

# Social Implications and Economic Growth of Self-Help Groups in Chengalpattu District Tamilnadu State

M.Thaiyalnayaki\*

T.Sujatha\*\*

## Abstract

Although there has been considerable recent interest in micro-credit programs, rigorous evidence on the impacts of forming self-help groups to mobilize savings and foster social empowerment at the local level is virtually nonexistent, despite a large number of programs following this pattern. The positive impacts on empowerment and nutritional intake in SHG program overall is tremendous. This paper approaches the progress of SHG's in Chengalpattu District, Tamilnadu State. Around 300 respondents were selected who are participating and earning through SHG schemes. Frequency distribution and Regression analysis has been computed for the analysis part. The socio demographic factors such as Age, Educational Qualification, Income distribution and the business areas are analysed and presented in Table 1. The regression analysis has been computed to understand the factors influencing the Income generation of SHG members. In that past experience strengthens and develops network, Correct business location contributed to success, gaining more experience leads to less mistakes and Orientation and training assisted well to run business are positively influencing the business income of the women entrepreneurs. The rural poor are in-capacitated due to various reasons such as; most of them are socially backward, illiterate, with low motivation and poor economic base. Individually, a poor is not weak in socio-economic term but also lacks access to the knowledge and information, which are the most important components of today's development process. However, in a group, they are empowered to overcome many of these weaknesses, hence there are needs for SHGs

## 1.1 Introduction

SHGs are novel and innovative organizational setup in India for the women upliftment and welfare. All women in India are given chance to join any one of SHGs for training and development, so as to be prospective entrepreneur and skilled worker. The SHGs are promoted by the Government as if women in India may not be resourceful enough to be entrepreneurs. When the SHGs arrange training facilities to carry out certain kind of work which are suitable for women in India, bank must arrange financial assistance to carry out manufacturing and trading activities, arranging marketing facilities while the Governments will procure the product of SHGs, arrange for enhancing the capacity of women in terms of leadership quality and arranging for the management of SHGs by themselves so as to have administrative capacity. As a social movement with government support. SHGs become more or less a part and parcel of the society.

The concept of self help groups had its origin in the co-operative philosophy and the co-operators by and large, including the National Federations in the credit sector, could not think of any better SHG than a primary co-operative credit society itself. Today, the self help group movement is increasingly accepted as an innovation in the field of rural credit in many developing countries including India to help the rural poor considered a vehicle to reach the disadvantaged and marginalized section, which in the normal course cannot avail of credit facility from the bank.

\* Professor, Department of Commerce, Vels Institute of Science, Technology and Advanced Studies, Pallavaram

\*\* Assistant Professor, Department of Commerce, Vels Institute of Science, Technology and Advanced Studies, Pallavaram

## 1.2 Need and Importance of Self Help Group

Self help groups are necessary to overcome exploitation, create confidence for the economic self-reliance of rural people, particularly among women who are mostly invisible in the social structure. These groups enable them to come together for common objective and gain strength from each other to deal with exploitation, which they are facing in several forms. A group becomes the basis for action and change. It also helps building of relationship for mutual trust between the promoting organization and the rural poor through constant contact and genuine efforts.

## 1.3 The Statement of Problem:

The present study concentrates on the Social and Economic impacts of Self help groups in Chengalpattu District, Tamilnadustate. It studies the empowerment of women under SHGs. In the present scenario, what women need is empowerment in all spheres in order to be identified as human beings, to gain their due rights in the society and live their life with confidence and dignity on par with men SHGs are the powerful social tool to achieve the objectives and plays a pivotal role in social transformation and socio economic betterment of women.

## 1.4 Objectives of the study

This paper has been framed with the following objectives.

1. To analyse the importance of SHG
2. To findout the progress of SHG in Chengalpattu District, Tamilnadu.
3. To study the various training offered by the government to promote SHG s .
4. To ascertain the factor influencing economical conditions of women entrepreneurs

## 1.5 SHGS in Chengalpattu District, Tamilnadu

Self-Help Groups (SHGs) in the Chengalpattu district started on the basis with MahalirThittam program, which began in Tamil Nadu in 1989.

The SHG movement in Tamil Nadu was spearheaded by the Tamil Nadu Corporation for Development of Women (TNCDW) to foster social and economic empowerment.

