CHAPTER II
REVIEW OF LITERATURE

2.0.0 Introduction

From the discussion and study of the first chapter, a detailed review of literature on the topic has been selected and discussion in the following chapter. These reviews are selected through subject experts and peers of study area. This defines different aspects of SHG and their marketing through micro financing which helps them to make an empowered entrepreneur.

2.0.1 Self Help Groups

The entrepreneurship of women is considered to be an effective instrument to the economic development and empowerment of women (Bisht, et.al., 1991). Empowerment of women has five components: women’s sense of self-worth; their right to have and to determine choices; their right to have access to opportunities and resources; their right to have the power to control their own lives, both within and outside the home; and their ability to influence the direction of social change to create a more just social and economic order, nationally and internationally (single et.al., 1998). While various opportunities are there for women empowerment, the self-help groups (SHG’s) help even economically poor and socially backward women to come together and succeed by their collective efforts (Dant, Rajiv, P. et.al.1988).

Lalitha N1 (1998) Observed that the role of women, as producers had been largely neglected in the design, formulation and implementation of development programmes till recently. The need of the hour was to develop talent/skills of entrepreneurship in women who help the key for sustainable development. Against this backdrop the study analyzed the possibility of promoting entrepreneurship development among women through SHGs, examined the group approach to entrepreneurial development through SHGs. It was concluded that the SHGs have got the build-in potential to inculcate the spirit of initiative, enterprise among rural women and motivate the group to take up entrepreneurial ventures under the able guidance of NGOs.

Mishra and Hossain\textsuperscript{2} (2001) Focused the impact Mahila-Mandal (A rural SHG in Orissa) in terms of empowerment of rural women and employment generation and opportunities to others, the study found that till the year 2001, 26.67 percent of the families started non-farm activates, 40 percent adopted small family norms, 45 percent consumed food with vegetables, 58 percent had food security to manage the lean season and all the members’ families have become literate. It revealed that the average net income per members per year increased from Rs.6465 to Rs.1532536 through scientific cotton cultivation, livestock maintenance successfully the fair price shop fulfilling the requirements of five nearby villages. Additional employment generated worked out of is 185 person days per member. As per the finding create self-employment and give employment opportunities to others.

Kalyani and Chandralekha\textsuperscript{3} (2002) made an attempt to identify the factors that motivate women to initiate the launching of enterprises and also the factors which inhabit or support their effective association in managing the enterprises. These findings were based on exploratory survey on a sample of 300 women entrepreneurs in two urban centers of Reyalseema area of Andhra Pradesh. The study made use of Padiki’sstendimension index to make a quantitative analysis of the involvement of women in the management of micro enterprises. In addition to this data on socio-economic and demographic characteristics their involvement in enterprise management was collected using an interview schedule. The result revealed that various socio-economic and demographic characteristics had significant impact on involvement of women entrepreneurs in this enterprise management.


A.P. Sebastian Titus\textsuperscript{4} (2002) in his study, “Promotion of Women Entrepreneurs Through Self Help Groups”, examined the promotion of women entrepreneurs through self-help groups. According to him the women entrepreneurs who had started small enterprises expanded them into large – scale units. Self-help groups in Dindigul Districts ran a unit providing agro services with a total turnover of Rs 12 lakhs or more per annum. But most of the other self-help groups were notable to reach up to the expectations. It was found that some were non – availability of funds for investment, dearth of technical and managerial skills, inability to manage the labour force, dual role burden, lack of professionalism and gender bias.

T.Chiranjeevuleu\textsuperscript{5} (2003) states that, "empowering women through self-help groups", studied the micro enterprises started by self-help groups in Warangal District (Andhra Pradesh). The micro – enterprises belonged to chilly processing units. Srujama Mahilabhiv rishi Upadi Mutually Aided co-operative society was formed with a membership of 514 women. Each group raised a share capital of Rs. 15,000. The group’s members belonged to backward class, scheduled castes and scheduled tribes. The findings indicated that the conversion of consumption based self-help groups into entrepreneurship – oriented self-help groups led to employment generation and employment of women.

J. Ritu, R.K. Kushawaha, and A.K. Srivastava\textsuperscript{6} (2003) the “Social-Economic impact through Self Help Groups”, examined the functioning of self-help groups in Kanpur Dehat District. 25 women from self-help group and 10 Non members form the same village were selected as respondents, to study the impact of the self-help group on


their socio-economic status. The results showed that there was a significant relationship between the self-help groups and the social-economic status of women selected due to their participation on self-help group.

**J.M. Arul Kamaraj** (2005) the study titled, ‘Self Help Groups- New Mantra for Empowerment”, observed that the Self Help Groups undertake entrepreneurship activates at smaller level with minimum capital requirements, in future, the in built Strength of Self Help Group would pave the way to undertake mega projects like projects performed by Joint Stock Companies Public Sector enterprise and the like the SHG had power to create socio-economic revolution in the Indian rural area.

**Suma Hasalkar, Suhasini Rao and Chhaya Badiger** (2005) focused on the various enterprises taken up by the self-help Groups to increase innovative ideas and self-confidence. Some areas were selected and identified entrepreneurial qualities of women members of these groups organized in the rural areas of Dharwas District. The study revealed that out of the 15 self-help groups, three were registered and all groups had the bank account with joint signatories and conducted regular meetings. As high as 85.97 percent members participated in the wholesale purchase and sale of consumer goods with marginal profit to the society or self-help up y maximum percentage of women (31.7%), About 40.2 percent members were identified to have the quality ‘cooperation’ followed by the qualities ‘contribution of new ideas in meeting’ (17.95%) and ‘purchasing abilities’ (17.56%). As per the findings Qualities like ‘innovative ideas’ and ‘self-confidence’ were identified in the least percentage of members of the selected self-help groups.

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M. Soundarapandian\textsuperscript{9} (2006) in their research study “microfinance rural entrepreneur issues and strategies”, made and attempt to analyse the growth of the SHGs and the role of microfinance in developing the rural entrepreneurship. The study suggested that through this there is a positive growth rate of the SHGs in different states in terms of growth of the SHGs there was a wide variation in the growth rate among states. Linkages of banks with the SHGs were found for this variation.

Dr. P. N Prasad Dr. V. Sreedavi\textsuperscript{10} (2006) in their study a SWOT Analysis of SHGs, was conducted to identify the Strength, Weakness, Opportunities and Threats for SHGs members. In Kanniakumari Districts there were 7000 SHGs involved in various Income Generating Activity programmes promoted under rural developed scheme Swarn Jaynsnhti Grama Swarasys Yogana. A sample was selected and identified 200 group members and 200 individual members field observation method was used to identify observable physical data. As per findings the strength of SGFs out weights its weakness and the opportunities exceed the threats. The members have received substantial Monetary& Non-Monetary through their associate with SHGs.

Dr. Daniel Lazer & prof. K. Chandrasekar\textsuperscript{11} (2007) made the observation from the study linking SHG to a bank for credit facilities, the SHGs take up independent economic activities and are empowered. They conducted a sample for 50 Banks and 50 NGOs out of 40,000 banks branches and 5000 NGOs. As per the findings members are operating Bank Account and this has increased Self Confidence in women members in addition to achieving a greater social status.


\textsuperscript{10}Dr. P.N. Prasad, Dr. V. Sreedavi. (2006) Journal of Department of Management Studies Vol. (1) No. 1 Jan 2006.

