Societal Changes Due To Empowerment Of Women In Tamil Nadu – A Case Study

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ABSTRACT
Micro credit has been widely hailed as a new way of empowering poor women and promoting economic and social development. But Quotas for women in legislative or other elected bodies, despite being introduced in many countries worldwide from the 1990s onwards, have not attracted the same attention. Self–Help Group (SHG) is a homogeneous group of poor, women, users etc. This group is a voluntary one, formed on areas of common interest so that they can think, organize and operate for their own development. SHGs function on the basis of co-operative principles and provide a forum for members to extend support to each other. Women’s entry into local politics through the mandatory reservation system seems to be more important than the SHG programme in furthering women’s empowerment with lasting effects. The SHG scheme is a political programme, which requires active funding and vigorous NGOs to function well and is thus subject to political conjunctures that may fade away after the first enthusiasm. SHGS cater to the need of many households for short-term smaller loans at rates lower than those charged by traditional moneylenders. Larger loans for starting small businesses are given to much fewer women but are still important for the development of women’s self-employment in the local economy. Numerous SHGS have been started according to the statistics given by panchayat unions and NGOs, but many of them are new and it is an open question if they will function as well as the “model-groups” with savings, repayment and “Profitable” investments.

Key words: Micro credit, homogeneous group, co-operative principles, panchayat unions, Profitable investments

Introduction
There are two very significant developments relating to women in developing countries including India in the past two decades. One is the introduction of Micro credit schemes, which cater to women’s need of finance, often through Self-Help groups (SHGS) that impose a collective discipline in repayment, in an otherwise male-dominated credit market. The other is the rather dramatically increased representation of women in elected local government bodies through various forms of reservation or quota systems. Micro credit has been widely hailed as a new way of empowering poor women and promoting economic and social development. But Quotas for women in legislative or other elected bodies, despite being introduced in many countries worldwide from the 1990s onwards, have not attracted the same attention.

Women’s entry into local politics through the mandatory reservation system seems to be more important than the SHG programme in furthering women’s empowerment with lasting effects. The SHG scheme is a political programme, which requires active funding and vigorous NGOs to function well and is thus subject to political conjunctures that may fade away after the first enthusiasm. Reservation for women in local government bodies is guaranteed by the Constitution and has now functioned over a period of more than 10 years.

A Strategic Component of Government Programmes
The launching of micro credit schemes for women through so-called SHGS of women all over India in the late 1990s signals a change in poverty alleviation strategy on part of the Central and State Governments with the proclaimed intention of helping the poor to help themselves and to empower women. It is based on the premise that women are much more reliable as bank customers. As a highly visible programme, it has been also noted that the SHG-based loan scheme was politically useful to the government at a time when institutional credit to agriculture was lacking, following the process of financial liberalization and the exhortation to banks to maximize profits rather than pay attention to proclaimed social objectives. The earlier strategy of rural development including various rural employment generation programmes explicitly targeted poor landless labourers and their lack of employment in the agricultural off-season. It must also be noted that there was a predecessors to SHG-based lending in the Development of Women and Children in Rural Areas (DWACRA) programme in the 1980s. Following a decline in rural development expenditure in the 1990s which
affected the DWACRA scheme as well as other rural development programmes, the strategy of promoting SHGS of women emerged. Funding to SHGS, was made through non-governmental intermediaries, has increased from the late 1990s. Simultaneously, credit from rural banks and cooperatives has also shown a decline in India during the last 20 years. So, it has become imperative to assess the impact of SHGS in the villages.

In addition to being institutionalized within the government’s anti-poverty schemes, Self-Help Groups have also been perceived as a strategic component of government programmes explicitly articulating empowerment goals, besides poverty-related concerns. It is on this notion that organization into groups enhances women’s access to information, knowledge and resources. At the end of five years, the project aims to have increased self-esteem and self-confidence of women, improved their management and technical skills, enhanced women’s social status in the family and community, increased mobilization of public and private sector services in women’s interests and improved women’s well-being by reducing drudgery and introducing time-saving devices (Government of India 2001).

The second topic in this article concerns the politics of reservation of seats for women in elected local bodies. One of the most significant political changes over the past 25 years in Tamil Nadu, as elsewhere in India, is the implementation of a statutory status for local elected governments in rural and urban areas in accordance with the 73rd and 74th amendments to the Constitution. These amendments also make mandatory the entry of women into the local political bodies of gram panchayat (village board) and panchayat samiti (block or panchayat union level) through a 33% reservation system.

