Introduction

In the midst of process of development, micro-finance has evolved as a need-based policy and program to cater to the so far neglected target groups (women, poor, rural, deprived, etc.). Its evolution is based on the concern of all developing countries for empowerment of the poor and the alleviation of poverty. Development organizations and policy makers have included access to credit for poor people as a major aspect of many poverty alleviation programs. Micro-finance programs 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 programs have gained prominence in the development field and beyond. The basic idea of micro-finance 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 come out of poverty.

According to Vice President of World Bank Micro finance can be the biggest instrument in the fight against poverty. Despite the South Asian Region’s pioneering experiments in micro finance-successful instances include the Grameena Bank in Bangla Desh and self help group – commercial bank linkage in Rural India – More than 3/4th of the poor families in the region still do not have reliable and organized financial services. This means that they and their little business cannot link up to the modern banking facilities.

Micro financing has attained a special role as an instrument in poverty reduction the world over. There is a realization at both the government and donor agency levels that micro-finance programs in India can also enable empowerment of women. However, there have been doubts about this role of improvement in livelihoods and access to resources and social benefits such as improvement in knowledge and participation of selected micro-finance programmes. Thus, micro-finance has become one of the most effective interventions for economic empowerment of the poor.
BACKGROUND

Throughout history, people have formed groups with others who have something in common with them, and oppressed people have joined together to overcome the conditions they face. Self Help groups, as we know them, go back at least to the 1930s, when Alcoholics Anonymous started in USA. While self help groups have distinct characteristics, the philosophies of the self help movement overlap with various other ways of working. Community Development, which became established as a discipline in the late 1980s, shares the concept of empowerment. In the past two decades, the self-help movement has mushroomed. AA, the largest self-help group, reports that it has over one million members in the US. One estimate places the total number of people in self-help support groups at 20 million. There are groups for addictions—Alcoholics Anonymous, Gamblers Anonymous, Debtors Anonymous; for families—Families of the Mentally Ill, Mothers of Twins Clubs; for illness/disability—National Association of People with AIDS, Tourette Syndrome Association; for mental illness—Emotions Anonymous, Recovery, Inc., GROW; for bereavement—The Compassionate Friends, Survivors of Suicide, Widow to Widow; and for lifestyles—Single Mothers by Choice and Society for the Second Self (cross dressers), etc.

Self Help Group is about people coming together with others who are affected by a particular issue (experience, disadvantage, discrimination, etc) to support each other and to work together to change the disadvantage affecting them. Activities that groups do include are community education, information, mutual support etc. Self Help group (SHG) is a self-governed, peer-controlled small and informal association of the poor, usually from socio-economically homogeneous families who are organized around savings and credit activities. Funds for credit activities are coming through regular savings deposited by all of its members on a weekly or fortnightly basis. In the meetings they discuss common village problems and plan solution, share information; make efforts to improve their health and literacy skills.

Self Help Groups are not charity or simply community based groups. They are made of and controlled by the people affected. Group members are not volunteers. Although the work is usually unpaid, members work to change their own
situation and the support is mutual. The knowledge base of self-help mutual support groups is experiential, indigenous, and rooted in the wisdom that comes from struggling with problems in concrete, shared ways. Self-help groups are built the strengths of their members. SHGs have another very important role to play particularly in the transfer of technology to user group population. It has been found by the members of SHGs that they offer them organizational base, large resources, and access to modern technology leading to employment and income generation. Thus, SHG movement among the rural poor in different parts of the country is emerging as a very reliable and efficient mode for technology transfer. However, it is strongly felt that the pace of transfer and popularization of technologies must be accelerated so that even the small farmer can benefit from new technologies.

CONCEPT OF MICRO FINANCE

The concept of micro finance is not new. Savings and credit groups that have operated for centuries include the "susus" of Ghana, "chit funds" in India, "tandas" in Mexico, "arisan" in Indonesia, "cheetu" in Sri Lanka, "tontines" in West Africa, and "pasanaku" in Bolivia, as well as numerous savings clubs and burial societies found all over the world.

Micro-finance refers to small savings; credit and insurance services extended to socially and economically disadvantaged segments of society. In the Indian context terms like "small and marginal farmers", "rural artisans" and "economically weaker sections" have been used to broadly explain micro-finance to customers. At present, a large part of micro finance activity is confined to credit only. Women constitute a vast majority of users of micro-credit and savings services.

