ROLE OF SELF-HELP GROUPS IN FINANCIAL INCLUSION IN GOA – A CASE STUDY

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ABSTRACT

In India, Self Help Groups (SHGs) represent a unique approach to financial intermediation and promotion of financial inclusion. The approach combines access to low-cost financial services with a process of self-management and development for the women who are SHG members. SHGs are formed and supported usually by NGOs or by Government agencies. Linked not only to banks but also to wider development programmes, SHGs are seen to confer many benefits, both economic and social. SHGs enable women to grow their savings and to access the credit which banks are increasingly willing to lend. SHGs can also be community platforms from which women become active in village affairs, stand for local election or take action to address social or community issues.

Inclusive growth is much needed to include common people into the orbit of development. Social and economic justice can be provided only with the inclusion of hitherto excluded deprived section of people. Lot of measures was undertaken by the Government of India and Reserve bank of India together to mitigate the problem of financial exclusion. It leads to particularly, development of all sections of people. To achieve this multi-model approach was adapted. Service Area approach, priority sector lending. Differential rate of interest, Lead Bank Scheme, issue of General credit card and Kisan credit card and so on help to overcome financial hassle to get credit from formal institutions. In this direction emergence of SHGs helps poor extensively to strengthen their financial and social condition specially women folk. SHGs play a vital role to improve the socio-economic condition of women folk by developing thrift habit and providing micro finance in times of need and also encouraging micro entrepreneurs.

This study highlighted the role of SHGs in financial inclusion and impact of SHGs on Socio-economic life of the rural people in Goa. The area selected for the study is Quepem taluka of South Goa district. An
empirical study was conducted with 350 members, to test the hypotheses of the study. Random Sampling method was adopted. Primary data was collected through Sample Survey method, for which structured questionnaire and interview method was used. After joining SHGs the increase in bank accounts, increase in avail of credit, percentage of repayment are used as parameters of financial inclusion. Percentage, and paired T test are the methods adopted to check the results of the collected data. The study shows that there is positive relationship between SHGs membership and financial inclusion. The study shows after the membership to SHGs there was enormous increase in the number of bank accounts by members. With that, the credit availed by the members and annual repayment of the loan also shows positive trend. Thus SHGs help the deprived section of people to enter into formal financial sector and through that social and economic empowerment.

Key words - Inclusive Growth, Financial inclusion, Self Help Groups, Bank Linkage Programme

INTRODUCTION

Financial Inclusion is a powerful tool to achieve inclusive growth. Financial inclusion is the process of ensuring access to appropriate financial products and services needed by vulnerable groups such as economically and socially weaker sections and low income groups at a fair and transparent manner by formal financial institutions. The financial development and improved access to banking and related services not only accelerate economic growth but also reduce income inequality and poverty. Financial inclusion is both cause and effect of economic development. Higher the financial inclusion, greater will be the economic development. On the other hand greater economic development leads to higher financial inclusion. It will create opportunities to each and everyone to participate in and get benefit from developmental activities.

The Committee on Financial Inclusion headed by Dr. C. Rangarajan has observed that the SHG Bank Linkage has emerged to be a major plank of the strategy for delivering financial services to the poor in a sustainable manner. This observation emphasizes the importance of SHG movement in India, in taking forward the agenda of financial inclusion.

The SHG model which was started over two decades ago has seen a tremendous growth covering a large number of people, primarily women. The SHG-Bank Linkage Programme which was strongly present in the southern region has now become a national movement with the non southern states presently having a share of more than 50 per cent of credit linked SHGs. The fact is regional share is undergoing a gradual change and south is losing its share to other regions of the country.

The SHG model has the potential to become a truly savings led model, and thereby offer the poor a greater scope of accumulating capital – economic and social. Unlike the credit delivery model, the SHG model focuses on savings and leveraging the savings for the benefit of members. SHG model being an empowerment model also offers the community a greater scope for building their leadership skills and
usher in a new era of engendering the community. The SHG is an excellent model that builds social capital within the communities and helps in asset building.

