Chapter - I

INTRODUCTION
Women in most societies are subject to discrimination. The United Nation Convention stand up for the elimination of all Forms of discrimination against women. It is necessary to have laws, on violence against women, as well as equal property rights, opportunities in education, access to health care, work opportunities, wages and end customs that are derogatory to women. The formation of women's Self Help Groups has emerged since the seventies in Bangladesh and since the early nineties in India predominantly in the southern states. The groups typically have a membership of between five and twenty members and are informal associations of women. The women elect their leaders on democratic principles, save money, lend to each other and take higher order loans from financial institutions. They grow into agents in their own villages. The earlier attempts at provision of credit to the poor under programmes like, Integrated Rural Development Programmes (IRDP) has massive defaults to sixty percent and were judged to be unsuccessful. The provision of credit to women borrowers in groups, even though women had little or no collateral, leads to over 90 percent recovery of the loans given. The group's members acted as guarantee for the group loans and peer pressure ensured that the loans were repaid. Women generally face several traumas in life by virtue of their secondary status in society. The culture of silence that is prevalent among this suffering manifold. There are social taboos against women expressing their sorrow or narrating their household problems to the outsider. Self Help Groups have emerged as Support Groups to bring about women's solidarity in facing all kinds of problems in their domestic environment. This has led to the increasing empowerment of women, releasing them from their anguish and helping them to resist injustice. Several studies that have examined these issues have been reviewed in this paper. The problems involved in impact analysis have also been briefly touched upon.
SELF HELP GROUPS

Self Help Groups have emerged as a means of providing poor people with the credit that they need to emerge from poverty. These groups were formed to help women meet their needs for friendly credit. The groups initially draw on their own savings at an interest fixed by them to lend within the group and later get linked to the formal credit system. The Grameen Bank was started in 1976 by Professor Mohammed Yunus in response to this need for capital by the poor. Later in 1983 it was converted into a statutory body by an ordinance of the government of Bangladesh. The Grameen Bank disbursed loans to groups consisting of five women; six to eight groups formed a center. (Misra, 2003) The Grameen Bank used group guarantees, developed compulsory savings mobilization among the groups of poor people and had decentralized, cost effective operations for lending to the poor (McGuire and Conroy, 2000)¹

A review by the Working Group on Bank lending to the Poor through Non-Governmental origination and self-help groups (1995) led to policy changes that enabled banks to lend to groups, which were not formally registered, and without knowing the purpose in advance. Self-help groups were also set up in Andhra Pradesh in 1992. It was started as a Total Literacy campaign in Nellore district which led to the anti-arrack movement. At a village meeting in Leguntapadu, the District magistrate suggested the savings of a rupee a day by women, leading to the formation of savings and credit groups. In Maharashtra Non-Governmental origination like Chaitanya has been active 2 in forming self-help group for over fifteen years. The government-supported program was started in twelve districts in 1994 with IFAD funding and was implemented by the women’s development corporation.
Stages in Group Development

Studies conducted have suggested that groups move through stages but that these are not constant across different groups. Groups are shown to be in four stages:

- Group Formation 0-6 months
- Group stabilization 7-12 months
- Self-reliance 13-18 months
- Institutionalization 19-24 months

- This stage continues till the group as under (MAVIM: Training module for Self Help Groups, 2002)
- Saving Group–Formation stage  0 to six months
- Savings and Help Group – Linkage to financial institution –Six months to one year.
- Micro-Credit Group – Stabilization period – One year to thirty months
- Income Generation Group
- Self Help Group – Growth period - Thirty months to forty eight months
- Mutual Help Group – Beyond forty eight months.
Misran (2003) categorizes these stages as:

Formation - Where the formation revolves around the solution of a common problem—hence discordant member should not become part of the same group, as it leads to waste of time and energy in resolving the disputes.

Stormative - When the group struggles to cohere. Some members who cannot co-exist with others may have to leave. Thus the first few months will see this transition.

Normative - After the group settle down, it will decide on issues relating to transaction of business such as how much to save, when should a bank account be opened, who should keep a record of the meeting, etc.