Entry of Women into local government bodies

The new constitutional provisions have led to a massive entry of women into local government bodies starting in the mid-1990s. It comes with provisions for decentralization of finance and decision-making in local government, which, however, has not taken off in most states, with Kerala, West Bengal and Tripura being the exceptions. It also prescribes reservations for the Scheduled Castes (Dalits) and Scheduled Tribes. These changes have led to a renewed interest and competition in local elections. Tamil Nadu belongs to that part of India that has experienced fairly stable economic growth and social development in the past 25 years. In the study of six villages in Karur and Tiruchirapalli districts. Many developments in various ways were noted. The most important findings relate to a doubling of average real incomes, rapid growth of non-farm activities and a reduction of inequality in terms of operated area and income among the land operating agrarian households in our sample. Two most important driving forces have been identified in this transformation as industrialization with its side effects and State social policy interventions.

Being close both to the Tiruppur-Karur textile industry belt and the growing city of Tiruchirapalli, many of the households have been able to diversify their economic activities into a number of non-agricultural activities. The actual number of factory jobs is still small, but the number of workers now engaged in shops, various services and modern professional occupations, building industry, etc, is quite significant. Almost 70% of the agrarian households have one or more members so engaged. The statistics on income shows that it has increased faster than farm income over the past two and a half decades. Today 64% of households income derives from the non-farm sector, that is, the secondary and tertiary sector of the economy. In 1980, this proportion was only 34%.

The development of a rudimentary welfare state is also part of the story. Despite the neo-liberal policies at the centre and the pressure on the Tamil Nadu State Government to lower spending on social welfare, it is observed that functioning of state run low price shops in all the villages which supply basic provisions of rice, kerosene, and sugar to more than three-fourths of the population. There are more and better Government schools than earlier in all the villages and in all of them there are also crèches and centres for the care of pregnant mothers and infants (anganwadis). All schools and nurseries serve a midday meal to all the children, which helped in improving nutritional standards. Thus working parents are free to work full time than earlier. This now also provides a larger number of jobs for people in the villages, not just as teachers but also as auxiliary nurses, pre-school assistants, literacy workers, etc, than was the case in 1970-80.

Materials and Methods

The economy and social structure in rural India and Tamil Nadu vary a lot depending on the kind of ecological setting in which it is embedded. In three of the studied villages – Rajendran, Poyyamani and Nangavaram North canal-irrigated agriculture dominates. These are “wet villages”, in which traditionally the Brahmins owned the lands farmed...
by the Scheduled Caste tenants. Over the decades, a substantial portion of the lands have been taken over by the former overseers belonging to the intermediate caste Muthuraja, and by the Scheduled Castes. Some other peasant castes also own some land in these villages. Caste discrimination has declined to some extent with this development. The other three studied villages are Naganoor, Kalladai and K Periapatti. They rely on tanks and wells for irrigation, and have a sizeable proportion of lands under rainfed cultivation. These are the “dry villages”. In these villages, members of the intermediate Udaiyar, Gounder and Muthuraja castes still own almost all the land, and which is farmed by agricultural wage labourers, of whom a large proportion are dalits. Here discrimination against dalits is still practice in several ways.

In 1979-80, 238 households were interviewed which constituted the main sample. In 2005-06, the same sample households were interviewed. Thirty-one of these households had out-migrated and have been replaced by 31 in-migrants. Of the 233 main sample households, 20 have left agriculture since 1979-80. The remaining 213 make up for sample of resident agricultural households in the study and constitute the main source of statistical analysis. This sample is called the agrarian population. These data reflected their situation in 2004-05.

The observations and the changes and the character of these transformations build on several methods. The most important is a household socio-economic survey with substantially the same questions asked in 1979-80 and in 2005-06.

In 2005-06, the main sample of 233 households were interviewed with a less elaborate questionnaire, which gave more time for additional qualitative studies of various kinds. Several case studies of women representatives in the gram panchayats and of women members in SHGS were made. Participatory observation and interviews with local informants were used to document and understand various aspect of social transformation.