\textsuperscript{11}Dr. Daniel Lazer and K. Chandrasekar Microfinance World, The Financial Express, Defining Newroles, Role of Academic Institution in Microfinance Deliver.
Preeti Sharma and ShashiKanta Varma 12 (2008) examined the empowerment of women through entrepreneurial activities of self-help groups. This particular research was conducted with the specific objective to investigate the empowerment. The study was conducted in Haryana state. Two districts of Haryana like Rewari and Hisar. The self-help Groups were formed under District Rural Development Agency’s (DRDA) Swarna Jayanthi Gram Swarozgar Yojanawere selected randomly for the purpose of study. Two blocks from each district were selected randomly for the study. After collecting the data, the data were analyzed to reveal that diary enterprise was the main choice of majority of the respondents (68%) followed by bead work (22%) and other enterprises (10%). As per the findings Self Help Groups (SHGs) have been successful in empowering rural women through entrepreneurial activities. Increases in income, expenditure and saving habits of rural women were observed. The study revealed an increase in social recognition of self-status of family in the society, size of social circle and involvement in intra family and entrepreneurial decision making. There was an increase in self-confidence, self-reliance and independence of rural women due to the involvement in the entrepreneurial and other activities of SHGs.

K. Sindhu13 (2009) examined leadership qualities of successful SHG women entrepreneurship in Chennai city. The leader has recorded the problem and qualities of women entrepreneurs and to analyze the essential leadership qualities to overcome the barriers and to the success in business.

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Mrs. M. Sukanyas\cite{14} (2009) the study attempts to show the impact of SHGs on Improved life style of poor women in Chatkaser, Ranga Reddy Districts. The awareness and business opportunities for women in that society. The study revealed that women perceived change in their identity toward working. The data was collected at the village and panchayat levels. As per the findings savings in Micro Finance has been a beneficial option both from a social and financial stand point SHG is a tool to remove poverty and improve the rural development.

Keshava\textsuperscript{1}, A.K. Mehta\textsuperscript{2} and H.K. Gill\textsuperscript{3}\cite{15} (2010) have obtained that “Members must start some Economic Activities for Additional Income to sustain the financial strength in the group”. A Study was carried out to analyze the process of management of income generating activities in groups. Data were collected both at group and individual members’ level through analysis of groups’ records, through purposely-developed interview schedules and focused group discussion. The study revealed that about 37 percent members had either started new economic activities or expanded ongoing economic affairs after joining the groups. Average monthly income obtained from new activities was Rs. 2600, while that from expansion of ongoing activities was Rs. 2857. About 59% respondents started economic activities related to agriculture and allied sector. Around 53% of group members, who started new activity, did this in group, fulfilling all the requirements of economic activity i.e., from arrangements of raw materials to marketing of final product. About 82% respondents, who faced financial problems in running the activity, relied on group savings for taking loans. The group members used variety of methods for selling the products. Findings of the study indicated that the economic activities carried out in the groups fulfilled all the requirements of the economic activity i.e., from arrangements of raw materials to the marketing of final product. Since the groups had support of scientists of Krishi Vigyan Kendra/Agricultural University, their members were able to manage the technical problems encountered in carrying out the activities. The financial institutions should relax their formalities of providing financial help to such entrepreneurs in running the income generating activities.


Maria Costanza Torri (2010) observed from his study that gender entrepreneurship and the creation of network among women was an important factor to improve the conditions of rural women and enhance their development. Consequently elements such as Caste, Class and Religious hierarchy that lead to diversities among the different groups of women had been underestimated by the schemes of non-Governmental organizations. The study examined GMCL (Gram Mooigai Limited Company), an Indian community – based enterprise led by women which was formed by a network of Self Help Groups by individuating the main challenges. It was found that while the ‘group’ and social forms of entrepreneurship had inherent benefits it could never be allowed to become the paradigm in developmental policies for women.

Anjali Sharma1, Bikash Roy2 and Deepa Chakravorty3 (2012) examined the functioning and entrepreneurial activities of members I different SHGs. 25 SHGs and a sample of 300 women members were selected to study the specific objective was to know the socio-personal background of the members of SHG, to know the knowledge, attitude and skill acquisition after getting training and financial support from different agencies. The study also identified the entrepreneurial qualities of its members. Majority of SHGs had started their work from group savings, whereas few had taken subsidized loan from the bank. Profit earned was equally shared by the members of SHG as we observed that all the respondents had very low level of skills prior to different trainings, especially in case of trainings on vermin-compost making and fabric printing and painting etc. As per the findings maximum percentage of respondents had medium change in knowledge, skill and attitude.


17 Anjali Sharma1, Bikash Roy2 and Deepa Chakravorty3 Potential of Self Help Groups as An Entrepreneurs, A Case Study from Utter Dinajpur District of West Bengal Journal Soci, Sci, 30(1) P 83-87.
Das Amutha Joseph (2012) conducted a study with the following specific objectives; to evaluate the self-help groups in women entrepreneurship in Vellapatti village. To assess the perception of beneficiaries about the role of SHGs. To evaluate the working of the SHGs in Vellapatti village. The study was based on both primary and secondary data. Primary data had been collected by conducting a survey among 75 sample respondents from 9 self-help group in different areas of Vellapatti village of Tuticorin town. Eight respondents were selected from each self-help Group. Random sampling technique was used to select the respondents. Percentage analysis, averages, chi square test and probability analysis were used. The study revealed that 17.33 percent of the sample respondent’s suggestions improve the performance of SHGs were to provide more loans, whereas 60 percent and 22.67 percent of the sample respondents’ suggestion was to provide loan at right time and to provide loan at lesser rate of interest. Concluded that the poor people can safely deposit money and accumulate funds for future investments or emergencies as well as access loans for productive purposes leading to higher incomes. Women were participating in all the productive activities and are at par with men. The suggestion was Government banks and other financial institutions could come forward to offer loans for rural women, so that women entrepreneurs’ movement in India will work on right direction to empower more and more women in social, economic, cultural and in political matters.

Sanjay Kanti Das (2012) reiterated from his study that Entrepreneurship on small scale was the only solution to the problems of unemployment and proper utilization of both human and non-human resources and improving the living conditions of the poor masses. The basic rationale of developing these industries are that they provide immediate large scale employment, ensure more equitable distribution of income, encourage decentralization of industries and eradicate poverty and unemployment. During

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the last three decades, many countries of the world had experienced the need and importance of entrepreneurship has been accepted as a strategy to achieve the twin objectives of promotion of entrepreneurship, particularly among the educated unemployed youth and also for rapid industrialization in the economy. The main object of this paper is to study the existing literature on entrepreneurship through Micro finance-SHG linkage in India in general and NER in particular. The study is based on secondary sources. Efforts are also made in this paper to analyze the role of micro finance through SHGs in the promotion and development of entrepreneurship. The study examines the different approaches of entrepreneurship and also explains the different key areas of micro enterprise development. Finally, the suggestion to solve the problems of micro, rural and women entrepreneurs were given and also suggested some specific measures based on the survey of existing literature was observed.

Puhazhendhi\(^2\) (2000) in his study reviews the progress of the SHG-bank linkage program in Tamil Nadu and assess the socio-economic impact of the program on the group members. The study was conducted by the NABARD in Tamil Nadu and covered 70 SHGs promoted by four major NGOs. Puhazhendhi and Satyasa\(i\)\(^3\) (2000) assessed the living conditions of SHG members after they were linked to banks. The study covered 560 members household of 223 SHGs from 11 states. These states spanned the central, southern, northern, western and eastern region of the country. The findings showed that the social impact of the post SHG period was such that there was an increases in self worth, in communication, an increase awareness of social evils. This was tested by asking questions about the abuse of women in films and a small decrease in family violence.

