



## **SELF-HELP GROUPS IN TAMILNADU-ON OVERVIEW**

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### **Abstract**

Women constitute about 50 per cent of the world's "Mahatma Gandhi", the Father of the nation has, stated that women are the noblest of God's creation, supreme in their own sphere of activity. One of the powerful approaches to women empowerment and rural entrepreneurship is the formation of Self Help Groups especially among women. This strategy has fetched noticeable results not only in India and Bangladesh but also all over the world. Credit and its delivery through Self Help Groups have also been taken as a means for empowerment of rural women. SHG approach has proved successful not only in improving the economic conditions through income generation but also in creating awareness about health and hygiene, sanitation and cleanliness, environmental protection, importance of education and better response to development schemes. This paper analysis with Self Help Groups in tamilnadu number of group members ,Revolving Fund and Bank Credit Linkage.

### **INTRODUCTION**

'All for all' is the principle behind the concept of Self Help Groups. It is mainly concerned with the poor, and it is for the people, by the people and of the people. SHGs are mini voluntary agency for self-help at the micro level. It has been a focus on the weaker sections particularly women for their social defence. SHGs have got great potential in creating awareness on day-to-day affairs. It promotes saving habit, developing self and community assets, increasing the income level and increasing the social power. The concept of SHGs generates confidence, self-scrutiny and self-reliance. A SHG can be defined as a voluntary association of the poor with the common aim of social and economic empowerment. The purpose behind the formation of SHGs may be to pool the resources of members to meet their needs. The habit of thrift enables the development of common funds mobilized to mitigate the urgent needs of the members.

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## SELF HELP GROUPS IN TAMIL NADU

Tamil Nadu Afforestation Project has taken note of this new tool in rural development. It has encouraged formation of Self Help Groups in all villages during the year from 1997 to 2002. A tie-up has been arranged with the Tamil Nadu Women Development Corporation to link Mahalir Thittam (MT) in the programme villages. At the state level, Mahalir Thittam is organizing SHG rural poor. Mahalir Thittam is a socio-economic empowerment programme for women. It is implemented by Tamil Nadu Corporation for Development of Women Limited.

**TABLE 1**

### Details of SHGs as on 31.12.2017 in Tamil Nadu

<i>Sl.No.</i>	<i>Particulars</i>	<i>Groups/Members/Amount</i>
1.	Number of SHGs	5,38,283
2.	Number of SHGs Members	82.92 Lakhs
3.	Number of Rural SHGs	3,62,488
4.	Number of Members in Rural SHGs	55,25,960
5.	Number of Urban SHGs	1,75,015
6.	Number of Members in Urban SHGs	27,67,040
7.	Total Savings	₹3,440 Crores
8.	Number of SHGs Revolving Fund Provided	6,03,852
9.	Number of SHGs Revolving Fund provided – Rural	4,58,118
10.	Number of SHGs Revolving Fund provided – Urban	1,45,734
11.	Number of SHGs Credit Linked	4,93,330
	Total Credit Linked	16,730.71

Source: [www.tamilnaducorporationfordevelopmentofwomen.com](http://www.tamilnaducorporationfordevelopmentofwomen.com).



Table 1 shows the full status of SHGs in Tamil Nadu. It exhibits the total number of SHGs and members enrolled both in rural and urban areas, total savings kept by the SHGs, revolving fund provided to both rural and urban SHGs, total number of SHGs linked with banks.

### **Revolving Fund**

Revolving Fund(RF) is provided to SHGs to augment their group corpus and create credit discipline by enhancing their financial management skills. Proper utilization of the revolving fund will help in making SHGs credit worthy and access to bank loans. SHGs become eligible for revolving fund after passing the first credit rating which is undertaken six months after the date of formation of the SHGs. After passing the first credit rating, SHGs in rural areas are provided with revolving fund subsidy of ₹10,000 under schemes like SGSY. In addition to the subsidy given by the government, the banks provide cash credit upto ₹30,000 per group. But RF subsidy was not available to SHG in urban areas which restricted their access to credit from banks. Prior to 2006-07, there was no scheme to provide RF subsidy to urban SHGs. Therefore, the government announced a scheme to provide RF subsidy to urban groups from the year 2006-07. The year-wise details of revolving fund subsidy provided to SHGs are presented in Table 2

