooms; no one opted advertising as a method of marketing.

It is inferred that the trade fairs and exhibitions are the major means of marketing their products

**CHART - 24**



**TABLE - 25**  
**MARKETING FACTORS**

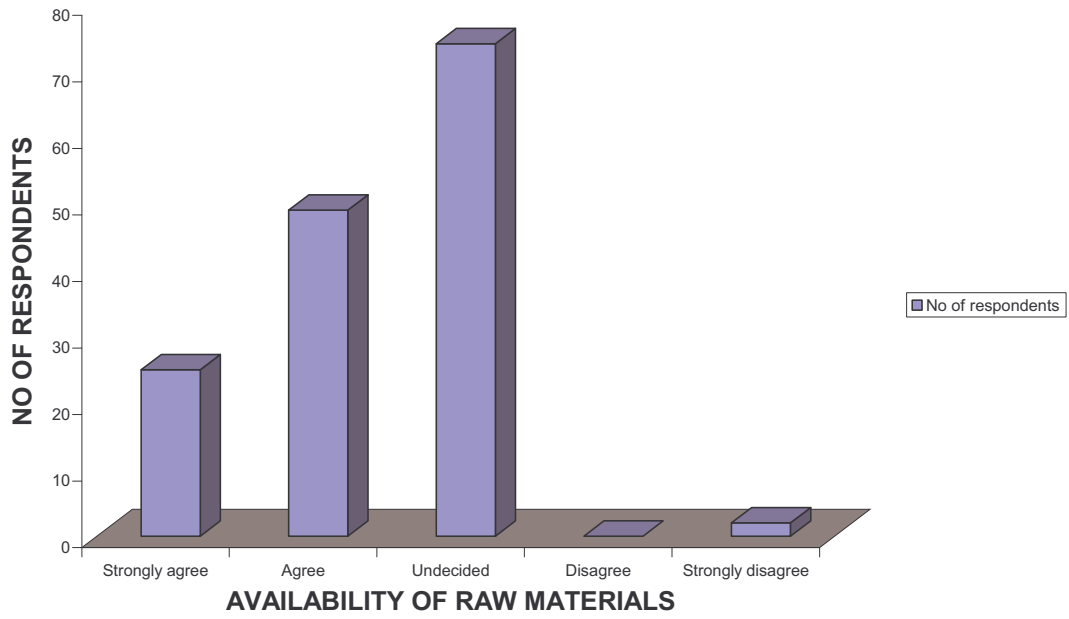
<b>Easy Availability of raw materials</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Strongly agree</b>	25	16.67
<b>Agree</b>	49	32.67
<b>Undecided</b>	74	49.33
<b>Disagree</b>	0	0
<b>Strongly disagree</b>	2	1.33
<b>Total</b>	<b>150</b>	<b>100</b>

From the above table, for easy availability of raw materials, 49.33% of the respondents said undecided, 32.67% of the respondents said agree, 16.67% of the respondents said strongly agree and 1.33% of the respondents said strongly disagree.

So it is inferred that there is easy availability of raw materials for the manufacturing purpose

**CHART - 25**

**MARKETING FACTORS**



**TABLE - 26**  
**BETTER PRICING**

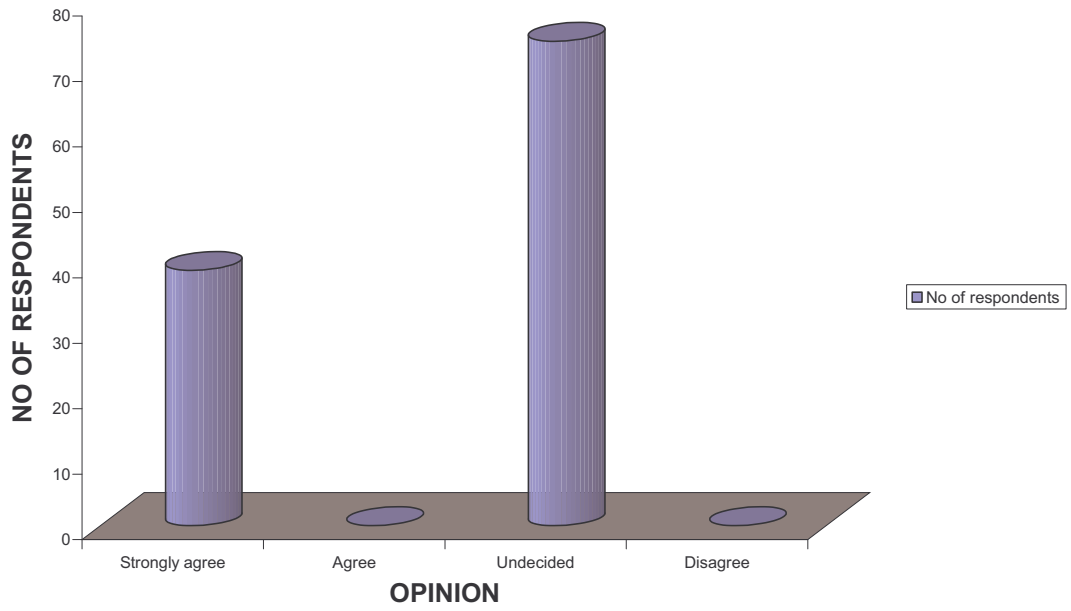
<b>Opinion</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Strongly agree</b>	39	26
<b>Agree</b>	0	0
<b>Undecided</b>	74	49.33
<b>Disagree</b>	0	0
<b>Strongly disagree</b>	37	24.67
<b>Total</b>	<b>150</b>	<b>100</b>