N.P.Y. Raman\(^4\) (2000) in his work "self help groups the Kerala experiments" share his research experience of the Primary Agricultural co-operative society of Kerala with self help groups. His study shows that though both the groups avail themselves of the loan for the same purpose, the recovery of loans from the self help groups is 95 per cent to 100 percent of the primary agricultural co-operative society. The reason cited that


the members of the self-help groups are to pay only 4.5 percent rate of interest against the usual 9.5 percent interest after deducting the state Government incentive of 5 percent. The low rate of interest and the Government incentives make a large difference between the income and profitability of the members covered under self help groups and the others not covered by the self help groups. The sample study shows that only 10 percent of the members of the primary agricultural co-operative society have been brought under the concept of self help groups. Even among these, only 60-70 percent is actually benefited by the scheme and the rest are cultivators of crops other than food grains, fruits and vegetables. He proved in his study that the self help group concept has not only apparently reduced the poverty but also yields encouraging results. The self help groups concept has created a positive impact on the functional efficiency of the primary Agricultural co-operative society as well.

N. Manimekalai and G. Rajeswari22 (2000) in their study "Empowerment of women through self help groups", analysed the women self help group formed by the non-Governmental organizations in the rural area of Tiruchirappali District for the purpose of promoting rural women through self-employment. The Non-Government Organization namely, Society for Education and Village Action and Empowerment (SEVAE) has been working in 362 villages and helping a total of one lakh women beneficiaries consisting of different avenues of self employment like, petty businesses, processing, production and service units.

A.P. Sebastian Titus23 (2000) in his study, "Promotion of women empowerment through self help groups", examine the promotion of women entrepreneurs through self help groups. According to him, the women entrepreneurs who have started small enterprises expand them into large scale units. Self help groups have made readymade garments and export them. A women self help group in Dindigal district run a unit providing agro services with a total turnover of Rs. 12 lakhs or more per annum. But most


of the other self help groups are not able to reach up to the expectations. Some of the reasons cited were non availability of funds for investment, dearth of technical and managerial skills, inability to manage the labour force, dual role burden, back of professionalism, gender bias and the like.

J. Venkatesh and K. Kala\textsuperscript{24} (2000) in his work Self help groups : A Tool to boost up women Empowerment - The self help group model has been identified as a potential pathway to alleviating poverty. The number of poor women and men who are enrolling in SHGs all over rural India has been increasing remarkably. They are not only active in thrift and credit management but are also taking up their activities, such as natural resource management and development, literacy, knowledge management, nutritional security etc. SHGs lay the foundation for self reliance through building up of institutions, which have the capacity to generate employment opportunities for the rural poor and the poorest and lead to job led economic growth.

T.R. Gurumoorthy\textsuperscript{25} (2002), in his work "SHGs Economic Empowerment through self-reliance", studied the micro credit funding agencies and the amount sanctioned by them out of the 27000 self help groups in Tamil Nadu, 54000 are linked with banks and the banks advance credit to them to the extent of Rs. 9 crores. In this view, self-help groups have the power to create a socio economic revolution in the rural area of the country. In this opinion, members of self help groups must be prepared to undertake entrepreneurial activities at a smaller level with minimum capital requirements.

K. Ritu, R.K. Kushwaha and A.K. Srivastava\textsuperscript{26} (2003), in the study "Social Economic Impact through self help groups", examined the functioning of self help groups in Kanpur Dehat District, Twenty five women from self help Groups were selected as sample for the study. Ten women members from each self help groups and ten

\textsuperscript{24}Venkatesh, J. and Kala, K., "Self Help Groups : Tools to Boost up Women Empowerment", Management and labour studies, Vol. 35, No. 1, February 2010, pp 75-83


non members from the same village were selected as respondents, to study the impact of the self help groups on their socio-economic status. The results show that there is relationship between the self help groups and the socio-economic status of women.

Sabyasachi Das\(^{27}\) (2003) in his paper concluded that the micro - credit - SHG model has got tremendous attentions in recent years. Micro credit is an alternative source of credit for the poor who earlier were considered as non-bankable. The system not only provides credit, most important input for development, to the poorer section of the society, but also aimed for their capacity building. It has also observed that group lending has distinct advantage in the form of excellent recovery rate and improvement in income level. The phenomenal growth of SHGs indicates that the weaker sections of the society are also capable to sharpen their micro-entrepreneurial skills with the help of their own savings and additional bank credit as needed. He further point out that micro-creditSHG integrations could be way out for overall rural development via-a-vis poverty alleviation.

A. Venkatachalan and A. Jeya Prakash\(^{16}\) (2004) in their work, "Self help groups in Dindigul District" found that the total savings of the SHGs members in Dindigul District amount Rs. 622.99 lakhs. The Sangha Loan Sanctioned to its members is in tune of 4.3 times of savings. In words, the total amount of Sangha loan sanctioned is Rs. 27.20 lakhs. The SHGs in Dindigul District have made a silent revolution for the economic empowerment of poor rural women

M. Sheik Mohamed\(^{28}\) (2004) in his article - Self Help group for the success of woman entrepreneurs stated that, as UNO Secretary General, Kofi Annan, has stated "Gender equality is more than a goal in itself. It is a precondition for meeting the challenge of reducing poverty, promoting sustainable development and building good governance." This recognition is currently missing in India. Transforming the prevailing social discrimination against women must become the top priority and must happen concurrently with increased direct action to rapidly improve the social and economic status of women.

\(^{27}\)Das, Sabyasachi, "Self Help Groups and Micro-credit : Synergy Integration", Kurukshetra, August 2003, pp 23-30

C.S. Reddy\textsuperscript{29} (2005) in his work, "self help groups : A key stone of microfinance in India, analyse that microfinance has evolved over the past quarter century across India into various operating forms and to varying degree of soccer. One such form of microfinance has been the development of the self help groups movement based on the concept of "Self Help", small groups of women have formed into groups and operate a saving first business model whereby the members savings are used to fund loans. The results from these self help groups (SHGs) are promising and have become a focus of inters examination as it is proving to be an effective method of poverty reduction.

J.B. More\textsuperscript{30} (2008) in his article - SHG - The way of Eradication of poverty interpret that India is a country of villages. Hence the beginning of the development of India should be started from the rural sector. Though India is developing towards mighty power. 25 percent of people of the country are below poverty line. In the same way, the women are efficient in rural area and they are busy on household only. Some of the women are doing full work, looking after the cattles and cleaning etc. The rural women have the limitations due to the different reasons such as less education, lack of technical and skill based knowledge and man dominated culture that's why the could not participated in the development of the rural area. Swarnjayanti Gram Swarozgar Yojana (SGSY) was started on 15th April 1999 by the Govt. of India, in which self help groups were established to participate the development of rural. This programmes, persons of the same thoughts i.e. minimum 10 and maximum 20 come together and form the self help groups, enthusiastically to work for self employment and eradicate their poverty. Self help group movement was started in Maharashtra to increase income of families which are below the poverty line, to solve the finance problem of the women in rural area to have develop rural area by taking the functional support of women.


\textsuperscript{30}More, J.B., "SHG - The way of Eradication of poverty, Indian Journal of Commerce, Vo. 61, No. 4, October 2008.
Sambat \(^{31}\) (1988) has observed that SHGs, in addition to their normal savings and lending activities, diversified their production activities. They established Rice Bank to deposit rice and store the members’ produce. The study concludes that SHGs will be viable when they diversify their activities.

Noor \(^{32}\) (1995) traces the linkage-Banking while studying the SHGs in Indonesia, Thailand, Philippines, India, Nepal and Bangladesh. He observed that the seeds of linkage banking were sown in 1986 and today SHGs are widely accepted as an alternative for collective credit delivery to the poor. He discusses the variants of linkages and models followed in Indonesia, Thailand and Philippines. His study reveals that the repayment rate of SHGs was 100 per cent in Thailand, 99 per cent in Bangladesh, 96 per cent in Indonesia and 68 per cent in Philippines.