The SHG model is highly dependent on the group cohesion and abilities of group members and leaders in managing the group affairs – focusing on members’ self-reliance. Thus the SHG model takes time to harness the full potential, is relatively costly in the short term, and requires a good sense of restraint in not wanting to manage the group affairs. The SHG model while pooling the small savings regularly helps the communities in accessing not only credit but also benefits from the various Government welfare schemes, having implications for the livelihoods. It helps the groups of entrepreneurs to pool and market their products. The SHG is loosely modeled on, and functions on the principles and values of cooperation. Like the cooperative movement, the SHG revolution in India is also referred as a movement.

The most important aspect of the SHG movement is the social capital which is essential for the progress of any Nation. The vital characteristic of binding people together in addressing social and economic needs of large number of people, especially in the rural areas, is a major success of this movement. The informal nature of the groups, simple procedures and systems, democratic functioning are the major success factors of the SHG movement. SHG movement is best suited model, to harness the community action and to benefit from government programmes, for the socio-economic development of communities in the given social and cultural context of India.

ROLE OF SELF HELP GROUPS

SHGs can be agents of change for women’s political participation in decision making to articulate their needs and priorities for rights, entitlements and basic services. SHGs can be effective tools for poor women to constructively deal with the panchayats. They have potential to:-
a) Provide a basis for collective action around both wider community and gender needs in panchayats and on
b) Lobby for inclusion of women’s interest in panchayats. The organized SHGs as community-based organizations of poor people can provide the poor and marginalized people in the village with intangible resources like information, social networks and associations, which in turn promote their self-confidence and strengthen their ability to exercise their opinions, raise their social awareness and make them active in forum such as the Gram Sabha.

A conscious collective action around a common or shared concern for the provision and protection of rights can make the voices of poor heard. These people stand out as a shining example and model for others in their community. For this to happen, the SHGs will have to be a strong organization, having access to information, resources and opportunities, strong capabilities built through education, information, skills, experience, confidence and freedom of choice and action. External facilitators such as Women’s organizations, NGOs, etc. play a crucial role by educating, organizing and mobilizing women purposely and consciously around a common or shared concern for bringing women’s concern to the centre stage of local self-government and catalyze the social change process.
Participants and control over resources of power are considered as the critical indicators in the process of empowerment. The poor and women, who are hitherto, excluded to a large extent, must be actively involved in the decision-making process. Instead of remaining as passive beneficiaries, they must become active partners in all walks of life. Increased mobilization and representation of the poor and women is both a result of empowerment, and a potential contribution towards increased empowerment. Equality of control means a balance of power between the powerful and the powerless, male and female, rich and poor, so that neither is in a position of dominance. It is the degree and quality of control that indicates the empowerment.

In this context, the present study indents to find contribution of SHGs in facilitating financial inclusion and its impact on SHG’s members in Goa.

LITERATURE REVIEW

Kundu Amit, (2002), Impact of SGSY scheme on self-help group members in west Bengal. This paper shows that the government supported micro-credit programme under joint liability in Swarna-Jayanti Gram Swarozgari Yojana Scheme in India is able to reach to the ultra poor and vulnerable section of the rural population of West Bengal where most of the participants are rural married women. The scheme is helping them to reduce their acuteness of poverty but still fails to reduce their vulnerability. It is also helping the participants to improve their empowerment. The group leaders do not take any undue advantage from their respective groups to improve their economic conditions more quickly than other fellow ordinary members.

R Haridoss, J. Fredrick (2006) in their study of 150 beneficiaries of micro credit selected form SHGs in Mahalirhtittam district of Madurai, attempted to measure the level of empowerment of women, examine the relationship between socio-economic characteristics of the women and their empowerment and also identify the factors influencing women empowerment.

