

Socio-Economic Status of Women Self Help Groups (SHGs) in the Metropolitan city of Chennai – Tamil Nadu, India

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Abstract: The role of women self help groups in Tamil Nadu is very comprehensive. The study analyses the socio-economic status and the motivating factors behind the women self help groups in the metropolitan city of Chennai, Tamil Nadu. SHG members hail from poor socio-economic conditions with low educational attainment, low levels of employment and income leading to high levels of borrowing. The meagre amount of savings by the members is their forced savings as members of the group. A slight increase in their incomes after joining the SHGs, have increased their status in the family. The dominant reasons for women joining SHGs are to attain self confidence and social status. Good peer group provides an efficient social support system which helps the women find a new identity.

Keywords: Self Help Groups (SHGs), Women, Non Government Organisation (NGO), Tamil Nadu, Government, Chennai city

1 Introduction

Civil society action for bringing about improvement in the lives of ordinary citizens has been the hallmark of many movements and struggles throughout the world. This has been particularly so in the Indian context where actions by citizens and their organisations have brought about many improvements in the lives of ordinary women and men.

Women development is an important component of economic development of a country. Development process consists of social, economic and political dimensions. It is incomplete without involving the women who constitute about 50% of the population, make up 30% of the official labour force, perform 60% of all working hours, receive 10% of the world income and own less than 1% of world property. This is the economic profile of the women in the world. Women's role in economic development is an indispensable factor as in the case of community.

Women in Indian society are regarded as second grade citizens whose every aspect of life is confined to rigid restrictions under the garb of casteism, customs and traditions as envisaged in our religion and social customs. Their work is generally undervalued. As a result, women constitute a disproportionate number of the poorest groups of people and are victims of hunger, illiteracy, inadequate population policies, and other consequences of poverty. In addition, women's participation and influence is inadequately represented in decision-making spheres concerning environment and development issues affecting the quality of their lives.

2 Women Participation in Decision Making

The participation of women in resource decision-making contributes directly to the protection and rehabilitation of the environment. Furthermore, increasing the capacity of women to overcome their own poverty has associated social benefits. As women's incomes rise there is a corresponding decrease in fertility rates. Rapid population growth strongly correlated to conditions of poverty compounds the relationship between poverty and environmental degradation. Therefore, improving the status of women is fundamental to bringing about changes in population growth and its associated effects on the environment.

3 Women Participation in SHGs

Self Help serves to underline the principle “for the people, by the people, and of the people”. SHG is the brain child of Grameen Bank Bangladesh, which was founded by Prof. Mohammed Yusuf of Chittagong University in the year 1975. This was exclusively established for the poor.

The formation of SHG's (Self-Help Groups) have brought about visible attitudinal changes among women. Such SHG formations serve as de-centralised channels in canalising benefits to the poor women who have so far been beneficiaries rather than participants in the development programs.

The period since 1980 has seen a mushrooming of SHG's in the country, organised initially by NGOs and during late 1980s by government organisations themselves. SHGs are seen by the Indian Government aid agencies and several NGO's as the panacea for poverty reduction and women empowerment. Evaluation studies carried out in the recent years in India have clearly shown that this assumption is not a valid one. They point out that while members of SHGs are slightly better off than non-members, the process of their coming together builds the confidence of women members.

The women in urban areas are more subjected to exploitation at all levels. The situation is the worst for the uneducated and less educated women. In urban areas it is very hard to engage themselves in proper economic activities. In order to overcome their day to day problems these women engage themselves in occupations where the income level is too low. Most of the women with this back-ground are not working. A majority percentage of women are idle without providing any financial support to their families.

In order to improve their economic well-being, it is very essential for these women to develop their attitudes. The SHGs motivate and regulate the women to engage themselves in economic activities which will result in better standards of living. This will bring lots of changes in their life socially and financially.

The urban women are highly influenced through their functions with SHGs which has brought about drastic changes in their life.

4 Meaning and Features of Self-Help Groups

Development organisations define SHGs as voluntary small group structures for mutual aid in the accomplishment of a specific purpose. They are usually formed by peers, who have come together for mutual assistance in satisfying a common need, overcoming a common handicap or life-disrupting problem and bringing about desired social and or personal change.

