

**AN ANALYTICAL STUDY ON ECONOMIC IMPACT OF
SELF HELP GROUP MEMBERS IN KANCHIPURAM
DISTRICT**

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Abstract

Rural Development is doubtless the main pillar of India's progress. It has lagged behind in many aspects of development even after six decades of independence. It is obvious that any country's economic development is led by social development and both the factors are mutually dependent. The concept of "Self Help Promotion" has emerged as a new archetype for combating poverty. This concept has proved the significance of togetherness and capitulates successful outcome. In Tamil Nadu it has been successfully structured by Tamil Nadu Development Corporation under Mahalir thitam scheme. In this study the economic impact of SHG on its members is analyzed during the pre and post membership period by taking the variables like Income, Expenditure, and Savings, Borrowings, and Assets creation. The four fundamental variables determining the economic status of a member as identified and used in various economic impact measurement studies have been incorporated in the present analysis. Statistical tools such as simple percentage and Paired t-test, were used. The outcome of the study strongly reveals that women have become confident about their future and have attained a considerable level of self-reliance and thereby increase in the economic conditions after joining the self help group. Self help group facilitate the members a healthier position in the society.

Keywords: Economic Impact, Economic Status, Micro Credit, Non-Government Organisation, Self Help Groups.

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Introduction

Rural Development is doubtless the main pillar of India's progress. It has lagged behind in many aspects of development even after six decades of independence. Rural and urban India accounts for 40 per cent and 23.62 per cent of people below the poverty line respectively. The rural masses still depend on non-institutional credit agencies for their financial needs such as marriage, illness, consumption, buying productive assets, etc. Although the formal credit system is present widely in rural India, it could not overcome poverty and raise the economic status of poorest stratum of the economy. The foremost need is to redeem the poor from the ferocious cycle of poverty and misery to enable them to lead a life with pride, competence and self-esteem. It is obvious that any country's economic development is led by social development and both the factors are mutually dependent.

The concept of "Self Help Promotion" has emerged as a new archetype for combating poverty. This concept has proved the significance of togetherness and capitulates successful outcome. The economic impact of SHG on its members is analyzed during the pre and post membership period by taking the variables like Income, Expenditure, and Savings, Borrowings, and Assets creation. In other words, when a person earns surplus after meeting all living expenses, he would save a portion of surplus for investment in certain types of assets. Lack of adequate earnings will not take him to the next level of saving. The question of buying investment or asset will not arise in the case of negative surplus. Therefore the four fundamental variables determining the economic status of a member as identified and used in various economic impact measurement studies have been incorporated in the present analysis. Shiralashetti (2011), Nedumaran (2001), Jothi (2010), Sheikh Mohammad Feroze, et.al (2006), and Murali (2006) have applied the aforesaid variables in their study measuring the economic impact of SHGs on their members.

Review of Literature

According to Getaneh (2006) SHG is a development scheme, which works on the principles of self-regulation, mutual help and co-operation. He adds that SHGs members create their own capital through regular savings currently emerging in Ethiopia. The scheme provides saving and credit services which stimulates members' self help capacity resulting in social and economic empowerment as a resource for poor families, especially women.

Anitha and Revenkar (2007) has made an attempt to study the rural development through micro credit, the growth of SHGs from 1992-93 to 2003-04 and agency-wise Self Help Group Bank Linkage as on March 31, 2004. They concluded that the success of SHGs not only improved the economic status of women but also brought a lot of changes in their social status.

Jothi (2010) with the aid of primary data brought out the changes in the social and economic aspects of the sample respondents who are the members in SHG. The sample respondents, who were either unemployed or engaged in petty activities during their pre-membership period, have become very active by becoming fully employed in varied activities and thereby earning more. He has concluded that the self help groups contribute substantially in pushing the conditions of the female population up and through that chip in poverty eradication as well.

Mettei (2008) states that remarkable changes have taken place in Manipur after the implementation of Self Help Group scheme. He observes that most of the members are in the age group of 25 – 35 and all the members in the study experienced increased income earning capacity after joining the SHG. The study concludes that SHG has good prospect for future economic development as it is found to be a suitable agent for extending command over small ventures.

Monika Tushir, et al. (2007) stated that finance is one of the most crucial inputs for growth and development of any economy. Provision of financial assistance to the poor and underprivileged section of the society has always been in the focus of various programmes, run by the government since independence. Despite having a wide network of rural bank branches in India a large number of the poor women continue to remain outside the purview of formal banking system.

Saraswathy, et.al (2009) made an attempt to analyze the role of micro finance in Krishnagri District by conducting a primary survey. The study revealed that majority of members agreed that their income, expenditure and savings increased after joining the SHG. They concluded that SHG has become the development ambassador for villages.