Per formative - This is gained once the loan cycle has been completed and the self-help groups both gain stability. The group expands its programmes.

Thus the promotion of self-help groups is a process, by which the members, who are identified by participatory techniques, come together for their mutual benefits. The promotion of groups is preceded by the conduct of surveys, participatory wealth ranking and the initiation of thrift and savings by the groups. Training of the group members is carried out in a number of subjects; they are taken on exposure visits, disseminated information and are constantly monitored regarding to their development.
During the year (07-08) 5,52,992 new self-help groups were credit linked with banks and bank loan of Rs.2,541.98 crore was disbursed, taking the cumulative number of self-help groups credit linked to 34,77965 as on 31 March 2008. In addition, to this 186,883 existing self-groups were provided with repeated loans of Rs. 1,685.60 crores. The programmer has covered more than 5080 crore poor households, making it the largest MICRO - Finance (MF) programmer in the world as on 31 March 2007, 41.60 lakh self-help groups maintained savings and had savings worth Rs. 3.512.71 crore outstanding with the banking sector. During 2006-07, bank credit of Rs.6, 570.39 crore and Rs.1, 151.56 cores was disbursed to 11.05 lakh self-help groups (including 1.88 lakh under SGSY) and 334 MFIs respectively.

During 2007-08, grant assistance of Rs.1,369.77 lakh was sanctioned to various agencies for promoting 52,877 groups, taking the cumulative assistance sanctioned to Rs.6,119.37 lakh for 3.62 lakh group as at end –March 2008.

Under National Bank for agriculture and rural development capacity building programs for its partner institutions, 66 exposure / field visits to self-help groups and institutions pioneering in MF for 2,754 bank / Non-governmental organisations officials for 606 are training and created awareness programs for 22, 452 participants from banks and Non-governmental origination, 258 sensitization programs covering 9,706 participants were arranged during the year 2005-2006 involving an expanded support for conducting 4,121 awareness creating and capacity building programs covering 2,68,870 self-help groups members.
To motivate and assist members of matured Self-help groups to take up income generating activities on a sustainable basis, National Bank for Agriculture and Rural Development continued to promote micro-enterprise development for self-help groups members. Under the pilot project launched during 2005-06 for promotion of micro-enterprises among members of self-help groups, was implemented in nine districts across nine States involving 14 non-governmental organization acting as ‘micro-enterprises promotion agency’ (MEPA). Cumulatively 2,759 micro-enterprises were established under the post project involving bank credit of Rs.237.72 lakh as on 31 March 2008. National Bank for Agriculture and Rural Development also supported three exhibitions of products prepared by various self-help groups for grant assistance of Rs.3.85 lakh during 2007-08.

Selectively it extends extends the Revolving Fund Assistance (RFA) to MFIs for experimenting with various MF models. During the year, RFA of Rs.8.06 crore was sanctioned to six agencies taking the aggregate support to Rs.36.38 crore as on 31 March 2008 for 35 agencies. In order, to enable ratings of MFIs and empowering them to intermediate between the lending bank and the clients, National Bank for Agriculture and Rural Development provides financial assistance to commercial banks and RRBs to avail the services of credit rating agencies for the purpose. During 2007-08, an amount of Rs.3.40 lakh was extended to four agencies for availing credit rating services. The scheme to provide capital/equity support to MFIs was introduced by National Bank for Agriculture and Rural Development to enable them to leverage capital/equity for accessing funds from banks, providing financial services at an affordable cost to the poor, and achieve sustainability in their credit operations over a period of 3-5
years. As on 31 March 2008, total capital support of Rs.9.25 core was sanctioned to 11 agencies.

Recognizing the growing role of the self-help groups federations and their value addition to self-help groups functions. National Bank for Agriculture and Rural Development during the year 2007-2008 decided to support the federations on model neutral basis and solely on merits of the proposal and also formulated the broad norms for deciding grant of financial assistance. Support would be extended to the federation by means 2007-2008, of grant assistance for training, capacity building, exposure visits of self-help groups members etc. During the year, grant assistance of Rs.10.48 lakh was sanctioned to two federations.