Ramanathan \(^{33}\) (1993) traces the origin of SHGs to the ineffectiveness of supervised rural credit programs as felt by the members of Asia Pacific Rural and Agricultural Credit Association (APRACA) in the workshop held in China in 1986. The Sixth general assembly of APRACA held in Nepal decided to launch SHG linkage program. In Srilanka, some of the operating SHGs emerged voluntarily and others took birth due to Self Help Promotional Institutions. While in the former, members belong to different income groups, in the latter membership was given to specific target groups. It is observed that smaller the group, viability is brighter and also better managed. The SHGs evolved many instruments to promote thrift among members. They generated a common fund from internal savings to grant small emergency loans. Some SHGs supplemented the common fund with the seed money or contributions from self help promoting institutions (SHPIs). Upto 1993, the rate of loan recovery was around 90 per cent. He concluded that on the whole, the performance of SHGs was fairly well compared to other borrowers of the formal banking system. In 1988 a project titled “Linking Banks and SHGs” was started in Indonesia as a pilot project of the Central Bank of Indonesia through the


involvement of Self Help Promotional Institutions (SHPI). The SHPIs would provide training and consultancy services to the SHGs and in some cases they also act as Financial Intermediaries (Koch and Soetjipto 1993).

**Shakuntala Narasimhan** (1999) in her study argues that the five decades of economic planning has not done much to improve the status of Women in India. The vital reasons leading to the disadvantaged position of women are their fear, ignorance, powerlessness and vulnerability. The author emphasizes the need for bringing about an attitudinal change among women as the most important step towards empowerment. She discusses various State initiatives taken for rural upliftment. She concludes that besides monetary resources, it is the mind set of the policy makers, bureaucrats and particularly the women concerned that must change in order to assist the empowerment of women.

**Ghosh** (1995) has made a case study of Development of Women and Children in Rural Areas (DWCRA) in Birbhum district of West Bengal. This district was brought in the map of DWCRA in 1992-93. In that year, 18 women groups were formed in two blocks of the district. Among these groups, only 10 groups were selected for the study by the author on the basis of their performance in respect of undertaking income generating activities. Socio-metric score of each group member of these 10 groups is calculated to find out „Stars” and „Isolates” of each group. A „Star” is defined as a member who obtained a socio-metric score significantly higher than the mean score of all the groups combined. Similarly, the „Isolates” are defined as those who obtained a score significantly lower than the mean score. Pattern of choices like reciprocated choices, i.e., 38 mutual choices, and the number of choices received by individuals are the indicators of group’s cohesiveness, „Stars” and „Isolates” in a functional group. Next, correlation coefficient between educational status and group cohesiveness is calculated to find out whether it has any bearing. It is found to be 0.57, indicating a positive relationship between educational status and group cohesiveness. Hence, for enhancing group cohesiveness, it appears necessary that educational status of women members must be

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improved. For finding out the relationship between group cohesiveness and income earning, correlation coefficient of group cohesiveness and share of each group in total earnings of all groups is computed. Its value is 0.046 which signifies weak correlation, meaning that there are other factors influencing income earning capacity of groups. It is clear from the study that until group cohesiveness is adequately built-up, DWCRA groups cannot derive the full benefits of the programme

Kropp\textsuperscript{36} (1997)\textsuperscript{9} in his study gives details of the emerging lessons from the experiences of SHGs in Asian countries. NGO led credit programmes in Bangladesh, Indonesia and Mutual Assistance Credit groups in other parts of Asia used group responsibility and peer monitoring in guiding financial transactions. He opines that these institutions have potential to lend rural people without any traditional form of collateral. However, he frankly says that these institutions are yet to prove their sustainability for, most of them now depend on Grants and subsidized (low interest loans) from multilateral and bilateral donors.

National Bank for Agriculture and Rural Development (NABARD) \textsuperscript{37} (1998)\textsuperscript{10} has explained the features of the innovative supplementary credit channels, objectives of the SHGs, models of the credit delivery mechanism evolved in Andhra Pradesh (India) which were tested successfully for replication. It has emphasized the strategy for expanding the role of SHGs and made suggestions for improving bank linkage with SHGs. The study has revealed several features such as efficient flow of credit, utilization of credit for income generating activities, excellent loan repayment and improved empowerment of SHG members. emphasize the importance of financing the poor through Self-Help Groups as this

\textsuperscript{36}Kropp, E (1989) “Linking Self Help Groups and Banks in Developing Countries, Asia Pacific Regional Agricultural Credit Association, Bangkok.

Laxmi R. Kulshreshta and Archana Gupta\(^3\) (2001)\(^{13}\) made an attempt to would lead not only to reduce the intensity of poverty but also promote gender equality and socio-economic equality. The authors have discussed the problems faced by the formal banking sector, the emergence of Micro-Finance and the role of SHGs. The authors have concluded that for quick transformation of the poor from dependency to self reliance through social mobilization and awareness creation, the most cost effective strategy available is SHG strategy.

Datta and Raman\(^3\)\(^{9}\) (2001) have evaluated the performance of SHGs in Andhra Pradesh. The study is based on 30 sample SHGs and the important findings are i) The number of members in the selected SHGs ranged from 8 to 16 with an average of 12. ii) The caste composition of the selected SHGs has indicated heterogeneous nature of the groups at the aggregate level. iii) Absence of formal education does not come in the way of working of SHGs. iv) There is no homogeneity among and within SHGs with regard to the occupation of members. v) Stronger acquaintance among members is assumed to guarantee repayment of loans borrowed from the SHGs by avoiding adverse selection of borrowers and mis-utilization of borrowed funds and vi) Eighty per cent of the members have reported that they are willing to put group pressure for achieving higher performance levels. 43 The study concludes that the success of SHGs in terms of high repayment in the study area is mostly related to the exploitation of the prevailing social ties and social cohesion found among women members.

Namboodri and Shiyani\(^4\)\(^{0}\) (2001) in their study on the role of SHGs pointed out the strengths and weaknesses of SHGs in rural financial deepening. The major strength of


SHGs as observed by them are (i) SHGs are self sustainable system of community organizations free from Government and regular meeting of the group members enable long lasting group relationship. (ii) As most of these SHGs are promoted by NGOs/Banks, training, teaching of basic accountancy principles etc. would enable the groups to have better administration. (iii) The social cohesion in the group and election / selection of the group leader in rotation gives a sense of responsibility to each member of the group. (iv) As consumption and production are intertwined among rural households, credit portfolio covering both consumption and production purposes helps to maintain labour productivity and income generating activities. (v) The transportation cost of the financial intermediaries would be lower as they do not lend individuality. (vi) the recovery performance would be better for the banks as the loan repayment mechanism is at the group level rather than individual and (vii) financial deepening in terms of coverage is achieved through small scale savers and borrowers. The weaknesses of SHGs as pointed out by them are (i) the SHGs have limited scope for future growth in membership (ii) the loan portfolio is dominated by consumption loan and hence there is limited opportunity for income generating activities and (iii) SHGs are informal institutions. Rapid expansion of these groups without close monitoring by the sponsoring agencies may lead to their poor functioning.