DEMAND OF MICRO FINANCE SERVICES IN INDIA

Due to its large size and population of around 1200 million, India's GDP ranks among the top 15 economies of the world. However, around 360 million people or about 70 million households, are living below the poverty line. It is further estimated that of these households, only about 20 percent have access to credit from the formal sector. Additionally, the segment of the rural population above the poverty line is not rich enough to be of interest to the formal financial institutions.
They also do not have good access to the formal financial intermediary services, including savings services.

A group of micro-finance practitioners estimated the annualized credit usage of all poor families (rural and urban) at over Rs.45,000 crores, of which some 80 percent is met by informal sources. This figure has been extrapolated using the numbers of rural and urban poor households and their average annual credit usage (Rs 6000 and Rs 9000 pa respectively) assessed through various micro studies.

Credit on reasonable terms to the poor can bring about a significant reduction in poverty. It is with this hypothesis; micro credit assumes significance in the Indian context. With about 70 million households below or just above the austerely defined poverty line and with more than 80 percent unable to access credit at reasonable rates, it is obvious that there are certain issues and problems, which have prevented the reach of micro finance to the needy.

With globalisation and liberalisation of the economy, opportunities for the unskilled and the illiterate are not increasing fast enough, as compared to the rest of the economy. This is leading to a lopsided growth in the economy thus increasing the gap between the haves and have-nots. It is in this context, the institutions involved in micro finance have a significant role to play to reduce this disparity and lead to more equitable growth.

**DEMAND FOR MICRO CREDIT:**

In terms of demand for micro-credit, there are three segments:

At the very bottom in terms of income and assets, and most numerous, are those who are landless and are engaged in agricultural work on a seasonal basis, and manual labours in forestry, mining, household industries, construction and transport. This segment requires, first and foremost, consumption credit during those months when they do not get labour work, and for contingencies such as illness. They also need credit for acquiring small productive assets, such as livestock, using which they can generate additional income.

The next market segment is small and marginal farmers and rural artisans, weavers and those self-employed in the urban informal sector as hawkers, vendors,
and workers in household micro-enterprises. This segment mainly needs credit for working capital, a small part of which also serves consumption needs. In rural areas, one of the main uses of working capital is for crop production. This segment also needs term credit for acquiring additional productive assets, such as irrigation pump sets, bore wells and livestock in case of farmers, and equipment (looms, machinery) and work sheds in case of non-farm workers. This market segment also largely comprises the poor but not the poorest.

The third market segment is of small and medium farmers who have gone in for commercial crops such as surplus paddy and wheat, cotton, groundnut, and others engaged in dairying, poultry, fishery, etc. Among non-farm activities, this segment includes those in villages and slums; engaged in processing or manufacturing activity, running provision stores, repair workshops, teashops, and various service enterprises. These persons are not always poor, though they live barely above the poverty line and also suffer from inadequate access to formal credit.

**STAKE HOLDERS IN MICRO FINANCE:**

These are the institutions, which have come up to fill the gap between the demand and supply for micro finance. MFIs were recently defined by the Task Force as: "those, which provide thrift, credit and other financial services and products of very small amounts, mainly to the poor, in rural, semi-urban or urban areas for enabling them to raise their income level and improve living standards." The MFIs can broadly be classified as:

- NGOs, which are mainly engaged in promoting self-help groups (SHGs) and their federations at a cluster level, and linking SHGs with banks, under the NABARD scheme.
- NGOs directly lending to borrowers, who are either organised into SHGs or into Grameen Bank style groups and centres. These NGOs borrow bulk funds from RMK, SIDBI, FWWB and various donors.
- MFIs which are specifically organised as cooperatives, such as the SEWA Bank and various Mutually Aided Cooperative Thrift and Credit Societies (MACTS) in AP.
MFIs, which are organised as non-banking finance companies, such as BASIX, CFTS, Mirzapur and SHARE Microfin Ltd.

Commercial Banks, Cooperatives and RRBs which actively have been engaged in implementing SHG Bank-linkage credit programme.

Some of the leading alternative microfinance institutions in this segment are SEWA Bank in Gujarat, which also runs federations of SHGs in nine districts; ASSEFA and its Sarva Jana Seva Kosh Ltd, and ASA in Tamil Nadu: SHARE, BASIX, CARE and MACTs in AP promoted among others by the Cooperative Development Foundation (CDF); MYRADA in Karnataka, which has promoted Sanghamitra, a company of its village savings and credit sanghas; PRADAN which has established a large number of SHGs and federated them under Damodar in Bihar, Sakhi Samiti in Rajasthan and the Kalanjiams in Tamil Nadu (the last now run by DHAN Foundation); ADITHI in Bihar has established Nari Nidhi, a federation of women’s groups; PREM in Orissa has done the same through the Utkal Mahila Sanchay Bikas; the Rashtriya Gramin Vikas Nidhi which runs credit and savings programs in Assam and Orissa, on the lines of the Grameen Bank, Bangladesh, as does SHARE in AP, ASA in Tamil Nadu and RDO in Manipur.