The Chengalpattu district (which was part of the larger Kanchipuram district until its bifurcation) was covered during this progressive state-wide rollout. The "MahalirThittam" project was implemented in partnership with Non-Governmental Organizations (NGOs) and banks to form SHGs, promote savings, and provide credit access.

Chengalpattu Rural Development Society (CRDS), played a significant role, forming over 2,115 women SHGs in the district over the years and providing various capacity-building trainings and support.

Government initiatives to promote Self-Help Groups (SHGs) in the Chengalpattu district include the Tamil Nadu State Rural Livelihoods Mission (MahalirThittam), which provides systematic training and integration into Panchayat Level Federations (PLFs). The state also offers financial assistance for SHGs through interest subvention on loans, facilitates marketing through exhibitions, and runs various

programs like KalaingarKaivinaiThittam for artisans and the Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) scheme to boost livelihood opportunities.

### Conceptual Framework

a. **Programmatic support:** Tamil Nadu State Rural Livelihoods Mission (TNSRLM): This program promotes SHG formation and integration into community-based organizations like Panchayat Level Federations (PLFs).

b. **Training:** MahalirThittam provides systematic training to SHG members and office bearers to build their capacity.

c. **Panchayat Level Federations (PLFs):** These are registered entities that act as an institutional framework for economic activities and serve as a link between the District Mission Management Unit (DMMU) and the SHGs.

d. **Marketing:** The Tamil Nadu Corporation for Development of Women Ltd. organizes exhibitions at various levels to provide a platform for SHGs to market their products.

### e. Financial assistance and livelihood promotion

**Interest Subvention:** The State Rural Livelihoods Mission (SRLM) provides interest subvention to eligible SHGs who repay promptly, reducing the effective interest rate on credit.

f. **KalaingarKaivinaiThittam:** Introduced in December 2024, this scheme provides financial assistance and upskilling for artisans.

g. **PMFME Scheme:** This scheme, funded by both the Union and State governments, supports the formalization of micro food processing enterprises.

h. **DeenDayalUpadhyayaGrameenKaushalyaYojana (DDU-GKY):** This is a placement-linked skill development program for rural youth aged 18-35.

i. **PradhanMantri Mudra Yojana (PMMY):** This scheme provides loans to micro and small businesses through banks.

### Other initiatives

j. **Thozhi Hostels:** These hostels provide secure accommodation for women to support their participation in the workforce.

k. **VidiyalPayanam:** A scheme that provides free bus travel for women to promote independence.

l. **Social Welfare Schemes:** The Social Welfare Department offers employment opportunities through industrial cooperative societies and financial assistance for self-employment to widows, deserted women, and transgender individuals.

### 1.6 Methodology

Among the different districts in Tamilnadu, the Chengalpattu district has been purposively selected for the present study. The data and information have been collected from the sample size of 300 through pre-tested, structured interview schedule through direct interview method by adopting random sampling technique. The primary data collected from respondents pertains to the year 2025 .

### Descriptive Statistics

In order to analyze the socio-demographic features, the descriptive statistics has been carried out.

### Income Generating Factors

In order to examine the factors influencing the income generation of women entrepreneurs, the multiple linear regression analysis by Ordinary Least Square (OLS) estimation has been applied for identified variables. The functional form of multiple liner regression model are given below:

$$Y = \alpha + \beta_i X_i + e_i$$

Where

Y = Dependent Variable (Business Income)

X<sub>i</sub> = Independent Variable(Growth Determinants)

i = 1 to 15

α = Intercept

β<sub>i</sub> = Partial Regression Coefficients

e<sub>i</sub> = Random Error or Stochastic Disturbance Term

The α and β<sub>i</sub> are the coefficients which are to be calculated through Ordinary Least Square (OLS) estimation.

## 1.7 Results and Discussion

### Socio-Demographics

The socio-demographic features of women entrepreneurs were analyzed and the results are hereunder discussed. The age distributions of women entrepreneurs were analyzed and the results are presented in Table 1. From the table, the majority of women entrepreneurs (53 per cent) belonged to the age group above 30 years followed by less than 30 years (42 per cent). Only 5 per cent of women were in the age group of above 50 years. In order to collect the data from all range of Age it has been conducted from 30.

