Women Empowerment and Self-Help Groups in Tamil Nadu – Mahalir Thittam, TNCDW, Dharmapuri IFAD Project, SHG-Bank Linkage, Vazhndhu Kaattuvom, TNSRLM & State Policy for Women | TNPSC Notes

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A **Self-Help Group (SHG)** is a small group of about 10 to 20 women from the same locality who come together to save, lend internally, borrow from banks and run joint enterprises. Tamil Nadu pioneered this movement in India: in **1989** the SHG approach was first tried in **Dharmapuri** district with help from the International Fund for Agricultural Development (**IFAD**); in **1997** the fully State-funded **Mahalir Thittam** began; and the implementing body is the **Tamil Nadu Corporation for Development of Women (TNCDW)**, set up in 1983. On 03.11.2026 at Erode, Chief Minister C. Joseph Vijay launched Rs 3,000 crore of bank credit for 26,000 SHGs; the Government said that so far **Rs 2,62,311 crore** had been linked to **5.23 lakh SHGs (60 lakh women)** (DT Next).

தமிழில் படிக்க

These notes are written for TNPSC Group 1, 2/2A and 4 aspirants. The topic falls under **Development Administration in Tamil Nadu** (women empowerment, SHGs, poverty alleviation programmes) and under Indian Economy (financial inclusion, rural development).

At a Glance

Indicator	Figure	Year / Source
Active SHGs (rural + urban)	4.48 lakh	Rural Development Policy Note 2023-24
Rural SHGs (TNSRLM)	3.18 lakh SHGs; 36.25 lakh members	Policy Note 2023-24
Urban SHGs (TNULM)	1,29,721	Policy Note 2023-24
Cumulative bank linkage	Rs 2,62,311 crore; 5.23 lakh SHGs; 60 lakh women	November 2026 (DT Next)
Credit target 2026-27	Rs 38,000 crore (4,18,673 SHGs)	Budget Speech para 137; DT Next
Village Poverty Reduction Committees (VPRCs)	12,734 (all 388 blocks)	Policy Note 2023-24
Panchayat Level Federations (PLFs)	12,524; Block Level Federations 388	Policy Note 2023-24

History – Timeline

Year	Event
09.12.1983	Tamil Nadu Corporation for Development of Women (TNCDW) incorporated under the Companies Act (G.O. 2951, 12.12.1983)
1989	IFAD-assisted Tamil Nadu Women's Development Project – SHG approach first tried in Dharmapuri (G.O. 764, 01.09.1989)
1997	Fully State-funded Mahalir Thittam launched (then Chief Minister M. Karunanidhi)
31.12.1998	IFAD project ended
2002-03	Mahalir Thittam extended to all (then 30) districts (G.O. 93, 25.06.2002)
2005-06	World Bank-assisted Vazhndhu Kaattuvom project (VKP 1.0)
July 2006	TNCDW moved from the Social Welfare Department to the Rural Development and Panchayat Raj Department
2006-07	"Manimegalai Award" for the best SHGs introduced (later discontinued, revived in 2021-22)
2012	Tamil Nadu State Rural Livelihoods Mission (TNSRLM) as part of NRLM – Union:State 60:40
2021-22, 2022-23	Bank linkage targets Rs 20,000 crore / Rs 25,000 crore – achieved Rs 21,392.52 crore / Rs 25,022.19 crore
January 2024	Cabinet approval of the State Policy for Women (draft December 2021)
05.08.2026	Budget 2026-27: "Singappenngal Valimaippaduthum Thittam" – Rs 5 lakh investment subsidy to every SHG enterprise; credit target Rs 38,000 crore
03.11.2026	Erode – disbursement of Rs 3,000 crore to 26,000 SHGs launched

How an SHG Works

- **Structure:** women of similar socio-economic status save weekly or monthly; they hold meetings and keep account books; leaders (animator / representative) rotate.
- **Federations:** SHG → **Panchayat Level Federation (PLF)** (registered under the Tamil Nadu Societies Registration Act, 1975) → Block Level Federation (BLF).
- **Credit cycle:** savings → internal lending → Revolving Fund → **SHG–Bank Linkage** → community investment fund / enterprise loans. In 2022-23, 4,39,349 SHGs got credit, with an average loan of Rs 5.68 lakh per SHG.
- **Village Poverty Reduction Committee (VPRC):** 11–19 members; the Village Panchayat President is the ex-officio chair; identifies the poorest of the poor (a Vazhndhu Kaattuvom legacy).