Statement of the Problem

Micro credit has emerged as a financial strategy to reach the urban and the rural poor. Whether micro credit schemes routed through self help groups have proved to be a great success in Kanchipuram District too as claimed elsewhere, is a matter worth probing. Evaluation of the impact of SHGs on the beneficiary members has assumed crucial importance. In other words,

whether micro credits dispensed through self help groups in Kanchipuram district has really helped the beneficiaries in raising their level of living through pursuit of gainful micro ventures, is a problem that merits detailed study. The present study is undertaken essentially to assess this impact.

Scope of the Study

The study of women members in SHGs in Kanchipuram district throws light on the status of women, Economic impact created by SHG. The need of the day is the empowerment of women in all the walks of life through SHG. This study addresses the Economic impact in various dimensions and its impact on Self Help Group members. Thus, the present study is supposed to benefit the different constituencies of self help group mechanism.

Objectives of the Study

1. To measure the level of Economic impact perceived by the respondents.
2. To examine the impact of Economic Variables on Self Help Group Members after joining the Self Help Group.
3. To identify the overall Economic Impact gained by the Self Help Group Members.

Methodology

Sampling

The present study is confined to the members of the Self Help Groups under Mahilar Thittam Scheme operated by the Government of Tamil Nadu. Multi-stage random sampling was adopted for the present study. There were more than 25,000 Self Help Groups functioning in Kanchipuram district. These groups were functioning under 20 NGOs. The sample size of the present study was fixed at 350 groups by applying sampling formula. In the first phase only 3 NGOs (Hand in Hand, Daughters of Mary Immaculate, and Arivoli Iyyakkam) which run self help groups functioning for a minimum period of 5 years in all 13 blocks of Kanchipuram district were considered and the self help groups which have a minimum membership of 15 alone were considered in the second phase. In the final stage, three office bearers were chosen from each group thus, making the total size of the sample to 360 members. Since 10 questionnaires were found to be incomplete in some vital aspect and due to non-cooperation of 10 respondents; these were to be rejected. Hence the final size of sample is 350 members.

Collection of data

The present study is empirical in character based on survey method. The first-hand information for this study was collected from the officials of DRDA, Kanchipuram District. Primary data exploring the impact of SHGs on Economic impact were collected from the members. The interview schedule was prepared after a review of relevant literature pertaining to self help groups.

Framework of analysis

Data collected have been presented in tabular form and analysis made, statistical tools such as simple percentage, Paired t-test, was used.

RESULTS & DISCUSSION

Table 1
Age-wise Classification of the Sample Members

| Sl. No. | Age | No. of Members | Percentage to Total |
|--------------|----------|----------------|---------------------|
| 1 | Below 25 | 108 | 30.9 |
| 2 | 25-30 | 189 | 54.0 |
| 3 | Above 30 | 53 | 15.1 |
| Total | | 350 | 100.0 |

Source: Primary Data

The age wise distribution of sample has been displayed in the table 1. It is patent from table that 108 members forming 30.9 per cent fall in the age group of below 25 and 189 members constituting 54 per cent comes under the age group of 25 and 30. Members above the age of 30 are only 53 forming 15.1 per cent. It is therefore evident from the above analysis that the SHG concept has been catching up the younger women of Kanchipuram district.

Table 2
Literacy Level of the Sample Members

| Sl. No. | Literacy Level | No. of Members | Percentage to total |
|---------|----------------------------|----------------|---------------------|
| 1 | Illiterate | 88 | 25.1 |
| 2 | Primary Schooling | 116 | 33.1 |
| 3 | High School Education | 87 | 25.0 |
| 4 | Higher Secondary Education | 53 | 15.1 |
| 5 | Graduate | 6 | 1.7 |

| | | | |
|--|--------------|------------|--------------|
| | Total | 350 | 100.0 |
|--|--------------|------------|--------------|

Source: Primary Data

Table 2 displays the educational status of the sample respondents. A close glance at table reveals that the members with primary schooling constitute a higher percentage of 33.1 per cent closely followed by illiterate members with 25.1 per cent. It is also patent from the table that members with higher secondary and graduate qualification forming 16.8 per cent do not seek economic pursuit through self Help Group. Therefore it is concluded that SHGs in Kanchipuram district are mostly manned by illiterate and primary school dropout members.

