CHAPTER – II

REVIEW OF LITERATURE AND CONCEPTS OF THE STUDY

2.1 REVIEW OF LITERATURE

A literature review is a text written to consider the critical points of current knowledge including substantial findings, as well as methodological contribution to a particular topic. Most often associated with academic oriented literature, such as thesis or peer reviewed article, a literature review usually precedes a research proposal and result selection. Its main goals are to incorporate the current study within the body of literature and to provide context for the particular reader. Literature reviews are staple for research in every academic field.

Suriakanthi and Sebastian (2003) have reported in their article “Perception of SHG Members on Leadership Qualities” that 86 per cent of the leaders in the study area agreed that they are able to read and write in the study area. The foremost quality required for leaders is their commitment to SHGs activities. Skill oriented training such as record maintenance, proposal writing for starting income generation programmes, managerial skills are successfully imparted to young SHGs. The importance of functional literacy during leadership is training stressed.¹

Lalitha (2003) has conducted a study on “Repayment Behaviour of Self Help Groups – An Evaluation Study” in Dindigul district. Using conventional methods like averages and percentages, the data have been analysed. Multiple Regression Analysis has been employed to find out the factors influencing the over dues. It is identified that the factors enforcing the over dues establishes the positive influence of amount borrowed and number of dependents on over dues. There is a negative influence of annual income and income from other sources on over dues. Another important fact is that when the loan amount is used for productive purposes, the resultant income would reduce the over dues.²
Subramanian and Subramani (2003) have attempted to evaluate the SHGs formed by the NGOs, DRDA and Gandhigram Rural University in Dindigul district. Majority of the SHG members are found enrolled in the age of 16-30 and 31-45 age groups. About 72 per cent members have saved money out of their own earnings and 28 per cent of SHGs members saved their money from the income of their husbands. They utilize their savings for buying milch animals, used for religious and marriage ceremonies. It is suggested that adult literacy programmes should be given to the SHGs members and the importance of savings should be imparted to the members.³

Raja (2003) has conducted research in five administrative blocks of Dindigul district. Out of it, 2 to 6 villages were selected, which are service villages of Gandhigram Rural Institute. Women in SHG’s attitude are measured using scaling technique. It is tested out with 20 statements, using three point scale to analyze the positive attitude of women in SHG towards literacy and before and after joining the group. The details of the perception on the importance of education were gathered from respondents. Under National Literacy Mission, most of the uneducated respondents are trained to read and write. Before training only 59 per cent of the respondents considered the importance of education but after the training positive perception towards education has gone upto 95 per cent.⁴

Hilaria Soundary and Sudhir (2003) had made a study on “Status of Women and Gender Disparity in Tamilnadu” and pointed out that the gender disparities in giving nutritional food were evident from their infancy to adulthood. Infact, gender had been more statistically determinant of malnutrition among young children and malnutrition was frequent direct or underlying cause for death among girls below the age of five. Girls were breast fed less frequently and for shorter duration of time in infancy. A primary way of discrimination against their girl children by parents was their neglect during times of illness while sick, little girls were not taken to the doctor as frequently as male counterparts.⁵
Thara Bhai et al., (2004) have explained the group cohesiveness, group integration among the members as a positive impact of SHG through different case studies. The saving habit and credit management have created self-reliance in women as they have their own resource base. The SHGs in Usilampatti of Theni district are fighting against female infanticide. The active participation of group members of Sivaganga has generated income activity through milch animals. In Madurai, some SHGs are engaged in doll making and sells during Dassera and Christmas festivals and Muslim SHGs of Thirupalai in Madurai district has engaged in making candle and instant sambirani, finally the Mukkundi group of Sivaganga district engaged in appalam making. These SHGs make an energetic group to attain individual efficiency and cohesiveness.\(^6\)

Sundar and Asokan (2004) have analyzed the regional variation in the implementation of women development programme under self help approach. This study is based on a two way analysis. The first part of the analysis relates to overall performance based on percentage analysis. The second aspect related to construction of index of performance based on chosen indicators. The study indicates the regional spread of SHGs in India. At the all India level, 46,478 self help women groups are linked with credit schemes under various poverty alleviations programmes as on March 2002. More than two third of the bank credit SHGs are found only in southern region. Central region has attained 10.44 per cent. It is seen clearly that there is wide disparities in different parts of the country.\(^7\)

Tripathy (2004) had grated out that SHGs aim at promotion of savings and credit and also gives stress to social issues such as education, health, lack of access to natural resources. It is emphasized that necessary training should be provided through SHG members for modern agricultural practices, veterinary practice, water resource management, Panchayat Raj and other relevant issues and targeting towards improving the quality of life in rural area.\(^8\)
Alka Srinivastava (2005) has made a study about women SHGs, the total sample size having been taken from four states namely, Bihar, M.P, U.P and Chattisgarh. The findings of the study are that about 49 per cent of the respondents were creating awareness about health care, 405 members about family planning, 198 about immunization and 166 against superstitious practices, 50 per cent on fostering education among girls. The women SHGs have solved the problem of malpractices in the ration shops and issues of not allowing the Dalits into the temples have also been solved.9

Chittaranjan Mishra (2005) in his article “SHG in the Unorganized Garment Sector – A Case Study of Madurai” has mentioned that the DRDA promoted SHGs in Madurai district; Depicting the case studies, Mishra has indicated that capacity building and credit availability are complementary inputs to the growth of SHG based garment sector.10

Arul Kamaraj (2005) has revealed that Self Help Groups in future, will pave the way to undertake mega projects, such as projects performed by joint stock companies and public sector enterprises. SHGs have the power to create a socio economic revolution in the rural areas of the country.11

