CHAPTER II
AN OVERVIEW OF LITERATURE

2.1 INTRODUCTION

Review of literature places a research study in its proper perspective by showing the volume of work already carried out in the related areas of the study. The relevant reviews were collected through various sources, such as Books, Journals, Magazines, News papers etc., the following are the reviews relating to Microfinance, Micro Credit, Self Help Groups, Women Empowerment and other related areas to the topics.

2.2 REVIEWS ON MICROFINANCE

Das Gupta (1999) in his study on “Self Help Groups and Micro credit rural banking for women” has pointed out that the microfinance is to provide credit for self-employment and other financial and business services including saving and technical assistance to very poor persons. The finance is provided to the people those who work in the agriculture, fishing, herding the operate small or micro enterprises. The Microfinance through Self Help Groups began in 1992 but so far only 15,000 groups have been identified. The performance of the cooperative and Regional Rural Banks (RRBs) is very dismal. In the year 1997 the Regional Rural Banks incurred a loss to the tune of Rs.480/-crores and the repayment rate was 20 Percent on outstanding loans.

Jay Anand (2000) in his study entitled “Micro Finance in Kerala” studied the Community Development Society model for the liberation of the poor women of Alappuzha in Kerala State. It is evident from this survey that those members who have some unit activity earlier could use the micro-credit effectively for expansion/modification and they reaped the maximum benefit. In some cases, the failure of group activity has led to a financial crisis and imbalance for all the members, while it is not complex in individual activities. It is observed that a few women dominated the group.
Anand (2001) in his study “Micro Credit Avenue for Sustainable Empowerment” has observed that the Microfinance is the development buzzword of the nineties to cure the illness of rural poverty gain visibility in the Indian development landscape. This development has concepts like self reliance self sufficiency and Self Help Groups. The micro credit is distinctly different from other populist poverty alleviation scheme.

Poverty alleviation and people empowerment in the context of the developing countries require integrated community involvement at the least cost possible. The need to explore and combine both informal (traditional) and formal sources of funds is, therefore not far fetched. The level of capital formation in developing economies is rather low thereby constraining a good flow of funds from the surplus units to the deficit units at affordable interest rate and at conditions that will not send the borrowers away. Even where it is possible to access funds from the formal financial institutions, it has always been with difficult-to-meet lending conditions (collaterals) and high interest rate that frustrate repayments. The inaccessibility of formal financial services made poorer to develop varieties of informal, community-based financial arrangements to meet their financial needs. One of the informal, community-based financial arrangements is microfinance (Christen, 2001).

Dadhich C.L. (2001) in his study on micro finance a panacea for poverty alleviation analysed the performance of Self Help Groups formed by Oriental Bank of Micro Lending and underlined that the project has established beyond an iota of doubt that properly designed and effectively implemented micro finance can be a means not only to alleviate poverty and empower women but also be a viable economic and financial proportion.

Park (2001) has carried out an evaluation of microfinance programs in China. His analysis was different in that while indeed households were surveyed, they used the survey results to capture the effectiveness of the microfinance program in China. The effectiveness of the program was operationalised using two key measures, Targeting and Sustainability. The targeting measure is defined as that ability of the microfinance program to target the poor. This was measured via program eligibility rules and qualitative responses on the survey. Sustainability of the microfinance program is defined as the financial and operational performance of the program, and is measured by loan repayment frequencies and repayment incentives. Since a high level of repayment activity
suggests profits for the lending institution, a high repayment rate would necessarily suggest a sustainable microfinance program.

Sarkan (2001) has found that, in the microfinance is a useful tool in building the capacity of the poor management of sustainable self employment opportunities, besides providing other financial services like savings, housing consumption credit, insurance cover etc. The National Policy on microfinance should emphasize on encouraging initiatives and participation of different type of institution in microfinance, bring the microfinance activities, irrespective of the type of institution involved, within the regulation and supervision of completed authorities, creating policy environment.

Joshi (2002) in his study on “Micro Study Net Charity” has pointed out that the micro credit programmes extend loans to poor people for self employment projects that generate income, allowing them to care for themselves and their families, to their clients in addition to credit for self employment. The rural areas the poor have been depending on the money lenders for their financial needs, either marriage in the family, illness or any other emergency need, money lender always exploits the situation.

Patel (2002) in his study “Rural Credit Delivery System” has pointed out that the poor rural credit disbursal by adopting multi agency approach have been encouraging the rural credit system has indeed played catalytic role to lubricate the farm production process as could be evident from the fact that country food output increased from 108m tones in 1907-71 to 96.1m tones in 2000-01. Like wise production of sugarcane, oil seed milk and fish also shot upto 301.4m 18.7,78.1 and 5.7m tones from 126,10,21 and 2.4m tones during the period output of cotton bales rose from 5m bales to 11.5 bales output of plantation and horticultural crops and vegetable, have also increased. Under microfinance scheme 3.5 lakhs Self Help Groups covering more than to 70 lakhs families have been assisted, under market driven economy as adopted by India. The poorest of the poor rural houses holds only be assisted through the formation of Self Help Groups and linking them with banks. It is most essential for bank in a reasonable period time, say six months banks mostly involve themselves right from the stage formation.

Rao (2002) in his study on “Women Self Help Groups and Microfinance Schemes” he has pointed out that micro provide credit access to poor with no collateral obligation. It encourages savings and promotes income generating activities, loans and provided in the market driven rates of interest and poor pressure is used in repaying, Microfinance is carried out through Self Help Group where the poor come together in the
range of 10-20 by weekly, fortnightly and monthly meeting through their saving and loans.

Wilson K (2002) has differentiated the emerging and traditional microfinance. He has stated that traditional or “old” microfinance have been characterised by intricate, explicit rules dictated and directed by Microfinance Institution (MFI), reliance on paid animators (field workers) to engage community members to participate in schemes seeking self-sufficiency at institutional level, institutions to cover all costs through internally generated income and interest rates often ranging from 36 Percent to 87 Percent p.a. As against this, the Self Help Group-Bank Linkage Programme, popularly known as the “New Microfinance”, is characterised by simple rules made by groups, local volunteers spreading information self-sufficiency sought at group level and group level rates charged to individual members often has ranged between 24 Percent - 60 Percent per annum, while bank has charged 12-13 Percent per annum to the groups. The author has concluded that the “new microfinance” as demonstrated by the Self Help Group movement has definite advantages.

Kamal Vatta (2003) in his study on “Microfinance and Poverty Alleviation”, has pointed that the Microfinance involves financing for Self Help Groups which are small, informal and homogeneous groups, of the not more than 20 members. The members have poor risk taking ability, no collateral to another and have limited earning opportunities. The working fund grown with time and group can also approach a financial institution for credit. The group kept taking decisions as in the past but with more resources.

Stephanie Janeb (2003) in her study on “Micro Finance: Its Impact on Children and Women”, explored the type of impact that micro finance has on women and children, more specifically on women empowerment, health, nutrition, children’s education, child labour and additional income spent on children’s food, education and health.