The study on SHGs by EDA Rural Systems and APMAS (2006) explored various issues related to the working and operations of SHGs including the outreach of SHGs, drop-out rates, the social role essayed by the SHGs and their sustainability. The study is based on data collected from 214 SHGs in 108 villages of nine districts of four States viz Andhra Pradesh (50 SHGs) and Karnataka (51 SHGs) in the Southern Region and Orissa (50 SHGs) and Rajasthan (53 SHGs) in the Northern Region. The study found that a majority of the members were below poverty line.. The study highlighted the role of the SHG members in addressing social issues and in community action.

Gadenne, Vasudevan (2007) studied loan usage by members of 34 and 35 SHGs in the Chitradurga district of Karnataka and the Kancheepuram district of Tamil Nadu respectively. The study found that majority of the members utilised credit for income generating activities with members displaying a tendency to shift from consumption to production oriented loans over time. The study indicated that production oriented loans were on an average twice as large as consumption loans. Self Help Groups have not just improved members access to credit but in doing so have served as a means towards investment in income
generating activities or human capital as well as a mechanism of consumption smoothing and asset building.

Roy Satyajit, (2008), the study of the Self Help Groups promoted, nurtured by the NGOs and banks reveals that microfinance through SHGs is an important tool for socioeconomic empowerment of the poor, particularly the women. The study proves that if the poor are properly motivated and sensitized through education and training, they themselves can generate some funds for setting up micro enterprises, besides conferring self respect and dignity on them. From the above study it is clear that in NER and Assam there exists basically micro credit with little bit of micro saving. The other aspects of microfinance i.e. insurance, marketing, capacity building, technical assistance etc. are not happening in true terms.

Latha Krishnan, AH Sequeira & M Snehalatha,(2008), studied that, Women are the most preponderant segment of the rural society who have long been bypassed or overlooked in the process of empowerment. The decadal efforts of bringing women into mainstream are gaining momentum with self-help approach. Self-help groups (SHGs) focusing on microfinance is proving to be a promising and innovative strategy of reaching the millennium development goal of empowering women. This being so, the study analyzed the formation and functioning of SHGs and the impact on socioeconomic status of underprivileged women.

Ssendi and Anderson (2009) examined the role of micro finance and micro enterprises and their impact on the poor rural women in Tanzania. They point out to the limited outreach of micro finance which makes it difficult for the poor to access credit. Furthermore, Micro Finance Institutions, they note, are concentrated more in the urban areas.

Meena M. S., Singh K. M.(2009), revealed that, Self help groups emerged as an effective mechanism for empowerment of rural poor. It is an efficient mode of promoting group action. Initiatives were undertaken at ICAR Research Complex for Eastern Region, Patna (Bihar) to assess the attitude of SHG members in the Bihar state. This positive attitude of SHG members paves the way for success. Hence, for addressing the issues of rural poverty, enrichment of the system with social capital through empowerment and formation SHGs; provision of financial and credit support; creation of market-driven and decentralized extension system; use of media-mix for technology transfer, informal education at rural level; conduction of need-based training and strong political will need to be emphasized

Uma .H.R, Rupa.K.,(2013), Role of Self-Help Groups inFinancial Inclusion – A Case Study This study highlighted the role of SHGs in financial inclusion. The primary data was collected through random sampling method and it reflects the positive relationship between SHGs membership and financial inclusion. The study shows after the membership to S H Gs there was enormous increase in the number of bank accounts by members.

Meena M. S., Singh K. M.(2013), Changing behaviour of self help group members: Pathway for sustainable rural livelihoods in Eastern India, evaluate that Positive behaviour could play a great role in tackling the issues of rural poverty for improving sustainable livelihood security in eastern India. To achieve this rural livelihoods must assimilate the vital facets like (i) formation and stabilization of SHGs, (ii) pro-poor financial
and credit support system, (iii) market-driven and decentralized extension system, (iv) diversification towards high-value enterprises, (v) technological intervention and impact assessment, (vi) media-mix for technology transfer, (vii) frequent educational tour/visits and interaction with other SHGs and research institutes, (viii) developing leadership skills, and (ix) strong political will. Nevertheless, extension system needs to be re-oriented and revitalized with new agricultural knowledge base in emerging technologies and methodologies.