CONCEPT OF SELF-HELP GROUP (SHG)

Savings plus credit can then be a good starting point for group formations called Self-help Groups (SHGs).

A small homogeneous and affinity group of poor voluntarily coming together to:

- Achieve collective social and economic goals
- Have collective decision making
- Save whatever amount they can, conveniently, out of their earnings
- Mutually agree to contribute to a common fund
- Lend to the members for meeting their productive and emergent needs on such terms as decided by the group.

While forming the groups itself, it must be ensured that the members have a homogeneous background. Homogeneity would be in terms of economic status,
caste, gender, occupation or commonality of interest. The crucial aspect in formation and sustaining the groups is the commonality of interest, which the members share.

Theorists consider SHG as a homogeneous affinity group of poor villagers, voluntarily formed, with not less than five members. The group in its formulation does not have very strict guidelines and the decision as to the period of loan rests solely on the group members. Credit is given both for consumption and production purpose. The loan lending process would be channelized from NABARD, re-financed to banks and banks would further lend it to groups. It is assumed that groups thus formed would gradually become viable to meet credit needs of their members. Thus a SHG basically comes together to:

☐ Save small amounts regularly
☐ Mutually agree to contribute to a common fund
☐ Meet their emergency needs
☐ Have collective decision making
☐ Resolve conflicts through collective leadership and mutual discussion
☐ Provide collateral-free loans on terms decided by the group at market rates

SHG is formed and groomed by a NGO or a bank branch or a government agency called a Self-Help Promoting Institution (SHPI). The members of the group are encouraged to collect regular thrift on a weekly or fortnightly or monthly basis and use the pooled resources to give interest bearing small loans to their members. A savings bank account is opened with a bank branch and regular thrift collection and loaning to members builds up financial discipline among the members

**ISSUES CONCERNING SHG – BANK LINKAGE**

Despite the growth of SHG –Bank Linkage in Karnataka, certain issues are impeding the movement, needing concerted efforts to tackle them effectively. Some of the issues needing the attention of stakeholders have been discussed below.

1. **Regional imbalances in the spread of SHGs.**

Though SHG movement has taken deep roots in Karnataka, there has been imbalance in the spread of SHGs among various districts of the State. The spread of
SHGs has been observed to be low in Koppal, Bagalkot, Belgaum, Bijapur and Haveri districts. The spread of SHGs is moderate in Raichur, Bellary, Kolar, Tumkur, Gadag, Hassan, Davanagere and Chamarajanagar, whereas the spread is good in Dakshina Kannada, Shimoga, Chikmagalur, Gulbarga, Uttara Kannada, Dharwad, Kodagu, Mysore, Chitradurga, Udupi and Mandya districts. The promoters of SHGs have to focus on districts where the spread so far been either low or moderate, to minimize the imbalances.

2. **Entrepreneurship development.**

Further, it is generally observed that the spread of SHGs shall be slow where the livelihood opportunities are limited. It is crucial for the SHGs to invest their money and efforts in income generating activities for their sustenance and improvement in their standard of living. However, rural households are not able to get opportunities for investment in promising enterprises due to lack of backward and forward linkages.

Micro enterprises like agarbathi, pickle, papad making, etc., have not succeeded as they are not able to find adequate market for their products. There is a need not only to improve the quality of their produce so as to find market beyond the domestic ones, as also to diversify the activities, by way of coordination with the District Industries Centre in order to identify new and adaptable activities and gain skills in them. NGOs have a crucial role to play in assisting the SHGs to take up new activities.

3. **Federations of SHGs**

For sustaining the SHGs, many NGOs have experimented institutional arrangements such as Federations of SHGs. Such emerging structures have been tried not only as a part of withdrawal strategy by promoters, but also to ensure participation of the SHGs in tackling their common problems such as infrastructure development, input procurement, marketing, coordination with development agencies including Government Departments legal counseling, adult education, etc., for instance, Community Managed Resource Centres (CMRCs) promoted by MYRADA among their SHGs function as Business Facilitators for banks, provide
legal counseling to their members suffering from domestic violence and external exploitations, coordinating training arrangements, marketing interventions, etc.