**Mahalir Thittam**

Self –Help Group (SHG) is a homogeneous group of poor, women, users etc. This group is a voluntary one, formed on areas of common interest so that they can think, organize and operate for their own development. SHGs function on the basis of co-operative principles and provide a forum for members to extent support to each other. SHGs play a crucial role in improving the savings and credit and also in reducing poverty and social inequalities. They can play pivotal role in:

1. Preventing exploitation of the poorer sections by creating self-reliance.
2. Building leadership qualities among group members.
3. Helping group members in documentation for obtaining credit.
4. Motivating members for prompt repayment of credit.
5. Providing training to its members.

**Women’s Empowerment through Self Help Groups - To what extent?**

Whether in mixed caste groups or single caste groups, it is quite clear that women get into a new experience by regularly going out of their houses and participating in meetings with other women even during evening hours. In achieving this, they have overcome some initial resistance from their husbands and cooperate better in this regard.

Through the SHG experience, women learn how to conduct a meeting. They meet with local Government officials and members of panchayat boards. Some of them especially the group leaders, learn how to make money transactions in a Bank. In the literature, this has been taken by some writers to mean a building up of women’s empowerment in terms of independence and self-confidence and their thrift as entrepreneurs.

Both the NGOS had a positive development of their members, it has led to remarkable enhancement in social network formation and development, an improved status in family and community, increased and to some extent also greater self confidence and feeling for identity for the women.

It has also been found that quite a few of the SHGS took interest in local village affairs of special concern to them, like drinking water supply, street lights, laying of proper roads, etc. They discussed these matters at their meetings and brought them to the attention of the panchayat board or the gram sabha. Some of the SHG members were also ward members of the panchayat boards and thus had direct access to the decision-making in the village. Very often, it was these women who came forward to join campaigns for street cleanliness and other attempts by the panchayat at making people participate in common activities.

However, there were also complaints by representatives of women’s movements at the state level that this meant an increased burden on the women, who were already doubly burdened with having to work in the fields and in the households. This is not a criticism of the SHG scheme per se.
but of the failure of the government to provide sufficient support services like easy access to drinking water, sanitation complexes within quick reach, anganwadis and crèches (balwadis) for childcare, etc. all these would reduce the burden and encourage women to participate in the SHGS to promoting self-confidence along with other advocacy work on woman’s rights.

Functioning and Sustainability of SHGs
Numerous SHGS have been started according to the statistics given by panchayat unions and NGOS, but many of them are new and it is an open question if they will function as well as the “model-groups” with savings, repayment and “Profitable” investments. About half of the member households have so far not availed themselves of any loans. There may be two main reasons for this. One is that they and their group have not saved enough to get a loan (normally six months). The other reason could be that the bank and/or the NGO have not accepted the purpose for which the loan was to be taken. One may wonder about the sustained interest among these women to participate in a SHG in the long run if they cannot get any loan despite saving regularly and attending monthly meetings. Participation in public activities like street cleaning by the SHGS many thus also be a temporary upswing during the initial enthusiasm created in these groups. This in any event can hardly be set to constitute empowerment.

NGOS are costly agents in the sense that they require substantive funding for their activities and salaries to professional staff. However, some studies of NGO run SHGS argue that these are effective in fostering more or less successful small-scale entrepreneurialism among women. One important factor behind the observed presence and functioning of SHGS in the studies villages is the role of the NGO-employed cluster-coordinators or village organizers. These are persons from the village with a high school education, trained for this work and paid by the NGO, who regularly meet their colleagues from the villages and the NGO staff. Being perhaps among the better paid women in these villages, they may also serve as role models for women entering into the public sphere.

The practice of borrowing from the bank at 12% rate of interest for re-lending to individual group members at 24% rate of interest leaves room for the NGO to make some money out of the transaction, most often taken as a cut of the loan received from the bank. This, in turn, gives grounds for suspicions and rumours about the cluster coordinator bagging some for the money personally while on monthly salary of between Rs. 1,000 and Rs. 2,000. In one of the villages the cluster coordinator swindled all the money borrowed by one SHG she supervised. This, of course, led to the dissolution of the SHG.

In 2006, panchayat unions were ordered to start their own SHGS without the involvement of NGOS. A target of a least five such groups in each panchayat was set for the three women welfare officers in each block. The anganwadi workers were also asked to organize two such groups each near their centres. There are several problems with this new programme. There are no fieldworkers for this with the government. The three women welfare officers in each panchayat union have to do it themselves without any local cluster-coordinators trained for this purpose. The officials also say that they cannot find any women willing to join since those interested are already members of SHGS.