STATEMENT OF PROBLEM

Undoubtedly, micro credit and the Self Help Group movement has attracted not just many micro credit practitioners but has also generated tremendous interest among researchers and academicians. While a large number of studies have documented the impact of micro credit and Self Help Groups in different countries and in many States of the Indian Union too, the impact of the micro credit sector has not been studied comprehensively for the State of Goa. Except for a few studies, a detailed and exhaustive study and impact analysis of the Self Help Group movement in the entire State of Goa has not been attempted. It is this lacuna that the present study attempts to address.

Several studies indicate that self help group programmes often in the form of credit or micro credit schemes and savings have succeeded in changing the lives of poor people by making way for enhanced income and increased self-esteem. This is evident from the mushrooming growth of self-help groups in the state. This study is undertaken to analyze the role of self help groups and their impact on the members in Quepem taluka of South Goa district.

SIGNIFICANCE OF THE STUDY

Financial inclusion is very much needed to reach the unreached section of people and to bring them to the mainstream economy by providing access to basic financial services. A World Bank NCAER Survey (2003) on ‘Rural Access to Finance’ indicates that 70% of the rural poor do not have a bank account and 87% have no access to credit from a formal source. In the era of financial globalization, financial inclusion has been considered as a major requirement especially weaker section of the society. Micro finance being used in India for the purpose accomplishing universal financial inclusion(Economic Research Journal 2009).SHGs with bank linkage provide the peer group, safe custody for their savings. They can protect themselves against risks and shocks by using micro finance facility. The income earning opportunities will increase. Micro insurance provides security to the life of poor people. SHGs have been recognized as a decentralized, cost effective and fastest growing micro finance initiative in the world, enabling over 103 million poor households’ access to a variety of sustainable financial services. This study helps to know the contribution of SHGs in financial inclusion and its impact on members of SHGs.

OBJECTIVES OF THE STUDY

1. To examine the contribution and status of members of Self-Help Groups in Goa.
2. To highlight the role of Self-Help Groups in financial inclusion in Goa.

**RESEARCH METHODOLOGY**

The study is analytical based on collection of data from both primary and secondary sources. The area selected for the study is Quepem taluka of South Goa district of Goa State. An empirical study was conducted with 350 members of various SHGs operating in the Quepem taluka, to test the hypotheses of the study. Random Sampling method was adopted. Primary data was collected through Sample Survey method, for which structured questionnaire and interview method was used. After joining SHGs the increase in bank accounts, increase in avail of credit, percentage of repayment are used as parameters of financial inclusion. Percentage and paired T test are the methods adopted to check the results of the collected data.

**RESULT AND DISCUSSION**

**IMPACT OF SHGS ON SOCIAL EMPOWERMENT OF MEMBERS**

After interacting with the office bearers and members of SHGs, it was found the members have empowered themselves socially. Following points are given related to the social empowerment of members through SHGs.

**ROLE MODELS FOR OTHERS**

After interacting with the members of SHGs, it was found that they are the role models for other people in the villages. Some of the members who were disinterested to become the members of SHGs, decided to become SHGs members when they saw the benefits of joining a SHG, they themselves formed the group. Thus, some of the members have paved the way for others to follow the suit.

**ERADICATION OF ILLITERACY**

Members of SHGs not only want to improve their economic and living conditions but also aspire to educate their children. They encourage their children including girls to attend school regularly. Some of the members of SHG took loan from the SHGs and banks for their children for paying their fees of the school or getting admission in college.

**RECOGNITION AND APPRECIATION OF SHG’S WOMEN IN SOCIETY**

This is also a proof to the fact that women and their work have gained recognition and appreciation in the village. Members hold meetings regularly within their group. They are pleased that after becoming
members of SHGs, their status has risen in the community. They discuss the issues like health and education in their monthly meetings.