Rajmohan (2005) has highlighted the linkage between SHGs and banks in India. Models of linkage between SHGs and banks are as follows:

- Banks dealing directly with individual SHGs
- Banks formed by NGO and linked bank
- NGO from SHGs

The programme has registered significant growth both in terms of coverage and the outreach to the poor. Among the three models, majority of the SHGs (76 per cent) belonged to NGO that act as facilitators. The direct finance by the bank to the SHGs is ranked next to NGO as intermediaries. About 10,79,091 SHGs are linked to banks on 31st March 2004, 90 per cent were exclusively for women. About 16 million
families are benefited by translating average loan per SHG at ₹ 36,179 and average loan per family at ₹ 2,412. The schemes offered for SHGs are micro in nature but the beneficiaries benefited are at macro level.¹²

Niaz Hussain Malik and Muhammad Luqman (2005) have concluded “Impact of Micro Credit on Women empowerment: A Review Paper” that Micro Finance and micro credit programmes have the potential and powerful impact on women’s empowerment. Micro credit programme has a powerful impact on women’s empowerment, throughout the world. The positive one is the enhancement in women’s ability to influence family affairs and decision making. On the other hand negative impact of micro credit is the highly restrictive environment for women as the result of their involvement in income generating activities amidst their traditional responsibilities.¹³

Suguna (2006) has embarked the role of SHGs in Chittor district of Andhra Pradesh. Most of the respondents have taken the loans from the group fund. Frequent meetings of women as routine exercises of Self Help Group have enabled them to settle down the business matters, to interact and communicate with each other. Social mobility has been increased through their exposure to outside world. About 97.33 per cent of the respondents are able to take decision of their own. The activism with women’s movement has influenced policy and planning of the Government for development and empowerment.¹⁴

Gabriel (2006) has summarized the factors influencing access of small firms to micro credit in Akwa Ibom state of Nigeria. Data from 35 farms and 20 financial institutions including NGOs were obtained. Investigation on both internal factors and credit institution’s lending policies have been done. Findings show that 61.1 per cent of the firm obtain loan from informal sources and 20 per cent do not apply for loans because of high rate of interest. Profit analysis shows that the income level of firm owners and the value of initial capital reduce the demand for credit by the firm.
However, for a healthy micro credit market in Nigeria, credit institutions need to be regular and identify the hindrance of the clients. Gangaiah et al., (2006) have made a study on the impact of Self Help Groups on income and employment, based on the objectives of the savings and banking habits among members. A total of 202 group members from 17 SHGs were selected randomly in Karkambadi village. These groups mobilize thrift deposits and secure timely matching and revolving funds to generate employment activities to earn their livelihood. The social outlook of the women has undergone beneficial change and has a favorable effect on formal education, self management, leadership quality, sense of equality in the status of women.

Vijaya Chandra Pillai and Hari Kumar (2006) have focused on various innovative programmes and schemes to address the issue of poverty and unemployment prevailing in India. Their primary survey conducted in the state of Kerala, highlights the problems faced by SHGs due to inadequate training facilities, marketing, lack of stability and unity, weak financial management and inadequate support from Government departments. Further it has been suggested that in marketing of SHGs the state level organization “KERAMS” (Kerala Rural Development and Marketing Society) should extend their activities throughout the state. NGOs and financial institutions can play a significant role in empowering women.

Manohar and Uthira (2007) have stated that the Micro Credit Programme has shown positive performance with respect to coverage, disbursement of credit and recovery rate by acting as a beneficiary oriented scheme. Unlike other loan programmes, micro credit as an alternative source of credit for the poor not only provides credit but also aims at their capacity building. The integration of Micro credit and women SHGs could be the way out for the overall rural development and poverty alleviation.
Manimekalai (2007) in her research project at Tirichirapalli District has chosen 110 sample women from 80 SHG. The findings of the study reveals that after joining SHG, it has changed the occupation status, social prestige and standard of living. The transaction of various micro financing has increased through formal credit than by informal credit. The SWOT analysis reveals that SHGs have sufficient strength and opportunities such as regular saving and attitudinal changes.¹⁹

Janaki Radha Krishna (2007) studied about “WE TRUST” – A Self Help Group at Kattur, Trichirappalli District. The trust at the beginning was with few members, in a very small way and has grown into huge structure like a banyan tree with 500 to 800 members. The organization has created awareness among the members on education, employment opportunity, improved standard of living and gender equalities. The trust has a gem cutting center where 42 women are given training. NABARD and REDP sanctioned ₹.48,750 for conducting programme in readymade garments. A show room of the readymade garments was started at Kattur named ‘Sachithi’. Most outstanding achievements of the trust are through the scheme of Sarva Shiksha Abiyan about 200 drop outs returned to school. Tamilnadu Council for Science and Technology has sponsored ₹.10,000 in March 2003 for conducting seminar on Environment. The Gandhigram Institute, Dindigul has sponsored ₹.1,14,000 for conducting a programme on gender based violence against women and a grant of ₹. 24,450 has been received from ‘CHEERI’ the Collectorate, Trichy for conducting special school.²⁰

Ramasamy et al., (2007) have made a descriptive study of Self Help Groups in Salem district. By adopting convenience sampling technique, 100 respondents were selected. They have found that there is no significant difference in the competency level of members belonging to different age, educational standard and location status. The most important findings are that there is lack of updated knowledge, unawareness about incentive schemes and inadequate knowledge on the public relations, and incompetence of the members of Self Help Groups in Salem district. It is concluded
that the District Rural Development Agency should take necessary steps to update the knowledge of members. Entrepreneurial development programmes should be conducted and authorities should conduct a special programme for development of public relation skill of the members and give necessary guidelines for financial assistance.21

