

## **IMPACT OF NGO ON THE EMPOWERMENT OF RURAL POOR WOMEN IN TAMILNADU: A CASE STUDY OF USILAMPATTI BLOCK, MADURAI DISTRICT.**

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**Abstract:** Women empowerment is the creation of an environment where women can make independent decisions on their personal development as well as shine as equal in society. A few challenges targeting the economic development of rural poor women will directly benefit the empowerment of women in India. The participation of women in Self Help Groups (SHGs) made a significant impact on their empowerment both in social and economical aspects. This study addresses women empowerment through self-help groups in Usilampatti block, Madurai district of Tamilnadu state. The information required for the study has been collected from both the primary and secondary sources on economic, educational and empowerment status from the recent surveys conducted in Usilampatti block, Madurai district, Tamilnadu state. A multistage random sampling method has been followed. Average and percentage analysis was carried out to draw meaningful interpretation of the results. Factor analysis was used to measure and to determine the relationship between the observed variables. The results of the study revealed that the SHGs have had greater impact on both economic and social aspects of the beneficiaries.

**Key words:** Empowerment, Micro credit, NGO, Poverty, SHGs, Women.

**Introduction:** India lives in her 6, 38,345 villages with 24 crore poor engaged in micro enterprises. Poverty in India is widespread with the nation estimated to have a third of the world's poor. In order to enlarge the flow of credit to the hard-core poor, NABARD launched a scheme of organizing them in self-help groups (SHGs) and linking the SHGs with banks, in 1992. Under the scheme, poor, preferably the women are organized in SHGs and banks financing these SHGs for on lending to poor are eligible for concessional refinance from NABARD. The banks extend credit to the SHGs with the NGO as facilitator. As on November 2008, there were 3.78 lakhs SHGs in Tamil Nadu with a membership of 60.63 lakhs, In Usilampatti block of Madurai district there were about thousands of SHGs. The present study deals with the SHGs formed in selected village panchayats in Usilampatti bock, Madurai district. Micro-credit plays a vital role in bringing about changes in the rural women's life-style. Especially since the poor recipients of loans proved to be far more reliable credit consumers than the better off" (Wong, Kramsjø, and Sabri: 1997).. In the recent years, therefore, non-governmental organizations (NGOs) have designed their micro-credit programs to address the strategic needs of rural women with a view to providing basic social services as well as fulfilling practical needs. This paper is based on a field study conducted in rural area of Usilampatti, Madurai district of Tamilnadu to examine the impact of a local NGO, namely" Masters Trust" micro-credit program on rural women.

**Micro-credit and women's empowerment:** The issue of women's empowerment started to constitute the cornerstone of any discussion on planned interventions for poverty alleviation since the

beginning of the micro-credit programs that mobilize and organize women at the grassroots levels and provide access to supportive services. The woman members involve themselves more in taking decisions regarding the education of their children, the investment of the family, managing the economic assets of the family and bringing up cohesion among the members of the family and others for a better living. The distinguishing feature of the SHGs is creating social and economic awareness among the members with the assistance of microcredit programs. The spirit for social and economic upliftment of members is the significant contribution of each and every SHG. Thus all these impact studies acknowledge the potential of micro-credit in empowering rural women. (Carr, Chen, Jhabvala: 1997).

**Economic Factors:** The lack of availability of fund for investment is considered a major constraint to the expansion of output and self-employment in rural Madurai district. Such a constraint is particularly more binding for the poor and women (Rahman: 1994).

**Social and Cultural Factors:** From childhood to older ages, women depend on men in various ways in Usilampatti (Goswami: 1998). As such, majority of women is economically dependent on men. Though women work hard, their activities are invisible and are not accounted for. Most of the women in rural panchayats of Usialmpatti are illiterate. The rate of literacy of women is much more less than that of men (48.5 percent), which eventually reduces their scope for employment and keeps them unaware of social, political, economical and legal issues of their development. In the traditional society of Usilampatti, women are socially ignored and are

given less priority with regard to health, nutrition, education, etc. When there are limited resources available to a household, men usually get the priority. For example, women get a smaller share of household expenditure on education and health care (Goswami: 1998).

### **Objectives of the study**

- To analyse the genesis and development of SHGs in Usilampatti, Madurai District
- To evaluate the performance of the sample SHGs in Usilampatti, Madurai District selected for the study.
- To analyse the changes in the social conditions of the members of the self-help groups
- To measure the impact of the SHGs on the economic development of the members
- To analyse the attitude of the members of the SHGs towards economic impact and social impact.

**Scope of the study:** The present study attempts to examine the socio-economic impact of the SHGs on the beneficiaries. It examines how far the programme has helped in raising the incomes and levels of living of the rural poor women and in enabling them to cross the poverty line. The present study is from the standpoint of the SHGs and their members.

