Empowerment of Women Through SHGs In Tirunelveli District, Tamil Nadu – A SWOT Analysis

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INTRODUCTION

The United Nations development Projects (UNDP) has supported a range of activities to eradicate women's poverty directly in some projects. The projects and programmes focus on micro credit schemes, technical training, organization of self help groups on pro-poor social mobilization programmes and long term capacity building programmes. In India, the project has been under the implementation since 1994. The main focus of activity of the SHGs is to generate savings for income generating projects, providing confidence to women, thereby releasing the women from the clutches of moneylenders.

In several parts of the country, poor women are being organized in SHGs in large numbers. SHGs are usually informal association of people who join together to improve their lifestyles. One of the most important roles of SHG is to provide opportunities to save and borrow with low rate of interest and availing the benefits of subsidies from Government & other financial institutions.

DATA AND METHODOLOGY

The objective of the study was to conduct a SWOT analysis of SHGs to identify their strengths, weaknesses, opportunities and threats. In Tirunelveli district, up to the year 2008, there were 16,773 SHGs that were involved in various income generating programmes promoted under various rural development schemes like Swarna Jayanti Grama Swarozgar Yojana (SGSY), NABARD etc. These SHGs were governed by various NGOs under Mahalir Thittam. This empirical study was based on fieldwork involving about 100 SHGs and 200 SHG members were selected according to stratified random basis. The area selected is Tirunelveli district and care has been taken to get adequate representation of women belonging to vulnerable groups such as backward classes, SC/ ST, widows etc.The samples selected were identified and located through concerted efforts made by the researcher with the help of officials of District Rural Development Agencies, Officials of Mahalir Thittam Office, especially the Project officer and his team.A purpose specific interview schedule was prepared and administered to 200 group members and 100 SHGs. Field observation methods were used to identify observable physical data. Moreover, group discussions with women who were involved in activities and group functions were conducted to elicit more details, which could not be obtained from individual members.

NEEDS AND IMPORTANCE OF SELF HELP GROUPS

The UN commission on status of women commented that women constitute half of the world's population, perform two third of the world's work, receive one tenth of its income and own less than hundredth of its property. Women represent three-quarters of heads of households in developing nations, and for every one woman in poverty, there are four dependent children (UNICEF 2001). According to Data and statistics report, women are the poorest of the world's poor, representing 70% of the 1.3 billion people who live in absolute poverty (Data and statistics, 2001). Nearly 900 million women have incomes of less than one dollar per day (UNESCO, 2001). International Labour Organization's analysis of employment trends shows that in spite of progress in some areas, women generally continue to earn lower incomes, suffer higher unemployment and remain largely restricted to low skilled part-time, informal, and unstable jobs (ILO, 2001).

In India, women are provided with certain constitutional rights and protection from inequalities as citizens, however, these statutory rules do not solve issues relating to their socio-economic backwardness. Since the 1950's, various governments in India have experimented with a large number of grant and subsidy based poverty alleviation programmes. Studies prove that these mandatory and dedicated subsidized financial programmes implemented with the help of banking institutions have not been successful in meeting social and economic objectives. (www.pria.org/downloded file / SHGstudy- Kaloghosh.pdf)

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In our country, the micro finance initiative in the private sector can be traced out through the steps taken by Ms.Ela Bhatt for providing banking services to the poor women employed in the unorganized sector in Ahmedabad city of Gujarat State. Shri. Mahila SEWA (Self Employed Women's Association) Sahakari Bank was set up in 1974 by registering it as an urban cooperative bank. The bank is providing banking services to the poor self-employed women working as hawkers, vendors, domestic servants etc. (www.nabard.org.)

"Money is not the most important resource in the struggle against poverty. The poor are also vital resources because they have imagination, guts, knowledge, experience and deep motivation to move out of poverty"- writes James D.Wolfenslhn, former World Bank President, in his foreword to Measuring Empowerment, edited by Deepa Narayanan from Oxford University Press.(Business Line,2006). It is a well-established fact that women, particularly in poor families, are more disciplined, realistic, creditworthy and more concerned about family development than their male counter parts. Hence, micro-credit system through SHGs has focused more attention on the financing for women. (www.pria.org/downloded file / SHGstudy- Kaloghosh.pdf)

Mohammad Yunus, the founder and director of Grameen Bank, Bangladesh who won the Nobel Peace Prize in 2006 says, "We use micro finance and innovative technology to fight global poverty and bring opportunities to the world's poor. With tiny loans and financial services, we help the poor, mostly women, to start business and escape poverty." (www.grameenfoundation.org.). Dr.M.K.George (2004) conducted "A comparative study of self help groups organized and promoted by NGOs and Kudumbasree, a Government organized NGO in Kerala, towards empowerment of poor women." The study concludes that both the government and NGOs enabled the members' social, economic and political empowerment to a large extent.