The above table shows that 39 respondents have agreed strongly that they can get better pricing and 37% respondents have strongly disagreed that they cannot get better price for their product.

Better pricing strategies can be adopted by the SHG's.

**CHART - 26**

**BETTER PRICING**





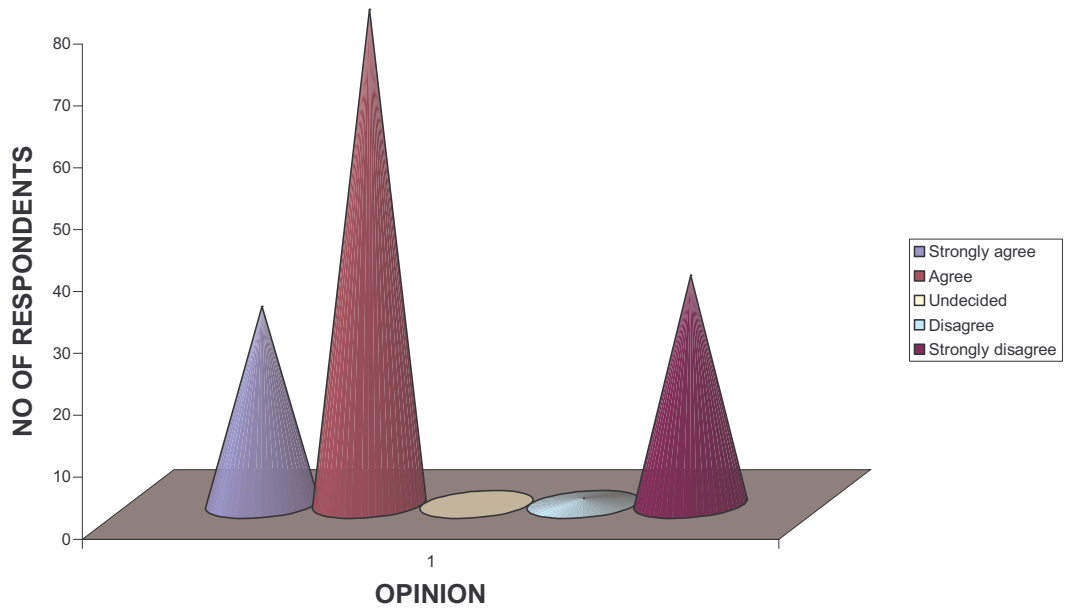
**TABLE - 27**  
**EASY AVAILABILITY OF TRANSPORT**

<b>Opinion</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Strongly agree</b>	32	21.33
<b>Agree</b>	80	53.33
<b>Undecided</b>	0	0
<b>Disagree</b>	1	0.67
<b>Strongly disagree</b>	37	24.67
<b>Total</b>	<b>150</b>	<b>100</b>

More than 112 members agreed that there is an easy transport availability and thirty eight respondents have strongly disagreed regarding the easy availability of transport in their area.

