



## THE ECONOMIC ROLE OF SELF-HELP GROUP

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### Introduction:

"All for all" principle behind self-help group (SHG) concept. It is mainly concerned with poor people and it is for the people, by the people and of the people gandhian sarvodaya contained with this.

### Self-Help Group – Meaning:

A self-help group can be defined as "a voluntary organization" of the poor with a common goal social and economic empowerment. The habit thrift and contribution to common funds mobilized to mitigate the urgent needs of the members.

### Origin:

The origin of the self-help group formed by the german banks founder Prof. Mohammed Yunus of Chittangong University in the year 1975. It was exclusively for the poor helpless people.

### Self-Help Group's Mission Statement:

Improve the social and economic status of the woman in rural areas.

Ensure usage of the women towards implementation of the various government schemes like literacy mission, blood donation awareness etc

### Principle off Self-Help Groups:

- ✓ Promote savings habits.
- ✓ Meetings should be conducted at regular interval.
- ✓ Controlled by the bylaws.
- ✓ Group leaders may be elected or rotation basis.
- ✓ Transparency in business activities.
- ✓ Basic training facilities should be given to the members by the group.
- ✓ Repayment of loan should be regularly.

### Objectives of the Study:

To know about the economic status of self-help group members. Study about functions and various activities of the self-help group provide suggestions for the betterment of self-help group in future.

### Source of Data:

The required data for this research obtained from the primary source and secondary source.

**Primary Source of Data:** Self-help group related activities collected with the help of interview schedule.

**Secondary Source of Data:** Self-help group concept, role of government in the self-help group, role of NGO in the self-help group etc collected from the secondary source of data.

### Research Design:

**Sample Design:** Convenience sampling technique used for collection of the required study units.

**Sample Size:** The researcher selected 60 self-help group members as sample respondents.

### Analysis:

Table 1: Age wise analysis

Age (in years)	Sample size	%
Below 20	01	02
21 – 30	34	57
31 & above	25	41
Total	60	100

Source: Primary Data

From the above table, 57% of the sample respondents are in the age group of 21 – 30 years.

Table 2: Place of residence

Residence	Sample size	%
Rural	58	97
Urban	02	03
Total	60	100

Source: Primary Data

From the above table, 97% of the sample respondents are residing in rural areas.

Table 3: Marital Status

Marital Status	Sample Size	%
Married	58	97
Unmarried	02	03
Total	60	100

Source: Primary Data

From the above table, 97% of the sample respondents are married.

Table 4: Educational qualification

Educational Qualification	Sample Size	%
Illiterate	27	45
School level	29	48
College level	04	07
Total	60	100

Source: Primary Data

From the above table, 48% of the sample respondents have completed school level education.

Table 5: Nature of family

Nature of Family	Sample Size	%
Nuclear	41	68
Joint	19	32
Total	60	100

Source: Primary Data

From the above table, 68% of the sample respondents follow nuclear family system.

Table 6: Family size

Family Size	Sample Size	%
03	19	32
04	19	32
05	04	07
06 & above	18	29
Total	60	100

Source: Primary Data

From the above table, 32% of the sample respondent's family size is 3 and once again the same 32% of the sample respondents have 4 members in their family.

Table 7: Monthly Income

Monthly Income (in Rs)	Sample Size	%
Below 5,000	03	05
5,001 – 10,000	11	18
10,001 & above	46	77
Total	60	100

Source: Primary Data

From the above table, 77% of the sample respondents have monthly income Rs 10,001 & above.

Table 8: Motivators to join

Motivators to join	Sample size	%
Family members	24	40
Friends	24	40
Others	12	20
Total	60	100

Source: Primary Data

From the above table, 40% of the sample respondents are motivated by the family members to join in this self-help group. Similarly once again 40% of the sample respondents are motivated by their friends to join in this self-help group.

Table 9: Sources of awareness

Sources of awareness	Sample size	%
Government	45	75
NGO	01	02
Others	14	23
Total	60	100

Source: Primary Data

From the above table, 75% of the sample respondents are aware about this self-help group through the government.

Table 10: Size of the self-help group

Size of the self-help group	Sample size	%
Below 10	03	05
11 – 20	57	95
Total	60	100

Source: Primary Data

From the above table, 95% of the sample respondents joined self-help group which have 11 – 20 members.

Table 11: Attending training program

Attending training program	Sample size	%
Yes	55	92
No	05	08
Total	60	100

Source: Primary Data

From the above table, 92% of the sample respondents are attended training program conducted by the self-help group.

Table 12: Opinion about the training program

Opinion about the training program	Sample size	%
Highly useful	23	38
Useful	31	52
Not useful	06	10
Total	60	100

Source: Primary Data

From the above table, 52% of the sample respondents felt that training program was useful.

Table 13: Frequency of depositing funds mobilized

Frequency of deposit	Sample size	%
Weekly	59	98
Monthly	01	02
Total	60	100

Source: Primary Data

From the above table, 98% of the sample respondent's self-help group deposited mobilized funds weekly.