Soundarapandian M (2006) in his study on “Micro Finance for Rural Entrepreneurs Issues and Strategies”, made an attempt to analyse the growth of the Self Help Groups and the role of microfinance in developing the rural entrepreneurship. The study suggests that though there is a positive growth rate of the Self Help Groups in the Indian states get in terms of growth of the Self Help Groups there is wide variation among states. Linkages of banks with the Self Help Groups are found impossible for this variation.
Valentina M. et al., (2006) they presented an overview of microfinance and microfinance research. The objective is to show that microfinance research has come full circle: from policies to lending methodologies and to organisations in the 1990s, and back to a focus on policies. Specifically, developments in the theoretical literature on asymmetric information, transaction costs, contracts, and banking identify the challenges that Microfinance Institutions must overcome. Recent trends toward intermediation and commercialisation have brought about a renewed focus on identifying appropriate policies to promote a viable microfinance industry. The paper concludes by describing some current challenges faced by the industry and offers a possible research agenda for agricultural economists.

Neelamagam V (2011) in his paper on “A Study of Microfinance and its blow on Poverty Alleviation and Financial Support in Meticulous with Self Help Groups” discussed the relevance of Microfinance to reduction of poverty. His paper argues that microfinance can be considered an important component for an effective poverty reduction strategy. It shows that accessible and well-organised provision of micro credit can enable the poor to smooth their consumption, better manage their risks, better gradually build their assets, develop their micro enterprises, enhance their income earning capacity and enjoy an improved quality of life. Microfinance services can also contribute to the improvement of resource allocation, promotion of markets, and adoption of better technology; thus, microfinance helps to promote economic growth and development. Also the characteristics of financial systems in developing countries will be discussed and argued that the formal financial sector is not consistent with the needs and requirements of the poor and the existence of the informal financial sector is a response to the shortcomings of the formal financial sector.

2.3 REVIEWS ON MICRO CREDIT

Shashi Mitttal (1991) in his study on “Self Help Group and Micro Credit Grass Roots Finance in Tamilnadu”, has Pointed that the Micro credit specially to poor women entrepreneurs is a nation that mixes ethics and economics and is that a socially conscious programme. The Micro Credit scheme has provided that the poorest of the poor are credit worthy. The Micro Credit schemes are in implementation, the repayment rate is almost cent percent. The Micro Credit is a hope to the poor and it has broken the taboo
of traditional commercial bank and proves that a poor woman is equally credit worthy. The micro credit scheme is a new parading development.

**Hussain and Huda (1995)** have pointed out that in female-headed households, widows and abandoned women it was difficult and perhaps even pointless for them to take loans because they had no one to help them use it. A common finding among women, who had taken loans, was that in place of the usual husband-recipient there was a son-in-law or a brother who make use of the loan. They also pointed that social rule about what workwomen can do have not changed at the same rate as the deterioration of traditional social safety net system and recommends (1) A programme of legal information on women marriage, inheritance, and maintenance rights, (2) The creation of Wage-employment rather than credit, given the extreme poverty and risk aversion of female-headed household and, (3) Special efforts to identify and retain female-headed house-holder in the programme and safeguard against the tendency of field staff to exclude them because of concern about repayment problems.

**Pift and Khandker (1996)** have pointed out that micro credit has a greater effect on household welfare when women are the borrowers. The impact of Grameen Bank, micro credit on per capita household expenditure, schooling, supply and non-land household assets are all higher.

**Karmakar K.G. (1997)** in his study on “Self Help Groups in Orissa: Some Conceptual Issues,” studied the performance of the credit linkage of all the Self-Help Groups, the Non-Governmental Organisations and the Banks in Orissa up to March 1995. Eight Non-Governmental Organisations, 11 banks and 14 self-help groups were taken as sample for the study of the entire state in the year 1996. Structured questionnaires were used to collect data besides a field study consisting of interviews and through non-participated observations at all self-help group levels. One of the findings showed that a few Non-Governmental Organisations started a savings and credit programmes to the marine fishing folk through the Self-Help Groups. For lending, they relied mostly on mobilisation of savings. Since the amount of saving is very small, the credit from the savings to the community was inadequate to meet their requirements. Loans were provided for growing crops, blacksmith’s work, making of hill brooms, trading and business. Repayment was 100 percent among the women Self-Help Groups. The choice
of the members of the Self-Help Group was limited to a few activities only because the amount of micro-credit available was small in the initial years of the linkage programme.

**Abdul Hayes, et al., (1998)** have analysed the relationship between poor women’s participation in micro credit programmes and their empowerment by taking both Self Help Group and non- Self Help Group members in rural Bangladesh. It was suggested by the authors that by providing independent sources of income outside home, micro credit tends to reduce economic dependency of the women on husbands and thus help enhance autonomy. Second, the same independent sources of income together with their exposure to new sets of ideas, values and social support could make these women more assertive of their rights. And finally, micro credit programmes by providing control over material resources should raise women’s prestige and status in the eyes of husbands and thereby promote intersperse consultation.

**Gurumoorthy (2000)** has pointed out that Self Help Group is a viable alternative to achieve the objectives of rural development and to get community participation in all rural development programmes. Self Help Group is a viable organisational setup to disburse micro credit to the rural women for the purpose of making them entrepreneur and encouraging them to enter into entrepreneurial activities. Credit needs of the rural women can be fulfilled wholesomely through the Self Help Groups. The women led Self Help Groups have successfully demonstrated how to mobilise and manage thrift, appraise credit needs, maintain linkages with the banks and enforce financial self discipline. Self Help Groups enhance the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic and social and cultural spheres of life. They encourage women to take active part in the socio-economic progress of the society.

**Karmakar K.G. (2000)** in his study on “Rural Credit and Self Help Groups: Micro Finance Needs and Concepts in India”, examined the existing credit delivery system in India with special reference to the credit needs of the rural poor. He studied 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 problems 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.
Mohanan S (2000) in his paper on “Micro-Credit and Empowerment of Women: Role of Non Governmental Organisations,” discussed the relevance of micro-credit to women and their empowerment, considering the historical perspective of the involvement of women in the thrift and credit activity and the role of Non Governmental Organisations in the sphere of micro-credit. The rich experience of Non Governmental Organisations in the sphere of credit union and their gross-root level involvement with the poor and their problems is a potential factor that affirms their elevated role in the sphere of micro-credit. The specific task and role of the Non Governmental Organisations in the sphere of micro-credit can be summarised as the formation of self-help groups, nurturing of Self-Help Groups, facilitation role, mobilising resources and formation of people’s organisations.