**CHART - 27**

**TRANSPORT AVAILABILITY**



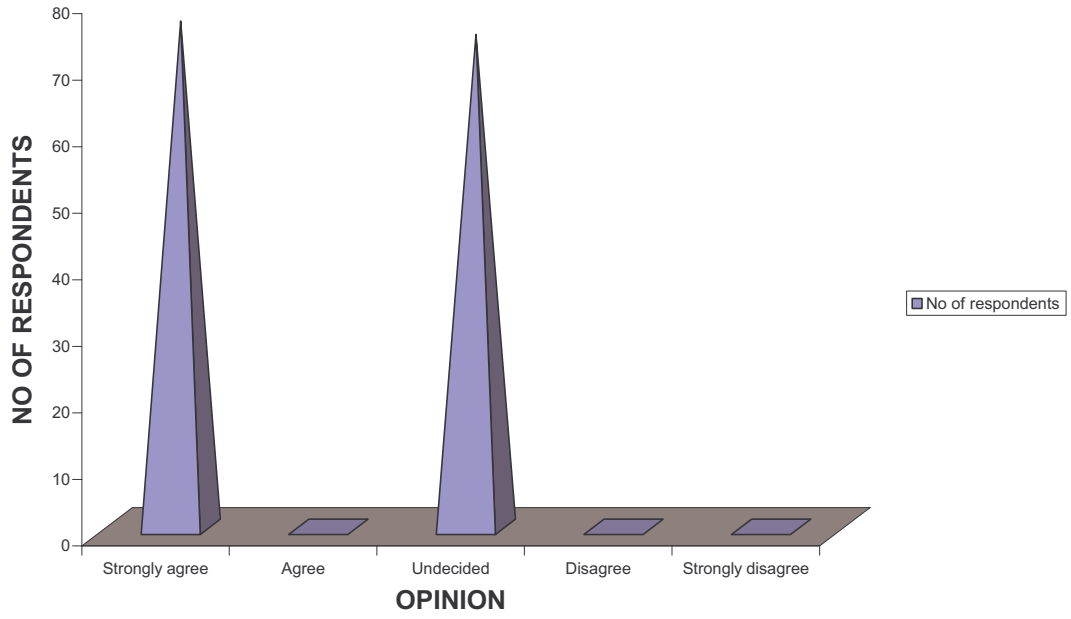
**TABLE - 28**  
**QUALITY PRODUCTS**

<b>Opinion</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Strongly agree</b>	76	50.67
<b>Agree</b>	0	0
<b>Undecided</b>	74	49.33
<b>Disagree</b>	0	0
<b>Strongly disagree</b>	0	0
<b>Total</b>	<b>150</b>	<b>100</b>

The above table shows that seventy six respondents have informed that they have quality products and hence are confident of marketing their products.

# CHART - 28

## QUALITY PRODUCTS



**TABLE - 29**  
**GRADING AND LABELLING**

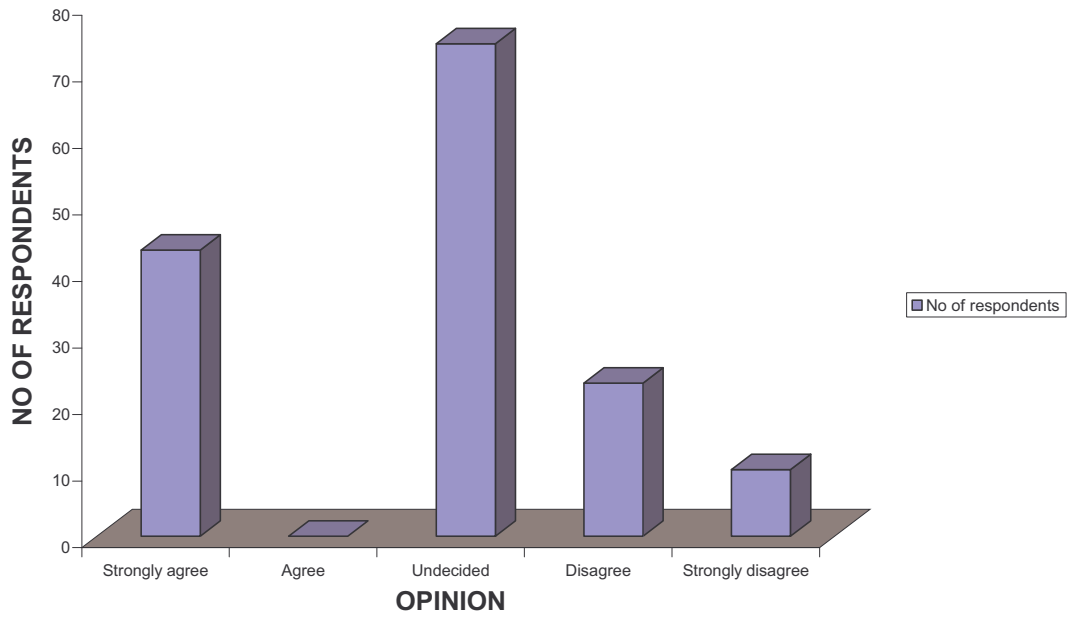
<b>Opinion</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Strongly agree</b>	43	28.67
<b>Agree</b>	0	0
<b>Undecided</b>	74	49.33
<b>Disagree</b>	23	15.33
<b>Strongly disagree</b>	10	6.67
<b>Total</b>	<b>150</b>	<b>100</b>

From the above table, 49.33% of the respondents informed that they have not decided about grading and labeling, 28.67% of the respondents strongly agree that they should have grading and labeling, 15.33% of the respondents disagree and 6.67% of the respondents strongly disagree for grading and labeling.

So it is inferred that grading and labeling is necessary for the products.

