

Demand survey for micro finance: A study conducted among urban poor women in the slums of Chennai city

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Abstract

The purpose of this article is to analyse the living condition and economic status of the urban poor women who have become the self-help group members under Mahalir Thittam Scheme, promoted through Women Development Corporation of Tamil Nadu State Government. The primary data was collected from 100 respondents who belong to 10 SHGs in the slums of Chennai city from the month of July - August 2015. Systematic Simple random sampling technique was used. The descriptive design was used to study the actual socio-economic living condition of the urban poor women right from the time of becoming the members of self-help groups to till date. This article comes out with the finding that women who belong to self-help groups exist primarily for credit operations at present. The other purpose of SHGs to advocate for availing community needs and finding a suitable remedy or solutions for the problems and issues that marginalize the life style of people and becoming a stumbling block for the ongoing development of the community is hardly ever addressed. The micro-credit group or SHGs often became a vehicle for providing security. The emphasis on savings and loans rather than the group process was the weakest link. The women groups are to be revitalized through awareness programme and serious of training programmes for the purpose for which it was formed and being supported to actualize the said objectives.

Keywords: Urban Poor, Mahalir Thittam, Women Development Corporation, Self Help Groups (SHGs), Credit Operations, Saving and Loans, Life Style, Ongoing Development, Group Process.

Introduction

The researcher is heading the department of Service Learning (Outreach) in Loyola College, Chennai. He is also a freelance consultant for the non-governmental organisation in Tamil Nadu. Seeing the different attitude of self-help group members, he wanted to study their living condition after taking up micro-finance. Towards this end, the researcher on his personal interest with the support of NGOs monitored various micro-finance-based schemes implemented by NGOs, Central, and State Governments. This study was undertaken by interviewing the urban poor women living in the slums of Chennai metropolitan. Primary aspects of respondents of this study were the women who have been doing domestic works in order to eke out their livelihood and also better the living standard of their family members. As the women living in the slums in the city of Chennai are unskilled, they always do domestic works which has now great demand as most of the couples in the city are working in different places and coming home in different time. Without the domestic works, the couples who are employed cannot imagine how best their life would be. Though domestic workers are considered to be the main players in the families where the couples living in nuclear family, their living condition and life style is still not in better conditions. The suffering of various types like health, education, basic needs and paying debts that are faced by urban poor women domestic workers could not be explained in words, as they have to work hard in one house to another house for meager coolies, every day. Hardly do they find time

to take rest by these women as they have to find their source of livelihood by doing domestic works in various houses.

The Contextual Analysis

The urban poor women in Chennai slums have been engaged in domestic works. They receive meager coolies with which they are able to meet both their ends meet every day (Scaria, 2004). Due to sickness or any kinds of emergency situation, if they do not go for coolie works for a day or two, it is very difficult for them to survive, as their daily wages is cut off by the house owners.

For celebrating their family function, other festivals, important celebrations of various kinds and also to meet their emergency needs including medication, alternatively they have the habit of approaching money lenders even these days to borrow money for an exorbitant rate of interest. The daily wages that they receive and also taking loan from the self-help groups are utilized to pay back the interest which they received from money lenders for addressing their urgent situation and immediate family needs.

The lives of urban poor are being spent in repaying the debts and interest to money lenders with the money availed as a loan from self-help groups. Suffering has been central theme of their lives. Adding fuel to the fire, more than half of the male earning members of the family in slums do come to their houses with fully drunk and involve in unnecessary quarrel and fight with their life partners and this prevents their children to study well in the evening or doing academic home

works. Arrival of the male members of the family is always fearsome for the rest of the family members as something negative would occur due to heavy consumption of alcohol, thus resulting in conflict situation and no peace and unharmonious relationship in the family.

About a half of the time, women and children are spending their time to collect water, as it is one of the basic needs for living. The suffering of the urban poor in collecting the potable water has been the pertinent issues right from the scratch of living in the same dwelling places for many long years. As most of the women in the slums are domestic workers, working in the apartments, and individual houses, they could not work peacefully in the evening, more eagerly expecting the supply of water from the government could have reached their dwelling places. There are many social evils like corruption in the government departments, drug addiction, selling of tobaccos, and consumption of liquor by their family men which obviously result in ruining peace and development of the family. As of now, water has become the main issue.

Health and sanitation of the slum communities along the Cooum River is not improved much, when compared to the speed of development and improvement at present, the Chennai city is getting into and its citizen is proud of. The senior citizens and children are most frequently falling ill due to unhygienic surrounding and living environment. The removal of garbage is done once in two days in the settlements of slum communities, but in other areas in Chennai city, the garbage is cleaned every day.

Women groups have been formed primarily to avail their basic needs including money with the basic cooperation of each and every member of SHGs within the same communities. The second priority is to address as one family by the entire community for the development of their community. Apart from credit operation, the other ultimate purpose is to solve the problems for the issues that hinder the development of the community and also better lifestyle of the people.

Objectives

1. To understand the socio-economic conditions of urban poor women belonging to self-help groups in slums.
2. To analyse the reasons for getting loan from banks through SHGs.
3. To study the functioning and status of self-help groups in which the urban poor women are members.