Self Help Group is a small economically homogenous and affinity group of rural poor, which voluntarily agrees to contribute to a common fund to be lent to its member as per group decision, which works for group solidarity, self and group awareness, social and economic empowerment in the way of democratic functioning. SHGs are not a new concept in development.

There are a number of micro level organisations currently in operation in different parts of India. A common feature has been the promotion of SHGs starting with pooled savings from internal rotation and other types of smaller affinity groups, composed predominately of women, through a process of social mobilisation for eventually receiving and repaying loans.

Non-Government organisations or government agencies with different primary objectives like promoting literacy and education, maternity health and nutrition, child care, reducing female infanticide or child labour encourage watershed development taking up women's empowerment which has used micro credit as an entry point or as a complementary activity, recognising that it is harder to mobilise people and sustain interest around other issues in poverty situations.

There are also NGO and government agencies primarily concerned with poverty alleviation that use micro finance as their main tool.

5 Need and Importance of the Study

Women in India are the most disadvantaged category of the society with reference to their social status, income and employment opportunities. They need both Government and Non- Government assistance

for their development. Hence the Government has introduced the Self-Help Group Scheme for poverty alleviation of poor women in the country. Self-Help Group members in the group contribute savings regularly to the group. The groups disburse the accumulated savings as loans to the members at nominal interest rate. The Self-Help Groups are being linked with the commercial banks for external credit and they are also involved in income generating activities for which specific entrepreneurial training programmes are provided by the promoting agencies. On the whole, Self-Help Groups are rendering valuable services for women development and empowerment. Therefore, it is important to study the performance of the Self-Help Groups and their contributions to the development of women at the lower strata.

6 Objectives

1. To study the social background of the women in SHGs.
2. To examine the nature of economic activities of women in SHG and to identify their pattern of income, expenditure and savings.
3. To know the reasons for women members joining SHGs.

7 Collection of Data and Sampling

To study the socio-economic structure and of benefits received; a well structured interview schedule was designed pertaining to age, family size, education, income, savings, expenditure and benefits received by the members. The interview schedule was administered on January 2008 in Chennai city.

Chennai City has 17,753 registered SHGs under Mahallir Thittam with 57 Non Government Organisations. The required samples were chosen by adopting a three stage stratified sampling method, the first stage being the NGO, the second stage being the group and the third stage being the group members. Out of 57 NGOs, four have been selected on the basis of demographic region.

1. Rural Education and Economic Development Association (REEDHA) – Central Chennai
2. Spastic Society of Tamil Nadu (SPASTN) – South Chennai
3. Mariyaliam – North Chennai
4. Arpanam – North Chennai

The four chosen NGOs have 540 groups. Out of these total groups of the 4 NGOs, 44 SHGs and 160 members were selected on the basis of different demographic areas as the sample respondents. The sample included housemaids, domestic servants, flower vendors, street hawkers, housewives, fisherwomen, tailors and other categories.

8 Tools of Analysis

The socio-economic and demographic variables collected in the survey are classified and tabulated for the purpose of analysis. One-way and two-way frequency tables and summary statistics give insight to the profile of the respondents.

Lorenz curve and pie charts were used to describe the inequality in income and expenditure pattern of Self Help Group members. Gini coefficient was also computed to explain the extent of inequality in income before and after the women joining the Self Help Group.

9 Results and Discussion

9.1 Profile of Respondents

A summary profile of the respondents is furnished in Table No.1.

The sample profile of the study exhibits the socio economic status of the women respondents from Self Help Groups in Chennai. The average monthly expenditure of the sample respondents is more than their

Table 1 Characteristics of Sample Households

Member's Mean Age	40.0
Education of Members (%)	
Illiterates	17.5
Literates	82.5
Average number of persons employed in the family	2
Average monthly income of the family	Rs.5048
Average monthly expenditure of the family	Rs.6409
Average savings of the family	Rs. 176
Average Family Size	4
Monthly Percapita income	Rs. 1272
House ownership (%)	
Own	62.0
Rented	38.0
Average number of rooms in the house	2
Type of house (%)	
Pucca	34
Others	66

Source: Primary data collected

average income which reflects the poor economic status of the group. Thus both the husband and wife are forced to earn to make both ends meet. The meagre amount of savings by the Self Help Group members is the forced savings as members of the group.