Table 14: Amount availed from the self-help group

Amount availed	Sample size	%
Yes	02	97
No	58	03
Total	60	100

Source: Primary Data

From the above table, 97% of the sample respondents borrow from their self-help group.

Table 15: Opinion regarding loan sanctioned by the self-help group

Opinion Regarding Loan	Sample Size	%
Adequate	49	82
Inadequate	11	08
Total	60	100

Source: Primary Data

From the above table, 82% of the sample respondents felt that borrow from self-help group at adequate level.

Table 16: Loan sanctioned to the group

Loan Sanctioned	Sample Size	%
Public sector banks	41	68
Others	19	32
Total	60	100

Source: Primary Data

From the above table, 68% of the sample respondents get loan from the public sector banks.

Table 17: Loan sanctioned form

Loan sanctioned form	Sample size	%
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Cash credit	17	28
Term loan	41	68
Others	02	03
Total	60	100

Source: primary data

From the above table, 68% of the sample respondents get loan from the banks in the term loan form.

Table 18: Nature of business started with the help of loan

Nature of business started	Sample size	%
Manufacture	31	52
Trading	24	40
Others	05	08
Total	60	100

Source: Primary Data

From the above table, 52% of the sample respondents do manufacturing business with the help of loan sanctioned by the banks.

Table 19: Capital invested in business

Capital invested in business	Sample size	%
Below 25,000	22	37
25,001 – 50,000	31	52
50,001 & above	07	11
Total	60	100

Source: primary data

From the above table, 52% of the sample respondents do business which requires capital Rs 25,001 – 50,000.

Table 20: Mode of sales adopted by the group

Mode of sales	Sample size	%
Direct sales	33	55
Through sales	19	32
Others	08	13
Total	60	100

Source: Primary Data

From the above table, 55% of the sample respondents dispose their products under the direct sales method.

Table 21: Opinion regarding marketing activities of the group

Opinion regarding marketing activities	Sample size	%
Highly – satisfied	26	43
Satisfied	25	42
Not - satisfied	09	15
Total	60	100

Source: Primary Data

From the above table, 43% of the sample respondents highly – satisfied towards the marketing activities performed by the group.

Table 22: Opinion regarding improvement of income

Opinion regarding improvement of income	Sample size	%
Yes	52	87
No	08	13
Total	60	100

Source: Primary Data

From the above table, 87% of the sample respondents got more income than the before joining the self-help.

**Findings:**

- ✓ Majority 57% of the sample respondents are in the age group of 21 – 30 years
- ✓ Majority 97% of the sample respondents are residing in rural areas.
- ✓ Majority 97% of the sample respondents are married.
- ✓ Majority 48% of the sample respondents have completed school level education.
- ✓ Majority 68% of the sample respondents follow nuclear family system.
- ✓ Majority 32% of the sample respondent's family size is 3 and once again the same 32% of the sample respondents have 4 members in their family.
- ✓ Majority 77% of the sample respondents have monthly income Rs 10,001 & above.

- ✓ Majority 40% of the sample respondents are motivated by the family members to join in this self-help group. Similarly once again 40% of the sample respondents are motivated by their friends to join in this self-help group.
- ✓ Majority 75% of the sample respondents are aware about this self-help group through the government.
- ✓ Majority 95% of the sample respondents joined self-help group which have 11 – 20 members.
- ✓ Majority 92% of the sample respondents are attended training program conducted by the self-help group.
- ✓ Majority 52% of the sample respondents felt that training program was useful
- ✓ Majority 98% of the sample respondent's self-help group deposited mobilized funds weekly.
- ✓ Majority 97% of the sample respondents borrow from their self-help group.
- ✓ Majority 82% of the sample respondents felt that borrow from self-help group at adequate level.
- ✓ Majority 68% of the sample respondents get loan from the public sector banks.
- ✓ Majority 68% of the sample respondents get loan from the banks in the term loan form From the above table, 52% of the sample respondents do manufacturing business with the help of loan sanctioned by the banks.
- ✓ Majority 52% of the sample respondents do business which requires capital Rs 25,001 – 50,000.
- ✓ Majority 55% of the sample respondents dispose their products under the direct sales method.
- ✓ Majority 43% of the sample respondents highly – satisfied towards the marketing activities performed by the group.
- ✓ Majority 87% of the sample respondents got more income than the before joining the self-help.

**Suggestions:**

- ✓ More training facilities should be given to the self-help group members.
- ✓ Government or NGO should guide to start new business which requires less capital but permanent demand like photo lamination. Xerox, computer typing etc.
- ✓ Government should take efforts market for the products of the self-help groups.
- ✓ Government or NGO make awareness about the importance of the self-help group among the people.

**Conclusion:**

Self-help group is fast emerging which can be used as powerful tool to ensure socio-economic empowerment of the poor people in rural areas.

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