Methods and Materials

The research was undertaken in 10 slums in the city of Chennai where the department of Service Learning (Outreach) of Loyola College (Autonomous), Chennai has been working since 2001. The primary data was collected through Interview Schedule. Totally 100 urban poor women were studied through systematic simple random sampling technique. Descriptive research design was used to explain the living conditions of urban poor women and also primary reasons for getting loan banks through Self Help Groups from the slums in the city of Chennai. The secondary data was also obtained to supplement this research.

Limitations

The Department of Service Learning (Outreach) of Loyola College, Chennai works in 35 slums in the city of Chennai where this study was carried out only in 10 slums that has a

minimum of two self-help groups. The results obtained through this study may not be generalized to all slums. The study was done among the urban poor women who have become members of self-help groups, doing domestic works. The needs of these domestic workers are entirely different from other women in the city of Chennai and in other parts of Tamil Nadu. Therefore, the need pattern for micro-finance is varying than that of other women in the study areas.

Analysis and Main Findings

Table 1: The reasons for availing loan

Reasons for availing loan	No of respondents	Per cent of the respondents
Loan repayment to money lenders	54	54
Marriage celebrations	18	18
Meeting the special needs of festival and functions	7	7
Health needs	3	3
Educating children	6	6
Doing small entrepreneurial activities as a source of livelihood programme	12	12
Total	100	100

It is shocked to find out that at present the primary motive of SHGs in Tamil Nadu state, irrespective of districts, are mainly functioning for availing credit for their basic and family purposes. These days, SHGs left the good practice of taking up issues on social changes and empowerment, excepting for water and that too once a while they pressurize the government through road blockage and shouting slogans. These days, the women who have been belonging to Self Help Groups (SHGs) have started ignoring the social change and empowerment status of women just by coming together to address their needs and advocate for their rights and therefore, the original purpose of existing women's credit groups is questioned. After experimenting repeatedly, It is the accepted fact that the first step towards the goal of equal participation of women in local communities, and to break socially oppressive traditional practices through women's credit groups is the economic empowerment.

Table 2: The reasons for joining SHGs

Reasons for joining SHGs	No of respondents	Per cent of the respondents
To save money for any kinds of future needs that arises at that time.	21	21
To enhance the better living condition of the family	16	16
Credit operation to pay back the exorbitant rate of Interest for the loan amount received from the money lenders	54	54
Availing loans for the emergency of health needs	3	3
Availing loan for educating children	6	6
Total	100	100

Table 3: Present living condition of urban poor women after becoming the members of SHGs

Present living condition of urban poor women	No of respondents	Per cent of the respondents
Improved to a greater extent	4	4
Improved to some extent	64	64
No improvement at all	32	32
Total	100	100

Table 4: Status of addressing the basic issues and needs through SHGs

Status of addressing the basic issues through SHGs	No of respondents	Per cent of the respondents
Given a petition for the regular supply of potable water as it is the basic need.	7	7
Did oral complaint for removing the garbage.	6	6
No time to address other community needs.	87	87
Total	100	100

Recommendations and Conclusions

- Several issues need to be kept in mind and also taken into account while implementing micro credit programmes for the benefit of urban poor women.
- It is clear from the self-help groups and micro-finance programme that the credit plus activities have become the vital links in developing and transforming poor women into entities of empowerment rather than mere clients of micro finance interventions. Therefore, the need has risen to largely invest in human capital, capacity building to run small credit groups even by the urban poor women with active cooperation of their family members. Moreover, there needs to be strongly managing thrift and credit groups and gender oriented capacity building.
- It is obvious that several micro finance institutions have been criticized for creaming of the poor and they have failed to reach the poorest of the poor who ultimately needs finance for their survival by taking up small entrepreneurial activities in the slums where they have been residing at.
- On the other hand, it was often seen that apart from the roles of reproduction and home management, micro-credit programmes became the triple burden in poor women's lives particularly in urban areas.
- There has to be more emphasis on identifying the weakest link on savings and loans rather than the group process.
- The poorest often dropped out due to the pressure to save, and often defaulted. Therefore, a total attention needs to be given to the group process and dynamics. Moreover, It is very important and also necessary to develop micro finance agencies or institutions that have both, organized collective action as well as ensure high repayment, i.e. Uphold the twin agenda of women's empowerment with financial viability. This requires special interventions that are tailor-made, and based on a grass roots approach to planning, along with a well-organized structure of layered credit groups, along with regular thrift training.

- Self-help groups should not be functioning solely for credit operation, but it should focus on the vital issues and problem that becomes obstacle for their development.
- Using the banner of self-help groups, urban poor women should organize themselves to raise their voice against any injustice happening in the society.
- Women belonging to Self Help Groups should collectively advocate for fulfilling their basic rights denied to them and also pressurizing the government to pay an attention to their basic needs.
- The results show that there should not be rigid practice for availing micro-finance. Instead the SHG model needs variation and flexibility based on best practices such as the "Women's Credit Group model of the Working Women's Forum", Chennai.

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