Key Institutions and Programmes

Body / Programme	Role

TNCDW	Implements Mahalir Thittam, TNSRLM and urban SHG work; under the Rural Development and Panchayat Raj Department
TNSRLM (2012)	State arm of NRLM; all blocks; 60:40 funding
Vazhndhu Kaattuvom 2.0 – Tamil Nadu Rural Transformation Project (TNRTP)	120 blocks, 3,994 Village Panchayats; Rs 910.37 crore; World Bank:State 70:30; rural enterprise
Community Skill Schools (CSS)	1,591 schools up to 2022-23; 33,681 rural youth trained
"MaThi" brand	Common brand for SHG products; MaThi kiosks; "MaThi Siragugal Thozhil Maiyam" – enterprise support centres
Manimegalai Award	For the best SHGs, VPRCs and PLFs; Rs 55 lakh given on 29.12.2022

Other Pillars of Women Empowerment (Links)

- **Political:** 50% reservation for women in local bodies (since 2016) – local governance note.
- **Employment:** 40% reservation for women in State government jobs (announced 13.09.2021; earlier 30%).
- **Education:** Pudhumai Penn – Rs 1,000 a month to government-school girls in higher education – education development note.
- **Income support:** Magalir Urimai Thogai Rs 1,000 a month; Vettri Payanam (the name, from 02.10.2026, of free bus travel for women).
- **Agriculture:** "Vetri Vaanmagal" scheme to train women farmers in drone technology (2026 Budget announcement, DT Next).
- **Historical pioneers:** Dr. Muthulakshmi Reddy (abolition of the devadasi system), Moovalur Ramamirtham Ammaiyar, Periyar's Self-Respect Movement (women's property rights, self-respect marriages).

Assessment: Strengths, Challenges, Way Forward

Strength	Challenge	Way forward
India's pioneering model (1989); strong federation structure	Loans often used for consumption; multiple borrowing and debt stress	Financial literacy; priority for enterprise loans
High repayment to banks; financial inclusion	Weak market linkage and branding	"MaThi" brand, e-commerce tie-ups, exports
Women's leadership and participation in local bodies	Groups becoming defunct (1,53,392 old Mahalir Thittam SHGs were revived, Policy Note 2023-24)	Computerised loan sanction with integrated co-audit (Budget para 138)

Mains Answer Writing

"The SHG movement has empowered women in Tamil Nadu" – discuss (about 250 words)

- **Introduction:** 1989 Dharmapuri IFAD; 1997 Mahalir Thittam; TNCDW (1983).
- **Scale:** 4.48 lakh SHGs (2023-24); Rs 2.62 lakh crore cumulative credit (Nov 2026); 2026-27 target Rs 38,000 crore.
- **Economic empowerment:** savings, credit, enterprise, the "MaThi" market.
- **Social / political empowerment:** leadership in VPRCs and PLFs; 50% in local bodies.
- **Limits:** consumption loans, market linkage, defunct groups.
- **Conclusion:** enterprise focus (Singappenngal scheme), digital accounts, skilling.

Practice: Match the Following

Item	Match
TNCDW	1983
IFAD project	Dharmapuri, 1989
Mahalir Thittam (State-funded)	1997
TNSRLM	2012, NRLM
Vazhndhu Kaattuvom	World Bank
Manimegalai Award	Best SHGs

Common Mistakes to Avoid

- TNCDW was set up in 1983; Mahalir Thittam began in 1997 – they are not the same.
- The first IFAD pilot district was **Dharmapuri** – not Chennai or Madurai.
- TNCDW is now under the **Rural Development and Panchayat Raj Department** (since 2006) – not Social Welfare.
- VKP 2.0 = TNRTP (World Bank 70:30); TNSRLM = NRLM (Union 60:40).