In conclusion, that despite an impressive number of SHGS started in our villages, only a minority of village households, about 7%, have taken bigger loans making it possible to start some new businesses. Another 17% of the village households have been able to get smaller consumption/emergency loans. Most of those households belong to the middle income strata. There are few borrowers from the poorer strata and the poorest group of women is not at all reached by the programme. Moreover, the average interest charged for the SHG-loans is 21% which is much higher than the average 13% interest rate charged for other institutional loans. This is far less of an achievement than the claims made by a recent official publication on development in Tamil Nadu, which says:

There is no doubt that the formation of SHGS has indeed strengthened the hands of poor women in the State in their struggles against poverty and social discrimination. The SHGS have also served as an effective channel of credit for the existing income generation programme. This is not to deny the fact that SHGS have been useful in catering to some emergency needs of some households with regard to food, medicine and social purposes. They have been a source of cheap, even if small, consumption loans, enabling some households to avoid going to the moneylender. They have also enabled a few relatively better off households to start some businesses led by women.

Major Findings of the Study
(1) SHGS under the scheme called Mahalir Thittam (Tamil Nadu Women Development Project), almost all of them only for women, now function in...
all the sample villages. The Government uses private non-government organizations (NGOS) as facilitators with instructors called cluster coordinators who organize the groups. SHGs save in rural public credit institutions and get loans from these as a group or individually at 12% interest. Group loans are used to lend to individual members at higher interest rates. The SHGS guarantee the loans collectively. No collateral in terms of land or property is needed, and they are collectively responsible for the repayment of the loan. If one member fails to pay interest and amortization in a particular month, the group pays it. At present, the Government effort is to identify in each panchayat union an NGO that will be given the contract to organize SHGS with the help of trained animators called cluster coordinators.

(2) The study noted that the pattern is that women come together in groups of between 10 to 20 members. They save regularly, say Rs. 50-100 per month for six months, after which time they can borrow as a group from the bank for internal re-lending at 24% interest. When this loan has been repaid, new group loans or individual loans can be taken. On the basis of the survey, it has been estimated that nearly half of the sample households, or 45%, have at least one member in a SHG.

(3) The study has brought out an interesting observation that the membership enrollment varies from a low membership rate of only 18% in Nangavaram to 61% in Poyyamani. The reason for the difference is the presence of a professional NGO and enthusiastic cluster coordinators, which was the case in four of the studies villages. In Navavaram North and in K Periapatti villages, there was no single strong NGO contracted to do the organizational work and hence percentage of member households is quite low.

(4) The caste composition of SHGS also varied. In Poyyamani, groups were segmented in such a way that the intermediate castes have their own groups. As far as dalits were concerned, the two castes Pallar and harijan also have their separate groups.

(5) The study unfolded that many of these groups do involve at least some women belonging to the poorer strata, such as women from landless households who work as agricultural coolies. Most caste groups have SHG members, though the larger ones like Muthurajas, Gounders and Pallars form the vast majority of its members. The survey shows that the mean income per capita is Rs. 23,888 for member households, while the corresponding income is only Rs. 14,574 for non-member households. If one look at landownership, it is found that among landed households 57% are members, while among landless, the membership rate is only 33%.

(6) The study made an astonishing revelation that most of the women in the SHGS do not belong to the poorest strata of the population. They belong to households which are relatively better off than the poor. These are women from households with some resources and with the capacity to save as well as pay back loans at regular intervals.

(7) It is found that 24% of all households have borrowed money either from the group or in a bank through the SHG scheme, i.e., about half of those households which are members have taken loans. The mean size of the debt is Rs. 7,874, with a maximum of Rs. 30,000 and minimum of Rs. 500. The average interest paid for these loans is 21%, ranging from a low of 9.6% to a maximum of 24%.

(8) It has been found that the most important purpose is given as “other reasons” a category which also includes education. Next comes “Food and Household Expenses”, which includes medical care. Business other than agriculture accounts only for about 10% of the loans, but by probing it is found that the category “other reasons” also includes loans for starting self-employment activities. It is within these categories larger loans for, e.g., purchasing a cow, a sewing machine, gem-cutting machines, or starting a small shop (most often, a tea shop) were found. There is often a Government subsidy at between 1/3 and 1/5 of the total money needed to make the purchase of a milch animal.