Suman Jain (2000) has found that women are assisted for income generating in number of ways by Non Governmental Organisations. They are given financial assistance directly or as facilitated by Non Governmental Organisation functionaries to have access to finance from banks, financial institutions donors, corporate sector and government schemes etc. Non Governmental Organisations also help women for skill development by conducting training programmes through various resource agencies. Many Non Governmental Organisation have special entrepreneurial development programmes to help women entrepreneurial motivation and business acumen which include informal meetings, identify group members, facilitate group formation and setting up group norms, coordinates the process of saving mobilisation, trade selection, the initial preparation, mobilising resources, help in maintaining records etc. The kind of income generating activities in which women get employment are agriculture and agro based activities, forest based activities, small enterprises, trade crafts and occupation based processing and marketing units. He noted that the two major financial problems faced by self-employed women are lack of working capital as collateral for credit. It was concluded that the success of the Self Employed Women’s Associations (SEWA) Bank experience has shown that active participation of the members and the board are crucial to the impact created by a bank such as the Self Employed Women’s Associations bank. From women’s point, their involvement in and ownership of a successful institution enhance their collective strength and the empowerment that comes with organisation. It was suggested that from a wider perspective, members owned or controlled micro credit institutions can help to strengthen our democratic system.
Mark Schreiner (2001) has pointed out that world micro enterprises produce both services and manufactured goods. Most of these small firms are subsistence firms. Many sell cooked food from the walk or food staples from a store. The average person in the world does spend a large share of his or her budget on purchase from micro enterprises. The author also pointed out that group loans might increase social benefits if their financial inter-mediation relaxes non-financial constraints. Thus micro credit programmes through formal institutions in third world provide access to loans for micro enterprises.

Falaiye (2002) in his study on “the impact of Micro Credit on Rural Nigerian Women” has found that the Micro Credit has positively changed the clients’ self-esteem, confidence, leadership abilities and decision making process, has contributed to their household’s well-being and increasingly sought solutions to their own problems and the community.

Gurumoorthy T.R (2002) in his work on “Self Help Groups Economic Empowerment through Self – Reliance”, studied the micro-credit funding agencies and the amount sanctioned by them. Out of the 27,000 self-help groups in Tamil Nadu, 5,400 are linked with banks and the banks advance credit to them to the extent of Rs.9 crores. In his view, Self-help groups have the power to create a socio-economic revolution in the rural areas of the country. In his opinion, members of self-help groups must be prepared to undertake entrepreneurial activities at a smaller level with minimum capital requirements.

Mishra R.K (2002) has examined the success of micro credit intervention in India and compared it with Orissa. It is found that the repayment by the members to Self Help Groups was around 98 Percent and Self Help Groups to banks was over 95 Percent. Self Help Groups in several categories including women, joint farmers groups, social forestry groups etc were formed. Underling the strengths and weaknesses, the challenges to be faced have been brought out by the author as follows. The attitude of other banks needs to be changed, government should encourage and support Non Governmental Organisations to attempt group approach and create a favourable policy environment, needs to adopt flexibility by banks in providing money to groups through Self Help Promotion Institutions.

Aminur Rahman (2005) has analysed the women borrowers’ involvement with the credit programme and implications of the lending structure for women borrowers,
their household members and bank workers. The research has found that women have become the primary target of the micro credit program because of their socio-cultural vulnerability. The micro credit programme extends credit to women but the household women often pass on their loans to men, or men take control over women’s loans, or loans are used to meet the emergency consumption needs of the household. Women borrowers often lose control over their loans but bear the consequences of the debt burden in their households and loan centers. The bank workers and borrowing peer loan group members press on clients for timely repayment, rather than working to raise collective consciousness and borrower empowerment as envisaged in the bank’s public script.

In 1976, Muhammad Yunus, a professor at the University of Chittagong in Bangladesh, decided to give out a few $50 loans to women in rural Bangladesh. A few months later when he returned to the village, the women had started small tailoring and weaving businesses. Not only were the women able to pay back their loans, but their small businesses were profitable enough to improve the living conditions of the women and their families. Convinced that he had discovered a solution to poverty, Dr. Yunus launched an ambitious program to provide credit to entrepreneurs in Bangladesh. Thirty years later the Grameen Bank has 3.7 million borrowers, 1,267 branches in 46,000 village’s world wide, and has proven to the world that if presented with the right opportunities, the poor can be empowered to improve their own lives (http://www.grameenbank.org).

Basu S.C (2006) on an evaluation of the Micro Credit in India has observed that Self Help Group - bank linkage programme have been found to be the largest and fastest growing microfinance programme of the world. As per the study, the estimated average financial requirements per poor ranges from Rs.2000/- to Rs.6000/- in rural and Rs.9000/- in urban resulting in a total microfinance demand upto Rs.50,000/- crores. Hence, the microfinance agencies and Non Governmental Organisations are found to have a huge market potential. He has also pointed out that goods produced by Micro enterprises have vast market and successful marketing of Self Help Group products would further strengthen the movement.

Jeyaseelan N (2006) has conducted a study with 60 members from 30 Self Help Groups randomly selected from Chellampatti block, to understand the process of financial risk management by the poor and it has revealed that 31.2 Percent of the
household faced one or other financial crisis due to drought, 25 Percent due to hospitalisation, 16 Percent due to marriage in their family, 11 Percent due to their children’s education, 4 Percent due to the death of their family member and 12.8 Percent due to other reasons. It have been reported that to manage the crisis, 12 Percent of the respondents used savings, 65 Percent borrowed, 13 Percent diverted their working capital from their micro enterprise, 5 Percent used insurance covers and 5 Percent used other means to manage the risk events. It is suggested that banks and insurance companies can come together and offer products so that the poor can access the full range of financial services.

Loganathan P and Asokan R (2006) in their study on “Inter Regional Development of Self – Help Group in India”, found that in India, a number of Self Help Groups were created in the 1980s for providing credit facilities to the poor, especially women, in both urban and rural areas.

Neelamagam V (2011) in his study on “Microfinance: The Effective Interventions for Economic Empowerment of the Poor”, analysed the role of Microfinance in economic empowerment poor. Micro-finance programmes have in the recent past; become one of the more promising ways to use scarce development funds to achieve the objectives of poverty alleviation. Furthermore, certain micro-finance programmes have gained prominence in the development field and beyond. The basic idea of microfinance is simple: if poor people are provided access to financial services, including credit, they may very well be able to start or expand a micro-enterprise that will allow them to break out of poverty.

2.4 REVIEWS ON SELF HELP GROUPS

Mehrotra C.K. (1997) has made a comparative study of the State Bank’s Performance with Self-help Groups. In his view, the State Bank of India’s financing scheme for Self-Help Groups have been quite encouraging. The branch officials themselves encourage the poor to form Self-Help Groups. They also utilise the services of the Non-Governmental Organisations for the very same purpose. He points out that with the help of the reputed Non-Governmental Organisations in states like Tamil Nadu, Kerala, Karnataka and Andhra Pradesh, good progress have been made possible by the State Bank in the Self-Help Groups schemes. He states that the Self-Help Groups have promptly repaid 80 percent to 90 percent of the finance given to small-scale units by the
branches. To sum up, the author stresses that the self-help group is a good concept and every effort should be made to ensure its success. He also states that the self-help groups may eventually be the only viable units of source on account of low transaction cost, high percentage of recovery and mobilisation of rural savings through the informal system.