10 Economic Status of the Self Help Group Members

10.1 Occupation of the Members

Nearly 53 percent of the respondents were not working and the remaining 47 percent were working at lower levels of occupation like fisher woman, house maid, house keeping, tailor and coolies. Thus the self help group members' occupational status, before joining the group, was very low.

10.2 Income

Women's income in the family is very important and essential for the upliftment of the family. The Self Help Groups, by providing loan facilities and income generating activities, encourage the women members to elevate their economic status. The SHG members' contribution was one fifth of the total family income which was considered to be a regular income to the family as most of the male members who earn 80 percent may not spend it on the family and children due to their bad habits like drinking alcohol. The average monthly incomes of the Self Help Group members before and after joining the group were Rs.4201 and 5048 which amounts to an increase of 20 percent. As a result of the increase in the earning capacity of the women, their inequality among the members of the family was also reduced this could be understood from the Lorenz curve given below.

From the diagram it is evident that the inequality in the income distribution has come down after the women joined in the SHG, which is very clearly understood by the inequality measure of Gini Coefficient. The computed values of Gini coefficients for the income distribution in the study area before and after the members joining the Self Help Groups were 0.38 and 0.31 respectively. The inequality in income has fallen by 0.07 units. Thus, the membership in Self Help Groups help the members to get trained in income generating activities and earn additional income which reduces the inequality in the distribution of income among the members

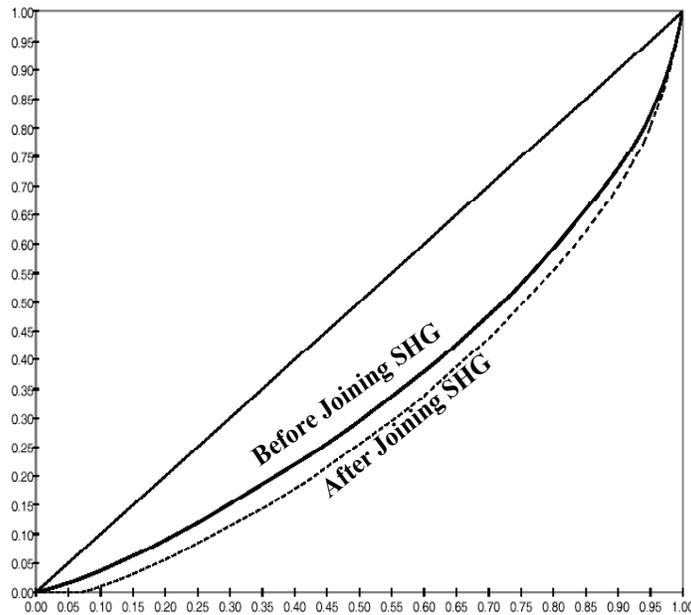


Figure 1 Lorenz Curve

10.3 Expenditure

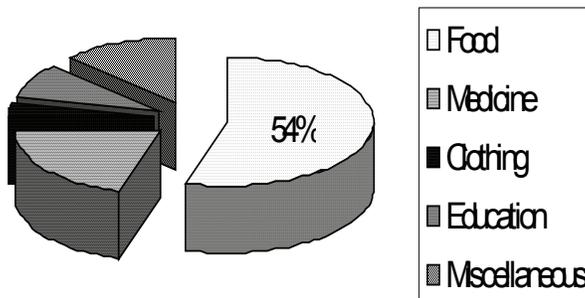


Table 2 Expenditure pattern

Items	Amount	Percentage
Food	1491.9	54.7
Medicine	542.2	19.9
Clothing	98.8	3.6
Education	244.3	9.0
Miscellaneous	349.4	12.8
	2726.6	100.0

Source: Primary data

Figure 2 Expenditure incurred

The major expenditure is on food which is almost half of their total expenditure; around 55% is spent on food which implies a low level of income. Nearly 20% is spent on health which reflects their poor health condition which may be due to lack of nutrition. Per capita expenditure varies between Rs.248 to Rs.2739 per month and the per capita income is Rs.715. Nearly 35 per cent of the population are living in slums without any basic amenities. The percentage of those living below the poverty line was 35.03 per cent in Chennai city. Most of their income is spent on food; they are left with very less income to meet their other expenses. They utilise the benefits which have been provided by the government. For example they avail the benefits from government hospitals, schools and rationing systems.