Table 3

Average Annual Income of the Sample Members

| Sl. No. | Income Range (in Rs.) | No. of Members | Percentage to total |
|---------|-----------------------|----------------|---------------------|
| 1 | 7,500 – 15,000 | 7 | 2 |
| 2 | 15,001 – 22,500 | 21 | 6 |
| 3 | 22,501 – 30,000 | 124 | 35 |
| 4 | 30,001 – 37,500 | 58 | 17 |
| 5 | Above 37,500 | 140 | 40 |
| | Total | 350 | 100 |

Source: Primary Data

A close scrutiny of table 3 reveals that the average annual income of the respondents has increased remarkably. The number of members whose average annual income falls between Rs. 22,501 and Rs. 30,000 is 124 (35 percent) and the number of respondents earning between Rs. 30,001 and Rs. 37,500 are 58 (17 percent) and those earning above Rs. 37,500 are 140 constituting 40 per cent. This clearly shows that the SHGs in the study area have helped the members to gain economic empowerment.

Table 4

Type of Family among the Sample Members

| Sl. No. | Family Pattern | No. of members | Percentage to total |
|---------|----------------|----------------|---------------------|
| 1 | Nuclear | 245 | 70 |
| 2 | Joint | 105 | 30 |
| | Total | 350 | 100 |

Source: Primary Data

Table 4 shows the nature of the family of SHG members in Kanchipuram district. It is manifest from the table that vast majorities (70 per cent) are from nuclear families. It was stated during the course of interview with the members that the nuclear family system enabled them to actively participate in group activities.

Table 5

Marital Status of the sample members

| Sl. No. | Marital Status | No. of Members | Percentage to total |
|---------|----------------|----------------|---------------------|
| 1 | Unmarried | 90 | 26 |
| 2 | Married | 234 | 67 |
| 3 | Others | 26 | 7 |
| | Total | 350 | 100 |

Source: Primary Data

It can be noticed from Table 5 that most of the members i.e. 234 members representing 67 per cent are married female members while 90 members with 26 per cent are unmarried. The bare necessity to supplement the income of family in these days of sky rocketing of prices and sheer inability to keep idle despite possessing vast vocational skills drive the married members to seek some gainful economic activity by SHG.

Table 6

Locality of the Sample Members

| Sl. No. | Locality | No. of Members | Percentage to total |
|---------|--------------|----------------|---------------------|
| 1 | Urban | 138 | 39 |
| 2 | Rural | 212 | 61 |
| | Total | 350 | 100 |

Source: Primary Data

It is evident from the above table 6 that the concept of SHG has become a great hit among the female population in rural segment of the Kanchipuram district. As many as 212 members occupying 61 per cent from rural areas outnumbered their urban counter parts which constitute 39 per cent. Therefore it can be concluded that the SHGs in Kanchipuram district are mostly concentrated in rural areas. Having examined the demographic profile of respondents, analysis veers round to measuring the Economic Impact of SHG on its members on the various

dimensions.