Ivy Geno (2007) has conducted a micro level study in Madurai city by selecting 50 women from three SHGs. The study has clearly stated that 60 per cent of the respondents were unemployed but after joining SHGs, they engaged in income generating activities like preparing pappad, making incense stubs, candles and rearing cows. About 84 per cent of respondents have started taking decisions on their own in preparing budget, in educating their children and providing better health and medical care. It is clear that there has been an improvement in the working skill and status of the respondents. After conducting the study, the suggestions to boost up the sales is giving awareness to the respondents regarding the utilities of the product and that the present training is short term but long term training could be recommended.22

Selvaraj and Kannusamy (2007) have indicated that economic participation, economic opportunity, political empowerment, economic attainment and healthy well being can be attained by women empowerment through SHG. The study indicates that the financial support through SHGs can increase the women’s knowledge regarding marketing and business i.e., entrepreneurship enhancement and women upliftment.23

Ganga (2007) has selected three blocks of Salem district and has stated that the SHG is catching up as the most viable means of mobilizing the support for the poor at the grass root, particularly for the women folk with reference to the Panpakkadu SHGs in Anttipatty Panchayat of Salem district. Women of these groups show extraordinary dynamism in organizing themselves in group activities for income generation, posses better bargaining power and improve the quality of their life. The study of Panamadal Panchayat of Peddanichenpalayam Block of Salem district states that as SHG activates to supplement the household income when the block is affected
by drought. The Panamadal Panchayat consists of 8 blocks with 128 families. The SHG groups started their activity with a sum of ₹55,000. There is abundant arcane trees in that area by which they make cups and plates. The group has attained success by exploiting the market strategy by producing goods worth ₹ 440 lakhs and has earned a profit of ₹ 29.08 lakhs. The third block that comes under study is Umblickampatty Panchayat of Kadayampatti block. The SHG groups mainly involved in activities like sanitation and hygiene. There are eleven SHGs who carry out the hygiene activities like street cleaning and motivating household owners for the construction of individual toilets. The highlight of the Panchayat is the bio fertilizer production and president of the Panchayat take efforts in bringing PSG College of Technology Community Development wing to their Panchayat for technical know-how in Vermi Composting.

Krishna Murthi and Suresh (2007) have stated that SHG plays a major role in poverty alleviation in the contemporary rural India through Micro Finance. By integrating their contribution, they create economic opportunities. The SHG is playing a viable game in empowering women in all sense.

Ravichandra and Revathi Babu (2008) have suggested in their study made in Dindigul district that just as Kissan Credit Card and Swarozgar Credit Card, similar arrangements exclusively for the members of SHG may be developed in the name of the Micro Credit Card. The contract farming is to be encouraged in rural area. The model of business partnership may be developed for tapping the potentialities of the linkage programme. In Dindigul district, there are more than 3000 SHGs, 15 leading NGOs, 25 VVV clubs of farmers, more than 600 youth clubs affiliated with Nehru Yuva Kendras.

Manivannan and Natarajan (2008) have summarized the role of Mahalir Thittam in women empowerment in Erode district. About 14,252 SHGs consisting of 2,07,093 women were under the control of Mahalir Thittam as in 2005 in Erode. The overall saving by these SHG is ₹ 28.05 crores. Under the SGSY scheme, a sum of ₹.
9.64 crores were availed by 3,857 SHGs as revolving fund and a sum of ₹ 19.06 crores was sanctioned to 1,349 SHG towards loan for economic activities.²⁷

Tazul Islam (2008) has surveyed six project villages by Grameen Bank and six control villages outside the Grameen Bank’s area of operation at Bangladesh. One way analysis of variance has been used. In the study, the mean difference in income among three groups of Grameen Bank members is compared with non members. The productivity of Grameen Bank female members is higher than those of their non members. The micro credit service of the Grameen Bank has a significant role in alleviating poverty for less than 25 per cent of its clients, so it demonstrates the need for a wider range of financial and non financial services for the poor.²⁸

Srinivasan and Jayakumar (2008) have highlighted the training and capacity building of NABARD. NABARD continued to organize training programmes to NGOs, SHGs and Government agencies to enhance their effectiveness in the field of Micro Finance. During the 2005-06, fund support of ₹ 58.52 million was provided for capacity building. About 664 training programmes were conducted during 2005-06 for the bankers covering 30,029 officials of commercial banks, co-operatives and Regional Rural Banks (RRBs). They organized 72 meets and seminars on Micro Finance were conducted. NABARD has been instrumental in the formation and nurturing of quality SHG by means of promotional grant supports to NGOs, RRBs, Farmer’s clubs, Individual Rural Volunteers (IRVs), Joint Liability Groups, Rythri Mithra Groups (RMG), ‘e-grama’ and micro enterprise promoted by SHGs.²⁹

Sengupta and Aubucho (2008) have summarized the current status of Micro Finance. Micro Finance has spread over five continents. The Micro finance Information Exchange market (MIX) lists financial information for 973 Micro Finance Institutions (MFIs) in 105 different countries. According to MIX about 1,000 to 2,500 MFI’s serve about 67.6 million clients. About 41.6 million of the poorest people in the world are reached by the MFIs.³⁰
Sayma Rahman et al., (2009) have analyzed the impact of micro credit on household outcomes, such as income and assets using a modified form of model suggested by Ditt and Khadker, in three districts of Bangladesh such as Gazipur, Dinajpur and Chokoria. In the study, the impact on the different level of borrowers has been analyzed. The study suggests that even though micro credit is an attractive tool for producing better outcomes in terms of income assets, it is more effective for wealthier borrowers than non-wealthy borrowers. Some adjustment should be made to existing micro credit programmes to serve the purpose of lower income society.31