10.4 Borrowings

Out of 160 respondents, 115 respondents, which is nearly 72 % of the total borrow from other sources to meet their day to day and other family commitments such as religious functions, children’s education, and

marriage. Annual average borrowing is equal to Rs.8656. Monthly borrowing to meet their day to day expenses is around Rs.1361. Most of the annual borrowing is utilised to meet the needs of the dependants in the family and sometimes to repay their earlier loans. In only a few cases, the loans borrowed are used to establish or develop the economic activities through SHGs. It is a mere existence for women, where their monthly loans are being used towards meeting the expenses of children's education and in some cases to meet the basic fundamental needs of life.

10.5 Savings

The self help group members are encouraged to a compulsory savings of Rs. 105 – 110 per month. Compulsory savings is one of prime importance of Self-Help Groups. SHG members contribute regularly to the savings of the group. In many cases, SHG savings is the only option for the members; at least they are forced to save a meagre amount from their low incomes. From the accumulated savings the groups disburse loans to its members at nominal interest rates. The expenditure is greater than the income. This scenario forces them to borrow. Still compulsory savings is very helpful for their future upliftment.

11 Reasons for Joining SHGs

The respondents were given a set of reasons for joining the group and were asked to give their opinion on a five point scale - points given to 'Strongly Agree' 5.....The sum of the scores for each reason was accounted for and ranked as given in Table 3.

The dominant reasons for women joining SHGs are to attain self confidence and social status. They feel that savings and starting own businesses will help improve socio economic status. Thus it is evident from Table 3 that the women were keen on enhancing their socio economic status.

12 Difficulties Undergone after Joining SHGs

Similar to the classification of benefits, the difficulties faced by SHG women were also grouped into the following five categories.

1. Difficulties in attending the meetings and training sessions on week days
2. Getting loans and aid from the bank is difficult and it involves lots of procedures
3. Difficulty in maintaining too many procedures in accounts
4. The co-operation and co-ordination of the group members is very less

13 Conclusion

Thus it is evident from the above discussions that the SHG members have poor socio economic conditions – with low educational attainment and low levels of employment and income leading to high levels of borrowing. They are forced to take non-institutional loans, especially from local money lenders at exorbitant

Table 3 Reasons for Joining SHGs

Reasons	Sum Scores	Rank
Attain self confidence	681	1
Attain social status and participation in social activities	666	2
Compulsory savings	661	3
Motivate to start own business	652	4
Getting bank loans and aid is easy	630	5
Training received on various issues	618	6
Exposure to bank and other related activities	606	7
Capital formation	572	8

Source: Primary data

rates of interest. Being members of SHGs have helped them to improve their situation/position to some extent.

Group participation is one of the major elements of SHG. Interaction in meetings help to develop friendship, express solidarity with the problems of others, improve leadership and enhance one's own capacity as stepping stones to development. Good peer group provides efficient social support system. Women find a new identity through SHGs. Some of the members reported that they experience a special bond on meeting other members at market places and bus stops after joining the SHG.

The level of literacy plays a vital role in receiving benefits by the SHG women. Those with a comparatively higher education tend to receive more benefits than those with lesser education. In well-established literate SHGs, members contribute substantially to the development and needs of their families. They even get respect and recognition from many sources of people whom they come across in day to day life. They show good participation in all the activities and training given by their NGOs and also in government training programs. In fact if a group is active it means most of the group members are educated compared to other groups. In conclusion, it can be stated that education is one of the important factors in raising their socio-economic status. Higher levels of education are reflected in their income, savings and expenditure level which tend to increase their standards of living.

14 Suggestions

1. NGOs should pay more attention and provide concrete guidance to SHGs in performing their economic activity. In most of the cases the members are dealing with similar economic activity which is not yielding high profit for the members, (eg) preparing masala products and selling, dress material business etc. The NGOs should pay more attention in motivating them to enter into a venture where they will have good returns for their investments
2. More attention should be given to illiterate women to encourage them to improve their level of education at least to be able to read and write.
3. Personal Development Programs can be envisaged for women SHG groups
4. The impact of other socio- demographic variables such as age and income can be studied at both univariate and multi-variate levels.

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