Economic Variables

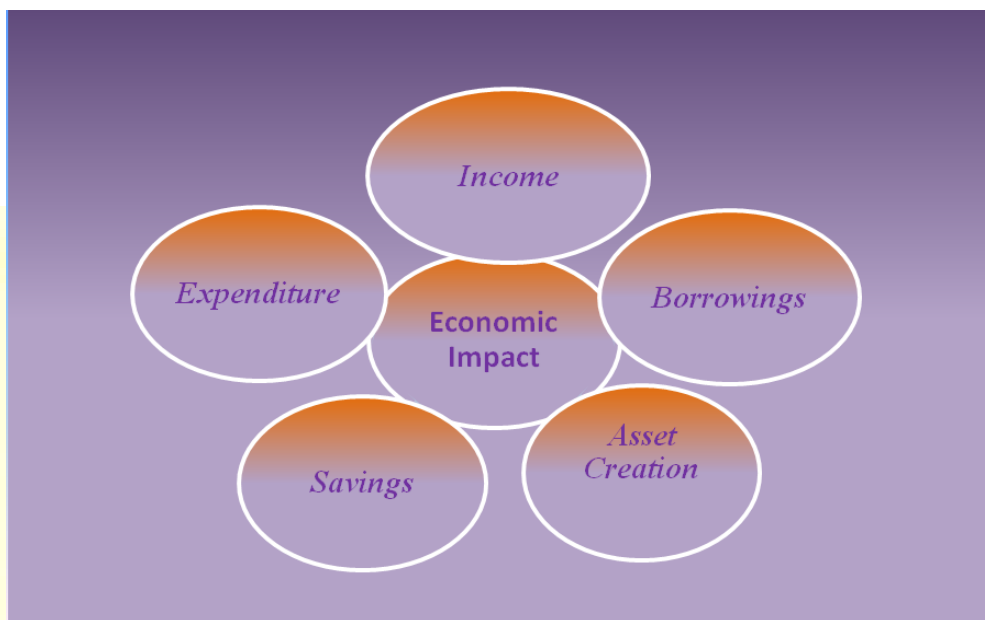


Table 7

Average Annual Income of the Sample Members

| Sl. No. | Income Range (in Rs.) | Before Joining SHG | | After Joining SHG | |
|---------|--------------------------|--------------------|------------|-------------------|------------|
| | | No. of Members | % | No. of Members | % |
| 1 | 7,500 – 15,000 | 20 | 6 | 7 | 2 |
| 2 | 15,001 – 22,500 | 36 | 10 | 21 | 6 |
| 3 | 22,501 - 30,000 | 161 | 46 | 124 | 35 |
| 4 | 30,001 – 37,500 | 42 | 12 | 58 | 17 |
| 5 | Above 37,500 | 91 | 26 | 140 | 40 |
| | Total | 350 | 100 | 350 | 100 |

Source: Primary Data

The income of the respondents during the pre-membership period and post-membership period has been shown in the table 7. Income has been taken as one of the indicators for assessing the economic impact of SHG on its members by Vinayaga Moorthy and Vijay Pithadia (2007), Anumudha and Vijaya Banu (2009).

A close examination of the table shows that the number of members whose earnings are between Rs. 7,500 and Rs. 15,000 was 20 (6 per cent). But this number has fallen to just 7 members (2 percent) which show positive economic impact implying that those earning lesser income in the slab have graduated to still higher income slab. Similar is the case with the member's earnings between Rs. 15,001 and Rs. 22,500 and those with earning between Rs. 22,500 and Rs. 30,000. In other words, the number of members in the pre-membership period in these two income slabs have migrated to higher income slabs i.e. Rs. 30,000 to Rs. 37,500 and above Rs. 37,500.. Therefore it can be concluded that SHG in Kanchipuram District has undoubtedly raised the economic status of the members.

Table 8
Paired t test for significant difference between income earned before and after joining of SHG

| Income | Mean | S.D. | t value | P value |
|--------------------|---------|--------|---------|---------|
| Before joining SHG | 4266.29 | 719.84 | 52.406 | 0.000** |
| After joining SHG | 5219.00 | 725.44 | | |

Source: Primary Data ** Denotes significant at 1% Level

The impact of SHG on the income level has already been analysed in the earlier table. Now the impact of SHG on income generation of members is statistically tested by paired t-test. It is evident from the results that the t value of 52.406 is significant at one per cent level of significance. It implies that the income level of respondents has significantly improved after they joined the SHG.

Table 9
Consumption pattern of the Sample Members

| Sl. No. | Item | Before Joining SHG (Rs) | | After Joining SHG (Rs) | |
|---------|-----------|-------------------------|----|------------------------|----|
| | | Rs. | % | Rs. | % |
| 1 | Food | 1,060 | 12 | 2,184 | 20 |
| 2 | Clothing | 706 | 8 | 1,529 | 14 |
| 3 | Education | 1,854 | 21 | 4,368 | 40 |
| 4 | Health | 883 | 10 | 2,730 | 25 |
| 5 | Festivals | 4,327 | 49 | 109 | 1 |

| | | | | | |
|--|--------------|--------------|------------|---------------|------------|
| | Total | 8,830 | 100 | 10,920 | 100 |
|--|--------------|--------------|------------|---------------|------------|

Source: Primary Data

Table 9 shows the consumption pattern of members over the various items of expenditure. An item-wise analysis of expenditure is taken up. It is apparent that, the members who have spent Rs. 4,327 on festivals (49 per cent) have began to attach less importance to this aspect as it has shrunk to just 1 per cent; on education Rs. 1,854 (21 per cent); on clothing Rs. 706 (8 per cent); health Rs. 883 (10 per cent), and on food Rs. 1,060 (12 per cent) shifted the priorities in the post membership phase. In other words, the priority pattern in the pre-membership period has undergone a complete shift in the post-membership period. The health care for which members expend Rs. 4,368 (40 per cent) after joining the SHG, points to increasing consciousness among the members about the various aspects of health.

The food for which lesser amount was spent in the pre-membership period got a second place in the current list priorities with an average annual expense of Rs. 2,184 (20 per cent). The dress consciousness among the members has caught up and the expenditure is raised to Rs. 1,529 (14 per cent). The absence of any change in the priority is noticeable in expense on education. It is also comforting to note that members who used to spend lavishly on festivals/recreation have progressed to think of the futility thereof in the post-membership period owing to upgradation in life style of the members after joining the SHG. In short increasing expense on food, clothing, and health signals the increasing life style of the members while reducing the expenditure on festival, and recreation is a sign of progressive mindset of the members, thanks to their membership in SHG.

