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RESEARCH ARTICLE

REASONS TO JOIN SHG WITH REFERENCE TO COIMBATORE DISTRICT

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ABSTRACT

While the policies of the external agents of development place emphasis on building institutions to assist the poor and women, the practice – oriented reality has to deal with the structural barriers that people, women and the organizations face. Though micro enterprises are Nat a panacea for the chronic problems of unemployment and poverty, yet income generating activity is a viable and effective strategy for achieving significant gains in incomes and assets of even the poorest among the poor. Objectives of the study, to examine the perceptions of women SHG members regarding reasons for selection of particular Income Generating Activity, marketing of products and their expectations. Methodology of the study, The list of Self Help Group income generating ventures was collected personally from the District Mahalir Thittam office. From the list a number of identified. There are 2000 ventures functioning in this District out of which 200 are selected on simple random basis, which constitute 10 per cent of the population. Among the 200 ventures there are 127 who undertake service activities, 73 are engaged in manufacturing & trading activities. It is suggested, Priority should be given to SHG women income generating activities while preparing the budget allocation by local self – Government. Government should sanction sufficient of loan and subsidy; then only SHGs can do business on large scale. Conclude this study, Thus promotion of income generation activities through micro credit among self help group women, no doubt ensures their economic independence and social status.

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INTRODUCTION

The self – help model in India facilitates institution building in the form of people' organization in the form of groups, clusters and federation. The poor, however, seldom organize themselves. It is an assisted self – help process where the State, the financial institutions and the Non – Governmental Organizations (NGOs) play an important role in mobilizing and assisting the poor and the needy. While the policies of the external agents of development place emphasis on building institutions to assist the poor and women, the practice – oriented reality has to deal with the structural barriers that people, women and the organizations face. At the level of practice the outcomes of Self help Groups depend on building mutually beneficial relationship negotiating power and gaining control. People's participation in Self – help organizations is not new. In Kenya, local self – help development efforts – harambee, in Vietnam, Tontines or Hui with 10 to 15 members that are involved in financial activities through cash or kind, and in Indonesia, self – help efforts through credit unions, fisher man groups, village – based bank's irrigation groups etc., have already been in existence.

In the areas of urban development and housing, self – help takes the form of neighborhood groups, tenant groups, slum development committees, user groups and so on. In rural development it is through credit groups, development committees, user groups and so on. Group – oriented efforts in the form of micro credit groups in the different countries of Latin America, Africa and Asia are examples of current Self help efforts. The grameen groups in Bangladesh and the self – help Groups (SHGs) in countries like Thailand, Nepal, Sri Lanka and India are forms of micro credit groups.

Statement of the Problem

The self – help Group is a novel mechanism and the brain – child of Mohammed Yunus, Noble Laureate of 2006 of Bangladesh. It is formed by NGOs of our country for alleviating the twin problems of poverty and unemployment. It has been working wonders, slowly transforming the face of rural India. The most admirable aspect of Indian micro finance is the dominant role of public sector banks and the SHG bank linkage programme. The success stories of SHG have attracted the attention of even new generation private sector and foreign banks. Economic independence is an effective tool to escape of poverty of the rural folk, especially women. This is possible by setting up of sustainable income generating operations or micro enterprises. Though micro enterprises are Nat a panacea

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for the chronic problems of unemployment and poverty, yet income generating activity is a viable and effective strategy for achieving significant gains in incomes and assets of even the poorest among the poor.

1. What are the reasons for selecting the income generating ventures by SHG members?
2. What are the marketing practices, which are used by the SHG members for selling their products?

Objectives of the Study

To examine the perceptions of women SHG members regarding reasons for selection of particular Income Generating Activity, marketing of products and their expectations.

MATERIALS AND METHODS

The study is based on both primary and secondary data. Primary data for the study was collected with the help of a Schedule. Secondary data was collected from Mahilar Thittam office, (Tamil Nadu Women Development Project) Coimbatore, Non – Governmental Organizations, Annual Report of NABARD, Journals, Books, etc. The list of Self Help Group income generating ventures was collected personally from the District Mahalir Thittam office. From the list a number of identified. There are 2000 ventures functioning in this District out of which 200 are selected on simple random basis, which constitute 10 per cent of the population. Among the 200 ventures there are 127 who undertake service activities, 73 are engaged in manufacturing & trading activities. Two women SHG members from each of the selected unit have been taken on random basis. So altogether 400 (200*2) sample respondents are considered for the study. The survey was conducted during the year 2013. The secondary data was collected for five years, covers a period of 2009 – 2013.

As regards the third objective of study, chi – square test has been applied to ascertain – whether area of residence and nature of activity have any relationship on selection of income generating activity, marketing strategies of SHG members and their expectations. To identify profitability from income generating activity inter correlation matrix, path co – efficient analysis and multiple regression analysis have been used for financial variables. In tune with the fourth objective of the study Kolmogorov – smirnov test (KS –Test), factor analysis and discriminant function analysis have been used to find out the opinions of members on the various benefits received through SHGs towards social empowerment. To analysis and GARRET Ranking have been used for savings. To accomplish the fifth objective of the study to analyze the problems of women generating ventures percentage analysis has been carried out.