Krishnaiah\textsuperscript{41} (2003)\textsuperscript{21} in his study, has highlighted the operations of the SHGs engaged in the domain of income generation, human development, environmental protection and natural resources management. The author has presented macro analysis of SHGs based on State-wide data and has made an extensive study of the working of women Self-help groups. He has provided an in-depth analysis of the evolution, performance, problems and perspectives of SHGs. He has made an enquiry into the socio-economic impact of the SHGs on poverty reduction and its manifestation in Women empowerment. The author has concluded that identification of proper products for manufacturing, use of appropriate technology and creating necessary marketing channels will require greater attention for making the SHGs as viable credit depending mechanisms.

National Institute of Rural Development\(^\text{42}\) (NIRD) (2003)\(^\text{20}\) has projected the need for capacity building as a tool to equip and enhance the ability of people to solve their own problems through organized efforts. The study aims at understanding about the capacity building function of community based organizations which work through social mobilization to achieve sustainable development of rural poor. Community based organizations help to develop necessary skills in order to nurture inherent capabilities and potentialities of the poor, and also to encourage capital formation to obtain improved quality of life through thrift and credit. The study conducted in the selected districts of Kurnool and Mahaboobnagar in Andhra Pradesh has revealed the activities of village organizations, Mandal Mahila Samakhyta and SHGs. The study has shown that the poor women members of SHGs are benefited from the Programme by improving their economic and social status. The study has concluded that the development has also been achieved by the members of SHGs in the aspects like health care, education, family planning, elimination of child labour, courage and confidence to overcome their problems.

Tripathy\(^\text{43}\) (2004)\(^\text{22}\) has discussed the vital role of SHGs in rural development by saying that SHGs are instruments for social mobilization, economic empowerment, capacity and entrepreneurship building, and community solidarity. The author has observed that the SHGs provide a great opportunity for convergence of various programmes of various ministries and organizations. He has argued that the groups, while aiming at promotion of savings and credit, should work as pressure groups to address social issues such as education, health, lack of access to natural resources etc. The author has discussed various areas in which the services of SHGs could be tapped.

\(^{42}\text{NIRD (2003): "Capacity Building of Community Based Organisations: A Study" Published by NIRD, Hyderabad, Nov- 2003}\\

Shylendra\textsuperscript{44} (2004)\textsuperscript{24} has made an attempt to critically evaluate the SHG – Bank Linkage Programme by focussing on its very basic approach. He has analyzed the appreciable role played by the NABARD in mobilizing a large number of NGOs and financial institutions through cheaper refinance and its supportive role in promoting capacity building among the rural poor. But it has been observed that the financial institutions overall have lagged behind. The author has suggested for measures like widening and deepening of the SHG base, protecting the credibility of SHGs, updating the members’ skills in order to retain the basic features and strengths of SHGs.

Kulandaivel \textsuperscript{45} (2005) in her study, opines that the sustainable development process has to be based upon poverty alleviation programmes, which should envelop empowerment as a goal of development projects as "the empowerment of women covers both an individual and collective transformation." The objective of her study is to prepare women to participate in planning, implementation and monitoring activities of village level bodies. The author has analyzed the assistance given to the SHGs through various Government and Private Organizations. The author has observed that the SHGs have been facilitating income generating activities for socio economic upliftment and also promoting qualitative aspects like group dynamics, collective action and awareness generation. The study concludes that the SHGs have important roles in increasing national productivity in terms of savings, internal lending and banking habits. This trend if continued would pave way for self-reliance and economic empowerment of women.


Chandramani (2005) has argued that Women’s empowerment is first step towards social change. This begins with the awareness about their rights and capabilities and the understanding as to how the socio-economic and political forces affect them. The author opines that SHGs are the most powerful means to empower women and to promote their income generation and bargaining power and improve the quality of life. Dinney Mathew (2005) has discussed the indicators of empowerment of women and facilitating factors and one of those being the formation of Self Help Groups. He has argued that the concerns of rural women can be addressed through the village organizations, i.e., SHGs by facilitating the formation of primary groups of women. Suryanarayana and Nagalakshmi (2005) have observed that rural women produce more than 55 per cent of all food grown in developing countries, the value of women’s unpaid house work and community work is estimated at 35 per cent of GDP world-wide. However, rural women have acquired a secondary status everywhere due to some socio-economic constraints. It has been observed that besides attending to their routine household activities, rural women contribute to livestock rearing, food processing, poultry farming, animal husbandry, bee keeping, tailoring, rolling, house construction labour and in factory work etc. The authors argue that rural women are subjected to some hindrances which impose limitation on their potential to play their role effectively. They suggested that to overcome the drawbacks such as illiteracy, poverty, lack of gainful employment opportunities, lack of infrastructural facilities etc, a much integrated and balanced development oriented strategy is required. Mahendra Varman (2005) has made a modest attempt to examine whether there is any association between the growth of SHGs and the increase in female bank deposit accounts and whether SHGs have a tendency to influence account holding in banks. In this process the author tries to trace the socio-economic factors that determine deposit and credit account holdings (banking habits) in banks, among individuals and households. On the basis of the study conducted in two

villages namely Kavarayapathy (Dindigal District) and Pottapatty (Madurai District) of Tamilnadu, the author has concluded that "banking habits are a positive function of the years of experience of micro finance Programmes through SHGs” in that particular area. The analysis also reveals that being a member in SHG and more importantly, having leadership experience in SHGs greatly influences the bank account holding.” Hence the author has suggested that the leadership position of each SHG may be systematically rotated over appropriate time to inculcate banking habits at a higher magnitude in rural areas. Vijay Mahajan (2005) has observed that to serve the purpose of economic growth, a new paradigm of livelihood finance with much larger levels of resource allocation is needed. The author has opined that livelihood finance is a comprehensive approach for promoting sustainable livelihood for the poor, which includes financial services, agricultural and business development services and institutional development services. He has concluded that micro-finance through SHGs is changing the lives of rural poor women. Deva Prakash (2005) has emphasized the importance of SHG-Bank Linkage Programme and the growth of SHGs.

The author has concluded that the quest for promoting SHGs cannot become merely a number driven agenda and one and half decades of experimentation on SHGs should gradually evolve into setting new bench marks on the quality and standards of SHGs.

**Alka Srivastava**

(2006) has studied the role of women self-help groups in the process of rural development. "Self Help Groups have emerged in order to help the rural poor, particularly credit and other services. It lays the foundation of Women in securing inputs like self-reliance through the building up of an institution, which has the capacity to sustain the development and empowerment process for women." The author has studied the extent to which SHGs build up confidence and mutual support for women.

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The SHG movement has been striving for social change by establishing a forum in which women can critically analyze their situation and devise collective strategies to solve their problems. The study has taken various dimensions of impact of SHGs such as economic impact, health and education, capacity building, supervision and regulation of the group. The author has appreciated self-help micro-credit schemes as the most effective mechanisms to reach the poor and has suggested that care must be taken that the poor are not excluded. The author has concluded that besides literacy and numeric training, it is important to train the SHG members in legal literacy, rights and gender awareness to complement micro-credit schemes. Ramachandran and others (2006) have made a micro level examination in Tamilnadu State in India to observe the role of SHGs in rural development. This study briefly analyses the awareness of SHGs about socio-economic, demographic and health dimensions, population dynamics, material and child health care, Knowledge about HIV, AIDS, age of marriage, educated related services and many more socio-economic issues. The author observes that, “after becoming members of the groups, outlook of women has changed. Now they seem to have self-determination, self-reliance and self-empowerment that are the encouraging factors for their efforts to generate income”. “Their role is appreciable in arresting demographic backwardness and poor health condition of the rural people”. “Therefore Self Help Groups are the 'Rural Development Agents' and could be encouraged for Women's status enhancement and rural development."