Growth of self-help groups in India:

The self-help group’s bank Linkage project is expected to be advantageous to the banking sector from both the angles of fulfillment of social goals (like reaching out the poor) and achieving operational efficiency (by externalizing part of their transaction cost). The improvement of the self-help group’s bank Linkage programme is given in Table. In the initial period i.e. in 1992-93, just 255 self-help groups were linked to banks with Rs.2.89 million as refinance from National Bank for Agriculture and Rural Development. In a span of one and half decade it is expanded rapidly. In 2006-07, 20, 24,973 self-help groups have been linked with the Banks with refinancing of Rs.1, 80,407 million. While the North-East and Northern region together constitutes 8.7 percent of the total programmed. This imbalance is an issue that requires serious attention. It needs sustained efforts in other regions where there is a latent demand for microfinance services.
Growth of Self-help groups bank Linkage programmed

<table>
<thead>
<tr>
<th>Year</th>
<th>Cumulative No. of Groups</th>
<th>Cumulative amount of loan (Rs.in million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992-93</td>
<td>255</td>
<td>2.89</td>
</tr>
<tr>
<td>1993-94</td>
<td>620</td>
<td>6.53</td>
</tr>
<tr>
<td>1994-95</td>
<td>2122</td>
<td>24.45</td>
</tr>
<tr>
<td>1995-96</td>
<td>4757</td>
<td>60.58</td>
</tr>
<tr>
<td>1996-97</td>
<td>8598</td>
<td>118.36</td>
</tr>
<tr>
<td>1997-98</td>
<td>14317</td>
<td>237.95</td>
</tr>
<tr>
<td>1998-99</td>
<td>32995</td>
<td>520.60</td>
</tr>
<tr>
<td>1999-00</td>
<td>114775</td>
<td>1928.70</td>
</tr>
<tr>
<td>2000-01</td>
<td>263825</td>
<td>4808.70</td>
</tr>
<tr>
<td>2001-02</td>
<td>461478</td>
<td>10260.00</td>
</tr>
<tr>
<td>2002-03</td>
<td>717360</td>
<td>20490.00</td>
</tr>
<tr>
<td>2003-04</td>
<td>1079091</td>
<td>39040.00</td>
</tr>
<tr>
<td>2004-05</td>
<td>1618456</td>
<td>68984.60</td>
</tr>
<tr>
<td>2005-06</td>
<td>2238565</td>
<td>139754.30</td>
</tr>
<tr>
<td>2006-07</td>
<td>2924973</td>
<td>180407.40</td>
</tr>
</tbody>
</table>

Source: NABARD

The recovery performance of self-help groups too reflects a high persistence of recovery. As on 31 March 2007, of the 290 refinancing banks, 73 percent banks reported recovery of > 80 percentage in repeat of their self-help groups portfolio, Agency-wise, 26 commercial banks (out of 36), 55 RRBs (out of 73) and 131 co-operative bank (out of 181) reported recovery above percent.
Agency-wise self-help groups-Bank Linkage programmed: Cumulative Progress (As on 31 March) year.

<table>
<thead>
<tr>
<th></th>
<th>SHGs credit Linked</th>
<th>Bank Loan Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007</td>
<td>2008</td>
</tr>
<tr>
<td>Commercial Bank</td>
<td>5,71,636 (52)</td>
<td>3,12,359 (42)</td>
</tr>
<tr>
<td>RRBs</td>
<td>3,81,199 (34)</td>
<td>2,40,596 (33)</td>
</tr>
<tr>
<td>Co-operative Bank</td>
<td>1,52,914 (14)</td>
<td>1,86,920 (25)</td>
</tr>
<tr>
<td>Total</td>
<td>11,05,749 (100)</td>
<td>7,39,875 (100)</td>
</tr>
</tbody>
</table>

Agency-wise Saving and loans outstanding to Self-Help Groups (As on March (2007)