It is a good sign that WCDD has planned an extensive training plan for the functionaries of Taluk Level Federations of SHGs promoted by it in consultation with MYRADA and financial participation of NABARD. This intervention is expected to bring about common standards among the SHG Federations.

Some of the NGOs have promoted Federations only for monitoring of their loan services to SHGs, rather than empowering SHGs to access a variety of services from different providers. All the stakeholders should strive for the empowerment of community based organizations for sustaining the self help movement to support the rural poor.

4. Per Group Finance

Often SHGs still complain that they are not able to get due attention from banks while getting the banking services. They are, therefore, compelled to look for alternative sources including MFIs and private money lenders for meeting their needs, looking into the increasing loans to MFIs being issued by banks, it appears that they find it convenient to outsource their SHG loan portfolio for keeping the transaction costs low. However, this results in increased borrowing costs for MFI clients.

Though some of the MFI is are extending value added services to their clients, justifying the high cost of lending, not all MFI are packaging their products with additional services.

Increased per group finance would not reduce transaction costs for the banks, but also help the SHGs access adequate loans for graduating to take up income generating activities. Banks are, therefore, required to increase the loan size to groups, especially the well functioning existing groups. In this connection NABARD has advised the banks vide letter dated 21 April 2008 (enclosed in the booklet) that banks may consider higher quantum of loan beyond four times of group’s corpus to SHGs availing repeat from banks after taking into consideration factors such as quality of SHG, credit absorption capacity, managerial ability to handle income generating projects, risk taking ability etc.
5. NGOs as Business Facilitators

Banks have been availing the services of facilitation from NGOs while financing SHGs. So long, NGOs are being supported by sponsoring agencies. After the sponsorship period is over, SHGs are expected to independently deal with various providers, including banks. However, it is observed that SHGs do need continued hand holding. Hence, banks should consider continuing the facilitation services of NGOs by suitably compensating the facilitation costs. NGO facilitation helps in not only providing qualitative services to SHGs, but also in loan monitoring.

6. Multiple Memberships

Even as SHG-Bank linkage has become mainstream business of banks, there are instances when the bank branches have not been able to effectively and adequately meet the needs of SHGs, promoting members to seek alternate sources for their needs as explained in the previous issue. The individual members gain membership to other groups, especially those being promoted by new functionaries such as Micro Finance Institutions. This has led to added burden to the members, requiring saving and debt servicing beyond their capacity. Promoters need to take care to ensure that members do not resort to multiple memberships, as it may lead to their defaulting to save or repay the loans.

To adequately meet the credit needs of SHGs, RBI vide Circular letter dated 15 April 2008, advised to the banks to embrace the concept of Total Financial Inclusion and meet the entire credit requirements of SHG members namely income generation activities, social needs like housing, education etc. and debt swapping.

7. In-operative accounts

Many bank branches are observing SHG accounts are remaining inoperative, either due to groups getting defunct or shifting their transactions to some other agency. Banks need to ensure that old SHGs opening the accounts have closed their account with the previous bank. Also, during the strategy meets held with stakeholders, consensual decision is taken to identify inoperative SHG accounts to explore the possibility of reviving them with the appropriate capacity building
inventions or to close them. NABARD expects the banks to make available the data on inactive accounts as decided during the strategy meets held for 2010-11.

Cooperative Banks have already taken steps to identify inoperative accounts. If other banks follow suit, it will help in identifying further interventions for sustaining the SHGs.

8. Role of MFIs

Many Micro Finance Institutions have emerged to tap the micro finance market in Karnataka. While MFIs is claiming to cater to the unmet of SHGs, banks feel the functioning of MFIs vitiates the self help movement. While banks need to improve their services, by being more responsive to the needs of SHGs, if necessary by application of technology, having exclusive SHG branches, use of business facilitators/correspondents and such other proactive measures. At the same time, MFIs need to adopt a code of conduct for ensuring compliance with best practices, in the interest of the SHGs.

STATEMENT OF THE PROBLEM

The mainstream financial institutions are flush with funds and have access to enormous amounts of low cost savings deposits. Indeed, the poorer the region, the lower the credit deposit ratio – most of the eastern UP, Bihar, Orissa and the North-East have Credit Deposit ratios of 20-30 percent. Thus while banks are physically present in rural areas and offer concessional interest rates, rural producers are not able to access, with the result that the rest of the deposits are finding their way into the financial sector. Some of the main reasons for the above are:

With the majority of the customers being illiterate, they need small amount of loans. Lending process requires high documentation and collateral security. The rigid systems and procedures result in lot of time delay for the borrowers and demotivate them in taking further loans.