Table 10
Expenditure pattern of the Sample Members

| Sl. No. | Amount of Expenditure (in Rs.) | Before joining SHG | | After joining SHG | |
|---------|--------------------------------|--------------------|----|-------------------|----|
| | | No. of Members | % | No. of Members | % |
| 1 | Below 10,000 | 135 | 38 | 75 | 21 |
| 2 | 10,001 –15,000 | 98 | 28 | 105 | 30 |
| 3 | 15,001 –20,000 | 90 | 26 | 102 | 29 |
| 4 | 20,001 – 25,000 | 20 | 6 | 48 | 14 |

| | | | | | |
|---|--------------|------------|------------|------------|------------|
| 5 | Above 25,000 | 7 | 2 | 20 | 6 |
| | Total | 350 | 100 | 350 | 100 |

Source: Primary Data

The table 10 portrays the pattern of expenditure per member per year. The expenditure as a variable having impact on the economic status has been used in research studies conducted by Shiralashetti (2010), Jerinabi (2006) and Vijayalakshmi (2005). A close look at the table shows that those who spent below Rs. 10,000 before joining the SHG was 135 forming 38 per cent. This has slimmed to 75 (21 per cent). The number of members who spent above Rs. 10,000 and below Rs. 25,000 during the pre-membership period was 208 (60 per cent). This has increased to 215 forming 75 per cent during the membership period. Those spending above Rs. 25,000 are twenty in number, forming 6 per cent.

Table 11

Paired t test for significant difference between expenditure incurred before and after joining SHG

| Expenditure | Mean | S.D. | t value | P value |
|--------------------|---------|--------|---------|---------|
| Before joining SHG | 2456.57 | 606.31 | 60.406 | 0.000** |
| After joining SHG | 3528.71 | 709.84 | | |

Source: Primary Data

It can be stated that the members have increased the level of expenditure in the post membership period due to higher level of income earned through ventures sought through SHG as evidenced by t value. Therefore it can be concluded that the SHG has really brought about a significant change in the expenditure pattern of the members.

Table 12

Savings pattern of the Sample Members with different Agencies

| Sl. No. | Name of the Agency | Before joining SHG | | After joining SHG | |
|---------|------------------------|--------------------|----|-------------------|----|
| | | Rs. | % | Rs. | % |
| 1 | Savings in Post Office | 620 | 29 | 560 | 15 |
| 2 | Savings in Bank | 321 | 15 | 724 | 20 |
| 3 | Savings in Chit Funds | 1,199 | 56 | 273 | 8 |
| 4 | Savings in SHGs | - | - | 2,064 | 57 |

| | | | | | |
|--|--------------|--------------|------------|--------------|------------|
| | Total | 2,140 | 100 | 3,621 | 100 |
|--|--------------|--------------|------------|--------------|------------|

Source: Primary Data

The various forms of savings have been shown in table 12. The existence of savings indicates the surplus left over after meeting all essential expenditure which in turn leads to the prosperity of the members. One of the chief features of the SHG is to inculcate saving habit. It represents the economic power of the individual. A comparison of pre-membership savings with that of post-membership savings highlights a shift in the saving pattern of the members. That the members used to save at post offices and at chit funds in the pre-membership period are borne out by the amount of savings in post office which stood at Rs. 620 (29 per cent) and in chit funds which stood at Rs. 1,119 (56 per cent).

This savings scenario has undergone a paradigm shift after the member's joining the SHG. Due to their frequent transactions and the consequent interactions with banks, they shifted the savings from chit funds to SHG and banks. The size of saving in SHG has touched Rs. 2,064 reflecting 57 per cent of total savings closely followed by bank deposits of Rs. 724 forming 20 per cent after joining the SHG. In short, the tremendous shift in the institutions where savings were parked unmistakably points to the growing awareness among the members about the various schemes and banking practices. Thus, the concept of SHG has indirectly been promoting financial inclusion.

Table 13

Saving pattern of the Sample Members in terms of the Size of Savings

| Sl. No. | Amount of Savings (in Rs.) | Before Joining SHG | | After Joining SHG | |
|---------|-------------------------------|--------------------|------------|-------------------|------------|
| | | No. of Members | % | No. of Members | % |
| 1 | 2,000 - 4,000 | 280 | 80 | 102 | 29 |
| 2 | 4,001 - 6,000 | 60 | 17 | 140 | 40 |
| 3 | Above 6,000 | 10 | 3 | 108 | 31 |
| | Total | 350 | 100 | 350 | 100 |

Source: Primary Data

Having analysed the saving habit in the previous table, this table sheds light on the savings pattern of members. The size of the saving signifies the size of earnings. It is manifest from the table that the pre-membership saving of members was in the range of Rs. 2,000 to Rs. 4,000

representing 80 per cent. Only ten members constituting 3 per cent were able to save above Rs. 6,000. Only 60 members (17 per cent) in this phase could save between Rs. 4,000 and Rs. 6,000.