<table>
<thead>
<tr>
<th>Agency</th>
<th>Number</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Saving outstanding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Bank</td>
<td>22,93,771 (55)</td>
<td>1,892,42 (45)</td>
</tr>
<tr>
<td>RRBs</td>
<td>11,83,065 (29)</td>
<td>1,158,29 (33)</td>
</tr>
<tr>
<td>Co-operative Banks</td>
<td>6,83,748 (16)</td>
<td>462.00 (13)</td>
</tr>
<tr>
<td>Total</td>
<td>41,60,584 (100)</td>
<td>3,512.71 (100)</td>
</tr>
<tr>
<td>Saving per SHG(Rs)</td>
<td></td>
<td>8,469</td>
</tr>
</tbody>
</table>

b) Loans outstanding

<table>
<thead>
<tr>
<th>Agency</th>
<th>Number</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Bank</td>
<td>18,93,016 (65)</td>
<td>8,760,38 (71)</td>
</tr>
<tr>
<td>RRBs</td>
<td>7,29,255 (25)</td>
<td>2,801.76 (23)</td>
</tr>
<tr>
<td>Co-operative Banks</td>
<td>2,72,234 (10)</td>
<td>804.35 (06)</td>
</tr>
<tr>
<td>Total</td>
<td>28,94,505 (100)</td>
<td>12,366.49 (100)</td>
</tr>
<tr>
<td>Loan o/s per SHG (Rs.)</td>
<td></td>
<td>42,724</td>
</tr>
</tbody>
</table>

*Source: NABARD*
The self-help groups-Bank Linkage programme has emerged as the primary model for providing Micro-Finance (MF) services in the country. It is a proven tool of extending to the unbanked rural clientele access to formal financial services. Stimulated by the success of the programmed, National Bank for Agricultural and Rural Development promoted the linkage of Micro-Finance Institutions (MFIs) with the banking sector. The MFI-Bank linkage model too has assumed importance on account of credit support extended by banks for on lending to clients by MFIs. During the year 2007-2008 5,52,992 new self-help groups (excluding SGSY) were credit linked with banks and bank loan of Rs.2, 541.98 core disbursed, taking the cumulative number of self-help groups credit linked to 34, 77965 as on 31 March 2008. In addition to the 1,86,883 existing self-help groups were provided with repeated loan of Rs.1,685.60 crores. As on 31 March 2007. 41.60 lakh self-help groups maintained savings and had savings of Rs.3, 512.71 crore outstanding with the banking sector. The programme has covered more than 5.8 core poor households, making it the largest MF programme in the world. During 2006-07, bank credit of Rs.6, 570.39 core and Rs.1, 151.56 crore was discussed to 11.05 lakh self-help groups (including 1.88 lakh under SGSY) and 334 MFIs, respectively.

Meaning of empowerment

Walter (1991) Empowerment is not essentially political alone it is a process having personal, economic, social and political dimensions with personal empowerment it bears the crore of the empowerment process in fact political empowerment will not succeed in the absence of economic empowerment. The scheme of micro-financing through self-help groups creates empowerment, promoting conditions for women to process and exclusion within community, to one of greater centrality, inclusion of voice.
The social processes of micro financing programs strengthens women’s self-esteem and self-worth, instill a greater sense of awareness of social and political issues leading to increased mobility and reduced traditional seclusion of women. Most importantly micro-finance programs enable women to contribute to the household economy, increasing their intra-household bargaining power. Thus micro financing through self-help groups has considerably reduced their dependence on men. But the lack of education often comes in the way and many a times they had to seek help from their husbands or any other educated man/women for day-to-day work. The political as well as economic empowerment will not succeed in the absence of women’s education in skills which they require the most. The Government in developing countries therefore must take effective steps to enroll the members of self-help groups in the schemes of open schooling or any other distance mode to impart education. Although it is also true that economic empowerment alone does not always lead to reversal in gender relationship.