**TABLE 2**

#### **Year-wise Details of Revolving Fund Disbursed in Tamil Nadu**

<i>Year</i>	<i>Number of SHGs</i>			<i>Financial Assistance (₹ in Crores)</i>		
	<i>Rural</i>	<i>Urban</i>	<i>Total</i>	<i>Subsidy</i>	<i>Credit</i>	<i>Total</i>
2005-06	11,009	--	11,009	11.01	16.51	27.52
2006-07	14,830	--	14,830	14.83	22.25	37.08
2007-08	13,750	--	13,750	13.75	20.63	34.38
2008-09	28,153	--	28,153	28.15	42.23	70.38
2009-10	19,024	5,000	24,024	24.02	36.04	60.06
2010-11	18,563	25,000	43,563	43.56	65.34	108.90
2011-12	1,06,047	43,953	1,50,000	150.00	739.69	889.69

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2012-13	54,446	14,861	69,307	69.31	346.54	415.85
2013-14	38,144	14,599	52,743	52.74	263.72	316.46
2014-15	51,063	13,937	65,000	65.00	324.99	389.99
2015-16	51,247	14,018	65,255	65.12	330.32	395.44
2016-17	51,842	14,366	66,208	65.78	332.67	398.45
Total	4,58,118	1,45,734	6,03,852	603.27	2,540.93	3,144.20

Source: [www.tamilnaducorporationfordevelopmentofwomen.com](http://www.tamilnaducorporationfordevelopmentofwomen.com).

Table 2 shows the total amount of revolving fund and bank credit disbursed to both rural and urban SHGs from the year 2005-06 to 2016-17. The revolving fund (RF) subsidy of ₹135.39 crores along with the bank credit of ₹203 crores has been disbursed to a total of 1,35,329 SHGs. The last six years from 2011-12 to 2016-17, show a tremendous growth in extending RF subsidy and the bank credit to a large number of rural and urban SHGs. During the period, the RF subsidy of ₹467.95 crores along with the bank credit of ₹3,424.16 crores has been disbursed to a total of 4,68,523 SHGs.

## BANK CREDIT LINKAGE IN TAMIL NADU

Bank credit is one of the most critical inputs for empowering SHGs and to reduce rural indebtedness. Banks normally extend cash credit of ₹10,000 to ₹30,000 to SHGs along with RF subsidy of ₹10,000 provided by the government. But the quantum of credit extended by banks to SHGs was not adequate to meet the credit requirements of all the SHG members. Therefore, government has taken special efforts to increase the quantum of credit to SHGs and ensure credit is made available to SHGs in multiple doses. Due to the efforts taken by government, banks in the state have started providing minimum ₹50,000 as first linkage and maximum of ₹ one lakh and ₹1.5 lakh as second and third linkages respectively. Table 3 provides the year-wise details of credit linkages made between the SHGs and banks from the year 2005-06 to 2016-17.



**TABLE 3**

**Year-wise Credit Linkage Details in Tamil Nadu**

<i>Year</i>	<i>Achievements (₹ in Crores)</i>	<i>Cumulative (₹ in Crores)</i>
2005-06	184.65	184.65
2006-07	271.32	455.97
2007-08	490.62	946.59
2008-09	600.42	1547.01
2009-10	593.45	2,140.46
2010-11	800.70	2,941.16
2011-12	2,173.57	5,114.73
2012-13	2,791.65	7,906.38
2013-14	2,457.65	10,364.03
2014-15	2,189.76	12,553.79
2015-16	2,087.34	14,641.13
2016-17	2,089.58	16,730.71

Source: [www.tamilnaducorporationfordevelopmentofwomen.com](http://www.tamilnaducorporationfordevelopmentofwomen.com).

It is inferred from Table 3 that from the inception of Mahalir Thittam. SHGs have been assisted with the cumulative credit linkage of ₹2,941.16 crores only upto March 2011. But during the last six years alone credit linkage to SHGs has touched ₹16,730.71 crores due to the positive interventions made by the government and the whole hearted co-operation and support received from the banks in the state.

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## **CONCLUSION**

The Grameen Bank Model of Bangladesh has been transformed into SHGs to suit the Indian conditions. The functions of the SHGs are micro financing, subscription fees, collection, generating internal savings, maintaining common fund and organizing meetings. The success rate of SHGs are high at many places in India. The SHGs are considered as the real path finder's in the life of rural Indian women. In Tamil Nadu, there has been a substantial growth in the project of SHGs in respect of the number of SHGs formed, women enrolled and amount of savings. In Tamil Nadu, there are 51,82,180 SHGs with the total savings of ₹.3,440 crores upto 31.12.2017 and the 82.92 lakhs of women are on the role as members. The scheme of Mahalir Thittam of Tamil Nadu has been introduced to improve the conditions and status of women especially in rural areas. In this process, Non-Governmental Organizations have been acting as a bridge between the government and the SHGs in order to achieve an empowered society.

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