(9) Most often, these loans are taken individually. However, it is also found a few cases where SHGS had together purchased gem cutting machines or taken a contract for stone quarrying and worked with this individually or taken a contract for stone quarrying and worked with this individually or as a group. In Poyyamani, the very ambitious and knowledgeable cluster coordinator, has recently formed a milk cooperative society in order to increase the income from milk sales by selling to the cooperative dairy plant in Tiruchirapalli town without any middlemen involved.

(10) About 29% of the loans which are at the level of Rs. 10,000 and above can be taken to be proper loans for self-employment activities. These have been made available to only about 7% of the agrarian households in our villages during the past 5-6 years during which the SHG scheme has been in operation. These households had an average per capita income of Rs. 30,534, which is significantly higher than the average of Rs. 17,527 for all
households, which means that it is the relatively better-off families that have been able to take the larger loans.

(11) Another way of understanding the importance of the SHG loans is to compare them with other sources of loans of the households. It has been found that the total credit amount owed by the sample of all households in all six villages in 2004 was about Rs. 17 crore (Rs. 170 million) from all sources. Of these only about 6% were borrowed via the SHG scheme. If we take only institutional loans, totaling about Rs. 7.2 crore, 15 came via SHGS at an average interest rate of 21%. Institutional loans other than SHG loans, (totally Rs. 6.1 crore), had a much lower average interest rate rare or 13%. Thus, the amount of loans distributed via SHGS is rather small and the annual interest rate is much higher than other institutional loans. However, even if the amount is small – only 6% of the total loans of all households – it can still be noted that about one-fourth of the households have benefited from this source which is a significant phenomenon in the absence of adequate institutional credit from conventional sources like cooperatives of banks.

(12) The study has brought to limelight that women’s political representation in local government has no doubt received a rather spectacular “jump-start” with the massive entry of women's political representation in local politics. It helps women act in public spheres and express issues of concern. In the panchayat women may learn to interact across caste and gender and discover what people from other backgrounds are thinking. Actual participation and learning from other is the critical “mass” that is needed for women to have an impact in governance.

(13) The study made an interesting revelation that it is the more affluent women who were found to be active in panchayat politics, since money plays such an important role. Moreover, women’s participation is constrained by male influence over their candidacy and functioning in the various boards, as well as by their caste and class positions. They are also, like their male counterparts, constrained by the paucity of public funds for local development, which leaves many demands unmet. Nevertheless, on the basis of empirical findings, it can be said that the reservation for women in local politics has not only changed conditions for local collective action but has led to several potentially positive advances for women as well as for the local political system and administration.

(14) The study has brought a sharp focus that women’s entry into politics and into micro-credit groups signal significant social changes. These changes go in hand with other changes, which are mutually reinforcing the empowerment of women. Women are now much more visible in the non-agricultural sector, whether as workers in various trades or as self-employed petty entrepreneurs, and in educational institutions as teachers and students. They also benefit from the emergent, even if rudimentary, welfare state. However, visibility should of course not be confused with power. Women still own a very small proportion of assets including land, have significantly lower literacy rates than men, continue to face domestic and other forms of violence, and face strong son preference.

Conclusion

Micro-credit distributed to SHGS of women, often through intermediaries, has been implemented in many parts of Tamil Nadu. In six villages, SHGS have a strong presence, covering about half of all households. Many of the SHGS seem to function well. They gather women outside their own homes in meetings, where not only credit but also community concerns such as drinking water, street lights, crèches and schools are discussed. They SHGS also provide a platform for women’s active participation in local politics. But these aspects should not be exaggerated, as their effects are fairly modest.

SHGS cater to the need of many households for short-term smaller loans at rates lower than those charged by traditional moneylenders. Larger loans for starting small businesses are given to much fewer women but are still important for the development of women’s self-employment in the local economy. However, as we have also found through our survey, it is not the really poor households who are involved in these groups or can borrow from the banks or credit cooperatives. It is medium income households that are members. When it comes to larger, entrepreneurial loans only 7% of the village households have been able to avail themselves of these. These households are above average income households. Thus, the claim that micro credit is reaching the poor in the studied villages is not confirmed.

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