Empowerment of women in India

Chandra shanty (1997)\(^4\), Indian constitution in its fundamental rights has provisions for equality, social justice and protection of women. These goals are yet to be realized. Still women continue to be discriminated, exploited and exposed to inequalities at various levels. So the concept of empowerment as a goal of development projects and programs has been gaining wider acceptance.

By empowerment women would be able to develop self-esteem, confidence, realize their potential and enhance their collective bargaining power. Women’s empowerment can be viewed as a continuum of several interrelated and mutually reinforcing components. They are:
Awareness building about women’s situation, discrimination and rights and opportunities as a step towards gender equality. Collective awareness building provides a sense of group identity and the power of working as a group.

Capacity building and skill development, especially the ability to plan, make decisions, organize, manage and carry out activities to deal with people and institutions in the world around them.

Participation and greater control and decision making power in the home, community and society.

Efforts to bring about greater equality between men and women.

Thus empowerment is a process of awareness and capacity building leading to greater participation, greater decision making, power and control and transformative action. The empowerment of women covers both as an individual and collective transformation. It strengthens their innate ability through acquiring knowledge, power and experience.

There should be Constitutional guarantees, legislative measures and policies advocating women’s concern.

As presented in the various Ministries, documents namely Women and Child Development, Science and Technology, Ministries namely Health and Family Welfare, Labor, Rural Areas and Employment, Urban Affairs and Employment, Agriculture and Welfare had listed out their programs and achievements.

The ninth plan (1997-2002) had made its commitment to the objective of “empowering women as the agents of social change and development”. The twelve salient strategies spelt out focused on empowering women by making women economically independent and self-reliant. It was being hoped
that the strategies would be realized through the national policy for empowerment of women.

**Women Empowerment Year, 2001**

<table>
<thead>
<tr>
<th>Month</th>
<th>Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>Human rights for women</td>
</tr>
<tr>
<td>February</td>
<td>Economic empowerment of women</td>
</tr>
<tr>
<td>March</td>
<td>Social empowerment of women</td>
</tr>
<tr>
<td>April</td>
<td>Women in difficult circumstances</td>
</tr>
<tr>
<td>May</td>
<td>Women and technology</td>
</tr>
<tr>
<td>June</td>
<td>Women and governance</td>
</tr>
<tr>
<td>July</td>
<td>Women and education</td>
</tr>
<tr>
<td>August</td>
<td>Women and health</td>
</tr>
<tr>
<td>September</td>
<td>Nutrition</td>
</tr>
<tr>
<td>October</td>
<td>Women and media</td>
</tr>
<tr>
<td>November</td>
<td>Entrepreneurship in women</td>
</tr>
<tr>
<td>December</td>
<td>Vision for the future</td>
</tr>
</tbody>
</table>

*Source:* Ninth plan

**Empowerment of Women in Indian Politics**

Women empowerment means an all-round development, including their physical, economic and political development. The main motive behind women empowerment is to protect their rights, to enrich their quality of life and involve them in decision-making process at all levels, particularly in those decisions, which are related to their lives and families. Empowerment
aims at giving the power to women to take their own decisions and to be masters of their own destiny. Above all, the members of the society should give due respect and regard to women. Female empowerment can be a worthwhile when it starts from her home. A great social reformer has said that a nation can never prosper if it does not provide due regard and respect to its womenfolk.

As per Mahatma Gandhi's words, "one step for women ten steps for nation". The role and participation of women in the society cannot be ignored. The constitution of India has made various provisions to protect the interests of the women. Series of legislation have been enacted from time to time, providing protection to women against social discrimination, violence etc. For centuries, women have remained back ward and they have been exploited and humiliated. Even after 63 years of Independence, condition of women in India is still wretched. Women are subjugated, subordinated and exploited by the social forces, the responsibility of which lies on the members of family, particularly the law enforcing authorities and policy makers. However, the concept of empowerment of an individual or a social group presupposes a state of social suppression either by denying them opportunities and resources or by subjecting them to an ideology and a set of social practices which define them as inferior humans and thus lowering their self-esteem. As a general goal, empowerment has been described as a political and a material process, which increases individual and group power, self-reliance and strength.