Limitations of the Study

1. Most of the groups do not maintain proper record, care has been taken to see that the data collected is not biased as far as possible.

2. Only Women SHGs have been taken for the study though a number of men SHGs also exist.

Reasons to Start Income Generating Ventures- Area of Residence Wise

Area of residence influences to start venture. Respondents in semi-Urban and Urban areas have good Exposures. For this purpose the members have been classified according to reasons to start a Venture and area of residence.

Null Hypothesis: Place of residence of respondents does not influence to start an some generating venture.

Table 1. Reasons to start income generating ventures-area of residence wise

Reason to start an enterprise	Area of Residence			Total
	Rural	Semi Urban	Urban	
Forced Choice	0	0	2	2
Motivation from others	19	4	5	28
Availability of loan	144	46	34	224
Traditional Business	13	0	2	15
Availability of Government Sponsored Scheme	53	37	5	95
Own initiatives	25	9	2	36
Total	254	96	50	400

Source: Primary Data

Reasons to Start Income Generating Ventures and –Area of Residence - Chi-Square Result

Factor	Degree of Freedom	Calculated Value	Table Value at 5% level	Accepted/ Rejected
Reason to start an enterprise	6	72.712	12.59	Rejected

The Calculated value of Chi – Square is more than Table value and the null hypothesis is rejected. Hence it is inferred that the area of residence of SHG members influences them to start specific activities.

Reasons for Selection of a Particular Activity – Area of Residence

Area of residence helps to select the particular income generating activity by the SHG members. The distribution of respondents according to place and reason for selection of a particular activity is stated in the Table 2

Null Hypothesis: There is no significant difference between place and reason for selection of particular activity.

Table 2. Reasons for selection of a particular activity-area of residence wise

Reason for selection	Area of Residence			Total
	Rural	Semi Urban	Urban	
Previous work experience	68	47	9	124
Availability of skilled labour	14	5	7	26
Success of similar enterprise	22	2	3	27
Availability of raw materials	43	11	14	68
Suggested by resource persons	5	2	0	7
Less Competition	76	7	15	98
Availability of subsidy/scheme etc.,	26	22	2	50
Total	254	96	50	400

Source: Primary Data

Reasons for Selection of a Particular Activity and –Area of Residence - Chi-Square Result

Factor	Degree of Freedom	Calculated Value	Table Value at 5% level	Accepted/ Rejected
Reason for selecting particular activity	4	32.459	9.49	Rejected

The Calculated value of Chi – Square is more than Table Value and the null Hypothesis is rejected. Hence it is inferred that the reason for selection of a particular activity depends on place of residence of SHG members.

Reason for Selection of Particular Activity Nature of Activity

The various reasons are considered by SHG members for selection of particular activity. The distribution of respondents according to reasons for selection of particular activity and nature of activity is shown in Table 3

Null Hypothesis: There is no significant difference between nature of activity and reason for selection of activity.

Table 3. Reasons for selection of a particular activity-area of nature of activity wise

Reason for selection	Nature of Activity		Total
	Service	Manufacturing & Trade	
Previous work experience	80	44	124
Availability of skilled labour	12	14	26
Success of similar enterprise	12	15	27
Availability of raw materials	43	25	68
Suggested by resource persons	5	2	7
Less Competition	72	26	98
Availability of subsidy/scheme etc.,	30	20	50
Total	254	146	400

Source: Primary Data

Reasons for Selection of a Particular Activity and Nature of Activity - Chi-Square Result

Factor	Degree of Freedom	Calculated Value	Table Value at 5% level	Accepted/ Rejected
Reason for selecting particular activity	8	28.233	15.50	Rejected

The Calculated value of Chi – Square is more than Table Value and the null Hypothesis is rejected. Hence it is inferred that the reason for selection of a particular activity depends on Nature of activity of SHG members.

Suggestions

Suggestion to Government

1. Priority should be given to SHG women income generating activities while preparing the budget allocation by local self – Government.
2. Government should sanction sufficient of loan and subsidy; then only SHGs can do business on large scale.

3. Banks may sanction additional loans to SHGs if needed, even when the previous loans are not repaid, based on their satisfaction, with the SHGs performance and potential to repay.
4. Viable and sustainable development of income generating group ventures should be encouraged.
5. Co – operative marketing strategies should be encouraged among various SHG units to mitigate the hardships in the marketing of products.

Conclusion

The research project was established, properly designed and effectively implemented micro credit programme can not only alleviate poverty but also empower women at the grassroots. It proves that if development programmes are properly designed and sensitively implemented the programme can become a key in unlocking the creative and productive potential of rural women. The self help groups which create a silent revolution must be viewed as “change agents” in rural areas. As the illustrious Noeleen Hyzer, Cochair UN Concil, micro summit rightly pointed out, “micro credit is much more than access to money, it is about women gaining control over the means to make a living. It is about women lifting themselves, out of poverty and vulnerability. It is about women achieving economic and political empowerment within their villages and their countries.” Thus promotion of income generation activities through micro credit among self help group women, no doubt ensures their economic independence and social status.

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