Christuraj and Saraswathy (2009) have analyzed the performance of Self Help Groups in Cuddalor district. The respondents record high level of socio economic changes in consequence of getting credit, mobility of saving and individual education. Due to high literacy rate and effective monitoring of SHG activities, there has been better socio economic changes. The result of occupation wise analysis shows that respondents of landless group lag behind others in socio economic change and the result of education wise analysis shows that illiterates lag behind others in their socio economic change in consequence to get membership in SHGs.32

Munian (2009) has analysed the SHGs in Cheyyar, Thiruvanamalai district in Tamilnadu. The study reveals that there is positive significant relationship between the performance of pre and post SHG members. After joining SHG, the socio economic status have been improved. Thrift habit has improved the linkage. The impact of the bank and block has created long term effect on enhancing women’s overall ability to address poverty. Department of Industrial promotion and Ministry of Health provide all kinds of assistance to these groups. The study has identified the various sources of funds available to NGOs to meet the cost of SHGs promotion. It is suggested that Government should make the funds available for SHGs promotion, so that many poor families will be benefited from these programmes.33

Prema Basargekar (2009) has studied out the working of Annapurna Mahila Mandal (AMM), working for women empowerment. The first part of the paper deals
with the factors responsible for the inception of AMM and the second part deals with the assessment of economic and social empowerment of member beneficiaries. SWOT analysis has been used to analyse the economic variables and social variables like economic independence, self confidence, leadership quality, social status, social awareness, decision making, group bonding and risk taking ability. Significant correlation is found in the age category and two impact variables such as actual monthly income and perception regarding self awareness. In short, it can be stated that AMM has been successful in reaching the target segment of the society and channelizing their resources for productive purpose through linkaging various activities such as identifying beneficiaries and developing self empowerment among women.\(^{34}\)

Than and Saradha (2009) have depicted a case study with reference to Chennai. The study focuses on economic improvement of women after joining SHGs. About 120 respondents were selected from Chennai city. Percentage analysis has been used to measure the socio economic status. It is observed that 92 per cent of respondents find that after joining the SHG their status has been increased. The purpose of the loan has been analyzed, and inferred that about 43 per cent of the respondents have taken loan for business purposes, 27 per cent have taken loan for general consumption and 8 per cent have taken loan for emergencies. It has been found that the income of the women has been increased after joining SHGs, but the savings has been increased at a slow rate as the incremental expenditure is high. The women in SHGs are prompt in repaying the loan on time. Considering the findings, the suggestions have been made for literacy training for poor women to benefit the micro credit schemes, mobilization of savings, uniformity in financial assistance by banks in all blocks, marketing and sales to be boosted by exhibitions and adoption of new technology.\(^{35}\)

Christabella (2009) has studied the development of the Ulloor Panchayat in Thiruvananthapuram district through Samatha Vanitha Swayam Sahaya Sangham
The broad objective of the institution is sustainable livelihood for women belonging to low income groups. The organization therefore formed Self Help Groups in various parts of Panchayat. During 1999, there were 100 SHGs formed all over the Panchayat. By 2001, the number of SHGs had risen to 163. The enrolment in SHG increased from 2,200 women in 1999 to 3,522 women. In 2001. The total assets (Own savings and bank loans) of the SVSS has been rupees one crore as own savings and SVSSS ₹. 50 lakhs as bank loans. Thus, the total fund of Micro Finance institutions amounted to ₹. 1.5 crores in Rs. 200. Each member in the SHG under study has saved ₹. 20 to ₹. 25 per week i.e. the total savings of the group range from ₹.14,200 to ₹. 89,295 while the 15 per cent of the groups average savings were less than ₹. 25,000. The total amount of the savings of 34 groups was more than ₹. 17 lakhs. Micro Credit is given for the consumption, social functions, festivals and productive activities. Education is the second most important purpose of loan. Quantum of repayment and repayment schedule vary from one SHG to another. The SHG pays the loans in installments. The total repayment period range from 5 to 40 months. The SVSSSS, as soon as SHG is formed, starts an account with neighboring nationalized or co-operative banks. All the groups are linked with Syndicate Bank, Kesavadasapuram and Sree Kariyam branches and Ulloor Service Co-operative bank and Pavgumood banks. It is found that strong socio economic empowerment has been achieved.

Rathakrishnan and Sriram (2009) have revealed that in their article “Access to Micro Finance and Women Entrepreneurship” that many women are benefited through Micro Finance. Collective strategies have increased the endowment of the poor women to enhance women empowerment by poverty alleviation. Micro credit intervention can reach ultra poor. It regulates both public and private infrastructure in the context of Liberalization, Privatization and Globalization (LPG) to sustain the benefits of social service providers.

Muthaiyan et al., (2009) have highlighted the problems faced by the SHGs. Problems arise at the formation stage due to smallness of the group, lack of proper
understanding of long term objective of women empowerment, social and economic development. Lack of education among rural women lead to the conversion of SHGs into political bases and has retarded its growth. Lack of motivation among the groups, non availability of sufficient funds at reasonable rates of interest and poor channel of marketing of the product are some of the problems. Cannibalism is yet another aspect that plagues many SHGs. Liberalization and globalization have made available at low cost against which the SHG could not withstand. If the Self Help Group has to sustain, the Government and its institutions have to extend financial, marketing and infrastructure support.38

Sanjay Kumar et al., (2009) have analysed the growth and performance of Self Help Groups in Punjab. In Punjab, there are only 13 NGOs and only 121 groups are linked through them. The main reason behind this is the lesser margin available to NGOs, which is only 3 per cent per annum. For measuring empowerment four components have been used, such as economic empowerment, self empowerment, technical empowerment and political empowerment. It is clear that after joining SHG, the access to group savings and micro credit have enabled them to take economic activity that has improved their financial position.39