**CHART - 29**

**GRADING AND LABELLING**



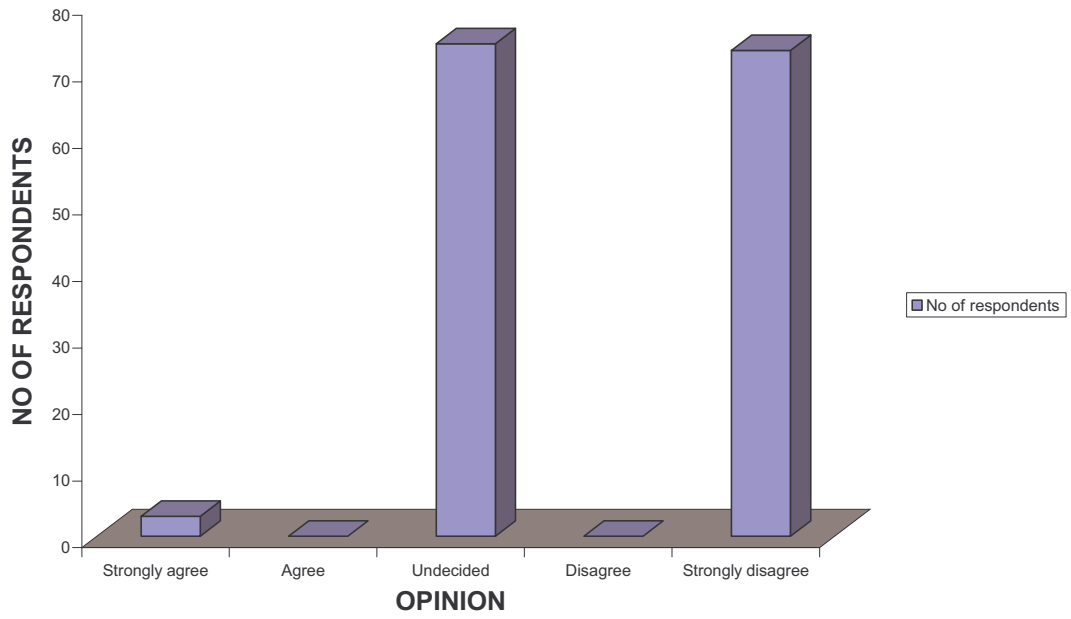
**TABLE - 30**  
**JOB ORDERS FREQUENCY**

<b>Opinion</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Strongly agree</b>	3	2
<b>Agree</b>	0	0
<b>Undecided</b>	74	49.33
<b>Disagree</b>	0	0
<b>Strongly disagree</b>	73	48.67
<b>Total</b>	<b>150</b>	<b>100</b>

From the above table, 49.33% of the respondents said that they have not decided about job orders frequency, 48.67% of the respondents strongly disagree for the job orders frequency and only 2% of the respondents strongly agree with the job orders frequency. It is inferred that they don't get frequent job orders except the seasonal sales.

**CHART - 30**

**JOB ORDERS FREQUENCY**





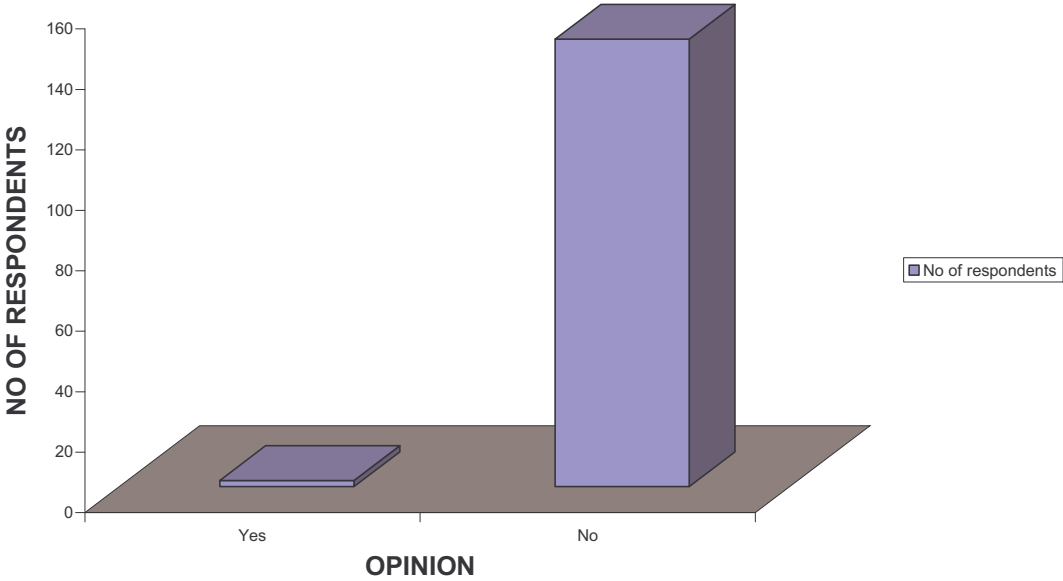
**TABLE - 31**  
**EXPORTING OF PRODUCTS**

<b>Opinion</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Yes</b>	2	1.33
<b>No</b>	148	98.67
<b>Total</b>	<b>150</b>	<b>100</b>

From the above table, 98.67% of the respondents said they do not export their products and 1.33% of the respondents said that they export their products one is direct partial packed tamarind export and other is indirect partial export (junk jewelry exports).

