

Contents

	Page No.
CHAPTER-1 INTRODUCTION	1-24
1.1 General Background Issues	1
1.2 Micro Finance	3
1.3 Self Help Groups	4
1.4 Empowerment	5
1.5 Why Target Women	6
1.6 Kudumbashree	7
1.7 Significance of the Study	8
1.8 Scope of the Study	9
1.9 Statement of the Problem	10
1.10 Objectives of the Study	12
1.11 Hypotheses of the Study	13
1.12 Methodology	13
1.13 Research Instrument	14
1.14 Population and Sample Design	14
1.15 Sample Size	20
1.16 Period of Study	20
1.17 Tools used for Analysis	20
1.18 Limitations of the Study	23
1.19 Organisation of the Study	24
CHAPTER-2 LITERATURE REVIEW	25-70
2.1. Studies in Other Countries	26
2.2. Studies in India	36
2.3. Studies in Kerala	61
2.4. Research Gap	70
CHAPTER-3 MICROFINANCE AND EMPOWERMENT- A SNAP SHOT	71-133
3.1.0 Preface	71

3.1.1	Poverty line	73
3.1.2	Poverty on decline	76
3.2.0	Financial Exclusion	76
3.2.1	Banking Exclusion	78
3.2.2	Savings Exclusion	78
3.2.3	Credit Exclusion	79
3.2.4	Insurance Exclusion	79
3.2.5	Social Exclusion	79
3.2.6	Who are excluded?	80
3.2.7	Reasons for Exclusion	80
3.2.8	Consequences of Exclusion	81
3.3.0	Financial Inclusion	81
3.3.1	Financial Inclusion leads to?	84
3.3.2	Expectations of Poor People from Financial System	84
3.3.3	Financial Inclusion covers	85
3.3.3.1	Accessing of Financial Products and Services	85
3.3.4.1	Benefits of Inclusive Financial Growth	85
3.3.5.1	Relationship between Financial Inclusion and Development Indicators	86
3.4.0.	Micro Finance	86
3.4.1.	Introduction	86
3.4.2.	Brief History	87
3.4.3.	Need	89
3.4.4.0	Service Providers	89
3.4.4.1	Formal Institutions	89
3.4.4.2	Informal Financial Institutions	89
3.4.5.0	Micro Finance Methodologies	90
3.4.5.1	Grameen Solidarity Model	90
3.4.5.2	The Group Approach	90
3.4.5.3	Individual Credit	90
3.4.5.4	Community Banking	91
3.4.5.5	Credit Union and Co-operatives	91
3.4.5.6	Village Banking	91
3.4.6.0	The Grameen Banking System	91

3.4.7.0	The SHG system	91
3.4.7.1	Features	92
3.4.8.0	MFIs - The Corporate (Commercial) Model of Microfinance	93
3.4.8.1	MFI – Models	93
3.4.9.0.	Micro Finance Activities	94
3.4.9.1	Micro Credit	94
3.4.9.2	Micro Savings	94
3.4.9.3	Micro Insurance	94
3.4.9.4	Micro Remittances	94
3.4.9.5	Micro Pensions	95
3.4.9.6	Micro Housing	95
3.4.10.0	Rating of Micro Finance Institutions (MFIs)	95
3.4.11.0	Penetration of Microfinance	95
3.5.0.	The Self Help Groups	96
3.5.1.	Introduction	96
3.5.2.	The Genesis and Growth of SHGs in India	97
3.5.3.	Major Features of SHGs	101
3.5.4.	Self Help Promoting Institutions (SHPIs)	101
3.5.4.1	Non Governmental Organisations (NGOs)	102
3.5.4.2	SHG – Bank Linkage Programme	103
3.5.4.2.1	Feature of SHG-Bank Linkage Programme	104
3.5.4.3	Models of SHG- Bank Linkage	104
3.5.4.3.1	Banking Indicators and SHG spread	105
3.5.4.3.2	Socio-Economic Indicators and SHG Spread	106
3.5.4.4	Joint Liability Groups	109
3.5.4.4.1	Introductions	109
3.5.4.4.2	Objectives	109
3.5.4.4.3	General Features	109
3.5.4.4.4	Security	110
3.5.4.4.5	Formation of JLGs	110
3.5.4.4.6	Type of Loan	110
3.5.4.4.7	Margin and Security Norms	110
3.5.4.4.8	Support Extended by NABARD	110
3.5.4.4.9	Capacity Building	110