This situation has undergone a sea change, thanks to their membership in SHG. In other words, SHG mechanism provides varied support to members pursuing different economic pursuits, to increase their savings. Accordingly 140 members (40 per cent) in the post membership period could save between Rs. 4,000 and Rs. 6,000; 108 members forming 31 per cent can afford to save above Rs. 6,000 and 102 members representing 29 per cent could save between Rs. 2,000 and Rs. 4,000. Therefore it can be concluded that SHG in the study area has played a significant role in enhancing the size of the savings of the members.

Table 14
Paired t test for significant difference between savings before and after joining SHG

| Savings | Mean | S.D. | t value | P value |
|--------------------|---------|--------|---------|---------|
| Before Joining SHG | 4133.36 | 718.08 | 51.404 | 0.000** |
| After Joining SHG | 5119.00 | 722.42 | | |

Source: Primary Data

Table 14 displays the results of paired t-test applied to test the impact of SHG on the savings level of respondents. From the table it implies that the level of savings has significantly improved after their joining SHG. Since the t value 51.404 which is highly significant at 1 per cent level, it can be concluded that the saving of the members has remarkably improved. Thus, one of the chief features of SHG concept i.e. promoting the saving habit of the members has been achieved by SHGs in the study area.

Table 15
Borrowing pattern of the Sample members

| Sl. No. | Loan Amount (in Rs.) | Before joining SHG | | After joining SHG | |
|---------|----------------------|--------------------|----|-------------------|----|
| | | No. of Members | % | No. of Members | % |
| 1 | Less than 10,000 | 171 | 49 | 69 | 19 |
| 2 | 10,000 – 15,000 | 168 | 48 | 72 | 20 |
| 3 | 15,001 – 20,000 | 7 | 2 | 74 | 22 |
| 4 | Above 20,000 | 4 | 1 | 135 | 39 |

| | | | | |
|--------------|------------|------------|------------|------------|
| Total | 350 | 100 | 350 | 100 |
|--------------|------------|------------|------------|------------|

Source: Primary Data

Table 15 shows the various slabs of loan taken by beneficiaries in the pre and post membership period. The rise in the size of loan is surely indicative of the financial strength of the borrower. Yet the size of the loan can be taken as one of the indicators of borrower's rise in economic status. Vijayakumar (2009), Navin Bhatia (2007) has empirically proved the nexus between the size of loan and the economic status of SHG members. The 171 (49 per cent) beneficiaries in the pre-membership period has taken a loan less than Rs. 10,000 while 168 members forming 48 per cent were taking loans between Rs. 10,000 and Rs. 15,000. This situation has undergone considerable change in the post-membership period. The number of members who availed loans above Rs. 20,000 were 135 (39 per cent); and the beneficiaries taking loans between Rs. 15,001 and Rs. 20,000 were 74 (22 per cent). But, the number of members availing loans in the range of Rs. 10,000 and Rs. 15,000 shows a steep fall from 168 to 72 members. Thus, there is a total change in the size of loans availed of by members.

Table 16

Paired t test for significant difference between borrowings before and after joining of SHG

| Borrowings | Mean | S.D. | t value | P value |
|--------------------|-------------|-------------|----------------|----------------|
| Before joining SHG | 2246.52 | 608.42 | 60.302 | 0.000** |
| After joining SHG | 3436.51 | 711.83 | | |

Source: Primary Data

The statistics displayed in the table clearly proves that the borrowing level of the respondents has significantly improved after joining the SHG as the t value stands at 60.302 at one per cent level of significance. Therefore it can be concluded that SHG has really improved the borrowing capacity of the members.

Table 17

Type of loans Borrowed by the Sample Members

| Sl. No. | Type of Loan | Before joining SHG | After joining SHG |
|----------------|---------------------|---------------------------|--------------------------|
|----------------|---------------------|---------------------------|--------------------------|

| | | Rs. | % | Rs. | % |
|--------------|------------------|---------------|------------|---------------|------------|
| 1 | Productive Loan | 4,400 | 44 | 19,000 | 76 |
| 2 | Consumption Loan | 5,600 | 56 | 6,000 | 24 |
| Total | | 10,000 | 100 | 25,000 | 100 |

Source: Primary Data

Table 17 shows the loan taken for productive and consumption purposes. Before joining SHG, consumption loans stood at Rs. 5,600 (56 per cent) on an average while productive loan stood at Rs. 4,400 on an average of 44 per cent. There is a total change in the post membership phase in the sense that productive loan has reached a height of Rs. 19,000 on an average of 76 per cent and the consumption loan in the post-membership period has come down to 24 per cent. In other words, it has halved in this period. SHGs needs are to be attributed to this welcome change.