**CHART - 31**

**PRODUCTS EXPORT**



**TABLE - 32**  
**PROBLEMS IN GROUP COORDINATION**

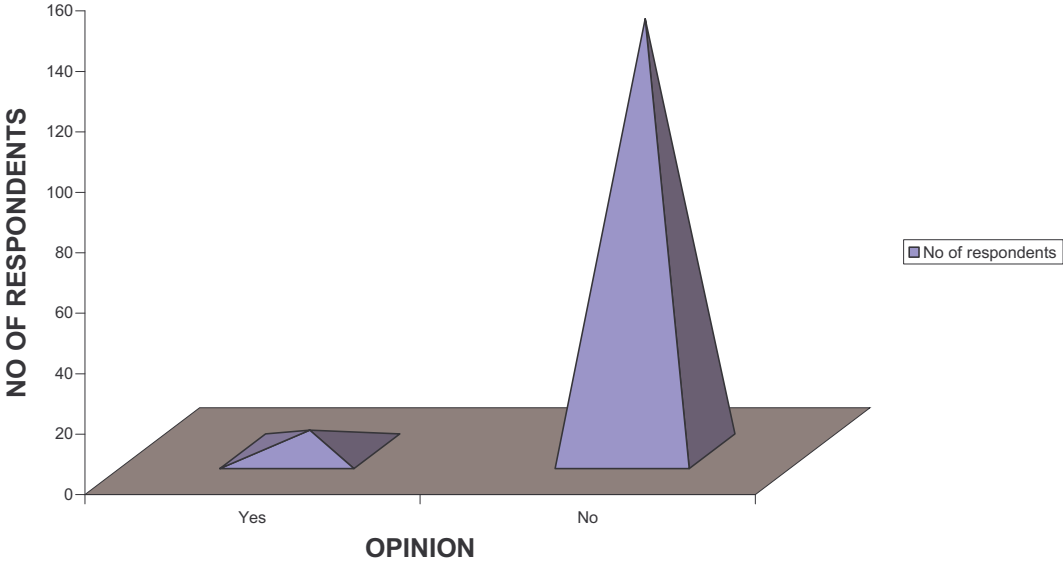
<b>Opinion</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Yes</b>	24	16
<b>No</b>	126	84
<b>Total</b>	<b>150</b>	<b>100</b>

From the above table, 84% of the respondents informed that they don't have problems in group coordination and 16% of the respondents said that they have no problem in group coordination.

So it is inferred that the group coordination is necessary to achieve the target and also to avoid unnecessary competition between them.

CHART - 32

PROBLEMS IN GROUP COORDINATION



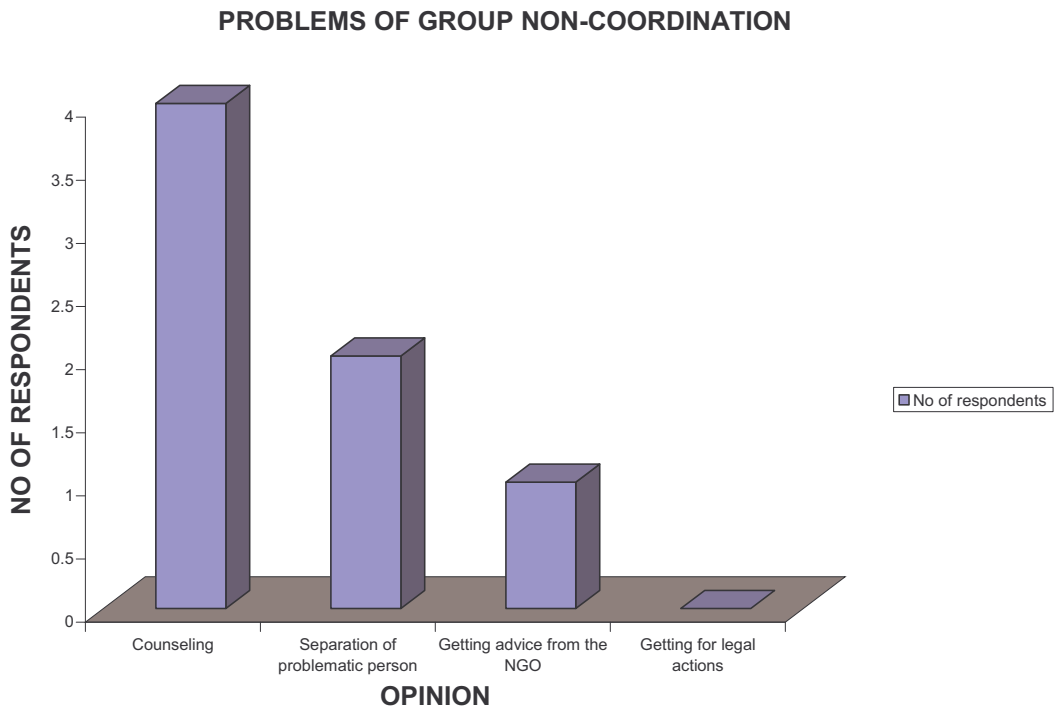
**TABLE - 33**  
**SOLVING OF GROUP NON-COORDINATION**