**Moin Qasi (1997)** in his work on “Self Help Groups – A Novel Approach to Rural Development”, made an attempt to study the reasons for the linkage of members of Self-Help Groups in rural development. According to his findings, a common bond like caste, sub-caste, blood, community, and place of origin or activity linked the members of Self-Help Groups. He stated that woman Self-Help Groups are more effective than those of others and they have more chances for survival. Although social homogeneity is used in establishing these groups, the real objective is for economic factors, the author stated. The author further insisted that providing support to self-help groups it is necessary to keep in mind the sentiments and emotional values of rural women. The support provided must be sensitive to their feelings, appropriate and timely.

**Nilanjan Sengupta (1998)** in his study on “Empowerment: A Socio-Psychological Approach to Self Help Groups Formation”, identified the different forms of community organisations, which involve people’s participation and the role played by them for the empowerment of these organisations. He also discusses social leaning as an empowerment strategy for increasing the participation of people at the grass-root level. Further, he gives the project design for people’s participation at the grass-root level. According to him, social awareness among the group members has to be created first and then they could move towards economic empowerment. The researcher feels that to ensure the development of skills and consciousness for sustainability of any activity in the long run social and psychological empowerment is a must.

**Ahmad (1999)** in a case study on “Thrift Groups in Assam”, highlighted that women are coming to the administration directly for their just rights and to address their grievances boldly. It proved that Self Help Groups are successful in North East India even in the midst of insurgency.

**Modkey (1999)** has studied on the functioning Self Help Groups. According to the study, (a) the Self Help Groups usually generated a common fund out of small savings from persons or groups collected on a regular basis by curtailing unproductive expenditure. The internal savings thus generated were supplemented by external resources loaned or donated by voluntary agencies involved in promoting and
strengthening the Self Help Group. (b) The credit needs of the members were usually assessed at monthly meetings. (c) The Self Help Groups collectively ensured repayment of bank loans. Thus, the Self Help Groups had been a tool for providing access to credit for the poor. For the banks, the transaction cost was also low for the banks.

Nanda Y.C. (1999) in his study on “Linking Banks and Self-Help Groups in India and the Role of Non Governmental Organisations: Lessons Learned and Future Perspectives”, studied the role of linking banks, self-help groups and non-governmental organisations in India. He observes that the non-governmental organisations which act as facilitators continue to be the most popular, since 42 percent of the self-help groups are linked with banks by these non-governmental organisations. The analysis insists further on the need for adopting different strategies and approaches in different regions in India. The strategy for the southern regions should be the consolidation and deepening of the programme and nurturing of emerging Self-Help Group federations. For Eastern, Western and Northern regions it should be the expansion of the Self Help Group programme through identifying and supporting new non-governmental organisations.

Puhazhendhi (1999) has analysed the functioning of Self Help Groups, on performance, sustainability, empowerment of women, economic impact on the members, future potentials etc. He has observed that Self Help Groups in Tamil Nadu are performing well towards social change and transformation, leading to a positive direction of empowerment of the members and promotion of Microfinance.

Shylendra H.S (1999) had made an attempt to explore and understand the functioning and performances of the Self Help Groups promoted by two heading Non Governmental Organisations namely, Self Employed Women’s Associations (SEWA) and Aga Khan Rural Support Programme (AKRSP) in Gujarat. Both the Non Governmental Organisations have implemented the concept of Self Help Groups fairly successfully. The study has revealed that Self Help Groups are capable of playing as effective role as financial intermediaries for the poor. Besides helping members in mobilising funds, Self Help Groups also have been able to tap external funds to meet the credit requirements of their members. The members have opined that their Self Help Groups have been much superior to other sources of credit, both for a formal and informal. The Self Help Groups of both Self Employed Women’s Associations and Aga Khan Rural Support Programme have attained high loan recovery rates. In general, the study has proved that the Self Help Groups can serve as an alternative instrument of
financial intermediation for the poor and Non Governmental Organisation play a major role.

**Wydick (1999)** in his study has observed that many institutions prefer to lend to Self Help Groups instead of individuals, as traditional loans, due to the reduction in collection costs. His study has revealed that the repayment rate for Self Help Groups loan had been around 97 percent, which has several times higher than the rate of recovery of individual loans.

**Nagayya (2000)** has maintained that an informal arrangement for credit supply to the poor through Self Help Groups is fast emerging as a promising tool for promoting income-generating enterprises. He has reviewed the initiatives taken at the national level with a view of institutional arrangements to support this programme for alleviation of poverty among the poor, with focus on women. He maintained that National Bank for Agricultural and Rural Development and Small Industries Development Board of India are playing a prominent role at various stages of implementation of this programme. There are other national level bodies also supporting Non Governmental Organisations (NGO's), viz. Rastriya Mahila Kosh (RMK), Rashtriya Gramin Vikas Nidhi (RGVN) etc. He called for an imperative need to enlarge the coverage of Self Help Groups in advance portfolio of banks as part of their corporate strategy, to recognise perceived benefits of Self Help Groups financing in terms of reduced default risk and transaction costs.

**Lakshmikandan K. R (2000)** in his study titled “Self Help Groups in the Life of Rural Poor – A Philibhit Case Study”, stated that most of the membership of the Self-Help Groups consisted of small landholders and agricultural labourers. Out of the 74 Self-Help Groups studied, 57 were women groups and 17 were men groups. The strength varied from ten to twenty and weighed heavily towards the larger figure. Among all the Self-Help Groups, only 11 were sanctioned loans successfully from the lead bank of the district, the Bank of Baroda and the amount varied from Rs.20,000/- to Rs.30,000/-. He is of the opinion that facilities for entrepreneurial development are available within the group only at the micro level when compared to the large basic functions like market study, providing resources, general production management and marketing management. The literacy rate of the members of some self-help groups has improved from five percent to 90 percent he stated.

**Nanda Y.S (2000)** has explained the significance of establishing linkages with self-help groups and banks. He observed that the main advantage to banks would be
externalisation of a part of the work items of the credit cycle-assessment of credit needs, appraisal, disbursal, supervision and repayment, reduction in transaction costs etc. Accesses to a larger quantum of resources as compared to their corpus generated through different schemes of banking sector and a general improvement in the nature and scale of operations that would accelerate economic development. National Bank for Agricultural and Rural Development have been organised exposure and dialogue programmes in the linkage project for banks and Non Governmental Organisation officials. The pilot project has made progress and it noted that 637 groups have established credit links with 16 commercial banks and 12 RRBs. The results assumed that demand for frequent and for small amounts at unpredictable times were possible. Most of the members in Self Help Groups have come from the poorest section. It is also noted their credit needs are shifted from consumption purposes to acquisition income generating assets and use of credit for non-traditional economic activities, increase in income levels of group members, development of thrift and self-help among members, reduction in transaction cost for both banks and Self Help Group members and an almost 100 Percent recovery of loans.