Table 18

Value of Assets held by the Sample Members

| Sl. No. | Value of Assets (In Rs.) | Before Joining SHG | | After Joining SHG | |
|--------------|--------------------------|--------------------|------------|-------------------|------------|
| | | No. of Members | % | No. of Members | % |
| 1 | Less than 10,000 | 148 | 42 | 99 | 29 |
| 2 | 10,000 – 15,000 | 101 | 29 | 97 | 28 |
| 3 | 15,001 – 20,000 | 64 | 18 | 81 | 23 |
| 4 | Above 20,000 | 37 | 11 | 73 | 20 |
| Total | | 350 | 100 | 350 | 100 |

Source: Primary Data

The table 18 displays the value of assets held by members before and after joining the SHG. A close observation of the table shows that those who have assets value exceeding Rs. 20,000 are 73 (20 per cent) while it was just 37 before joining SHG. Similarly those who hold assets value between Rs. 15,001 and Rs. 20,000 numbered to 81 (23 per cent) while it was 64 during the pre-membership period. In view of more number of members holding assets value beyond Rs. 15,000, it can be concluded that SHG has helped the members economically. The reduction of 249 members holding assets value not exceeding Rs. 15,000 to 196 members have positive impact of SHG on members.

Table 19

Pattern of Assets held by the Sample Members

| Sl. No. | Pattern of Assets | Before joining SHG | | After joining SHG | |
|---------|-------------------------|--------------------|------------|-------------------|------------|
| | | No. of members | % | No. of members | % |
| 1 | House property | 6 | 2 | 35 | 10 |
| 2 | Farm Land | 74 | 21 | 12 | 3 |
| 3 | Vehicles | 12 | 3 | 56 | 16 |
| 4 | Livestock | 122 | 35 | 85 | 24 |
| 5 | Jewel | 10 | 3 | 97 | 28 |
| 6 | Household articles | 16 | 5 | 65 | 19 |
| 7 | Agricultural implements | 110 | 31 | -- | -- |
| | Total | 350 | 100 | 350 | 100 |

Source: Primary Data

Table 19 shows the pattern of investment held by the members before and after joining the SHG. A closer look at the table shows that the member's interest in investment in livestock has come down from 35 per cent in the pre-membership period to 24 per cent in the post-membership period.

As many as 74 members (21 per cent) have invested in farm lands during the pre-membership period and this figure has come down to 12 (3 per cent) in the post-membership period. Similarly the number of members who have invested in agricultural implements was 110 (31 per cent). But these members have totally stopped the investments in agriculture implements after joining the SHG.

The impact of members joining the SHG on the investment behavior is evident in the assets held like house, vehicles, jewel and household articles. The investments of the members in these assets have increased in the post membership period. In other words the increased life style of the members is borne out by the higher percentage of investments made after the membership in SHGs. That the investments in conventional assets have come down is definitely a remarkable shift in the mindset of members brought about by SHG.

Table 20

Paired t test for significant difference in assets holding before and after joining SHG

| Assets | Mean | S.D. | t value | P value |
|--------------------|---------|--------|---------|---------|
| Before joining SHG | 4354.21 | 715.82 | 51.304 | 0.000** |
| After joining SHG | 5321.10 | 721.24 | | |

Source: Primary Data

The impact of SHG on the asset holding of the members is tested by applying paired t-test confirm a positive fall out of SHG on assets held by the members. In other words, member's asset holding is strongly influenced by their membership in the SHG as confirmed with the t value 51.304 which is significant at 1 per cent level. Therefore it can be concluded that membership in SHG in the study area has significantly improved the asset holding pattern of the respondents.

