

## **An Economic Evaluation Of Problems Faced By Self Help Groups In Nanguneri Taluk Under The Kalaingar Magalir Urimai Thittam Era.**

**Dr. P. Anici Subha<sup>1\*</sup>, Dr. E. Walsa Ebenezer<sup>2</sup>**

<sup>1\*</sup>Assistant Professor, Department Of Economics Sarah Tucker College, Tirunelveli-627007

Affiliated To Manonmaniam Sundaranar University, Tirunelveli, Tamilnadu

<sup>2</sup>Assistant Professor, Department Of History Nazarath Margochis College At Pillayanmannai, Nazarath-628617

Affiliated To Manonmaniam Sundaranar University, Tirunelveli, Tamilnadu

### **INTRODUCTION**

Women's Self-Help Groups (SHGs) are small, voluntary associations of women, generally from similar socio-economic backgrounds, who come together to promote savings, provide access to credit, and engage in income-generating activities. These groups are designed to foster financial inclusion, encourage entrepreneurship, and empower women socially and economically.

The concept of SHGs in India gained prominence in the 1980s and 1990s as a strategy for poverty alleviation and rural development. NABARD's SHG-Bank Linkage Programme (1992–93) institutionalized access to formal credit for rural women, making SHGs a crucial tool for women's empowerment. Over time, SHGs have not only facilitated financial transactions but also provided platforms for skill development, literacy, health awareness, and participation in community decision-making.

Despite their achievements, SHGs face multiple challenges that can limit their effectiveness and sustainability. These challenges range from financial constraints and lack of training to socio-cultural barriers and internal group conflicts. Understanding these problems is essential for improving SHG performance and ensuring that they fulfill their objectives of empowerment and development.

Women Self-Help Groups (SHGs) have emerged as an important instrument for empowering women, especially those belonging to economically and socially weaker sections of society. These groups are voluntary associations where women come together to save small amounts regularly, access credit, and support each other in improving their livelihoods. Women SHGs play a vital role in poverty alleviation, income generation, social awareness, and overall community development. Through collective effort, SHGs help women gain confidence, leadership qualities, and decision-making power.

Self Help Groups (SHGs) play a significant role in the socio-economic development of Tamil Nadu. An SHG is a small, voluntary association of people mostly women who come together to save regularly, access credit, and improve their livelihoods. In Tamil Nadu, SHGs are promoted mainly through the Tamil Nadu Corporation for Development of Women (TNCDW) under the Mahalir Thittam scheme. These groups aim to empower women by encouraging savings, providing easy access to loans, promoting entrepreneurship, and enhancing decision-making skills. SHGs have contributed greatly to poverty reduction, financial inclusion, and social empowerment in both rural and urban areas of Tamil Nadu. Through collective effort and mutual support, SHGs help members achieve economic independence and improve their standard of living.

In Tirunelveli district, Women Self-Help Groups (SHGs) have emerged as an important tool for promoting rural development, poverty reduction, and women's empowerment. Through savings, microcredit, and small-scale entrepreneurial activities, SHGs aim to improve the socio-economic status of women across villages in the district. However, despite their growth, many SHGs in Tirunelveli district face significant challenges that affect their performance and sustainability.

Common problems include irregular savings and loan repayment, inadequate skill development training, weak marketing facilities for SHG products, and limited access to larger financial institutions. In rural and semi-urban areas of the district, low literacy levels and lack of awareness about government schemes further restrict effective functioning. Social factors such as patriarchal attitudes, mobility restrictions, and heavy domestic responsibilities also reduce women's active participation in group activities. These challenges highlight the need for stronger institutional support, continuous monitoring, and improved market linkages to ensure the long-term success of Women SHGs in Tirunelveli district.

In Tirunelveli district, Women Self-Help Groups (SHGs) have been widely promoted as instruments of socio-economic development and women empowerment. Over the years, many rural and semi-urban women in the district have joined SHGs to improve their savings habits, access microcredit, and start small-scale enterprises. While these groups have contributed to financial inclusion and social awareness, their functioning is not free from challenges.

Many SHGs in Tirunelveli district face operational issues such as lack of proper bookkeeping, insufficient leadership skills, and limited coordination among members. Economic challenges like low profitability of micro-enterprises, poor market connectivity, and rising competition also reduce income sustainability. Furthermore, socio-cultural factors, including gender inequality, limited decision-making power within households, and time constraints due to domestic responsibilities, continue to restrict the full empowerment of women members. These persistent issues indicate that

strengthening training, monitoring, and institutional support systems is essential for improving the overall effectiveness of Women SHGs in the district.