3.5.4.5	Post Office and SHGs	111
3.5.5.0	Micro, Small and Medium Enterprises	111
3.5.5.1	MSME in Manufacturing Sector	112
3.5.5.2	MSME in Service Sector	112
3.5.6.0	Kerala Context	112
3.5.6.1	Poverty in Kerala	112
3.5.7.0	Kudumbashree	114
3.5.7.1	Mission Statement	115
3.5.7.2	Focus	115
3.5.7.3	The Strategies	115
3.5.7.4	Historical Evolution of KDMS	116
3.5.7.5	Structure of Kudumbashree	117
3.5.7.5.1 A.	Neighbourhood Group (NHG)	117
3.5.7.5.1 B.	Area Development Society (ADS)	118
3.5.7.5.1 C.	Community Development Society (CDS)	118
3.5.7.6	Participation of Vulnerable group	118
3.5.7.7	Role of CDS	119
3.5.7.8	Flow Chart of Empowerment Process through Kudumbashree	121
3.5.7.9	Credit Activities of Kudumbashree	122
3.5.7.10	Micro Enterprises	122
3.6.0	Empowerment	123
3.6.1	Definition	125
3.6.2	Variables of Empowerment	126
3.6.3	Elements of Empowerment	126
3.6.4	Women's indicators of empowerment through Microfinance	127
3.7.0	Sustainability	130
3.7.1	Variables to Measure Sustainability of SHGs	132

CHAPTER-4 MEMBERS' PERCEPTIONS

135-318

4.1	Profile of SHGs	135
4.1.1	Distribution of SHGs on the Basis of Agency	135
4.1.2.	Distribution of SHGs on the Basis of Nature	136
4.1.3.	Distribution of SHGs on the Basis of Live- Linkage	137

4.2.	Personal Profile of respondents.	137
4.2.1	Age of Respondents	138
4.2.2	Distribution of Samples by Religion	138
4.2.3	Distribution of Samples by Community	139
4.2.4	Distribution of Samples by Level of Education	140
4.2.5	Distribution of Samples by Marital Status	142
4.2.6	Distribution of Samples by Occupation.	142
4.3	Family Details and Housing Facilities	143
4.3.1	Type of Accommodation	143
4.3.2	Nature of House	144
4.3.3	Social Status	145
4.3.4	Size of the Family	146
4.4	Details Regarding Group	147
4.4.1	No. of Members in the Group	147
4.4.2	Positions Held in SHGs	148
4.4.3	Source of Funds before SHGs	149
4.4.4	Sources of Funds at Present	150
4.4.5	Rate of Interest Applicable to Members' Before Joining SHGs	151
4.4.6	Rate of interest Applicable to Members' at Present	152
4.5	Purpose for Which Loans are Availled	154
4.6.	Motivational Factors for Joining SHGs	158
4.6.3.1	Motivation from Friends and Relatives	161
4.6.3.2	Success Stories of Others	161
4.6.3.3	Strength of Unity	161
4.6.3.4	Access to Emergency Loans	161
4.6.3.5	Inspiration from Grama Panchayat Member	162
4.6.3.6	Role of Bank Officials	162
4.6.3.7	A way to Earn Livelihood	162
4.6.3.8	Role of Media	162
4.6.3.9	Other Elements Motivation	163
4.6.4.1	Motivation from Friends and Relatives	164
4.6.4.2	Success Stories of Others	164
4.6.4.3	Strength of Unity	164