<b>Opinion</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Counseling</b>	12	50
<b>Separation of problematic person</b>	6	25
<b>Getting advice from the NGO</b>	4	16.67
<b>Going for legal actions</b>	2	8.33
<b>Total</b>	<b>24</b>	<b>100</b>

From the above table, 50% of the respondents said that through counseling group coordination problems can be solved, 25% of the respondents informed that through separation of problematic person, 16.67% of the respondents said through getting advice from the NGO, 8.33% of the respondents opined that by going for legal action the problems can be solved.

Thus it can be inferred that the counseling helps the groups to avoid conflicts among them

**CHART – 33**



**TABLE -34**

**Chi – Square test to find the relationship between loan and interest rates provided by the government and investment pattern**

<b>Loan and interest rates / investment patterns</b>	<b>Upto 50,000</b>	<b>50,001 to 1,00,000</b>	<b>1,00,001 to 1,50,000</b>	<b>Above 1,50,000</b>	<b>Total</b>
<b>Very much sufficient</b>	90	1	3	8	<b>102</b>
<b>Sufficient</b>	10	1	2	5	<b>18</b>
<b>Average</b>	1	1	1	1	<b>4</b>
<b>Not Sufficient</b>	14	2	2	2	<b>20</b>
<b>Not at all Sufficient</b>	2	1	1	2	<b>6</b>
<b>Total</b>	<b>117</b>	<b>6</b>	<b>9</b>	<b>18</b>	<b>150</b>

**Null Hypothesis Ho:** There is no significant relationship between loan and interest rates provided by the government and investment pattern.

**Alternative Hypothesis H1:** There is significant relationship between loan and interest rates provided by the government and investment pattern.

**INFERENCE**

The calculated value (31.28289) is greater than the table value (21.0). Hence the null hypothesis is rejected and it is inferred that there is no significant relationship between loan, interest rates provided by the government and investment pattern.

**TABLE -35**

**Weighted average analysis of marketing factors**

<b>Factors</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Undecided</b>	<b>Disagree</b>	<b>Strongly disagree</b>	<b>w.avg</b>
Easy Availability of raw materials	25	49	70	4	5	
	125	196	210	8	2	<b>541</b>
Better Pricing	39	3	72	2	37	
	192	12	216	4	37	<b>461</b>
Easy Availability of transport	32	5	70	6	37	
	160	20	210	12	37	<b>439</b>
Quality Products	69	6	68	5	2	
	345	24	204	10	2	<b>585</b>
Grading packaging, Labeling is compulsory for any product	43	4	70	23	10	
	215	16	210	46	10	<b>497</b>
Frequent job orders	3	5	69	6	67	
	15	20	207	12	67	<b>321</b>



**INFERENCE:**

From the above table it is inferred that the Quality products are ranked first, Easy availability of raw materials are ranked second, Grading packaging, labeling is compulsory for any product, is ranked third, Better pricing is ranked fourth, Easy availability of transport is ranked fifth and frequent job orders is ranked sixth.

**TABLE -36  
WEIGHTED AVERAGE OF THE AID PROVIDED BY THE GOVERNMENT**

<b>Factors</b>	<b>Very Good</b>	<b>Good</b>	<b>Average</b>	<b>Poor</b>	<b>Very Poor</b>	<b>Weighted Average</b>
Financial aid	23	82	3	26	16	
	115	328	9	52	16	<b>520</b>
Programs and training	80	30	10	15	15	
	400	120	30	30	15	<b>595</b>

**INFERENCE:**

Maximum respondents have preferred financial aid is good for SHG members and program and training is very good for the SHG members.

## **CONCLUSION**

The state had about 3.5 lakh SHG's, but majority of them were involved in small scale activities and had practically no access to technological development. Only very few were involved in large scale businesses or enterprises.

The SHG's in rural areas should be introduced to advanced agricultural technologies too and should be provided with training to update their knowledge and some techniques which is the only way to make their products export-worthy. It would also make their products find a place in the global marketplace. Through this, their income could be increased three fold.

It is high-time for the government to put our thinking caps on and make some marketing plans and provide the SHGs with useful production strategies in all fields.