### SCOPE OF THE STUDY

The study focuses on Women's Self-Help Groups in selected rural areas, examining both internal and external problems affecting group performance. It includes:

Financial issues such as access to credit, savings, and loan repayment.

- Management and organizational issues within SHGs.
- Socio-cultural barriers limiting women's participation.
- Economic and market-related challenges affecting income-generating activities.
- External institutional and policy-related problems.

The study includes primary data from SHG members and secondary data from government and NGO reports. The findings aim to provide insights into improving SHG functioning and women's empowerment.

### OBJECTIVE OF THE STUDY

- To identify the problems faced by Women's Self-Help Groups in rural areas.
- To analyze the impact of these problems on financial and social empowerment.
- To understand the saving habits among the SHG members.
- To suggest strategies for improving SHG functioning and effectiveness.

### METHODOLOGY

The population of the study consisted of self help group members, residing in Tirunelveli District. Sample size was 150 respondents. The simple random method of sampling was adopted for data collection in Tirunelveli District.

The preset study will also aim to assess the problems being faced by women self help group members and measures taken by the government for them. The following research methodology will be adopted for the present study area.

### SAMPLING TECHNIQUE

Simple random sample method is used to collect data. Data has been collected from 150 sample respondents directly.

### SAMPLING DESIGN

A well-structured questionnaire had been prepared. Keeping the objectives of the study in mind, the researchers had selected 150 respondents so as to gather first hand sources of information. By adopting random sampling method, the interview was conducted among 150 respondents who are Self Help group members condition in Tirunelveli district.

### COLLECTION OF DATA

This study based on primary and secondary data. Primary data has been collected from self-help group member condition in Tirunelveli district, with the help of interview schedule. As well conceived and structured interview schedule was prepared and applied. The questions were based on the objectives of the study. Most of the questions in the interview schedule were in the form of interrogative statements. A specimen of interview schedule administered to the respondents is shown in the appendix section of the project report. The interview schedule was pretested and administered to 150 respondents. It was restructured with some additions and deletions after the pre-testing interview schedule was modified and thus was used as tool to collect data from the respondents.

### REVIEW OF LITERATURE

The review of literature on Women Self-Help Groups reveals several critical issues affecting their effective functioning. These issues include lack of adequate financial literacy among members, limited access to formal credit, problems in timely loan repayment, and dependence on external agencies for financial support. Several studies have also pointed out difficulties related to group cohesion, leadership conflicts, irregular participation of members, and inadequate record-keeping practices.

The literature also highlights institutional and policy-related issues, including bureaucratic delays, lack of continuous monitoring, and insufficient capacity-building support from government and non-government organizations. Despite these challenges, Women Self-Help Groups are widely recognized as an effective instrument for women empowerment, poverty alleviation, and socio-economic development. The growing body of research underscores the need for addressing the operational and structural problems of SHGs to enhance their sustainability and overall impact.

**Agarwal and Bansal** literature focused on technological and digital challenges faced by women SHGs. Agarwal and Bansal (2023) highlighted the digital divide, noting that women lacked access to smart phones, internet connectivity, and digital literacy training. Digital banking and record-keeping platforms were often inaccessible, reducing operational efficiency.

**Banerjee and Duflo** research highlighted sustainability and structural challenges in women's SHGs. Banerjee and

Duflo (2019) observed that while SHGs improved short-term financial inclusion, many groups became inactive once external support from NGOs or government schemes was withdrawn. Dependency on facilitation agencies limited the development of self-reliance among members.

**Deininger** research focusing on external shocks and emerging financial challenges. Deininger et al. (2020) reported that women SHGs faced increased economic stress due to disruptions in income-generating activities, delayed repayments, and reduced market demand. Financial inclusion gains were limited, as members struggled to access timely loans.

**Desai and Joshi** (2021) studies examined institutional and policy-level challenges affecting women SHGs. Desai and Joshi (2021) found weak coordination among banks, government agencies, and SHGs, resulting in inconsistent loan disbursement and delayed financial support.

**Mehta and Shah** research in 2022 highlighted inequality and internal organizational challenges. Mehta and Shah (2022) observed that marginalized women, particularly from lower castes or economically weaker backgrounds, often benefited less from SHG participation compared to relatively better-off members. Internal conflicts, lack of transparency, and unequal contribution to savings and work reduced group cohesion.