**Table 1** Socio-Economic Demographic Characteristics of Women Entrepreneurs

Variables with Category	Respondents(N=300)		Variables with Category	Respondents(N=300)	
	Number	Per Cent		Number	Per Cent
Age	Frequency	Per cent	Educational Qualification	Frequency	Per cent
< 30 Years	126	42	School Education	153	51
30- 50 Years	159	53	Under Graduation	126	42
50 and Above	15	5	Post-Graduation and Professionals	9	3

Total	300	100.00	Illiterates	12	4
Frequency Distribution of Sector of Business Activity			Total	300	100.00
Manufacturing	51	17	Income		
Marketing	144	48	< 50000	99	33
Supplier	69	23	50000-1 Lakh	144	48
Service	36	12	1Lakh-150000	54	18
Total	300	100	150000-2.5 Lakh	3	1
			Total	300	100.00

Source: Primary & Computed Data

The results indicated that about half of the entrepreneurs (51 per cent) have school education followed by under graduation (42 per cent). The post graduation and professionals accounted about only 3 per cent while illiterates were only 4 per cent. The results showed that about 48 per cent of women entrepreneurs earned income in the range of Rs. 50000-1 lakh from their business followed by less than Rs. 50000(33.00 per cent). About 18 per cent of entrepreneurs earned the income in the range of Rs.1 lakh-150000.

It is clear that about 48 per cent of women entrepreneurs were involving in marketing followed by supplier (23.per cent). About 17 per cent of the women carried manufacturing activities while, only 12.00 per cent was involving in service sector activities.

### Factors Influencing the Income Generation

In order to examine the factors influencing the income generation of women entrepreneurs, the multiple linear regression analysis by Ordinary Least Square (OLS) estimation has been applied and the results are presented in Table-2. The results show that the coefficient of multiple determination ( $R^2$ ) is 0.46 indicating the regression model is moderately fit.

The independent variables of My past experience strengthens and develops network( $X_4$ ), Correct business location contributed to my success ( $X_6$ ), I take measures to protect the environment as I grow ( $X_8$ ), As I gain more experience I commit less mistakes ( $X_9$ ) and Orientation and training assisted me to run my business ( $X_{12}$ ) are statistically significant at one per cent level of significance and these variables are positively influencing the business income of the women entrepreneurs. The factors Capital planning at each stage helped to develop ( $X_5$ ) and Infrastructure facilities provided by the Government has led to development of the business ( $X_{13}$ ) are also statistically significant at one per cent of level of significance but, these factors are negatively influencing the business income of women entrepreneurs through self-help groups.

**Table-2. Factors Influencing the Income Generation of Women Entrepreneurs-Multiple Regression**

Growth Determinants	Regression Coefficients	t-value	Significance
Intercept	2.030**	11.468	.000
As I gain more experience I commit less mistakes	.037**	2.145	.023
Correct business location contributed to my success	-.075**	-2.508	.012
Quick and prompt decision making helped me to grow	.038	1.105	.270
My friendly attitude towards labour led me to my success	-.017	-.572	.568
I take measures to protect the environment as I grow	-.035	-1.038	.300
My status improved when I achieved better results	-.008	-.247	.805
My advisers help me in smooth conduct of business	-.008	-.251	.802
My past experience strengthens and develops network	-.021	-.720	.472
Capital planning at each stage helped me to develop	.041**	2.224	.021
Incentives, subsidies and concessions provided by Central/State Government are great assistance to me	.072**	2.376	.018
Infrastructure facilities provided by the Government has led to development of the business	.029**	2.842	.010
Liberalization, Privatization and Globalization policy of the Government led to my present growth	-.095**	-2.623	.009
Orientation and training assisted me to run my business	-.045	-1.417	.157
Legal status of the organization led to my growth	.038**	2.227	.020
Proper pricing strategy enhanced my growth	-.014	-1.058	.291
R <sup>2</sup>	0.46		
Adjusted R <sup>2</sup>	0.28		
F	2.304		0.004
N	500		

Note: \*\* Significance at one per cent level

Source: Computed Data

### 1.8 Managerial Implications

The forgoing analysis indicted that the socio-demographic features of the women entrepreneurs are significantly different in various aspects. The majority of women entrepreneurs (53 per cent) belonged to the age group above 30 years followed by less than 30 years (42 per cent). Only 5 per cent of women were in the age group of above 50 years. The results indicated that about half of the entrepreneurs (51 per cent) have school education followed by under graduation (42 per cent). The post graduation and professionals accounted about only 3 per cent while illiterates were only 4 per cent. 48 per cent of women entrepreneurs earned income in the range of Rs. 50000-1 lakh from their business followed by less than Rs. 50000(33.00 per cent). About 18 per cent of entrepreneurs earned the income in the range of Rs.1 lakh-150000.