Savitsha Shankar and Mukul G. Asha (2010) in their article entitled “Regulating Micro Finance: A Suggestion Framework” have pointed out that it is time to address regulating issues that enable the micro finance sector to contribute more effectively to the goal of financial inclusion and to provide an environment in which all stakeholders can participate with confidence. The creation of regulatory capacity of prudential and non-prudential regulation of Indian Micro Finance sector will face the major challenges, but is likely to be a worthwhile investment for the country as in long run, it could result in large scale financial inclusion and financial dependence.40

Palanivel and Suresh Kumar (2010) have analysed 100 SHGs of Coimbatore district. Chi square test was applied to test various associations and has been found out that the majority of the respondents have not faced any problem in being the
member of Self Help Groups. Getting loans from revolving fund have greater influence in the success of SHGs and the monthly income of respondents has different influence on the achievement of SHGs. The suggestions given are to create awareness among youth or young minds and to increase the standard of living, alleviating poverty by increasing the economic welfare of the society. The member of the SHGs, belonging to nuclear family can also influence other members in their family. Thus, promotion of income generation activities through Micro Credit among SHGs women, no doubt ensures their economic independence and social status.\textsuperscript{41}

Rajinder Kaur (2010) has summarized in his study that Micro Finance is a poverty alleviation tool started by NABARD. NABARD, by financing SHG for 14 years through SHG bank linkage programme has shown quantitative dynamism. About 75 per cent of the fund flows through as Micro Finance to Southern States. Andhra Pradesh has reaped the maximum benefits from the SHG bank linkage programme and Madhya Pradesh is the least benefited state. The participation of commercial banks, RRBs and co-operative banks are included in SHG bank linkage programme. Among these three institutions, the commercial banks occupy a dominant place such as in Gujarat 76.10 per cent of total loans flow from co-operative banks. In Uttar Pradesh, 58.81 per cent financing is done through RRBs. Co-operative banks are still lagging behind as their participation in most of the states is negligible.\textsuperscript{42}

Rajendran and Raya have selected SHGs in Natrampalli and Nemili Blocks of Vellore district. Descriptive statistical analysis such as mean and percentage methods has been used. ANOVA has also been used. The findings of the study are that one third of the respondents joined SHGs for savings and 22 per cent of respondents joined for family income and 11 per cent of respondents joined to save as well as to avail loans. NGOs remain the largest motivating force for group’s initiative as per the 247 respondents. Team management skills topped the best in the improvement of managerial skills as a result of participating in Micro Finance. Age of the respondents did not have any significance with the managerial attitudes. There exists a significant
relationship between the educational level of respondents, the period of membership in group, micro finance loan amount for entrepreneurial development. It has been suggested that more training and re-training programmes are to be organized.\textsuperscript{43}

Murlidhar and Lokande (2010) has confined the study to the women self help groups promoted by Mahila Arthik Vikas Mahamandal (MAVM) in Aurangabad district under Maharashtra Rural Credit Programme. Through simple random method, 757 women groups were selected. Regarding the socio economic status of the members, age, education, marital status, occupation, economic activities and annual income were collected and analyzed. The women members have become habitual savers and depositors ranging from ₹. 25 -151 per month. Around one third of the respondents have expressed that they have become more aware about social change and involve in decision making at family and village level. Women self help groups were found engaged in social activities such as village cleanliness, health awareness programmes and anti-superstitions campaigns. The analysis of data indicates that 37.33 per cent of the respondents have fought successfully against alcoholism and have enforced the shopkeeper to close their wine shop. It was observed that women participation in Government programmes, which was almost negligible earlier has enriched because of SHG activities in Aurangabad district. One of the significant observations of the study is that women self help groups, as a social group have created social security and more that 16.67 per cent of the respondents have participated in Panchayat and Primary Credit Co-operative Societies. Thus, the study discloses that micro financing through SHGs have brought a ray of hope for the development of under privileged people.\textsuperscript{44}

Subramanian (2010) has conducted the SWOT analysis of SHGs to identify their strengths, weaknesses, opportunities and threats in Tirunelveli district. The most important strength of group is found to be homogenous and cohesive. Despite many strengths and weaknesses of the SHG participation of restituents is found to be very low. The most important opportunities of the SHG is flourishing micro enterprises
because of vast markets and the efforts of the poor unemployed women can be channelized effectively for social and economic empowerment. Though the SHGs are performing effectively, there is little reason or complacency such as cheating and misappropriating the group’s efforts. There are potential threats of inter group and intra group conflicts.45

Paramasivan’s (2011) study has been confined to Yercaud of Salem district. About 100 respondents were selected as sample under the convenience sampling technique. From analysis, it is inferred that there is a close relationship between experience in SHG and opinion towards socio economic status. The hypothesis was that the level of awareness and opinion towards socio economic status are associated and it is concluded that it has close relationship. In the case of saving rate and socio economic status also, it is inferred that there is close relationship between saving rate and opinion towards socio economic status. Women empowerment through SHG is an essential study which provides information regarding socio economic and political empowerment of the rural and unreachable tribal women.46

Santhosh kumar (2011) has analysed Kudumbashree linked micro enterprise of Eranakulam district. Three Panchayats of Eranakulam district such as Ikkarnad, Maneed and Ambaloor were selected. Out of this, 45 micro enterprises were selected. The opinions of the respondents is measured in three point scale and weighted mean score has been worked out. Tools like percentage, weighted averages and ranking techniques have been used for data analysis. Average Return on Investment (ROI) of around 16 per cent per annum in addition to full time and part time employment generation is found to be quite rewarding. 47