**Raman N.P.Y (2000)** in his work on “Self-Help Groups – The Kerala Experiment”, shared 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 percent to 100 percent while it is 60 percent to 70 percent from the members of the Primary Agricultural Co-operative Society. The reason cited is that the members of the self-help group are to pay only a 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 incentive make a large difference between the income and profitability of 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 proves in his study that the self-help group concept has not only apparently reduced the poverty but also yields encouraging results. The self-help group concept has created further a positive impact on the functional efficiency of the Primary Agricultural Co-operative Society as well.
Sharma H.C (2000) in his study on “Forest Policy – Role of Self Help Groups”, studied the role of self-help groups in the development of the tribal people. According to him, self-help groups have a flexibility of approach and working but they have failed to develop a work culture, which is acknowledged by the tribal themselves. He is of the opinion that better coordination is required from the voluntary agencies and the government departments for its better performance.

Suriakanthi A (2000) in her study on “Literacy – Essential for Self Help Groups” analyses the need for literacy of the self-help group members. A random survey of 120 group’s shows nearly 95 percent of the members and 75 percent of the office bearers are illiterate. The female office-bearers manage to carry on the activities with the help of their husbands and educated wards. They use to narrate the incidents that happen in the meetings to their husband/ward and they prepare the report. Fifty percent of the group's survey shows that only literate members prepare the minutes and accounts on behalf of the office-bearers who are illiterate. It is found that ten percent of the illiterate members do not even know the amount saved by them. She strongly insists on the necessity of imparting basic education to all Self-Help Groups.

Data, Samar K and Raman M. (2001) have reviewed that Self Help Groups were able to provide various services such as a business loan, consumption loan, loan for settlement of old debt and loan for other contingency purposes to their members. The Self Help Groups under study are characterised by heterogeneity in terms of social and economic indicators. The principle of self-selection by members in order to have social cohesiveness of the group, which is widely discussed in the theoretical literature, is indirectly reinforced. The success of Self Help Groups in terms of high repayment is mostly related to the exploitation of prevailing social ties and social cohesion found among women members. Social cohesiveness among members spring not only from their diverse background of knowledge base, skills, occupation and income levels, but also due to the dynamic incentive system of progressive lending to the groups on the successful completion of loan repayment.

Lakshmanan (2001) in his study on Rural Tamil Nadu found that the saving of Self Help Groups increased from Rs. 20/- in the beginning to Rs. 50/- in the latest period. The groups obtained a revolving fund; there is transparency in administration. Members are engaged in production of mats with the sufficient encouragement and support of the
husbands. The problem faced by them includes high cost raw material. It was concluded that the Self Help Group is really a boom, which gives financial autonomy and make the participants economically independent.

Manimekalai M and Rajeswari G (2001) studied the impact of Self Help Group in creating women entrepreneurship in rural areas of Tamil Nadu by taking 150 Self Help Group members. They found that the Self Help Groups have helped to initiate micro enterprises including farm and non-farm activities, trading and service units. It was reported that there was a significant difference in the mean performance of the entrepreneurs based on their age, education and previous experience. The micro finance has facilitated the women to have economic and social empowerment, it has developed a sense of leadership, organisational skill and management of various activities of a business, right from acquiring finance, identifying raw materials, marketing etc. by themselves.

Puhazhendhi V and Satyasai K.J.S (2001) have attempted to evaluate the performance of Self Help Groups with special reference to social and economic empowerment taking 560 sample households, in 223 Self Help Groups in 11 states. They compared the pre and post Self Help Group situations and constructed a social and economic index. They have found that there was a change in the average value of assets comprising of livestock and consumer durables by 72 Percent and the net income per household by 33 Percent during the pre and post Self Help Group periods. The social and economic empowerment index revealed that the impact was relatively more pronounced in social than economic aspects. It was underlined that the involvement of the rural poor in Self Help Group significantly contributed to a positive impact. Region-wise southern region and model wise, NGO acting as non-financial intermediary, performed better than others. It was suggested to have an effective rating system of Non Governmental Organisations to be developed which would help in eliminating the ineffective Non Governmental Organisations in the system.

Satish P (2001) in his study on the issues of Self Help Groups emphasised that adequate care has to be taken in ensuring homogeneity of the socio-economic status of the members while forming Self Help Groups. He added that no conscious attempt was made to cover the poorest of the village. Also with the proximity and flexibility of operations it is easy for Non Governmental Organisations to form Self Help Groups than
others. He suggested for making the Self Help Group movement a success by spreading to other places.

**Sharma K.C (2001)** has found that the outreach of formal sector is 30 Percent to 40 Percent for the general population and it is 10 Percent to 20 Percent for the poorest households. The Self Help Groups have contributed to increase the outreach with gender orientation as 85 Percent of the Self Help Groups linked with banks formed by women. These groups enabled women to engage in economic activities and decision-making at the household and the society level. It makes the process of developing participatory, democratic, independent of subsidy and sustainable. Significant changes realised in terms of increase in income, assets, savings, borrowing capacity and income generating activities must be sustained by safeguarding the healthy growth of the Self Help Group movement in India. It should not end like the programmes with subsidy orientation.

**Zaman (2001)** has pointed out that self-help groups have played valuable roles in reducing the vulnerability of the poor, through asset creation, income and consumption smoothing, provision of emergency assistance and empowering and embroidering women by giving them control over assets and increased self-esteem and knowledge.

**Dwarakanath H.D (2002)** has analysed the characteristics and growth of self-help groups in Andhra Pradesh and found that the Self Help Groups using the loan facilities from the cooperative credit banks, commercial banks, mahila bank and maheswaran banks, have produced more than 50 varieties of products. Among them, the brass items, hosiery, candles, carpets, coir items and pickles are important products. In addition to the author says that the women's groups started to educate their own group members and also they realised the importance and significance of literacy whereas a lot of enthusiasm have been generated and the Self Help Groups had a greater vision in the empowerment of rural women and for overall human development. Moreover, the Self Help Group members proved the way to the power of decision making to the women in their family, and also create a mass on socioeconomic and political condition in this district.

**Harper M (2002)** has examined the ways in which Self Help Promotion Institutions (SHPIs) in India promote Self Help Groups, having two main objectives: (1) to determine ways of enhancing the efficiency and quality of the Self Help Group promotion process and (2) to identify the means of improving the extent and level of
financial services to people who do not have access to formal financial services. Some of the recommendations from the study have been: (1) the banks, particularly co-operatives, would support and eventually be replaced by initiatives of Self Help Group members (2) the extent and quality of member-promoted Self Help Groups should be monitored (3) a regular national Self Help Group sample survey should be put in place, to enable Self Help Group quality monitoring (4) non-management bank staff should be encouraged to promote Self Help Groups. Training should include hands – on Self Help Group record keeping and Self Help Group promotion. Training should emphasis on the importance of access versus the cost of finance.