It is clear that about 48 per cent of women entrepreneurs were involving in marketing followed by supplier (23.per cent). About 17 per cent of the women carried manufacturing activities while, only 12.00 per cent was involving in service sector activities. It is apparent that the enterprise base for majority of the entrepreneurs (60 per cent) was semi-urban followed by urban (38 per cent). Only two per cent of them, used metropolitan area as their enterprise base.

In that past experience strengthens and develops network, Correct business location contributed to success, gaining more experience leadsto lessmistakes and Orientation and training assisted well to run business are positively influencing the business income of the women entrepreneurs.

### 1.9 Conclusion and Suggestion

Entrepreneurial development should not be left to chance, as is the practice now. The training programmes should include identification and selection of potential entrepreneurs, and their motivation into entrepreneurial career through provision training and other inputs necessary to set up entrepreneurial units. The growth of women entrepreneurs should be encouraged by providing special incentives, tax concessions, reduced rate of interest, transport and fuel subsidies. For creating a healthy entrepreneurial environment, they should also be given orientation about the various tools and techniques of accounting and finance. Lack of coordination among the institutions in providing power, water, communication and finance seriously hinder the growth of women entrepreneurship. To improve this situation, the proper coordination mechanism and monitoring system should be formulated and implemented.

The rural poor are in-capacitated due to various reasons such as; most of them are socially backward, illiterate, with low motivation and poor economic base. Individually, a poor is not weak in socio-economic term but also lacks access to the knowledge and information, which are the most important components of today's development process. However, in a group, they are empowered to overcome many of these weaknesses, hence there are needs for SHGs

### References:

- Agrawal, S., "Technology Model for Women's Empowerment", Kurukshetra, (2003): May, pp. 18-28.
- Ahmad, M.A., "Women Empowerment: Self Help Groups", Kurukshetra, (1999): April, pp. 13-15.
- Ashford, L., 'Gender Equality and the Empowerment of Women'. Population Bulletin, 50 (1), (1995): pp. 17 – 22.
- Batliwala, S., 'The Meaning of Women's Empowerment: New Concepts from Action'. In Sen, G., Germain, A., and Chen, L., (Eds). Population Policies Reconsidered: health, empowerment and rights, Boston, Harvard University Press, (1994).
- Deepti Agarwal, "Empowerment of Rural Woman in India", Social Welfare, 48(4), (2001): pp. 3-4.
- Gain, Raji T.S. and P. Satish,, "A Micro Study on Group Dynamics and Group Functioning", Working Paper No. 6, Banker's Institute of Rural Development, (1995).
- Kabeer, Naila., "Resources, Agency, Achievements: Reflections on the Measurement of Women's Empowerment", Development and Change, 30, (1999): pp. 435-464.
- LeelammaDevasia, V., V., Devasia, Empowering Women Folk Sustainable Development, Ashish Publishing House, New Delhi, (1994).
- Manimekalai, M. and Rajeshwari, G., "Nature And Performance Of Informal Self Help Groups – A Case From Tamil Nadu", Indian Journal Of Agricultural Economics, 56 (3), (2001): pp.34-46.
- Naggayya, D., "Micro-Finance For Self Help Groups", Kurukshetra, 42(2), August, (2000): pp.15-26.
- PurithavarthyPandian, S., R., Eswaran, "Empowerment of Women through Micro-Credit", Yojana, November, (2002): pp 124-132.
- Reserve Bank of India, Report of the Internal Group to Examine Issues Relating to Rural Credit and Microfinance, (2005).
- SenthilVadivoo, K. and V.Sekar, "Self Help Groups a Movement for Women Services: How the Poor in India Could be Better Served?", Kissan World, 31(7): (2004). Pp. 13-14.
- Sharma, K.C., "Micro Financing Through SHG's", Indian Journal Of Agricultural Economic, 56 (3), (2001):. pp. 76-86.
- Srinivasan, R. and Sriram, M. S., "Round Table Microfinance in India: Discussion", Management Review, 15(2), (2003): pp. 52-86.
- TripathyK.K, "Self-Help Groups-A Catalyst of Rural Development", Kurukshetra, 52(8) (2004): pp. 40-43.