Choudhury and Rajakutty (1998) in the book, "Fifty years of rural development in India: Retrospect and Prospect" reveals that the SHG route is one of the cost effective methods of delivery of credit to the poor. Misra Indira (1998) in her book, "Financial Accounting System for Self – Help Groups and NGOs" describes that micro financing and women's self help groups as a medium of micro financing are gaining wide acceptance in the effort to alleviate poverty. S.Subramanian (1998) in his book, "Micro credit Delivery Innovations - Self Help Groups" reveals that the self-help group concept is a silent revolution taking place in the rural credit delivery that is system in many parts of the world. Rekha R. Gaonkar in her paper on "Role of Self Help groups in empowerment of Women" emphasized that the SHGs were the effective instruments of women empowerment.

SELF HELP GROUPS – A SWOT ANALYSIS

SWOT Analysis is a method that enables to assess the strengths and weaknesses of the Self Help Groups and to identify opportunities and possible threats that will be useful for adopting future course of actions. A SWOT analysis can be performed to develop an understanding of the gaps that exist between explicit and implicit visions between today's vision and future vision towards SHGs. The benefit of using SWOT analysis technique is that it provides a structured and objective means for identifying, differentiating and weighing the strategic strengths and weaknesses, opportunities and threats that will be more useful for policy makers.

It must be remembered that SWOT factors may vary among SHGs from district to district. Hence, it is important to identify these factors which are specific to the region through a SWOT analysis. The SWOT analysis can be applied to formulate SHG strategy for regions that exploit the opportunities, avoids threats and overcome the weaknesses by effectively employing the strengths.

STRENGTHS

The SHGs in Tirunelveli District were found to have a large number of strengths. The groups are found to be homogeneous and cohesive. Majority of the members are in the age group of 30-35 years. They are all motivated by the NGOs and Project implementation unit of Mahalir Thittam, a Tamil Nadu Government Scheme. They are also receiving good support from NABARD and other commercial banks. They have also been meeting regularly and have been discussing various issues. They have regular saving and are also getting grants, loans from banks and other agencies. Their loan repayment is prompt and the interest charged on a loan is far less than the local money lenders. The loan amount is used both for consumption as well as production purposes.

SHG members pointed out that their association with SHGs helped them to increase their confidence, social awareness and self esteem. They also received many benefits like house, water harvesting structures, toilets, group insurance etc., from various agencies through SHGs. All of them agreed that their earnings have increased after joining the SHGs and the micro enterprises run by the group. Majority of the SHG members are attending Grama Sabha meetings regularly and are taking part in discussions. In the group meetings, they are able to take important decisions unanimously without interference from external agencies. They are actively involved in social issues. The members are of the view that the attitude of public, family members, officials and elected representatives has changed and they get support from all of them.

WEAKNESSES

Despite many areas of strengths, the performance of SHGs is constrained by several major and interdependent weaknesses. The participation of restitutes is found to be very low. The members of groups have over dependence on the leader and poor leadership qualities of the leader is affecting the performance of some of the SHGs. Members' preoccupation in domestic activities is limiting their involvement in SHG activities. The vital weakness is in the management of micro enterprises. The members are not properly trained in the functional areas of micro enterprises. Lack of proper training is affecting the performance of micro-enterprises organized by the SHGs. Their knowledge in product identification, book keeping, marketing strategy etc., is very poor. In majority of the micro- enterprises, the production is either seasonal or intermittent. The main reasons they pointed out are related to marketing and working capital. It was revealed that the earnings by the members are commensurate with their great effort.

The activities of SHGs are further constrained by lack of awareness about social welfare measures of government and non-government agencies. Their lack of experience and low exposure to social and economic activities limit them from handling the commercial activities of micro-enterprises efficiently and effectively.

OPPORTUNITIES

There many opportunities for the SHGs. Micro enterprises can flourish because of vast market and availability of local raw materials. The skill of the local poor can be utilized to organize resource based micro enterprises, which make use of local raw materials. In addition to that, the SHGs can find answer to many social problems like dowry, illicit liquor, illiteracy, female foeticide etc. These SHGs can eliminate the role of local moneylenders who were charging high interest and using ruffian practices to get the repayment. The promotion of SHGs is to be seen as an effective step for women empowerment. The efforts of the poor unemployed women can be channelized effectively for their social and economic improvement.