Joathy K and Sundar J (2002) in their study on evaluating the programme of Tamil Nadu Mahalir Thittam have found that Self Help Group women are currently involved in economic activities such as production and marketing of agarbathis, candle and soap, ready made garments, pickles, appalam, vathal, fur toys, bags, palm leaf products dhotis, herbal products, fancy sea shell, ornaments, eatables, coir mats and other coir products, mattress, chapels, leather good etc. In addition, the Self Help Group women monitor the normal functioning of the ration shops, maintain vigil to prevent brewing of illicit group, help the aged and widows to obtain loan.

The results based on a study of seven branches in three banks by Siebel H.D and Dare H.R (2002) have revealed that the non-performing loans to Self Help Groups have been zero percent indicating the effectiveness of group lending to the very poor. The returns on average assets of Self Help Group banking has ranged from 1.4 percent to 7.5 percent, the operational self – sufficiency of Self Help Group banking, from 110 percent to 165 percent and self reliance of the Self Help Groups has grown rapidly based on their savings and retained earnings. The study indicated four factors that are essential for the future sustainability of the Self Help Groups: (1) a framework (2) restructuring of the rural banks which have not performed well, (3) increase in the deposit reserves of Self Help Groups and (4) an effective supervision of Self Help Groups.

Ritu J et al., (2003) in their work on “Socio-Economic Impact through Self Help Groups”, have examined the functioning of Self-Help Groups in Kanpur District. Twenty five women from Self-Help Groups were selected as sample for the study. Ten woman members of each self-help group and ten 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 a relationship between the self-help groups and the socio-economic status of women.

Venkatachalam A and Jeyapragash A (2004) in their work on “Self Help Groups in Dindigul District”, have found that the total savings of the Self Help Group members in Dindigul District amount to 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 Self Help Groups in Dindigul District have made a silent revolution for the economic empowerment of poor rural women.

Arul Kamaraj J.M (2005) in his study titled on “Self Help Groups – New Mantra for Empowerment”, has found that the Self Help Groups undertake entrepreneurial activities at a smaller level with minimum capital requirements. In future, the inbuilt strength of the Self-Help Groups will pave the way to undertake mega projects, like projects performed by joint stock companies, public sector enterprise and the like the Self Help Groups have the power to create a socio-economic revolution in the rural areas India.

Reddy C.S (2005) in his work on “Self Help Groups: A Key Stone of Micro Finance in India”, analysed that micro finance has evolved over the past quarter century across India into various operating forms and to varying degree of success. One such form of micro finance have been the development of the Self-Help movement. Based on the concept of "Self-Help" small groups of women have formed into groups and operate a savings-first business model whereby the members' savings are used to fund loans. The results from these Sell Help Groups (SHGs) are promising and have become a focus of intense examinations as it is proving to be an effective method of poverty reduction.

A study on “Self Help Groups and Tribal Development in Mizoram” conducted by Joseph Lalrinliana and Easwaran Kanagaraj (2006) have been based on primary data collected through field survey covering five Self Help Groups in two villages of Aizwal district of Mizoram. The findings have revealed that the majority of the respondents have been aged between 40 and 60 years, married, literate, from a medium size family and have been Presbyterians, the primary occupation of all the respondents have been agriculture and a majority of the respondents have had an annual income ranging from Rs.25,000/- to Rs.50,000/- and assets worth Rs.1,00,000/-. The predominant majority of the respondents have had medium level of participation in depositing savings, repayment of the loan, payment of interest, group meetings, public programmes on behalf
of Self Help Group and income generation programmes. Group cohesion have been perceived as high by most of the respondents. The perceived impact of Self Help Group have been found to be significantly associated with three variables, namely duration of membership, members’ participation and perceived group cohesion.

Prabakhar Rajkumar (2006) has analysed the refinancing performance of National Bank for Agricultural and Rural Development for Self Help Groups in Tamil Nadu. The study have been based on the secondary data collected from the annual reports of National Bank for Agricultural and Rural Development and its is publications. The cumulative (upto 31st March 2002) refinance disbursement under Self Help Group scheme provided by National Bank for Agricultural and Rural Development has stood at Rs.79,024/- lakh at all India level, accounting for 1.4 Percent of total refinance for all the schemes. The top five districts for the total amount of refinance for the 6 year period are Dharmapuri, Tirunelveli, Ramanathanpuram, Sivaganga, Virudhunagar and the amount of total assistance have been Rs.2675.06/- lakhs, Rs.681.98/- lakhs, Rs.647.12/- lakhs, Rs.642.50/- lakhs and Rs624.06/- lakhs respectively. The difference between the top 10 districts have been significant with respect to the average member of projects assisted in 3 out of 6 years, mean amount of financial assistance in 2 out of 6 years the average amount of reference assistance in 2 out of 6 years.

Prabhu Ghate (2006) has stated that out of the two major models of Microfinance in India, the Self Help Group Bank Linkage Programme (SBLP) have been by far the dominant model in terms of the number of borrowers and loans outstanding. The cumulative number of Self Help Groups linked has grown almost tenfold in the last five years, to achieve an outreach of about 31 million families through women’s membership in about 2.2 million Self Help Groups by March 2006. All Self Help Groups have not been currently “linked” in the sense of having loans outstanding to the banks or federations and only an estimated half of their members have been found to be poor. However, about 14 million poor households have been reached so far. Moreover, all the members have been found to save regularly and have access to a ready source of small emergency and consumption loans in the form of loans in the form of loans extended out of the group’s own funds.

A study conducted by Revathi k and Sumathi I (2006) to analyse the working of Self Help Group in Trichy District covering 50 Self Help Groups has revealed the following results. 95 Percent of the members have been in the age group of 25 to 45
years; savings per member have been around Rs.50/- per month. Nearly 50 Percent of the members have belonged to the most backward classes. 50 Percent of the members have been below the poverty line. Loans taken have been used for dairy activity. Loan repayment, have been nearly 100 Percent. The major implications of the study have been that women get empowered through the Self Help Groups; the annual average savings have increased and they have played an active role in getting loans and handling cash effectively.

**Vijaya Chandran Pillai B and Harikukar V (2006)** have conducted a primary survey among a few Self Help Groups functioning in the state of Kerala focusing on the problems faced by them. The findings have revealed that the majority of the groups had been unaware of the schemes of assistance offered by the government to the Self Help Groups. The training given had been inadequate to face stiff competition and members had been ignorant of the major raw material suppliers and their terms and conditions. The various problems relating to marketing had been a lack of sufficient orders, lack of linkage with marketing agencies and lack of sales promotion measures etc. Lack of stability, exploitation by strong members, weak financial management, low return, inadequate financial assistance, non-co-operative attitude of financial institutions had also been some of the problems faced by the Self Help Group members.