Abdul Raheem (2006) has highlighted the plight of Women in the unorganized sectors and stressed the importance of empowerment of women in the success of poverty alleviation programmes as observed in the World Bank Report(1991). He has narrated the genesis of SHGs, their activities and their role in the transformation of lives of rural women. In the words of Abdul Raheem" the SHGs have given a new lease of life to the women in villages for their social and economic empowerment." The author concludes that it is the duty of the promoting agencies, i.e., NGOs and Government to monitor the attitude of SHG members on a continuous basis as success of any SHG depends on the

active participation of all members. Gupta and Namitha Gupta (2006)39 have opined that the basic issue that prevents women from playing full participatory role in nation building is the lack of economic independence. The authors have considered that the SHG approach is the most significant tool to take up participatory role of women as a means to empower them and to improve their lives on various social components. The authors have emphasized that the SHGs provide mutual support and cooperative group environment to the members. The authors have studied three SHGs namely Shakti, Pragati and Prema at Janata Colony in Punjab which were funded by Commonwealth Youth Programme Asia Centre, Chandigarh. Their study has revealed that organized working of women of these three SHGs has increased the income of the families involved, which in turn has enabled them to repay their old debts and to start asset building. Success of these SHGs has brought a drastic change in their economic and social status and instilled amazing confidence in the women concerned. The authors have concluded that many of them are now coming forward to help other women in the locality thereby substantiate the saying "Educating a woman means educating a family". Gangaiah & others (2006) 40 have noticed that perpetuation of poverty in India is not because of lack of growth but due to the fact that some sections of the society are 53 excluded from growth. The authors have expressed that the Self-Help Group strategy, which aims at bringing the excluded and neglected women into the mainstream of economic development through "savings – investment – employment and income generation” strategy. This would serve the twin purposes of alleviation of poverty and achievement of inclusive growth process. "The effective organization of SHGs is a significant instrument in the process of empowerment. The emerging changes in the values and attitudes of the members of the SHGs are a clear manifestation of socioeconomic empowerment interventions yielding relatively quicker results." The authors have observed that the SHG strategy is moving towards fulfilling its objective of bringing all round development of the children, the women, the households and the communities. The authors have made a case study in Karakambadi village in Chittoor District in Andhra Pradesh which was adopted by the Rashtriya Seva Samithi (RASS), an NGO, to ascertain the impact of SHGs on the generation of income and employment. The authors finally, have analyzed that the finance provided by the SHGs has been creating a favourable effect on employment and income generation. The study concludes that the rural women acquire sufficient skill to mobilize and manage thrift, appraise credit needs and financial discipline, awareness about Government programmes, some degree of transformation of social outlook and also
a sense of equality of status of women as participants, decision makers in democratic, economic and social spheres of life. Valsamma Antony (2006)41 has explained that empowerment of Women means to equip women with economic independence and personal self-reliance with a positive self-esteem. Moreover they should be able to contribute to further development of the country. "Women empowerment is a dynamic process that consists of an awareness – 54 attainment – actualization cycle." The author has suggested some measures for the empowerment of women such as compulsory education, gainful employment, credit facilities, mental revolution and finally formation of Self Help Groups. According to the author, women should unite themselves into social groups called Self Help Groups for their own progress as well as that of the community. The author concludes that women as a member of SHG can contribute towards social and economic progress and thereby can enjoy security, emotional, intellectual and financial well-being to a great extent. SU (2007)42 while discussing the growth and progress of SHGs as well as the shortcomings of the SHGs has suggested for provision of productive and consumption credit to the SHG members, and an appropriate financing tool to provide a currency credit limit mechanism for small loans. Loan size should be in accordance with the credit worthiness of the borrower as demonstrated by his involvement in and commitment to the project and his past saving and credit history. The author has suggested for making lending procedures borrower-led. "One solution is to tie up government business with banks to their achieving an overall limit of lending to poor households leaving selection of projects to internal professional strategies of different banks." The author even has commented that the main reason for exclusion of poor households from formal credit is mainly the attitude of the banking community that led to procedures which do not fit the needs of the borrowers and thereby suggests modifying them all down the chain from policy makers to rural branch managers. The author has also discussed the issue of cost of credit and suggested for methods, which provide for direct lending from banks to individual borrowers using the SHG to which they belong as guarantors and facilitators charging a much lower transaction commission for their services.
Kiran Prasad\(^{49}\) (2006) has discussed various critical issues in the economic development of the rural women. The author has discussed the role of women in rural economy particularly in agricultural production and allied activities. The author has narrated how the women are having little access to resources and the gender discrimination. The author has traced the micro-credit movement in India. He narrates how the various welfare programmes launched by Government of India to eradicate rural poverty benefited the rural women. He has critically analyzed the project of Development of Woman and Children in Rural Areas (DWACRA), which helped in the socio-economic uplift of the poor rural women by providing income generating skills and activities. He has discussed the origin of SHGs (Self Help Groups) as a means of Microcredit and the activities of SHGs. He has discussed the problems being faced by the SHGs and measures taken by the policy makers. He concluded that greater innovation, marketing facilities, diversification of production and upgradation of existing skills as well as acquisition of new skills must form the core strategy of micro-enterprises that must be strengthened to sustain women in the informal sector.

Subba Rao\(^{50}\) (2007) has explained how the commercial Banks were brought into picture to cater to the needs of the priority sector and discussed the banking sector reforms. The author has given a detailed account of the SHG – Bank Linkage Programme and its development between the periods 1999 – 2005. "During the last decade, micro credit provided by banks emerged as a major policy tool of financial assistance in the area of rural credit, particularly to the poor sections of the society." Vasimalai and Narender (2007)\(^{44}\) have evaluated the Kalanjiam approach promoted by DHAN (Development of Human Action – A Public Trust in Madurai – Tamilnadu) Foundation for poverty reduction through Microfinance. Their study analyses the effect of Kalanjiam programme on women's empowerment in areas such as domestic violence, sharing the household works by the husbands, assets in the name of women, decision-making ability, personal skills, women's share in family income, exposure to outside world, interaction with community, leadership ability and women's space in the public space. "The study findings


have proved that the intervention of Kalanjiam programme has empowered a considerable proportion of women and led to a change in the gendered roles at the household level."

The authors have concluded that the challenges such as promotional costs and capacity building of institutions, social security coverage, development of projects for drought mitigation etc. have to be paid greater attention. Alosius P. Fernandez (2007)45 has discussed an SHG model which was developed by Sanghamitra Financial Services – a micro financial institution which works under the guidance of MYRADA (Mysore Resettlement and Development Agency). His main emphasis is not just on provision of credit but on development of members' skills to manage finance (Savings, credit and insurance). "The SHGs are civil society institutions of the poor and have the potential to implement policies that claim to promote financial, social and economic inclusion – they are inter-related and inter-wined; one can not be achieved without the other". The author has stressed on the capacity building role of SHGs in order to realize a full fledged financial inclusion, social inclusion and market inclusion because for him an empowered SHG can bring necessary pressure for policy making and even for supportive implementing systems. Jairam Ramesh (2007)46 has observed that the Self Help Groups, the major form of delivery of micro finance in India, have brought about dramatic changes in the lives of lakhs of women. The author has even identified that in Andhra Pradesh, which has the largest network of SHGs and where the Government has been a strong supporter, the SHGs have gone beyond provision of credit and assumed many non-traditional responsibilities that lie at the core of livelihood security for the poor. The author has appreciated the federation structure that has been adopted in Andhra Pradesh where a 10-15 women members start one SHG. Such individual SHGs are federated into a village organization (VOs), the VOs are in turn federated into Mahila Mandal Samakhya which in turn together form Zilla Samakhya. "This federation structure is crucial to provide economies of scale and to establish institutions of the poor and by the poor". Thus, the author signifies to see the SHGs not as just networks for confidence building and empowerment but as an access to new economic opportunities." According to the author, the SHG upsurge has been ensuring more 'social lights' and 'financial shades.' "The financial services are only a small part of their success story. More fundamental has been voice, identity and empowerment." The author concludes that for inclusive growth, India 57 needs globalization, which ensures broad based equitable &
sustainable economic growth and SHGs are institutions of participation in this context on which India's globalization strategy should rest.