Key Terms – Tamil / English

Tamil	English
சுய உதவிக் குழு	Self-Help Group (SHG)
வங்கிக் கடன் இணைப்பு	SHG–Bank Linkage
சுழல் நிதி	Revolving Fund
ஊராட்சி அளவிலான கூட்டமைப்பு	Panchayat Level Federation (PLF)
கிராம வறுமை ஒழிப்புச் சங்கம்	Village Poverty Reduction Committee (VPRC)
நிதி உள்ளடக்கம்	Financial inclusion

Quick Revision Table

Year	Event
1983	TNCDW
1989	Dharmapuri – IFAD
1997	Mahalir Thittam
2002-03	All districts
2005-06	Vazhndhu Kaattuvom
2006	TNCDW → Rural Development Department
2012	TNSRLM
2024	State Policy for Women (Cabinet approval)
2026-27	Credit target Rs 38,000 crore; Singappenngal scheme

TNPSC Key Points (PYQ-style facts)

- Pioneer of the SHG approach in India – Dharmapuri (1989, IFAD).
- Mahalir Thittam – 1997, fully State-funded.
- TNCDW – incorporated 09.12.1983; under Rural Development since 2006.
- SHG federations are registered under the Tamil Nadu Societies Registration Act, 1975.
- Bank linkage 2022-23: Rs 25,022.19 crore (target Rs 25,000 crore).
- Credit target 2026-27: Rs 38,000 crore; Rs 5 lakh investment subsidy for every SHG enterprise.

Related notes: Social Welfare Schemes of Tamil Nadu, Local Governance in Tamil Nadu, Education Development in Tamil Nadu, Dr. S. Muthulakshmi Reddy.

Frequently Asked Questions

Where and when did the SHG movement begin in Tamil Nadu?

The approach was first tried in 1989 in Dharmapuri district under the IFAD-assisted Tamil Nadu Women's Development Project; the State-funded Mahalir Thittam began in 1997.

What is TNCDW?

The Tamil Nadu Corporation for Development of Women – a State company incorporated on 09.12.1983. It implements Mahalir Thittam and TNSRLM and has been under the Rural Development and Panchayat Raj Department since 2006.

How many SHGs are there in Tamil Nadu?

As per the Rural Development Policy Note 2023-24 there were 4.48 lakh active SHGs (rural 3.18 lakh, urban 1,29,721). As per Government data of November 2026, Rs 2,62,311 crore of bank credit has so far gone to 5.23 lakh SHGs (60 lakh women).

What is the SHG credit target for 2026-27?

Rs 38,000 crore (4,18,673 SHGs). The "Singappenngal Valimaippaduthum Thittam" also gives a Rs 5 lakh investment subsidy to every SHG enterprise.

What is Vazhndhu Kaattuvom?

A World Bank-assisted rural poverty reduction project running since 2005-06. Its second phase (Tamil Nadu Rural Transformation Project) promotes rural enterprise in 3,994 Village Panchayats of 120 blocks.

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Practice questions

1. In which district was the SHG approach first tried in Tamil Nadu?

A. Dharmapuri
B. Madurai
C. Chennai
D. Coimbatore

2. Which international body assisted the Dharmapuri women's development project?

A. World Bank
B. IFAD
C. Asian Development Bank
D. UNICEF

3. In which year was TNCDW set up?

A. 1979
B. 1983
C. 1989
D. 1997

4. In which year did the fully State-funded Mahalir Thittam begin?

A. 1989
B. 1992
C. 1997
D. 2006

5. Since 2006, TNCDW has been under which department?

A. Rural Development and Panchayat Raj
B. Social Welfare
C. Finance
D. Industries

6. Which body funds the Vazhndhu Kaattuvom project?

A. IFAD
B. World Bank
C. NABARD alone
D. Japan's JICA

7. From which year has TNSRLM been implemented as part of NRLM?

A. 2005
B. 2009
C. 2012
D. 2016

8. What is the Union–State funding ratio under TNSRLM?

A. 50:50
B. 90:10
C. 75:25
D. 60:40

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9. Under which law are Panchayat Level Federations registered?