**Methodology:** The present study is based on both primary and secondary data. The primary data were collected through two interview schedule, one for SHGs and another for SHG's members. The secondary data were collected from books, journals, websites and records of Masters Trust, Usilampatti. The data were collected from 25 Self Help Groups and 300 members through interview schedule. Average and percentage analysis was carried out to draw meaningful interpretation of the results. Factor analysis was used to measure and to determine the relationship between the observed variables.

**The study:** The aim of the study was to know how the women perceived and evaluated the changes, Sample: A purposive sampling procedure was applied to select the villages and to draw respondents. The selection of villages was done on the basis of factors like: (a) density of groups in a village (b) duration of credit programs in that village and c) The beneficiaries from the groups. Selection of women respondents was qualified by the duration of their membership. All the respondents (12 women/ group) were involved with credit programs for at least 5 years. To present our findings in right perspective and to facilitate a better understanding, a brief outline of the study NGOs is given below.

**Masters Trust:** Masters Trust is a non-governmental organization and non profitiable organization working for the poor and rural needy people for the past 10 years in and around Usilampatti block of Madurai district, Tamilnadu state, the main aim is to uplift the

rural poor women focusing the education, health and empowerment. It was registered as a development organization in 2005. There are about more than five hundred SHGs have been organized by the Masters trust from the date of registration.

### **Findings**

- An attempt is made to analyze the performance of SHGs of Masters Trust, Usilampatti of Madurai district and social and economic impact on members of SHGs. In order to measure the performance of SHGs, various factors such as homogeneity, regularity in conducting the meetings, regularity in attendance, role of NGOs in meetings, repayment performance, decision on financial transactions, utilization of common fund, increased rate of savings, awareness of rules and regulations, and maintenance of accounts have been taken into account.
- It is found that 63% of SHGs conducted meeting once in a week. There was more NGO participation. The performance of repayment is better in all groups. 80% of the loan is utilized for productive purposes. The savings performances of SHGs are up to the mark. All the members of SHGs availed training facilities provided by the Mahalir Thittam and NABARD. The books of accounts are properly maintained. It is found that association with SHGs encompasses a large cross section of people with self - confidence.
- The economic impact of the SHGs on the members have been analyzed in terms of their level of savings, amount of borrowings, creation of assets, employment generation, income generation, Poverty level and expenditure pattern. It is found that after joining SHGs, the awareness level of savings increased. There is a paradigm shift from loans borrowed for consumption purposes to productive purposes after association with SHGs. It is found that the SHG programmes have positive effect on alleviation of poverty. The consumption expenditure of the members has increased after becoming members of SHGs. The Composite Index of standard of living shows that the impact of micro credit encompassing economic as well as social aspects was relatively more pronounced on the social aspects than on the economic aspects.
- The perception of the sample respondents regarding the economical impact and social impact, shaped by the SHGs has been analyzed with the help of a scaling technique. It is found that the perception of the sample members on social impact and economical impact are equally important. Chi-square test was used to explore relationship between personal variables and the perception of impact. It is found that the age, occupational pattern, marital status and community influences the perception of members on the nature of the impact. On the other

hand, the level of literacy had no influence on perception of members of the impact of the SHGs.

#### • SHGs Details

More than 75% of the selected groups were organized and successfully active for about five years from (2005 – 2010). They are having loan transactions from the bank guided by the trust.

#### • Literacy Rate

Only 42% of the samples from each group are educated. The cause of their illiteracy may be due to the lack of education facilities in their panchayats.

#### • Economic Development - Skill Training Programmes

Effective training programs were conducted by the NGO with the trained and resource persons to improve the skills among the members in order to improve their economic activities. The skill training programs were given to the SHG's only after six months of their group formation. The training programs such as tailoring (30%) per group, sardhos work (30%) per group, simple chemical making - Washing powder, phenyl (35%) per group. These training programmes enabled the women to improve their economic status in the society.

#### • Women Empowerment - SHGs

The number of beneficiaries includes all the members of individual groups. Loans will be issued from banks based on the economic activity selected by the SHGs. 28% of the selected groups are benefitted with loan for rearing milk animals. 32% of the groups were benefitted with loans for vegetable cultivation, 18% of the group were issued loan for flower cultivation 16% of the group are doing production of pakkumattai plates and another 16% of the groups were benefitted with loans for textile business.

**Conclusion :** The study was undertaken to identify women empowerment through Self Help Group in Usilampatti block, Madurai District, Tamilnadu state. It is found that the socio-economic factor of women has been changed after joining the Self Help Groups. There are emerging issues that need to be addressed to make the role of women in the long run. The self help group is important in re-strengthening and bringing together of the human race. We may conclude that the economic activities of Self Help Group are quite successful. In this way Self Help Group in Usilampatti block, Madurai District, Tamilnadu state successfully develops women empowerment in rural areas.

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