2.0.2 Microfinance

S. Sundari and N. Geetha\(^{51}\) (2000) in his study "poverty credit and micro-enterprises", examine the gender disparity in access to institutional credit. In their opinion, the disparity is gradually narrowing down over a period of time. Hence empowerment of poor rural women will be possible only if they are trained and imparted skills for a certain employment. According to them, skill training include enterprise development, increased access to credit, new approach to markets and social economic and political strategies and the like.

Lakshmi Kulshrestha\(^{52}\) (2000), in his paper Microfinance: The New Development Paradigm for poor Rural women, points out that the lack of capital is a serious constraint to the development of rural women. Often, the barriers like legal provisions, loan policies and procedures make credit inaccessible to women. Studies have shown that credit can help women to take up farm-allied activities and the income generated from credit given to women can be expected to be spent for well being of the household. This novel innovative approach of microfinance emphasizes financial intermediation with self-sustainability of institutions.


Archana Sinha\textsuperscript{53} (2004) in her article, "micro finance for womens' Empowerment: A perspective", puts forward a debate on microcredit for discerning policy makers researchers and development practitioners. She says that understanding the viability of microfinance requires a comprehensive analysis from the right perspective. Micro finance can contribute to solving the problem of inadequate housing and Urban services as an integral part of poverty alleviation programmes. The challenge lies in finding the level of flexibility in the credit instrument that could make it match the multiple credit requirements of the low income borrowers without imposing unbearably high cost of monitoring its end use upon the lenders. According to her a promising solution is to provide multiple purpose loans or composite credit for income generation, housing improvement and consumption support.

Das and Rimjhim Mousumi\textsuperscript{54} (2004) in his article concluded that micro finance through has now become a medium economical weapon for the poor to fight against poverty. Many big and small institutions are taking part in this revolution of microfinance vigorously. Still it has a long way to become successful. Many programmes from Garebi Hatao to IRDP were started by the government enthusiastically but they were not able to achieve their objectives. The reason behind this is poor follow up, lack of management and participation from the government as well as people. No programme can ever get its ultimate result unless and until there is co-ordination and cooperation between the government and the beneficiaries.


Mrs. M. Selvachandra\textsuperscript{55} (2004) in his paper - Microfinance through self help : concludes that Banking through SHGs and the existing decentralized formal banking network includes several organizations in the formal and non formal sectors, as banking partners, allow for large scale outreach of microfinance services to the poor in India. These banking services are made available at low cost, also made easily accessible and flexible enough to meet the needs of poor people. The proper promotion of the scheme will be help to drive away poverty from our country. Thus the SHG bank linkage is boon to the poor and for bank a via media to reach the outreach in large numbers in the processes of economic development.

K. Manoharan Nair and Girija\textsuperscript{56} (2005) in their article, "Microfinance - The New Development paradigm for poverty eradication and women empowerment", state that experience has shown that many of poverty alleviation programmes through organized credit channels have not achieved the required success. Hence to bridge the gap between the demand & supply of funds in the lower rungs of rural economy, the microfinance schemes of NABARD have a made a smooth foray into the role played by microfinance in eradicating poverty and empowering women to manage the enterprises.


Renu Verma\textsuperscript{57} (2008) in his article conclude that microfinance is expected to play a significant role in poverty alleviation and rural development. Microfinance have, in the recent past become one of the more promising ways to use core development funds to achieve the objectives of poverty alleviation. Further he stated that certain microfinance programs have gained prominence in the development field and beyond. The ultimate aim is to attain social and economic empowerment. These microfinance institutions may very well have had a major impact on improving the standard of living of millions of poor people as well as on promoting economic development. Thus microfinance has become one of the most effective interventions for economic empowerment of the poor.

M.A. Lokhande\textsuperscript{58} (2008) in his work "Socio-economic impact of microfinancing through self help groups in Maharashtra Region observed that microfinance for micro enterprises can be one of the most effective poverty reducing instrument. The need of the hour is to promote more and more microfinance institutions and strengthen them so that provides more service to the needy poor people. These tiny business activities can be started mostly based on local resources. In order to give impetus to micro entrepreneurial activities by poor people in rural as well as urban areas, microfinance institutions should be promoted to provide adequate, regular microcredit to the needy entrepreneurs. Microfinance programmes is the most promising strategic weapon for attacking poverty by the way of providing development funds to so for neglected target groups. If poor people are given opportunities to undertake entrepreneurial activities supported by proper access to credit. It will certainly enable them to come out of poverty trap. Development of microfinance strengthens not only rural sector but also the financial system of the country as a whole.

\textsuperscript{57}Verma, Renu, ”Microfinance and Empowerment of Rural Women”, Kurukshetra, September 2008, pp 3-5.

\textsuperscript{58}Lokhande, M.A., ”Socio-Economic impact of microfinancing through self help groups in Marathwada Region”, The Indian Journal of Commerce, Vol. 61, No. 4, October-December 2008, pp 151-164.
Divy, Ninad Koul and Giresh Moha\textsuperscript{59} (2009) in his paper, "Women's self help groups and microfinance", studied that the formed SHG helped the rural womenfolk in improving their socio-economic status as well as status of their awareness and self dependency. It was more crucial for women of tribal communities for sustenance of their family. The biggest concern was that the groups are more of credit management (CMG) nature and the meetings were mostly limited to collection of monthly saving and discussion of loans. It is essentials to guide the other family members of the women members about importance of SHG and microfinance so that they support the group. Excess dependency on office bearers or NGO worker needs to be curbed and every member should be made about their responsibilities and duties within the group. Absence in meetings and delay in submission of monthly savings and repayment of loan can be best tackled by building suitable peer and group pressure if bank loan is provided at right time. Other activities done at right time and ensuring that the women members become more self dependent leads to sustainability of the groups and can ensure the alleviation of rural poverty in the longer run.

I.P. Tripath and R.P. Gupta\textsuperscript{60} (2008) in his work, "Microfinance - The Emerging Horizons." The most Important form of microfinance is credit targeted to poor people who are also talented entrepreneurs. If these people gain access to credit, they will expand their business, stimulate. Local economic growth and hire their less entrepreneurial labours, resulting in fast economic development. While this approach has had significant results in the cities of the developing world. It has failed to reach the majority of poor people, who are rural subsistence farmers, with little if any, non-farm income. As urban-rural income inequalities continue to rise in the developing world, this result is increasingly viewed with dissatisfaction. A new microfinance paradigm is taking shape, with goal of developing full service for profit banks for all poor people. These banks will


be able to support their client's efforts to control family risk as well as capitalize on business opportunities. They will offer savings, insurance, remittance services and personal & business loans, to help clients grow their assets while increasing their incomes.

Gurmeet Singh\textsuperscript{61} (2009) in his paper, "Microfinance - A Innovation Rural credit system" studied that. In March 2001, 71\% of the linked SHG, were from southern region consisting of Andhra Pradesh, Karnataka, Kerla & Tamil Nadu. The share of southern region has come down progressively over the years but is still at 44\%. Many states such as Uttar Pradesh and Bihar with high incidence of poverty shown poor performance under programme. So it is finally clear that the role of microfinance institutions is very important in Rural development & poverty eradication. It is in this context that one needs to appreciate the role played by microfinance institutions, Government, NGOs and social organizations.