THREATS

Though the SHGs are performing effectively, there is little reason for complacency as there are potential threat factors. It is found that some unapproved agencies are promoting a large number of SHGs. These agencies are cheating and misappropriating the groups' efforts. There are potential threats of inter group and intra group conflicts. The services of SHGs were misused by the political parties.

SWOT MATRIX

The SWOT matrix that and was identified was based on the field realities in Tirunelveli district is as given below.

STRENGTHS	WEAKNESSES
1. Groups are homogeneous and cohesive. 2. Literacy and awareness. 3. High Percentage of women in the age group of 30 – 35 years. 4. Motivation through success stories. 5. Participation of members in grama sabha. 6. Support from NGOs, Banks, and DRDAs. 7. Interest of members in financial services. 8. Financial aid and grant and subsidies by agencies. 9. High rate of repayment by groups. 10. Regularity in savings. 11. High rotation of group funds 12. Gradual shift from consumption loan to productive loan. 13. Flexibility in group management. 14. Decision making by the group, especially in fixing rate of interest and deciding priority of loan. 15. Active participation in social activities. 16. Provide a platform to women to discuss their problems. 17. Loan application appraised by the group as a whole. 18. Instill a sense of self confidence among rural women. 19. Marginalizing the role of private money lenders in rural areas.	1. Low participation of widows and destitutes. 2. Groups' overdependence on the leader. 3. Poor qualities of leadership. 4. Lack of knowledge in book keeping. 5. Lack of knowledge in product identification. 6. Lack of knowledge regarding market and marketing. 7. Lack of access to capital. 8. Lack of assets in their name. 9. Low income, low saving. 10. Pre-occupation in domestic affairs. 11. Lack of time after attending family needs. 12. Low exposure to social and economic activities. 13. Lack of training opportunities. 14. Lack of knowledge and awareness about various welfare schemes. 15. Low self esteem by the members. 16. Lack of knowledge in legal matters.

OPPORTUNITIES	THREATS
1. Potential of self employment through micro enterprises. 2. Opportunities in agriculture, especially group farming and animal husbandry, poultry. 3. Urgent social needs such as fight against dowry, illicit liquor, female literacy, female foeticide etc.	1. Use of SHG services by political parties. 2. Existence of too many SHGs promoted by various unapproved agencies. 3. Limited linkage between various organizations involved in promotion of SHGs.

CONCLUSION

SHGs have ushered a silent revolution of poverty alleviation and women's empowerment. SHGs are to be viewed as change agents and the government and society should accept these as part of the system, which can be effectively utilized for women empowerment. Overall, it is clear that the strengths of SHGs far outweigh its weaknesses and the opportunities far exceed the threats.

The study reveals that the capacity building exercises taken up by the promoting agencies are not adequate to meet the need of SHGs members. They lack proficiency in soft skills, technical skills and managerial skills. The study suggests that leadership qualities of SHG members need improvement. The SHG members are to be trained in soft skills like leadership traits, team spirit, negotiation risk-taking, and assertiveness etc. Intensive training in all functional aspects of business is to be given to the promoters prior to the operationalisation of micro-enterprises. It is observed that due to lack of technical skills, quite often, SHGs are promoting micro-enterprises based on traditional skills without any consideration of market. This can be avoided if technical skills can be given to the promoters for setting up innovative micro-enterprises.

Though in small amounts, substantial capital is employed by these SHGs in the productive area through micro-enterprises. Though in Micro-enterprise sub-sector, entry as well as exit costs are lower; these costs are formidable for the resource -poor wage earners who set their aims to make it into self-employment. Hence, it is necessary to manage these units with a view to make profit so that they can sustain themselves. Sustainability of these units depends on how effectively the strengths are used, how fast the weaknesses are eliminated, how opportunities are exploited and what precautions are used to safeguard against the possible threats.

It is found that there are well-defined opportunities for SHGs. They should be equipped to make use of these opportunities and fight against the threats. The promoting agencies like government and non-government agencies, NABARD and other commercial banks can contribute effectively for the success and sustainability of SHGs. Notwithstanding some deficiencies, it is to be noted that most of the SHG members are able to increase their income, savings and surplus.In this way, the vicious cycle of poverty is broken and they enter into a cycle of prosperity.

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