## RESULTS AND DISCUSSIONS

- Majority (71%) of the respondents have selected SHG's because of their income generation for their livelihood.
- 100% of awareness is created among the SHG members regarding the availability of government aid. The government had revoked the poor illiterates and dropouts with better aids and awareness.
- 70% of the groups are satisfied regarding the aid the government, 30% of the groups are not satisfied with the aid
- The respondents opined that the programs and trainings offered by the government is very good and useful, the trainings and programs are boosters for the people to build their confidence in performing group activities.
- Maximum of (68%) respondents informed that loans provided and interests charged are very much sufficient, financial aid provides a helping hand to fill the shoes of the financial intermediaries (kandhuvatti) who were threatening the poor with high interest rates.
- Due to the financial repayment problems only less capital (i.e.) up to Rs.50000 is been invested by the groups.
- 99% of the groups have fully utilized the loans provided by the government The NGO's play a major role in motivating the group members to pay the principle but 6% of groups are bankrupted because of conflicts and low turn over.
- Majority (99%) of the respondents has borrowed through scheduled banks-nationalized banks and the commercial banks under the advice of RBI actively participate in the linkage program which had improved the thrift and credit activities.
- Majority of the groups have divided the loan amount among its members and they have involved in different type of business-The major factor that affects the growth of the SHGs is that most of the members are illiterates and they are family oriented which blocks them from taking risks.
- Maximum (94%) are settling their dues in proper time and hence bad debts are very less

- Nine respondents cannot repay the loan due to insufficient number of credit days and low turnover.
- Majority (74%) of the respondents are paying interest by earning through job others are doing individual and group business
- All the members of the SHG's undergo training programs provided by the government.
- Nearly 36% respondents out of 150 are not satisfied about the training period-The groups require exclusive job oriented training in different fields.
- Majority (49%) of the respondents are casualties who seek daily wages.
- The SHG's promotes individual business and group business-petty shops and tailoring are the major group business carried out by group members
- Agriculture is the major occupation but the members are not fully benefited because the intermediaries affect their sales.
- Maximum (99%) of the SHG's are having the problem of Marketing and technical know-how-Government should turn over a new leaf of marketing means for the SHGs.
- There is no social problem faced by the SHG,s in the society
- There is no political interference or pressures for the SHG's from the politicians
- Due to the high cost factors shg's are not interested in advertising their business because of its reaching to the public is less, except the personal selling and exhibitions, the SHGs have no other option for their marketing.
- There is easy availability of raw materials for the manufacturing purpose
- 25% of the groups have informed that they do not get better price for their products
- Majority (80%) of the respondents opined that they have easy availability of transport
- Majority (51%) of the respondents agree that marketability of the products depends on the quality of the products purely depends on quality of the product
- Grading and labeling is necessary for the products to market easily
- The SHG's do not get frequent job orders except their seasonal sales

- Only 1% of the SHG's are indulged in exports one is indirect(junk jewelry export) and other is packed tamarind (direct partial export)
- 24% of the groups face coordination problems.
- 50% of the respondents prefer counseling for their group conflicts.

## RECOMMENDATIONS

- It is recommended that separate banks can be provided for the SHGs with provision of availing loans, and to improve thrift and credit activities.
- Awareness to be created regarding the utility of funds that are been provided from the government
- The credit period of 30 days can be extended.
- Managerial subsidy can be provided to the SHG's which are engaged in economic activities till they reach a break even point in their business.
- The SHG's are not effectively using the funds provided because most of the members are illiterates.
- Abolishing illiteracy through SHG's:  
Government must provide one hour of evening classes through the government schools for the SHGs to improve their educational qualification.
- Job oriented institutions with modern technologies can be formed to provide specialized training to the SHGs in various fields.
- To overcome marketing problems:
  - a) Training sessions regarding branding, packing, and quality can be conducted all over the state to provide better awareness and improve the manufacturing and marketing skills.
  - b) Special economic zones can be provided exclusively for the self help groups.
  - c) Marketing facilities can be provided by the government i.e. through civil supplies,  
For food items:
    - a) Ration shops.
    - b) Agricultural depots.For products:
    - a) Separate buildings for the SHG's for a meager payment of rent with the standard of other private shopping malls in the city.

b) Permission to be granted for the SHG's to sell their products inside the government buses and bus depots.

- The government can increase the initial loan amount of Rs.25000 which will edify the SHG's to indulge in economic activities.
- Government must provide pricing and grading units for quality checking and better pricing standards.
- The government media (All India radio and DD channels) can lend their helping hands to the SHG's in promoting their products.
- National transportation for the SHG products should be encouraged.
- The groups can be advised to take up some social welfare activities eg-planting trees at road sides of their areas, keeping their place clean and free from plastic.
- Agriculture and SHGs
  - 1) Government should select shg's at rural comprising of agricultural casualties
  - 2) Making tie ups with agricultural universities to provide trainings to implement new technologies and use effective production strategies.
  - 3) Allotting 10 to 15 acres near the river banks or near by areas with access to water should be provided to members dividing it as 1 acre per head.
  - 4) Providing free grains and organic manures.
  - 5) Renovation of ulhavar sandai which will provide marketing opportunity to the groups