K.P. Bairagi and H.L. Ghorpade\textsuperscript{62} (2008) in his paper "Self help group - A Microfinance : Emerging horizon", stated that the microfinance is the important source poor to their socio-economic development. SHG is one of the important agencies providing microfinance to the poorest in the society. The objectives of SHG are not only to provide finance to poor but also to promote the habit of saving to build mutual confidence among members. To fulfill financial needs of the poor, to improve communication among the people living at same places or villages and organize working closes to solve their problem. Formation of SHG will encourage the rural and urban poor to uplift their socio-economical development. There should be a positive role of NGO and strict regulation about administration of SHG. Today more than 30 lakhs SHG are working in India. The membership of SHG is about 450 lakhs men and women. The SHG have provided Rs. 1500 crores as a internal loans to their members NABARD has refinanced to Bank Rs. 4000 crores against SHG loan up to 2005. Thus systemic

\textsuperscript{61}Singh Gurumeet, "Microfinance : A Innovation of Rural Credit", Kurukshetra, February 2209, pp 3-6.

management of SHG will help to help to remove poverty of rural as regulation and finance to SHG.

M.A. Lokhande\textsuperscript{63} (2009) in his paper, "Microfinance Initiatives in India", microfinance programme has a significant role to play in Indian economy for boosting micro entrepreneurial activities for creating productions assets coupled with employment generation. So, in order to cover all the poor households, particularly BPL households there is need for providing full support the government financial institutions and NGOs SHGs programme. So for the SHGs bank linkage programme has been much successful achieving quantitative targets. The need of the hour is to match the programme more qualitative, that is enriching to lives of poorest of the poor in the context of globalized socio-economic environment. Political interference the functioning of self help group should be avoided. Around 90% of the aggregate groups are women self help groups. These groups have to face problems such as indifferent attitude of bank officers, exploitation, promoting NGOs, lack of marketing facilities product/services. These bottleneck should be root out on priority basis. Women groups should be give responsibility of running Anganwadi, fair price shop so that they become a permanent entities. The banks and the respective NGO should nourish and develop the SHGs by providing financial assistance, organizing skill based training programmes in rural as well as semi urban area.

Rao, Jitendra Ahir\textsuperscript{64} (2009) in his article - "Rural women empowerment through microfinance", concluded that small loans can make good business sense among the women. It has been noticed that women in particular stand to gain a lot from microfinance because it gives them on independent means of generating wealth and becoming self reliant in a society that does not offer them much scope for entrepreneurship.

Rajesh Kumar Shastri\textsuperscript{65} (2009) in his paper microfinance and poverty reduction


\textsuperscript{64}Rao Jitendra Ahir, "Rural Women Empowerment through Microfinance", Kurukshetra, February 2009, pp 24-25.

in India (A comparative study with Asian countries) studied that creating self employment opportunities is one way of attacking poverty and solving the problems of unemployment. There are over 24 crore people below the poverty line in our country. The scheme of microfinance has been found as an effective instrument for lifting the poor above the level of poverty by providing them increased self-employment opportunities and making them credit worthy. A basic effort of last decade, the microfinance objectives in India has reached at the top point similar to Bangladesh. With some effort substantial progress can be made in taking MFIs to the next orbit of significance and sustainability. There is need of designing financial sustainable models and increase outreach and scale up operations for poor in India. People belong to villages are still unaware about banking policies and credit system. So NGOs should communicate to them and share their view with villagers. Banks should convert and build up professional system into social banking system for poor. Government of India and state governments should also provide support for capacity building initiatives and ensure transparency and enhance credibility through disclosures.

V.J.R. Emerald Moses\(^\text{66}\) (2011) in his research paper of economics reported that Jawaharlal Nehru said "you can tell the condition of the nation by looking at the status of women", empowerment of women has emerged as an important issues in our country. In India the further reported that nearly half of the population consists of women. In India their work participation rate is less than half that of men. The role of women in the development of nation is very important nowadays. SHG helps the women in uplifting their living conditions and also encompass the social, economic, educational level to improve their empowerment level. The component of empowerment of women level are access to economic resources, participation in economic decision making, opportunities for self development, participation in socio-political decision making, scope for skill development and impact on general welfare of the family and community.

Reeta Rautela, Gaurao Pant and Others\(^\text{67}\) (2011) in their study - "Microfinance


A New mantra for rural development”, concluded that microfinance is powerful for poverty alleviation and development. In order to declare microfinance success in India, not only do tens of millions of more people need to be reached but those services must have a transformational impact on their lives and those of their family members. For that considerable work and continuous efforts are needed to diversity the service of funding for microfinance to attract more foreign investments for well established microfinance institutions (MFIs), to use all the possible channels to serve more rural and urban poor, to develop its staff as more productive and professional to make it more poverty-focused and profitable. Microfinance services can not only solve their own poverty, but can also serve as a complementary tool within a broader strategy to reduce poverty. In reality, poor people need access to many more financial services than just micro-credit, including a range of micro savings and insurance products these services can protect poor people from the impact of unforeseen crisis and emergencies in their household or micro-business, from falling yet further into debt and enable poor household to plan and manage their limited resource more effectively to meet their basic needs. The powerful push behind this huge and increasing support for microfinance indicated that national economic and social impacts are significant and its needs to be examined more closely.

A. Saraswathy, S. Porkodi and M. Bhuvanswari68 (2009) in their work - Microfinance in Krinshnagiri District : A tool for poverty alleviation is studied that microfinance has been recognized as a powerful instrument to address poverty. Apart from the scorching pace of growth, the rapid spread of microfinance (MF) has provided competition, to rural moneylenders. In view of the grand success of the programmes now. SHGs are at center stage in almost every poverty alleviation programmes and development programmes aimed at poor. SHGs have become the development ambassadors of villages and they symbolize the growing face of rural India. The microfinance sector like the information technology (IT) sector has grown rapidly and in many ways, creativity. The experience of many MFI so far strongly suggests that it is possible for these institutions to reach the goal of serving people in extreme poverty without having to sacrifice their profitability. MF is intended for the enlistment of poor farmers, shanty dwellers, jobless youths, women and deprived strata of society.

K.G. Karmakar\textsuperscript{69} (1999) in his study "Rural credit and self help Groups : Microfinance needs and concepts in India", examines the existing credit delivery system in India with special reference to the credit needs of the rural poor. He studies the importance of the micro-credit needs for tribal women in rural areas and the micro-enterprises in the non-farm sector in Orissa. The study focuses on the availability, credit requirements and the problem faced by the tribal people in availing of it. It is felt that the setting up of micro-enterprises particularly in the non-farm sector would go a long way in reducing poverty in rural areas. According to him, the micro-credit approach through self help group would be the only best mechanism to deliver credit to the rural poor.

\textsuperscript{69}Karmarkar, K.G., "Rural credit and self help groups, Microfinance needs and concepts in India", Sage Publication, New Delhi, 1999, p. 1-174.
2.0.3 Conclusion

The researcher has meticulously discussed the definition, concepts, review from scholars in this chapter – II. With the review of this chapter the research study is modeled and paid attention for detail primary collection of data based on a questionnaire supplied to the members of the self help group and the financing partners namely the NHO’s and the bankers. The pros and cons of this literature has been incorporated in the following chapter, which leads to the collection of data, analysis, interpretation, through tables, pictorial representation and also through statistical package studies as mentioned in the methodology more empirical in nature for justification of the same, hence the following chapter will discuss each and every question in the form of tables to highlight the study.