Table 21

Overall Economic Impact of Sample Members

| Income (in Rs.) | Membership (in %) | | Expenditure (in Rs.) | Membership (in %) | | Borrowings (in Rs.) | Membership (in %) | | Amount of Savings (in Rs.) | Membership (in %) | |
|--------------------|----------------------|-----------------|-------------------------|----------------------|-----------------|------------------------|----------------------|-----------------|-------------------------------|----------------------|-----------------|
| | Pre Membership | Post Membership | | Pre Membership | Post Membership | | Pre Membership | Post Membership | | Pre Membership | Post Membership |
| 7,500– 15,000 | 6 | 2 | Below 10,000 | 38 | 21 | Less than 10,000 | 49 | 19 | 2,000 – 4,000 | 80 | 29 |
| 15,001– 22,500 | 10 | 6 | 10,001– 15,000 | 28 | 30 | 10,000– 15,000 | 48 | 20 | 4,000 – 6,000 | 17 | 40 |
| 22,501– 30,000 | 46 | 35 | 15,001– 20,000 | 26 | 29 | 15,001– 20,000 | 2 | 21 | Above 6,000 | 3 | 31 |
| 30,001– 37,500 | 12 | 17 | 20,001– 25,000 | 6 | 14 | Above 20,000 | 1 | 40 | -- | -- | -- |

| | | | | | | | | | | | | |
|-----------------|----|----|-----------------|---|---|---|--|--|--|--|--|--|
| Above 37,500 | 26 | 40 | Above 25,000 | 2 | 6 | . | | | | | | |
|-----------------|----|----|-----------------|---|---|---|--|--|--|--|--|--|

Source: Primary data

The impact of SHG on economic dimension has already been analysed. However, this table gives a succinct summary of the overall economic impact on the members thanks to the economic pursuits of SHGs.

It is evident from the table that the member's income has raised considerably in the income slab of Rs. 30,000 – Rs. 37,500 from 12 per cent to 17 per cent and those earning Rs. 37,500 from 26 per cent to 40 per cent. Similarly those earning between Rs. 7,500 and Rs. 15,000 has come down to 6 per cent to 2 per cent. Likewise those earning between Rs. 15,000 – Rs. 2,500 has come down from 10 per cent to 6 per cent in the post-membership period. Therefore it can be interpreted that the number of members in the high income slab has risen considerably in the post-membership period and the number of members who were in the low income slab in the pre membership period has come down sizeably in the post-membership period. In the light of above discussion, it can be concluded that the SHG concept has helped the members to climb the economic ladder fast.

As regards the expenditure, the capacity of the members to spend after joining the SHG has increased. In other words, the number of members in the higher expenditure bracket of Rs. 20,001 and Rs. 25,000 has risen from 6 per cent in the pre-membership period to 14 per cent in the post-phase. Similarly those expending above Rs. 25,000 have gone up to 6 per cent in the post-membership period.

Those members who are earning below Rs. 10,000 were 38 per cent in the pre-membership period. This figure has come down to 21 per cent in the post-membership period. However, there is no major change among the members earning above Rs. 10,000 and below Rs. 20,000. In other words, there is no economic impact on expenditure side on this expenditure group. Therefore it can be concluded that SHG has made strong impact on those spend above Rs. 20,000 and those spending below Rs. 10,000.

As far as borrowing capacity of members is concurred, it can be noticed in the table that SHG has made tremendous impact on such of those members borrowing above Rs. 15,000 and those borrowing between Rs. 15,000 and Rs. 20,000. In other words, those borrowing above Rs. 20,000 are 40 per cent in the post-membership period. There is a great

impact on borrowings between Rs. 15,000 and Rs. 20,000 with the number of borrowers standing at 21 in the post-membership period. The considerable reduction in the low level of borrowings are within Rs.15,000.

In other words, those borrowing less Rs. 10,000 have come down from 49 per cent to 19 per cent in the post-membership period and those borrowing Rs. 10,000 and Rs. 15,000 have shrunk to 20 per cent in the post-membership from 40 per cent in the pre-membership period. In short it can be summed up that the SHG has undoubtedly enhanced the borrowing capacity of members. As regards savings, SHG mechanism has worked wonders.

The number of small savers in the slab of Rs. 2,000 and Rs. 4,000 has come down to 29 per cent in the post membership period from 80 per cent before joining the SHG. The number of savers in the bracket of Rs. 4,000 and Rs. 6,000 has gone up from 17 per cent to 40 per cent in the post-membership period and those saving above Rs. 6,000 have gone up to 31 per cent in the post-membership period from just 3 per cent in the pre-membership phase.

All these facts clearly establish that the SHG has indubitably promoted the savings habit among the members in no small measure. In the light of aforesaid discussion, it can be concluded that SHG has made definite impact on the members on the economic spectrum in terms of enhancing income, increasing the capacity to spend, borrow and save.

Conclusion

The present study undertaken in Kanchipuram District reveals that SHGs have made a tremendous impact on economical dimensions of women members. In other words, members have been positively affected in raising the level of income, the capacity to expend, to scale up the economic ladder, to improve the savings considerably and to buy more assets to improve the standard of living. The SHG mechanism deserves credit for having transformed the life of self help group members in Kanchipuram District on economic front.

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