A. Tamil Nadu Societies Registration Act, 1975
B. Companies Act, 2013
C. Co-operative Societies Act, 1983
D. Trusts Act, 1882

10. About how much was the SHG bank linkage achievement in 2022-23?

A. Rs 12,000 crore
B. Rs 25,022 crore
C. Rs 21,392 crore
D. Rs 38,000 crore

11. What is the SHG credit target for 2026-27?

A. Rs 25,000 crore
B. Rs 30,000 crore
C. Rs 38,000 crore
D. Rs 35,000 crore

12. What investment subsidy does the "Singappenngal Valimaippaduthum Thittam" give to every SHG enterprise?

A. Rs 1 lakh
B. Rs 2.5 lakh
C. Rs 10 lakh
D. Rs 5 lakh

13. Where was the Rs 3,000 crore SHG credit disbursement launched on 03.11.2026?

A. Erode
B. Salem
C. Tiruchi
D. Vellore

14. What is the State's common brand for SHG products?

A. Aavin
B. MaThi
C. Co-optex
D. Poompuhar

15. Which State award is given to the best SHGs?

A. Avvaiyar Award
B. Kalpana Chawla Award
C. Manimegalai Award
D. Kalaimamani Award

16. Who is the ex-officio chair of a Village Poverty Reduction Committee?

A. Block Development Officer
B. District Collector
C. Village Administrative Officer
D. Village Panchayat President

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17. In how many Village Panchayats does Vazhndhu Kaattuvom 2.0 (TNRTP) operate?

A. 1,200
B. 2,500
C. 3,994
D. 12,525

18. About how many active SHGs did Tamil Nadu have as per the Policy Note 2023-24?

A. 2.5 lakh
B. 4.48 lakh
C. 3.18 lakh
D. 7 lakh

19. In which year was Mahalir Thittam extended to all districts of Tamil Nadu?

A. 1997-98
B. 2006-07
C. 2002-03
D. 2012-13

20. When did the Cabinet approve the State Policy for Women?

A. December 2021
B. August 2026
C. March 2025
D. January 2024

Answers with explanations

1. A) Dharmapuri – Dharmapuri, 1989, with IFAD help.

2. B) IFAD – International Fund for Agricultural Development (IFAD).

3. B) 1983 – Incorporated on 09.12.1983.

4. C) 1997 – 1997 – then Chief Minister M. Karunanidhi.

5. A) Rural Development and Panchayat Raj – Moved to Rural Development and Panchayat Raj in July 2006.

6. B) World Bank – The World Bank; 70:30 in VKP 2.0.

7. C) 2012 – From 2012; Union:State 60:40.

8. D) 60:40 – 60:40.

9. A) Tamil Nadu Societies Registration Act, 1975 – Tamil Nadu Societies Registration Act, 1975.

10. B) Rs 25,022 crore – Target Rs 25,000 crore; achieved Rs 25,022.19 crore.

11. C) Rs 38,000 crore – Budget Speech para 137 – Rs 38,000 crore.

12. D) Rs 5 lakh – Rs 5 lakh investment subsidy.

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13. A) Erode – Erode – 26,000 SHGs.

14. B) MaThi – "MaThi" – kiosks and Siragugal enterprise centres.

15. C) Manimegalai Award – Manimegalai Award – introduced 2006-07, revived 2021-22.

16. D) Village Panchayat President – The Village Panchayat President; 11–19 members.

17. C) 3,994 – 3,994 Village Panchayats in 120 blocks.

18. B) 4.48 lakh – Total 4.48 lakh; rural alone 3.18 lakh.

19. C) 2002-03 – 2002-03 (G.O. 93, 25.06.2002); it began in 1997.

20. D) January 2024 – Draft December 2021; approved January 2024.

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