**Gadanayak (2008)** in his doctoral study realised that the participation of the people in Rural Development although crucial but, has not given due importance. Self Help Groups plays vital and integral role in organising the rural poor into homogeneous groups through Social Mobilisation. Any good programme may not be successful unless the people participate at different levels of programme implementation. However to ensure participation of the people, they must be made aware of the programme and well informed about their goals, purposes and the roles they have to play. During his study it is observed that many beneficiaries neither have a clear understanding of various schemes nor do they have any relationship with implementing agencies at different levels. Thus, steps should be taken to minimise the communication gap and the local agencies should try to create awareness among the village people and explain the objectives of government programmes to them. Functioning of Panchayati Raj Institutions particularly after the 73rd constitutional amendment has created a favourable climate for mass public participation in the process of planning and implementation of rural development programmes “through pallisabha”. However, it is worth mentioning that, the government
should take steps in a manner that people really enjoy the power and participate in
decision-making. In addition to the above general observations in the study area, we also
observed many contradictions, paradoxes and missing links in each of the poverty
eradication programmes selected for study.

2.5 REVIEWS ON WOMEN EMPOWERMENT

presented the theoretical background of social policy related to women. Social policies to
liberate women and also to liberate men have been discussed. Social Policy to liberate
society from sexism has been dealt nicely along with social policies to liberate marriages,
the institution of the family and family life. The main thesis of the book is that the
transition to liberation is quite slow and painful but eventually life, society and all the
relationship between women and men will be much more honest, open and rewarding
than they are at present chances for happiness and for self actualisation are going to be
much brighter both for women and men.

Mankikyomba (1981) made a study on the participation of women in local
bodies of the East Godavari District in Andhra Pradesh and found that women members
rarely attended the meeting of Gram Panchayat, but only put their signatures or thumb
impression when the registers are sent to their homes. Regarding the institution of
discussion only one women moved a resolution while in other cases silence and more
observation were their characteristics features, is the reality of the role of women at
panchayat level.

Usha Rao (1983) on her book “Women in a Developing Society“, she has
discussed the existing positions of women in different regions. Where do our women
stand in the great task of National Development, what is the status of Indian women in
the social, economic, legal, education moral and political spheres? How far have our
women progressed in their quest towards equal status and equal opportunity. She showed
particular interest in women belonging to the weaker sections and believed that her study
would be useful to both Governmental and Non-governmental organisations engaged in
plans and programme for the development of the country.

Desai and Patel (1985) in their book “Change and Challenge in the
International Decade, 1975-1985” pointed out that new organisations which have
emerged mostly during the last 10-15 years are particularly autonomous women’s groups which have been fighting for women’s rights in a militant manner.

**Lalitha (1988)** in his study on “Microfinance Rural Non Governmental Organisations and Bank Networking” she has pointed out that the finance scheme should be made of Self Help Group bank linkage project being implemented under the guidance of National Bank for Agricultural and Rural Development which on the institutional set up for Micro Enterprises. The effective partnership between reputed Non Governmental Organisations and banks for promotion of Self Help Group will provide a strong institutional base for credit plus approach group micro enterprises of women.

In her work on “Women Entrepreneurs”, **Kamala Sing (1992)** observed that the second half of the eighties witnessed an unprecedented spurt in policy perspectives of women. The National perspective plan for women (1998-2000) which is a comprehensive all round projection for women’s development in India and the report of the National Commission on Self Employed Women and women in informal sector have also made for reaching recommendations in forms of un-organised sector especially issues, constraints and strategies for women entrepreneurial profile and has identified their entrepreneurial traits, their motivations and performances both quantitatively and qualitatively.

A study by **Schuler and Hashemi (1994)** showed that participation by Grameen Bank and Bangladesh Rural Advancement Committee (BRAC) to provide micro credit to women is positively associated with a woman’s level of empowerment defined as a function of her relative physical mobility, economic security, ability to make various purchases on her own, freedom from domination and violence within the family, political and legal awareness, and participation in public protests and political campaigning. Moreover, a positive effect on contraceptive use is discernible both among members and non-members in Grameen Bank villages.

**Mangasri K and Gopala Krishna Rao (1998)** have made an attempt to analyse the empowerment of 60 Development of Women and Children in Rural Areas (DWCRA) groups of the Ranagareddy District of Andhra Pradesh. A total of 300 rural women of Development of Women and Children in Rural Areas groups and 25 officials from five mandals constituted the sample. Structural characteristics of Development of Women and Children in Rural Areas groups indicated that a majority of them had 3-4 years of working age, had 15-20 members, low literacy level and average heterogeneous caste
Groups had taken up economic activities individually, involved in traditional economic activities. Worked at different places and marketed their produce independently. The financial assistance received per member was Rs.1000/- to Rs.2000/-. 50 Percent of the respondents have reported that they received less training and had a medium supportive environment. Functional characteristics of Development of Women and Children in Rural Areas groups showed that the majority of the Development of Women and Children in Rural Areas groups had been working with medium level of group processes, group sustainability, medium conformation to group norms, had discussed only issues related to thrift and other financial aspects during group meetings and all of them had formed into groups with the prime motive of availing economic opportunities provided through the program.

**Muhamme Hussain Bhatti (1999)** has found that the improvement of women’s economic situation is the basic determinant of their empowerment. Women are being extended extension, advice and the financial assistance to generate income in farm and off farm sectors. These efforts of women are being responded significantly, resulting in a start of women’s recognition not only as income earning hands but as responsible business partners in joint families as well.

**Puhazhendhi V and Jayaraman B (1999)** in their work, “Increasing Women’s Participation and Employment Generation among Rural Poor: An Approach through Informal Groups undertook a study on women’s participation and employment among the rural poor through informal groups in Mysore Resettlement and Development Agency (MYRADA). The Primary data were collected from 25 randomly selected credit management groups promoted by the Mysore Resettlement and Area Development Agency. The project areas were Chitradma District in Karnataka and Periyar District in Tamil Nadu. The analysis of the groups in different stages of development show that the share of loan for non-productive’ purposes is reduced from 76 percent in new groups to 43 percent in the stabilised groups. But the share of loan for productive’ purposes has increased from 24 percent in new groups to 57 percent in stabilised groups. Forty three percent of the households state an increase in the net income of about 0.57 times during the post formation stage of the groups. The additional employment generated through informal group lending worked out to 172 days per member. The negative factors, which deterred the performance of the groups, are found to be a lack of effective leadership, less involvement of non-governmental organisations and consumption-oriented loans.
Women-oriented micro-finance Programmes have the public transcript that they improve women's contribution to family welfare and assist poor women through their socio-economic empowerment. The idea of giving loans to women who do not have physical collateral may seem attractive. But, it has a hidden transcript that since women have limited physical mobility and culturally imposed restrictions, often, the positional vulnerability of women is used at times of repayment (Rahman 1999).

Manimekalai M and Rajeswari G (2000) in their work on “Empowerment of Women Through Self Help Groups” have analysed the women Self Help Groups formed by the Non-Governmental Organisations in the rural areas of Tiruchirappalli District for the purpose of promoting rural women through self-employment. The Non-Governmental Organisation namely, Society for Education and Village Action and Empowerment (SEVAE) have 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.