4.6.4.4	Access to Emergency Loans	165
4.6.4.5	Inspiration from G.P Member	165
4.6.4.6	Bank Officials	165
4.6.4.7	A way to Earn Lively Hood	165
4.6.4.8	Role of Media	165
4.6.4.9	Other Elements of Motivation	166
4.6.5.1	Motivation from Friends and Relatives	167
4.6.5.2	Success Stories of Others	167
4.6.5.3	Strength of Unity	167
4.6.5.4	Access to Emergency Loans	168
4.6.5.5	Inspiration from Grama Panchayat Member	168
4.6.5.6	Bank Officials	168
4.6.5.7	A Way to Earn Livelihood	168
4.6.5.8	Media	168
4.6.5.9	Others	169
4.7	The MFI penetration among SHGs in Kerala	169
4.8	Empowerment through SHGs	176
4.8.1	Financial Empowerment	178
4.8.1.1	Participation in Financial Services	179
4.8.1.2	Financial Empowerment	201
4.8.2	Personal Empowerment	226
4.8.3	Familial Empowerment	246
4.8.4	Social Empowerment	261
4.8.5	Legal and Political Empowerment	281
4.8.6	Technological Empowerment	298
4.9	Problems Faced by Entrepreneurial SHGs	308

CHAPTER-5 SUSTANABILITY AND OPERATIONAL PROBLEMS

OF SHGs

319-394

5.1	Profile of SHGs and Their Leaders	319
5.1.1	Age of Leaders	319
5.1.2	Level of Education	320
5.2	Groups' Details	321
5.2.1	Age of SHGs	321

5.2.2	Status of Linkage	322
5.2.3	Live-Linkage	322
5.2.4	Live-Linkage Age	323
5.2.5	Role of Banks in Granting Linkage to Groups	324
5.2.6	Nature of SHGs	325
5.2.7	Size of the Groups	326
5.2.8	Mode of Election	327
5.2.9	Pattern of Meetings	328
5.2.10	Percentage of Attendance	329
5.2.11	Nature of SHG Services	330
5.2.12	Thrift per Meeting	330
5.2.13	Interest on Bank Loan	331
5.2.14	Bank Loan Arrears	332
5.2.15	Borrowing Needs	333
5.2.16	Internal Interest Rate	334
5.2.17	Internal Loan Sanctioning Period	335
5.2.18	Collateral	336
5.2.19	Periodicity of Repayment	337
5.2.20	Repayment Period	338
5.2.21	Loan Recoveries	339
5.2.22	Action against Defaulters	340
5.2.23	Reasons for Charging Penalty	341
5.2.24	Decision Regarding Penalty	342
5.2.25	Annual Dropout Rate	343
5.2.26	Reasons for Dropout	344
5.2.27	Training	345
5.2.28	Help in Income Generation	346
5.2.29	Local Body Members at Present	347
5.2.30	Total Local Body Members	348
5.3	Problems Faced by SHGs in Kerala	350
5.4	Sustainability of SHGs	360

CHAPTER 6 SUMMARY OF FINDINGS, CONCLUSIONS AND POLICY SUGGESTIONS	395-440
6.1 Findings- Members' Perceptions	398
6.1.1 Profile of Groups	398
6.1.2 Personal Profile of Respondents	398
6.1.3 Family Details and Housing Facilities	399
6.1.4 Participation in Groups	400
6.1.5 Purpose for which Loans are availed	401
6.1.6 Motivational Factors for Joining SHGs	402
6.1.7 The MFI Penetration among SHGs in Kerala	403
6.2 Empowerment- Financial Empowerment	405
6.2.1 Participation in Financial Services	405
6.2.2 Personal Empowerment	408
6.2.3 Familial Empowerment	411
6.2.4 Social Empowerment	412
6.2.5 Legal and Political Empowerment	414
6.3 Sustainability and Operational Problems of SHGs	417
6.3.1 Profile of Leaders	417
6.3.2 Profile of Groups.	424
6.3.2 Problems faced by SHGs in Kerala	424
6.3.3 Sustainability of SHGs	426
6.4 Testing of Hypotheses	428
6.5 Policy Suggestions	432
6.6 Conclusion	435

BIBLIOGRAPHY

APPENDICES