Although the interest rate offered to the borrowers is regulated, the transaction costs in terms of the number of trips to be made, the documents to be furnished etc. plus the illegal charges to be paid result in increasing the cost of
borrowing. Thus, it has been costlier to the borrowers. In contrary, Micro-finance has historically been seen as a social obligation rather than a potential business opportunity.

With this background, the study seeks to examine the functioning of micro-finance programs, and analyzes economic and social benefits of the selected self help-groups in Mandya district.

NEED FOR THE STUDY

The literature reveals that (Chapter II) the studies on micro finance and SHG groups have mainly concentrated on (i) Income impact of micro finance on the SHG groups; (ii) Role of micro finance in developing rural entrepreneurs; (iii) Inter regional performance of SHGs; (iv) Micro finance programs; (v) Micro finance programs of NGO. No study has been taken up with the aim of measuring the effectiveness of micro finance on the SH Groups in district level, again no study was conducted in Karnataka at the district level. Hence the present study focusing on the effectiveness of micro credit in Mandya district is needed.

OBJECTIVES OF THE STUDY

The objectives of the study are:

1. To analyze historical growth of micro credit in India in general and Mandya district in particular;
2. To study the working of various institutions operating in micro financing;
3. To analyse the performance and effectiveness of SHGs credit linkage programme in India and Karnataka;
4. To compare the performance and effectiveness of SHG credit linkage programme between India and Karnataka;
5. To examine the relative importance of financial institutions is implementing SHG credit linkage programme;
6. To analyse the performance and effectiveness of SHG Credit linkage programme in Mandya;
7. To analyse the perception of SHG members about SHG and credit linkage programme based on socio-economic factors;
8. To examine the impact of SHG credit linkage programme on socio-economic status of SHG members and;

9. To suggest the policy imperatives based on present study.

HYPOTHESES

The following are the hypotheses of the study:

1. “There are significant differences in growth of loan to SHGs between India and Karnataka”.

2. “There are differences in terms of SHGs linkages by different financial institutions”.

3. “There are differences in terms of providing loans by different financial institutions”.

4. “There are differences in Satisfaction with SHG Functioning and Performance between SC/ST and OBC/other sample respondents of Mandya”.

5. “Productively engaged SHG members are more satisfied with SHG linkage credit facility than non-productive members of SHGs”.

6. “SHG-bank linkage credit programme has made positive impact on income earnings of SHG members”.

METHODOLOGY:

The present study has used descriptive, comparative and analytical methods for the analysis. Collection of data, sample design and tools and techniques used in the work are presented in the following section.

Data Collection:

The Study has used both primary and secondary data.

Collection of Secondary Data:

The Secondary data were collected from Annual Reports of NABARD, Department of Women and Children Welfare’s Annual Reports, Economic Surveys of Karnataka, Economic Surveys of India, Reports of Ministry of Rural
Collection of Primary Data:

Primary data were collected from the field survey by using questionnaire schedule. Selection of sample and fixation of sample size has followed stratified random sampling method.

Sample Size:

According to statistics, anything more than thirty will be treated as large sample. More than five hundred women sample respondents were surveyed and it was reduced to two hundred and forty according to the needs of analysis and dimensions used in the study. The structure and composition of samples are explained in the sample design.

Sample Design:

Mandya is one of the leading districts of Karnataka in terms of implementation of SHG programmes. There are seven Taluks in Mandya and out of seven; four Taluks were selected for field survey based on their geographical and regional features. These four Taluks are Mandya, Maddur, Malavalli and Nagamangala. The Mandya taluk was selected since it is district head quarter. Maddur represents both urban and rural features. Malavalli is selected since it has the majority of SC/ST and other backward communities and it is also a reserved constituency and Nagamangal is selected since it is the only taluk which depends on rain fall for agriculture.