Mayoux L (2000) has critically analysed fifteen case studies and concluded that women’s empowerment needs to be an integral part of the policy. Empowerment cannot be assumed to be an automatic outcome of microfinance programmes, whether designed for financial sustainability or poverty targeting more research and innovation on conditions of microfinance delivery is needed. Cost-effective ways of integrating microfinance with other empowerment interventions, including group development and complementary services are still lacking. Unless empowerment is an integral part of the planning process, the rapid expansion of microfinance is unlikely to make more than a limited contribution to empowerment.


Namboordiri N.V and Shiyani R.L (2001) have found that the percentage of women’s groups promoted by the Self Help Promotion Institutions (SHPI) was 52 Percent and 84 Percent by Non Governmental Organisations. The percentage of Self Help Groups linked by the Self Help Promotion Institutions was 65 Percent and that of Non Governmental Organisations was 42 Percent. The average amount advanced by Self Help Groups varied from Rs. 13,000/- to Rs. 30,000/- for Self Help Promotion Institutions
promoted groups, while it varied from Rs. 7000/- to Rs. 30,000/- for NGO promoted Self Help Groups. The Self Help Groups that are promoted by the Non Governmental Organisations had a better saving performance compared to that of Self Help Promotion Institutions in terms of amount saved per Self Help Group as well as in terms of credit-saving ratio. The credit saving ratio of the former was 1.27 and it was 3.67 for the latter. However the repayment performance of the Self Help Promotion Institutions Self Help Groups was superior to Non Governmental Organisations. Underlining the various strengths and weakness, opportunities and threats, it was suggested that with collective savings group consumption credit, integrating social and economic goals among the small groups these has the potential not only for financial deepening in the rural areas but also for the empowerment of women in particular.

Chitkara (2002) has viewed that, women are demanding equal status and opportunities in all spheres of life as men enjoyed for centuries. Literacy and education of women can go a long way in working changes not only in the image of women but also the roles that they play within the society. It will help change the stereo type ideas people hold about women’s roles and make it clear that the development of a country depend on women’s development.

Women constitute almost half of the total population in the world and out of which two third of world’s adult illiterates are women. According to Food and Agricultural Organisation, the most disadvantaged section of society is the women; they are the ‘silent majority’ of the world’s poor. Seventy percent of the world’s poor are women. They face peculiar social, cultural, educational, political and allied problems. Studies have shown that rural women help in producing up to 80 percent of food in developing countries, yet they are entitled to only a fraction of farm land, and access to just10 percent of credit and five percent of extension advice (Agrawal, 2003).

Chiranjeevulu T (2003) in his study on “Empowering Women through Self Help Groups”, studied the micro enterprises started by self-help groups in Warangal District (Andhra Pradesh). The micro-enterprises belong to chilly processing units. Srujana Mahilabhivridhi 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 members belonged to backward classes, scheduled castes and scheduled tribes. The researcher states that the conversion of consumption based self-help groups into
entrepreneurship-oriented Self Help Groups led to employment generation and empowerment of women.

Empowerment of women and gender equality recognised globally as a key element to achieve progress in all areas. It is one of the eight millennium goals to which world leaders agreed at the Millennium Summit held at New York in 2000 (Bhagyalakshmi, 2004).

Gariyali and Vettrivel (2004) in their study on “Women’s Own the Self Help”, have found that the Self Help Groups are not just a conduit for the loans, although loans are a critical milestone on the road map of the Self Help Groups healthy growth and empowerment. The women often complain that they are very active initially hurt due to delays in obtaining credit they become lazy. Although an alternative way of enhancing the lending channels needs to be explored, the rural cooperative banking network needs to be encouraged to lend to the Self Help Groups, which can make credit available to them at their doorsteps.

Smita G. Sabhlok (2006) in her study entitled on “Self Help as a Strategy for Women’s Development in India”, found that the Self Help Groups can make women contribute to the economy. It has changed the lives of many in India. Group power have been found to be patent force in giving collective empowerment and voice to the poor women in rural areas, but has not necessarily empowered them beyond the confines of patriarchy. There is a long way to go before reorientation of power relationships, both in the household and at the societal level.

Neelamagam V (2007) in his study on “Women Empowerment through Self Help Groups” made an attempt to study the Empowerment of Women through Self Help Group. According to his findings, Self Help Group movement has made an impact on the lives of a number of individuals and communities. But it is yet to reach the needy. An encouraging feature is that several commercial banks including Industrial Credit and Investment Corporation of India (ICICI) have made a foray into this segment and are actively applying the participatory rural appraisal techniques and the Self Help Group concept to achieve rural transformation. But one aspect stands out demanding our immediate attention and action rural transformation needs to be done on a war footing. For when to achieve such transformation it is essential that we work, on a different model that focuses on women empowerment in the form of Self Help Groups or other forms that may evolve in the days to come.
Neelamagam V and Sukumar S.N (2007) in their paper on “Women Entrepreneurs: Challenges and Prospects”, analysed the relevance of Women Empowerment through Women Entrepreneurs. Their paper argues that women constitute around half of the total Indian population. They are therefore, regarded as the better half of the society. In traditional societies, women were confined to the four walls of houses performing household activities. In modern societies, they have come out of the four walls to participate in all sorts of activities. The global evidences show that women have been performing exceedingly well in different spheres of activities like academic, politics, administration, social work and so on. Now they are also running their enterprises successfully with lots of talents have proved that they were no way inferior to anybody and further demonstrated to glorify high level jobs and are committed to growing their talents.

Neelamagam V (2011) in his article “The Crash of Economic and Political Empowerment of Women; with Special Reference to India” made an attempt to study the Economic and Political Empowerment of Women in India. There are women political leaders, astronauts, athletes and writers, who are role models for young women in India. But poverty and social inequalities still prevent many women from fulfilling their potential. The principle of gender equality is contained in the Indian Constitution, legal system and government policies. However, there is still a wide gap between these principles and the reality of the status of women in many communities across India. This is shown by low female literacy rates and high maternal mortality rates, particularly in rural areas. Attitudes need to change at the level of the family. Parents need to ensure that girls as well as boys receive health care, education, training, opportunities and access to resources.

From the review of related studies it is revealed that the micro financing particularly through the concept of Self Help Group have been gaining momentum and contributing to improving the status of the poor in general and women in particular. The present study would be analysed in similar line whose analysis is presented in the subsequent chapters.
2.6 RESEARCH GAP

The Microfinance has played a pivotal role in alleviating the poverty in the state of Tamil Nadu. However, there is no study which relating to the impact of Microfinance on rural poverty in the state. There has a relevant research studies on the impact of Microfinance have been reviewed in the study. Therefore it have been strongly felt that a look into the eradication of poverty and rural development with the support of Self Help Groups in the state became highly desirable. The Self Help Groups in Tamil Nadu have much difference among themselves in the pattern of farming, funding, membership, and loan repayment. However, the development interventions of Self Help Groups have been highly required and have become successful in those places where the people have been marginalised and remained the most backward. In the present work, an attempt have been made to find the alleviation of the rural poverty through microfinance of women Self Help Groups with special reference to Kanchipuram District, in Tamil Nadu.

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