Edwin Gnanadhas and Mahalakshmi (2011) have analysed the impact of Micro Finance on women SHG beneficiaries of SGSY scheme in Kanyakumari district of Tamilnadu. Analysis is carried out to compare the findings of the urban and rural areas. The relationship between the income and employment generation of different micro enterprises are studied. Correlation method is used to test the hypothesis that
there is positive relationship between income and employment generation of the various enterprises of the SHGs. It is clear that there is positive correlation between income and employment of the beneficiaries of different enterprises of SHG in Kanyakumari district. It is inferred that the correlation is significant in the case of beneficiaries of milch animals, vermi culture, petty shops, canteen and others. In the study area, it is gathered that 51.24 per cent of the members in urban group and 43.61 per cent of the rural group have misused the loans. In urban area, 78.51 per cent and 51.18 per cent in rural area are facing problems of financial stringency, penalties and fines and irregular payment. About 53.72 percent of women in urban area, 67.67 per cent of women in rural area have got training on credit management, maintenance of books and registers, preparation of business plan.48

Priyanka Jayashankar and Robert Goedegebuure (2011) have focused their study on the relationship between marketing strategy elements and social performance of Micro Finance institutions. The study was conducted across three states in South India such as Tamilnadu, Karnataka and Kerala in urban, semi urban and rural areas. Likert’s five point scale, dichotomous scale and all of the indicators have been condensed into validity test with Cronbach alpha scores. The paired sample ‘t’ test clearly indicates that Micro Finance has a positive impact on the respondents. Statistically it is proven that the socio-economic change has been brought by the Micro Finance, especially among the poor women. The social and political empowerment of the clients have been achieved by Micro Finance practitioners and social marketing. It is concluded that allocation of income for promotional activities and children education are effective tools for Micro Finance institution.49

Palanivelu et al., (2011) have highlighted the functioning and performance of SHG in Coimbatore district to identify the reason for participation in SHG and the saving pattern of SHG. Through percentage analysis, monthly income has been calculated and found that 30 per cent of members’ monthly income has increased to ₹ 5,000. Majority of the respondents have joined the SHG group because of poor
income and unemployment. Using Chi square test, it is proved that there is significant relationship between income and increase in the women’s income. It is found that 64 per cent of debtors paid monthly due within time and 19 per cent paid their due in advance, it is a good symptom of economic growth.\(^{50}\)

Josily Samuel \textit{et.al.,} (2011) have analysed the impact of Micro Finance on Kodaikanal Taluk of Dindigul district. The impact analysis on the various parameters reveals that the total percentage change income is ₹. 45.59, employment is 72.18, the asset position of members after joining the Self Help Group is ₹. 53.43 and the consumption change in member’s household is 25.8 per cent. The study on the investment and saving pattern of member’s households after joining the SHGs show that they have come under high investment and saving category. The regression analysis reveals that the income of members has increased by 0.50 from one rupee investment, savings has increased to ₹. 4.92 and in one day employment, the income has increased by ₹. 40.87. The major constraints faced by members are conflicts among group members, improper savings or procedures involved and lack of training or skill upgradation. Through the SHGs, women are socially and economically empowered.\(^{51}\)

Vijayakumar (2011) has enlisted the role and performance of SHGs in promoting women’s empowerment in Warangal District of Andhra Pradesh. The findings of the study are that the SHG has extended financial service to the poor and has contributed to the alleviation of rural poverty. The awareness of the members has increased the utilization of loans for productive purpose. There is a remarkable improvement in social empowerment of the members in terms of self confidence, involvement in decision making and participation in their own development.\(^{52}\)

Nandgi Rachappa (2011) in his article entitled “Socio Economic Evaluation of SHG’s in Gulbarga district of Karnataka has described that SHGs encourage savings and promote income generating activities through small loans. It helps in creating employment by pooling mechanism of their meager resources. The main theme
behind the formulation of it is to maximize the problems of inadequate access to credit and create employment opportunity. Involvement of women is essential in all stages of economic and social activities. Therefore, organizing women in Self Help Groups will enhance the status of women as participants, decision makers and beneficiaries in democratic, economic, social and cultural spheres of life.\textsuperscript{53}

Sudhin Kumar (2011) has analysed the performance of Micro Finance activities in Purba Minapore district of West Bengal. The study has identified that there is a remarkable improvement in the income level and employment generation of the members. About 95 per cent of beneficiaries have believed that they are able to take decision regarding the family affairs. The respondents have started to confront social evils and family violence. The female SHG members have started to attend public meetings, fight against drugs and attend health care forums.\textsuperscript{54}

Srinivasa Rao and Santosh Kumar (2011) have explained that Micro Finance has been accepted as the main vehicle to address the issue of lending to small borrowers dispersed over vast expenses of geographical area involving high transaction costs and also business opportunity. The study has made an attempt to explore the Micro Finance activities prevailing in India towards the achievement of sustainable development. Among the various poverty alleviation programs implementing through Micro Finance meant for sustainable development through IRDP was replaced by SGSY in 1999, about 5.4 million families were assisted with bank loan of ₹ 2,30,000 million and subsidies of ₹ 4,45,000 million. About 7 lakh SHGs have been assisted for taking up economic activities. The SGSY is conceived as a hostile programme of micro enterprises covering all aspects of self employment and establishing effective linkages between the poor and the SHGs.\textsuperscript{55}

Anjugam and Alagumani (2011) in their article “Impact of Micro Finance through Self Help Groups – A Case Study” have analyzed the economic, social and institutional impact of Micro Finance through SHGs in Kodikulam village in Madurai District of Tamilnadu. The SHG bank linkage has helped the members to obtain credit
for electricity connection, purchase of livestock, land for house construction and leasing in of land. The SHG has helped them to use the loan properly and the repayment has been 100 per cent. Micro Finance has increased the awareness of its members for girl’s education and improved outside contact and decision making skill. The overall study shows that the group formation is properly done and has positive impact.\textsuperscript{56}