In the course of analysis, seven dimensions were used; namely, Taluks, regions, age, education, category, activity, and income level. In each dimension an attempt has been made to identify the significant differences between and among the groups. The structure and composition of the field data are presented in the following section.
Sample Design

Mandya

(240)

Mandya

Maddur

Malavalli

Nagamangala

Urban

Rural

Urban

Rural

Urban

Rural

Urban

Rural

(60)

(60)

(60)

(60)

(30)

(30)

(30)

(30)

(30)

(30)

(30)

(30)

Age

Below 35

Above 35

(120)

(120)

Education

Below SSLC

Above SSLC

(160)

(80)

Category

SC/ST

OBC and Others

(80)

(160)

Activity

Productively Engaged

Productively not Engaged

(136)

(104)

Income Level

BPL

APL

(192)

(48)

Note: Numbers in bracket represent number of samples and all respondents were women.
Data Analysis and Statistical Techniques:

To analyze both the primary and secondary data the following appropriate statistical techniques were used. To assess the performance of individual variables, tools and techniques like, Arithmetic Mean (Average), Standard Deviation, AAGR, percentage, Ratio Analysis, Independent Sample t-test Analysis, F-test Analysis and Chi-square analysis were used. To calculate the aggregates and statistical results, researcher has used Excel software, Statistical Package for Social Sciences (SPSS) software. Data presented in processed form and graph form in the thesis. The above-mentioned statistical techniques and values were used with specific Meanings which have been explained in each chapter.

Mean Standard Deviation and CV:

These techniques have been used to calculate the representative values and variances in the selected variables.

AGR and AAGR:

These techniques have been used to know the trends and rate of growth of the variable and direction of the variable. Higher the value of positive AAGR is, the higher the performance of the variable and vice-versa.

Percentage:

It has been used to know the size of the sample units in terms of percentage.

Ratio Analysis:

It has been used to calculate the share of the variable value in the total. The higher value represents its higher share in the total.

Independent Sample t-test Analysis:

It has been used to identify the significant difference between the mean values. Significant difference between the mean values were accepted or rejected at five percent level.
F-test Analysis:

It has been used to identify the significant difference in the variance between the series and within the series. Significant difference in variance were accepted or rejected at five percent level.

Chi-square Analysis:

It has been used for qualitative variables to identify the significant difference between and among the groups. Significant difference between and among the groups were accepted or rejected at five percent level.

Paired t-test:

It has been used to identify the impact of policy change on a particular variable. In the present research work, it has been used to identify the impact of SHG credit linkage programme on improving the income of women SHG members.

LOCATE OF THE STUDY:

The population of Mandya district is around 19.25 lakh. Around 70 percent of the people are engaged in the agriculture and allied activities. These people need small amount of credit facilities for their economic activities. Hence, the present study focuses on the micro credit facility in Mandya district with the aim of measuring the effectiveness of financing facility to the farmers and self-help groups.

PROFILE OF THE DISTRICT SELECTED IN THIS STUDY

The district receives an average annual rainfall of 700 millimetres. The climate of the district comprises of moderate summers (Maximum 35 degree Celsius) and moderate winters (Minimum 20 degree Celsius).

The District lies between 76° 19' and 77° 20' East Longitude and 12° 13' and 13° 04' North Latitude. It is bounded on the North by Hassan and Tumkur Districts on the East, by Tumkur and Bangalore Districts on the South by Mysore and on the West by the districts of Hassan and Mysore.
Mandya district comprises 7 Taluks. The total geographical area of the district is 4,98,244 Hectares, out of which 2,53,067 Hectares form the sown area. More than half of the total land area in the district is put to agricultural use. 94,779 Hectares of land is irrigated. With a total population of 19.25 lakhs, majority of the have been engaged in agriculture sector.

The district headquarters is Mandya city, which is located on the Bangalore-Mysore Highway. Mandya city is around 100 Kilometres away from Bangalore City and Mysore city is around 40 Kilometres away from Mandya city. The other towns of the district are Maddur, Malavalli, Srirangapatna, Nagamangala, Krishnaraja Pete and Pandavapura.

Mandya city is well connected by road and rail. All trains between Bangalore and Mysore pass through Maddur, Mandya, Pandavapura and Srirangapatna. The nearest airport is Bangalore city, which is around two hours drive by road.

Mandya is the land of art, and culture. Drama is a passion of most people of this district. Mythological dramas are staged in many villages on regular basis. Folk theatre, dance and songs are an integral part of the rural life. Temple festivals and village festivals, called Jatras are performed with great enthusiasm and gaiety. These performances are marked by colourful traditions and funfare.

**Limitations of the Study:**

- The present study confined to Mandya district only as far as the field survey analysis is concerned.
- The present study confined to women only.
- The present study confined to SHG credit linkage programme only.
CHAPTERIZATION SCHEME

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Appendix A: Questionnaire
Appendix B: Bibliography