**ANALYTICAL FRAMEWORK  
RESPONDENTS ON THE BASIS OF AGE GROUP**

S.NO	Age Group	Number of Respondents	Percentage
1	20-30 Years	20	14
2	31-40 Years	70	46
3	41-50 Years	45	30
4	Above 51 Years	15	10
	TOTAL	150	100

Source: Primary data

The Table indicate Age group of the respondents. 20-30 Years of age group respondents 14 percentage .31-40 Years of age group 46 percentages of the respondents. 41-50 Years of age group 30 percentages of the respondents. Above 51 Years of age group 10 percentages of the respondents.

**CONTRIBUTION OF RESPONDENTS ON THE BASIS OF SKILL TRAINING**

S.NO	Skill Training	Number of Respondents	Percentage
1	Cake Baking	40	26
2	Tailoring and Aari work	30	20
3	Mushroom Cultivation	60	40
4	Beautician	20	14
	TOTAL	150	100

Source: Primary data

The Table indicate Skill training of the respondents. Cake baking skill trained for 26 percentages of the respondents . Aari and tailoring skill trained for 20 percentages of the respondents. Mushroom cultivation skill trained for 40 percentages of the respondents. Beautician skill trained for 14 percentages of the respondents.

S.NO	Problems Faced In Marketing	Number of Respondent	Percentage
1	Transport Cost	15	10
2	Rent	25	17
3	Price Fixing	92	61
4	Limited Selling Area	18	12
	TOTAL	150	100

### PROBLEMS FACED IN MARKETING

The Table indicate problems faced in marketing of the respondents. Price fixing 10 percentages maximum of the respondents . 17 percentages minimum problem of the respondents. 61 percentages of the respondents in faced transport cost problem 18 respondents are rent problem in 12 percentages of Limited Selling Area.

### SUGGESTIONS

To overcome the problems faced by Women's Self-Help Groups in rural areas, proper guidance and training should be provided to the members. Financial awareness programs can help women manage savings and loans effectively. Banks and government institutions should make loan facilities easier and faster for SHG members. Skill development and entrepreneurship training can help women start small businesses and improve their income. In addition, regular monitoring, support from NGOs, and strong cooperation among members can help reduce problems and improve the overall functioning of SHGs.

- ❖ Provide financial literacy training to SHG members to improve their knowledge about loans, and banking services.
- ❖ Conduct skill development and vocational training programs to help women start small businesses.
- ❖ Create awareness about government schemes and subsidies available for SHGs.
- ❖ Encourage regular saving habits among members through fixed monthly savings.
- ❖ Improve leadership and management skills among SHG leaders for better group functioning.
- ❖ Maintain proper financial records and transparency in group activities.
- ❖ Provide marketing support to help SHG members sell their products in local and wider markets.
- ❖ Conduct regular monitoring and support from NGOs and government agencies.
- ❖ Promote social awareness programs to improve women's confidence, decision-making power, and social empowerment.

### CONCLUSION

Women's Self-Help Groups (SHGs) play an important role in empowering rural women economically and socially. The study identified several problems faced by SHG members such as lack of financial support, limited training, and poor management. Social barriers and lack of awareness also affect the smooth functioning of SHGs. These challenges reduce the effectiveness of SHGs in achieving financial independence. The problems also impact women's confidence and participation in decision-making. However, SHG members generally show good saving habits through regular small savings. These savings help members meet emergency needs and support internal lending within the group. Proper training and financial literacy programs can improve SHG performance. Support from banks, government agencies, and NGOs is also essential. Overall, strengthening SHGs can greatly improve women's empowerment and rural development.

### REFERENCE

1. Agarwal.P.,& Bansal, R. (2023). Digital challenges faced by rural women self-help groups and their impact on financial inclusion. *International Journal of Rural Studies*, 10(2), 45–60.
2. Banerjee, A., & Duflo, E. (2019). The impact of self-help groups on women's empowerment and financial inclusion in developing countries. *Journal of Development Studies*, 55(7), 1200–1220.
3. Deininger, K., Goyal, A., & Nagarajan, H. (2020). Women's self-help groups and economic empowerment: Evidence from rural India. *World Development*, 128, 104–123.
4. Desai, S., & Joshi, P. (2021). Institutional gaps and financial inclusion challenges in women self-help groups. *Indian Journal of Social Development*, 8(3), 67–85.