Mahendra et al., (2011) have analyzed the impact of Self Help Groups on economic empowerment of women. A sample of 147 members of the Self Help Groups was selected. The data is analyzed using percentage and t-test. It is identified that there is a significant difference between the income and savings level of the members of SHG before and after joining the group. A factor analysis is conducted to identify the factors affecting the economic empowerment. It is identified that purchasing power, increased credit access, loans of SHG and standard of living are the factors which influence the economic empowerment of women.\textsuperscript{57}

Mahendra (2012) in his study has analyzed the impact of Micro Finance on empowerment of women in Anantapur district. In the analysis of the economic, political empowerment of women, the co-efficient of variation of income before joining the group is 70 per cent and after joining the group, it is 42 per cent. This shows that income has increased after joining in the group. The calculated value of Z is greater than the critical value of Z. Thus, it is concluded that there is an increase in the income. There is a significant difference between SHG and control group in their willingness to contest election as members. Thus, it can be concluded that political empowerment may be achieved by the participation of SHG members in politics. While analyzing the skill development, it is found that SHG members are able to know the schemes offered to the members of SHG. The role of women belonging to SHG in domestic decision making is more when compared to the women of control group. Micro Finance is able to increase the confidence level of women thereby
helping women to function as an active member in participating in domestic and financial decision making at household level.\textsuperscript{58}

Anandaraj and Chinniah (2012) have focused on the socio economic conditions of the members of women SHGs in Alanganallur block of Madurai district. The primary data has been collected from 200 sample women SHGs. The relationship between the overall satisfaction of SHG members regarding the benefits after joining the SHG and independent variables such as age, literacy and family income is analysed by means of chi square test. It is found that the age, educational level and family income of the respondents influence the level of overall satisfaction of SHG members.\textsuperscript{59}

Shanthi and Dhanabhakyam (2012) have stated in their article "Micro Finance Intervention in Poverty Alleviation and Development" that the role of Micro Finance in poverty alleviation and empowerment of the weaker sections is gaining importance in many developing countries. In India, the programme was held in 1992. The programme promoted NGO business partnership to provide gainful activities to empower the poor. By March 31, 2003, the programme covered 31,000 rural outlets with a loan portfolio of more than 2,000 crore bringing formal banking to the doorstep of 11.6 million poor households. The Micro Credit reach for the million poor in India through the Self Employment Scheme namely, SGSY has reached one third of the population through SHGs by 2007-08.\textsuperscript{60}

Dinesh Panta (2012) has analysed the three development blocks of Almora-Dhaula Devi, Lamgara and Bhausiyachana, benefited and ‘Livelihood Improvement Project’ for Himalayas (LIPH) launched by Central Government in 2004. The members of the 722 SHG formed with a co-ordinator, are given training, field visits, awareness camps and are encouraged to join development and earnings programme. Each group is essentially connected to the banks. Out of 700 groups, 7,304 members are investing in various income generating activities at a modest level, enterprises like
diary, chicken farm, shops, vegetables production which promoted the income of the poor families by expanding their mutual transaction.\textsuperscript{61}

Dhaneshwar Singh and Ramananda Singh (2012) have highlighted in their study about the social impact of Micro Finance on SHG in Manipur through multistate sampling. In the first stage of sampling, a sample of 20 NGOs were selected out of 70 NGOs, which were directly associated with Micro Finance. In the second stage, 3 SHGs were selected from each NGO and in the third stage, 2 individual members were selected from each of the 60 SHG. The parameters used for measuring social impact of Micro Finance are self confidence level, ability to take decisions, social awareness and social responsibility, skill development, access to better health services and other infrastructure facilities. By measuring each sub parameter, it is inferred that there is significant increase in the self confidence and decision making level of members of SHG after joining the Micro Finance programmes. There is a significant increase in social awareness and social responsibility of the members. Finally it is found that there is an increase in skill development and access to better health after joining SHG.\textsuperscript{62}

Vipin Chandra and Sandhya (2012) have pointed out in the article “Progress of SHG Bank Linkages in India: An Assessment of Key Issues” that the Self Help Groups Bank Linkage Programme has emerged as the largest micro credit programe. At the grass root level, the program is being implemented by the commercial banks, co-operatives and Regional Rural Banks. The SHG Bank Linkage Prgoramme has been pre dominant in southern region such as Andra Pradesh, Tamilndu and Karnataka. Micro Finance creates opportunity to build common fund for investment and induces to improve their economic situation. This approach creates social impact such as women leadership, reduction in child mortality and raising voice against social evils. The contribution of this approach to social empowerment of women is notable.\textsuperscript{63}
Debadutta Kumar Panda (2012) has studied the growth of SHG Bank Linkage Programme in India in terms of its efficiency and effectiveness. An attempt has been made to analyse the accessibility, credit disbursement and saving mobilization of lending institutions. The progress of SHG Bank Linkage is discussed from various angles like BPL density, regional equality and rationality of bank linkages. The roles of intermediation from subsidies funding are highlighted. To eliminate the multiple membership, the tradeoff between the SHGs and Grameen JLGs is analysed through graphical approach.64

Janet Vasantha Kumari and Vinodha Devi (2013) have ascertained the impact of micro credit of SHGs on the rural areas of Kanniyakumari district by considering the factors such as income level, possessions of wealth and assets, improvement in the standard of living, awareness of health and cultural values. It is found that there is a good improvement in income level. Hence, it is suggested that leadership skill training programme and marketing assistance should be given to the SHG members for promoting economic activity.65