ATTITUDINAL CHANGE

The group has taken the responsibility of creating awareness about health issues. Data shows that majority of women 80% women did not make any effort in eradicating social evils before joining SHGs but after the formation of SHGs, they realized the importance of eradicating social evils in their village and muster courage to hold rallies, wall writing and discussion with the community based organizations in the village on the social issues.

GAINED CONFIDENCE

After becoming the part of SHGs, members particularly women have gained confidence to travel alone to visit their relative’s place, bank’s visit, going to health centre etc. Data shows that before the formation of SHGs, only 40% women had the freedom of movement and they used to go along with their husband, family and other relatives. But after becoming the part of SHGs, number increased substantially from 40% to 90%.

AWARENESS ABOUT SCHEMES

Both Central as well as State Governments have been implementing various schemes and programmes for the welfare of the poor people particularly women. But due to the lack of awareness, people are not able to use them for their benefit. After interacting with the members of SHGs, it was found that their level of awareness of government schemes also increased after becoming the members of SHGs.

ECONOMIC IMPACT

The SHGs are empowering members across the country. Economic empowerment of poor has boosted the morale of the poor people. SHGs not only provide economic freedom to members but also recognize them as the bread winner of the family. It has been seen in the field that women after becoming the part of SHGs, have improved their personality in the sense that they have become confident in interacting with society. Not only that, they have the decision making power and control over their own income that they have earned from their income generating activity. They get freedom on deciding what matters to them. There has been a positive change in savings which is followed by income generation, expenditure level, reduction in the debt position, increase in the investments, households items and in Business. Let us see the below mentioned points showing the economic empowerment of women.
CONTRIBUTION OF SHGS IN PROMOTION OF FINANCIAL INCLUSION AND INDIVIDUAL EMPOWERMENT

Goa is considered as a city of villages due to its peculiar demography, unique economic development and occupational distribution. The financial inclusion measures initiated in other part of the country cannot be used as it is in the state of Goa to achieve effective financial inclusion due to its uniqueness.

In order to promote financial inclusion in the state of Goa many initiatives and steps has been undertaken. Banks, SHGs, NGOs, NABARD, DRDA and other agencies are encouraged and directed to promote financial inclusion for inclusive growth of the economy.

In Goa there are more than 9600 SHGs promoted by various agencies in the state. The banking system also well penetrated in the state.

Survey conducted on 350 members of SHGs from Quepem taluka to obtain their opinions regarding contribution of SHGs in their individual empowerment and promotion of financial inclusion shows the following result.

<table>
<thead>
<tr>
<th>SL. No</th>
<th>Statements</th>
<th>Agree %</th>
<th>Disagree %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Able to start income generating activities</td>
<td>80</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>Decision-making regarding how to allocate money</td>
<td>70</td>
<td>30</td>
</tr>
<tr>
<td>3</td>
<td>Expanding the business</td>
<td>55</td>
<td>45</td>
</tr>
<tr>
<td>4</td>
<td>Wore gold ornaments</td>
<td>68</td>
<td>32</td>
</tr>
<tr>
<td>5</td>
<td>Children educational needs fulfilled</td>
<td>90</td>
<td>10</td>
</tr>
<tr>
<td>6</td>
<td>Meet Government officials</td>
<td>75</td>
<td>25</td>
</tr>
<tr>
<td>7</td>
<td>Adding more facilities in the house</td>
<td>82</td>
<td>18</td>
</tr>
<tr>
<td>8</td>
<td>Purchasing assets</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>9</td>
<td>Wore quality and costly garments</td>
<td>45</td>
<td>55</td>
</tr>
<tr>
<td>10</td>
<td>Going alone to theatre</td>
<td>60</td>
<td>40</td>
</tr>
<tr>
<td>11</td>
<td>To buy goods</td>
<td>87</td>
<td>13</td>
</tr>
<tr>
<td>12</td>
<td>Go to their relative’s houses</td>
<td>91</td>
<td>9</td>
</tr>
</tbody>
</table>
For measuring the individual empowerment and assistance to financial inclusion twenty variables were measured. Based on the responses given by the selected SHG members agreed and disagreed percentage analysis was done. Majority of SHG’s members are agreed for these twenty variables which indicate self empowerment and improved financial inclusion. More than 50 per cent of 350 members of SHGs agreed on all these twenty statements which are the indicator of empowerment and financial inclusion.