## Reference

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### Journals

- Muttram
- Journal of Economic Perspectives



## A STUDY ON FUNCTIONING OF SELF HELP GROUP AT COIMBATORE

- 1) Name of the NGO:
- 2) Name of SHG:
- 3) Address:
- 4) Number of members in the group:
- 5) Reason for choosing SHG's
  - a)  income generation
  - b)  social interaction
  - c)  low rate of interest
  - d)  empowerment
  - e)  others specify.....
- 6) Are you aware that you get aid from government?
  - a)  Yes
  - b)  No
- 7) If yes, Please give your opinion regarding the aid from government:

s.no	Particulars	Very good	Good	Average	poor	Very poor
a)	Financial aid					
b)	Programs and training(group formation, job oriented)					

- 8) The loan and interest rates provided by the government is
  - a)  Very much Sufficient
  - b)  Sufficient
  - c)  average
  - d)  not Sufficient
  - e)  not at all Sufficient
- 9) Investment pattern (Rs):
  - a)  Up to 50,000
  - b)  50,001 to 1, 00,000
  - c)  1, 00,001 to 1, 50,000
  - d)  above 1, 50,000

10) Type of investment:

- a)  Own fund
- b)  borrowed fund
- c)  combination of both

11) If borrowed fund you have borrowed through:

- a)  scheduled banks
- b)  cooperative bank
- c)  government agencies

12) Into what business you have invested the money?

- a)  group's business
- b)  group members individual business
- c)  Reinvested in the bank
- d)  divided the amount and have given it to members
- e)  others specify.....

13) Do you pay the principle and interest for the loan in due time

- a)  yes
- b)  no
- c)  don't know

13. a) If no, the reason for non payment of loan is

- a)  high interest rates
- b)  low turn over
- c)  lack of collection from groups
- d)  Number of credit days insufficient
- e)  others specify.....

14) How do you pay back the interest?

- a)  By going to job
- b)  By doing individual business
- c)  By doing group business
- d)  Not able to pay the interest
- e)  Others specify.....

15) Have you undergone any training program or orientation program?

- a)  Yes
- b)  No
- c)  unaware

16) In your opinion the period of training program given is

- a)  Very much Sufficient
- b)  Sufficient
- c)  average
- d)  Not sufficient
- e)  Not at all sufficient

17) Majority of your group members are into:

<input type="checkbox"/> Individual business	<input type="checkbox"/> Group business	<input type="checkbox"/> Job
<input type="checkbox"/> agriculture	<input type="checkbox"/> agriculture	<input type="checkbox"/> agriculture
<input type="checkbox"/> catering	<input type="checkbox"/> catering	<input type="checkbox"/> catering
<input type="checkbox"/> tailoring	<input type="checkbox"/> tailoring	<input type="checkbox"/> tailoring
<input type="checkbox"/> driving	<input type="checkbox"/> driving	<input type="checkbox"/> driving
<input type="checkbox"/> Textile oriented	<input type="checkbox"/> Textile oriented	<input type="checkbox"/> Textile oriented
<input type="checkbox"/> leather products	<input type="checkbox"/> leather products	<input type="checkbox"/> leather products
<input type="checkbox"/> painting	<input type="checkbox"/> painting	<input type="checkbox"/> painting
<input type="checkbox"/> toys and coir	<input type="checkbox"/> toys and coir	<input type="checkbox"/> toys and coir
<input type="checkbox"/> computer & allied activities	<input type="checkbox"/> computer & allied activities	<input type="checkbox"/> computer & allied activities
<input type="checkbox"/> others specify .....	<input type="checkbox"/> others specify .....	<input type="checkbox"/> others specify .....

18) We undergo the following problems in our business:  
(Applicable for both group and individual business only)

s.no	Nature of the problem	Yes	No	Don't know
a)	Financial problem			
b)	Lack of technical know how			
c)	Marketing problem			
d)	Social problem			
e)	Political problem			

19) Through what means you are marketing your product  
(Applicable for both group and individual business only)

- a)  advertising
- b)  personal selling
- c)  trade fairs & exhibitions
- d)  exclusive show rooms
- e)  others specify....

20) Marketability of your product depend on the following factors  
(Applicable for both group and individual business only)

s.no	Factors	Strongly agree	agree	undecided	Disagree	Strongly disagree
a)	Easy availability of raw materials					
b)	Better pricing					

c)	Easy availability of transport					
d)	Quality products					
f)	Grading packaging, Labeling is compulsory for any product					
g)	Frequent job orders					

21) Do you export your products?

(Applicable for both group and individual business only)

a)  yes

b)  no

22) If yes, you go for

a)  Direct export

Fully export  partial export

b)  indirect export

fully export  partial export

23) Do you find any problem in group coordination?

a)  yes

b)  no

23. a) If yes, The problem of group non-coordination can be solved by

a)  Counseling

b)  Separation of problematic person

c)  getting advice from the NGO

d)  going for legal actions

e)  Others specify.....

24) Please give your suggestion for improving the functions of SHG's

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