Amit Kundu (2013) has observed in the study of Dakhim and Degambarpur of Parganas district of West Bengal. It is observed from the study that regularity of SHG members in attending the meetings of the Grama Shabhas and the manner in which they interact with the local panchayat office gets improved within the experimental time period. Regular attendance at such meetings implies the presence of network externalities which enhance social capital among micro finance participants, more than for non-participants. There is a strong positive correlation between social capital and social empowerment. Social empowerment helps the SHG members to enhance their knowledge about different Government programmes. More social capital can be guaranteed among the villagers by encouraging them to participate in Micro Finance programmes.66

Harilal (2013) has pointed out the SBI as the leader in SHG Bank Credit Linkage programme. SBI has actively participated in SHG bank credit linkage
programmes since 1992. About 6,30,067 bank saving accounts of SHGs are opened out of which more than 541 lakhs SHGs have been provided with credit facilities and 75 lakh poor people are benefited.\(^{67}\)

Shivalingappa (2013) has examined the impact of Self Help Group on employment generation. The Chitradurga Taluk of Chitradurga district of Karnataka was selected for the study. With the help of stratified sampling procedures, two SHGs were selected from one village; about 92 members were selected. It is found that out of total selected beneficiaries, 17 realize changes in their employment status from unemployed to self employment, seven of them feel a change in their employment status from wage earner to self employment and 54 beneficiaries experience an expansion in their standard of living but only 14 beneficiaries of all SHGs report an expansion in employment after getting loan.\(^{68}\)

Sibghatullah Nasir (2013) has suggested that there is no distinctive regulatory framework for the MFIs in India. Regulation of the MFIs is largely in the purview of the state governments. So there is a need of an exclusive regulation to regulate the MFIs in India. Proper training for the clients should be organized in an efficient way so that they could know each and every small thing about their debt. Due to the fast growth of SHG Bank Linkage Programme, the quality of MFIs has come under stress.\(^{69}\)

Rekha Rathore and Manika Garg (2013) have quoted that Microfinance through Self Help Groups (SHGs) has become an important vehicle to meet the savings and credit needs of the poor, especially women in rural areas. The purpose of study is to know the role of financial inclusion through self help group and for this the data is collected from NGOs, SHG, NABARD, Grameen Banks by using interview method. Study is limited to Yamuna Nagar district only. This study helps to give an outlook about the current status of SHGs in Financial inclusion. By conducting this study, the problems faced by NGOs, SHG, NABARD, Grameen Banks are identified to improve the success rate of SHG for the development of economy and make it a
powerful tool in financial inclusion. SHGs contribute in solving the problems 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 borrower without imposing unbearably high cost of monitoring its end use upon the lenders. A promising solution is to provide multipurpose loan or composite credit for income generation, housing improvement and consumption support. Consumption loan is found to be especially important during the gestation period between commencing a new economic activity and deriving positive income. \(^{70}\)

2.2 RESEARCH GAP

Though many studies have been conducted in India and a few studies in Tamil Nadu covering certain aspects of women’s empowerment, a comprehensive study covering multi-dimensional aspects of empowerment of Women Self Help Groups through Micro Finance have not so far been made at the micro level in the backward district of Virudhunagar in TamilNadu. To cover the research gap in the rural area, the researcher has chosen this vibrant topic for research study.

2.3 CONCEPTS USED IN THE STUDY

Some of the terms used frequently in the study are defined for the purpose of clarity. Basic concepts of the study are the operational definitions of the terms that require more clarity for better understanding and interpretation are enlisted below.

2.3.1 Self Help Groups

Self Help Groups is a voluntary small, cohesive and economically homogeneous and affinity group of rural and urban women from below poverty line, formed to save and contribute to common funds.
2.3.2 Micro Finance

Micro Finance may be defined as provision of thrift, credit and other financial services and products of very small amount to the poor in rural, semi urban or urban areas for enabling them to raise their income level and improve living standards.

2.3.3 Micro Credit

The term Micro Credit refers to the small loans extended to very poor people for self employment projects that generate income for their economic upliftment. The key implications of micro credit lies in the word ‘micro’ as it implies small size of loans, shorter repayment period and smaller repayment at smaller risks.

2.3.4 Micro Finance Institutions (MFIs)

Micro Finance Institutions specialize in banking services for low income individuals. They provide credit and other financial services to poor in rural and urban to enhance their economic situations.

2.3.5 Empowerment

Empowerment is the process by which the disempowered or powerless people can change their circumstances and begin to have control over their lives. Empowerment results in a change in the balance of power in the living conditions and in the relationship.

2.3.6 Economic empowerment

Economic empowerment may be defined as material advancement that would help them to improve their economic position in terms of purchasing power and standard of living.

2.3.7 Social empowerment

Social empowerment means demarginisation of an individual to be powerless in respect to ideology of society and the values that make them submissive and silent sufferers.
2.3.8 Political empowerment

Political empowerment refers to the power of an individual in taking part or decision making in the political set up or even Grama Shabas.

2.3.9 Psychological empowerment

The psychological empowerment may be defined as expansion in mental space of an individual which involves attitudinal changes along with awareness of their inherent potentialities. It includes greater sense of self confidence, self esteem and motivation.

2.3.10 Non Government Organizations (NGOs)

NGOs is a Non Government Organization which helps to form and monitor SHG. NGOs contribute significantly to improve the quality, sustainability and effectiveness of social programmes by developing and experimenting with innovative approaches.

References:


65. M. Janet Vasantha Kumari and K. Vinodha Devi, “Micro Credit Intervention Through SHGs in Promoting Micro Enterprises Among Rural Women” in