FINANCIAL INCLUSION IN TERM OF HAVING BANK ACCOUNT

Financial inclusion is an important tool deployed for poverty reduction and income generation of poor and weaker sections of society. In this regard the collected data for study area highlights the role of SHGs in financial inclusion. Table- 1 shows the number and percentage of bank accounts before and after joining the SHGs.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Parameters</th>
<th>No of SHGs Members</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Before Joining SHGs</td>
<td>42</td>
<td>12</td>
</tr>
</tbody>
</table>
After Joining SHGs

<p>| | | | |</p>
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<th></th>
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</thead>
<tbody>
<tr>
<td>2</td>
<td></td>
<td>After Joining SHGs</td>
<td>308</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Total</td>
<td>350</td>
</tr>
</tbody>
</table>

Source: Complied from questionnaire.

The Sample consists of 350 SHG’s members; out of 350 members only 12 per cent of the members having bank accounts before joining SHGs. But after joining it has been increased to 100 %. It shows that after joining the SHGs, more financial inclusion had taken place. SHGs assist the members to have bank account as all their regular savings mostly deposited into banks. The bank linkage programme helps members’ atleast to have saving account with banks. SHG are very effective tool to improve financial inclusion atleast in the term of availing banking services. The survey indicates that more and more members brought under orbit of banking by the SHGs. It is a good indicator of improved financial inclusion among the weaker section of the society. SGHs linkage programme helped the poor and financially weaker section of the society to avail the banking services atleast for saving and credit.

CREDIT AVAILED BY SHG MEMBERS

The null hypothesis (Ho): There is no significant difference between the mean values of the two variables namely credit availed by SHGs members before the introduction of Self-Help Group and Bank Linkage Programme.(SBLP) and credit availed by SHGs members after the introduction of SBLP.

The alternative hypothesis (Ha): There is a significant difference between the mean values of the two variables namely credit availed by SHGs members before the introduction of Self-Help Group and Bank Linkage Programme.(SBLP) and credit availed by SHGs members after the introduction of SBLP.

Table- 2 Result of research on Credit availed by SHGs members

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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td>N</td>
<td>Std. Deviation</td>
</tr>
<tr>
<td>Pair 1</td>
<td>CAA</td>
<td>17978.33</td>
<td>350</td>
<td>17628.33</td>
</tr>
<tr>
<td>CAB</td>
<td>9453.88</td>
<td>350</td>
<td>9103.88</td>
<td></td>
</tr>
</tbody>
</table>

Paired samples test

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Std. Deviation</th>
<th>T</th>
<th>Df</th>
<th>Sig.(2-tail)</th>
</tr>
</thead>
</table>

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Table- 2 indicates that, in order to test the hypothesis framed in this connection, paired T- test was applied. The average mean value of credit availed after (CAA) and before (CAB) introduction of SBLP is Rs 17978.33 and Rs 9453.88 respectively and the standard deviation is Rs 17628.33 and Rs 9103.88 respectively. Since the result of the analysis indicates that the null hypothesis is rejected at 1% significant level and hence the alternative hypothesis that there is statistically significant difference between the mean values of the two variables after the introduction of SBLP and before the introduction of SBLP, is accepted.

The study further confirmed that, there is an increase in the credit availed by the members of the SHGs. It is also observed that NGOs and Bankers actively participated in SHGs activities and encourage SHGs members to get some training in business activities. SHGs help the banks to generate new business like housing, pension schemes insurance and hence the need for banks to help SHGs members to access banking services. The generalized result is that there is a significant increase in income generating activities of members of SHGs through credit availed. The mean value of the credit availed has increased from Rs. 9453.88 to Rs 17878.33 after the intervention of the SHGs. to those who have repaying capacity and offer collaterals for the loan sanctioned. In this respect the system of SHGs help its members to borrow money without collateral security.

Individuals can improve their financial position by engaging themselves in income earning activities. To invest in business they require capital, for which one has to approach banks or other financial institutions. But banks lend money only to those who have repaying capacity and offer collaterals for the loan sanctioned. In this respect the system of SHGs help its members to borrow money without collateral security.

With this, the collected data exhibits that the loan amount availed by the SHGs members has increased after becoming members. The quantum of loan availed was classified into five categories such as below Rs 5000, Rs5001-10000, Rs 10001-20000, Rs 20001- 30000, Rs 30001 and above. The data shows that before intervention of SHGs most of the members (64.4%) could get a loan amount of below Rs 5000. After the intervention of the SHGs most of the members (84.3%) could borrow above Rs 20000. This shows the borrowing of the members has considerably increased after the intervention of the SHGs.

**ANNUAL REPAYMENT PERCENTAGE**

The null hypothesis (Ho): There is no significant difference between the mean values of the two variables, Annual Repayment before the intervention of SHGs (ARPB) and Annual Repayment after the intervention of SHGs(ARPA).

**Table- 3 Annual Repayment percentage result**
Paired samples statistics

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
<th>Std. error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pair 1</td>
<td>ARPA</td>
<td>105.37</td>
<td>350</td>
<td>12.48</td>
<td>.72</td>
</tr>
<tr>
<td></td>
<td>ARPB</td>
<td>64.58</td>
<td>350</td>
<td>16.20</td>
<td>.93</td>
</tr>
</tbody>
</table>

Paired samples test:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Std. Deviation</th>
<th>T</th>
<th>Df</th>
<th>Sig. (2 – tail)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pair 1</td>
<td>ARPA- ARPB</td>
<td>21.17</td>
<td>39.012</td>
<td>249</td>
<td>.000</td>
</tr>
</tbody>
</table>

Table- 3 reveals that, in order to test the hypothesis framed in this connection, the T- test was applied. The average mean value of annual repayment after and before intervention of SHGs is Rs 105.37 and Rs 64.58 respectively and the standard deviation is Rs12.48 and Rs 16.20 respectively. Since the result of the analysis indicates that the null hypothesis is rejected at 1% significant level and hence the alternative hypothesis that there is statistically significant difference between the mean values of the two variables and before the intervention of SHGs is accepted.

The research further confirmed that, there is an increase in the annual repayment of the members of the SHGs after the intervention of the SHGs. The research also observed that NGOs and Bankers actively participating in SHGs activities and encourage SHGs members to take part in income earning activities. With increased economic strength of members, the research generalized the result that there is a significant increase in repayment level of SHGs members in study area. The result of the analysis indicates the fact that the repayment percentage by the respondents has increased considerably after the intervention of the SHGs. The analysis states that majority (80%) of the SHG members has 450% repayment before the intervention of the SHGs, but after the intervention of the SHGs, the members (90%) have above 92% of repayment. The result shows that the level of percentage of repayment has considerably increased from 50% to 90% after the intervention of the SHGs.

CONCLUSION

The study shows that the main reason for joining SHG is not be merely to get just credit, it in an empowerment process. After joining the self help group the members are economically and socially empowered. The study indicate that the impact of SHGs on financial inclusion. Calculation of percentage and paired T test exhibit the positive impact of SHGs on financial inclusion. The number of bank accounts, credit availed and repayment of credit showed positive increase with the membership of SHGs.
Financial Inclusion Data base (2012) found that the women are particularly disadvantaged, when comes to the access to financial services. Only 37% of women in developing countries have bank account, where as 46% of men do. The relative gender gap in formal account ownership is highest in South Asia. 41% of men and 25% of women have an account. SHGs are mainly women groups help them to enter formal financial system and thereby become socially and economically empowered.

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