As for the facts about India and the status of Indian women, India reports a crime every 17 seconds according to the National Crime Records Bureau's unique 'Crime Clock'. According to 'Crime Clock 2005: which tracked criminal activities over the last year, the country reported one molestation for every 15 minutes, one crime for every 3 minutes, one dowry
death for every 77 minutes, one rape for every 29 minutes, one murder for every 16 minutes, one sexual harassment for every 53 minutes.

The following measures would go a long way towards empowering women:

1. An important component of social development is the access of the girl child to the world of knowledge and information. Despite the efforts of government, education appears to be a distant dream for many poor and rural girls. Two-thirds of the world's total illiterates are women. Education is the basic instrument of social change. Parents have to change their attitude towards the educational development of their daughters and encourage them to go for higher learning. They should have an access to the emerging fields of science and technology. Through education they can be conscious of their rights and duties in the society.

2. Educated women can get employment in all fields. They should no longer be dependent on their brothers, father or husband. They should be in a position to manage their families with their own will.

3. The heinous evil of dowry needs to be put to an end. In India the dowry issue which claims the precious lives of most of our women. According to UNFPA survey, in India for every 25 minutes there is a dowry death. There has been an increase of 15.2 percent in dowry deaths in the past few years.

4. Domestic violence is at its peak, which needs to be curbed. A survey shows that about 45 percent of Indian women are slapped, kicked or beaten by their in-laws and husbands. The irony is that all these excesses are not reported due to many reasons. About five crore women face domestic violence. Only 1000 cases are reported and out of 1000 cases only 100 cases are investigated under section 498 of IPC.
Only in two cases the accused are convicted. This has made the living of many women miserable. Many women lose their homes and children due to domestic violence. Some go on tolerating the sufferings throughout their lives. This compels many women to commit suicides. Some are killed by their in-laws.

5. India’s population today stands at a staggering of 120 crore, half of which are women. So women definitely constitute a significant portion of our populace. Neglecting women means neglecting half of the population of India we might be in the 21st century, but still our mindset is roaming in the Vedic times. We still witness atrocities on women, be it cases of molestation, rape, dowry deaths or domestic violence.

6. Regarding reservation of one third of seats in State and Centre legislatures nothing has been achieved. The only thing done so far is the reservation of one third seats for women in Panchayat Raj Institutions like Gram Panchayat, women occupied 38% of seats. Taluka Panchayat also got 34% of seats, and in Zilla Panchayat 33%. This has been done to benefit women, but that is at the village level only. More and more women candidates have entered these rural democratic institutions and are openly making their presence felt.
## Women’s Participation in Parliament

<table>
<thead>
<tr>
<th>Year</th>
<th>Lok-Sabha</th>
<th>Rajya-Sabha</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Seats</td>
<td>Women Members</td>
</tr>
<tr>
<td>1952</td>
<td>489</td>
<td>-</td>
</tr>
<tr>
<td>1957</td>
<td>494</td>
<td>22</td>
</tr>
<tr>
<td>1962</td>
<td>494</td>
<td>31</td>
</tr>
<tr>
<td>1967</td>
<td>520</td>
<td>29</td>
</tr>
<tr>
<td>1971</td>
<td>518</td>
<td>22</td>
</tr>
<tr>
<td>1977</td>
<td>542</td>
<td>19</td>
</tr>
<tr>
<td>1980</td>
<td>529</td>
<td>28</td>
</tr>
<tr>
<td>1984-85</td>
<td>542</td>
<td>43</td>
</tr>
<tr>
<td>1989</td>
<td>529</td>
<td>29</td>
</tr>
<tr>
<td>1991-92</td>
<td>537</td>
<td>39</td>
</tr>
<tr>
<td>1996</td>
<td>543</td>
<td>40</td>
</tr>
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<td>1998</td>
<td>543</td>
<td>43</td>
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<td>49</td>
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<tr>
<td>2004</td>
<td>543</td>
<td>45</td>
</tr>
<tr>
<td>2009</td>
<td>543</td>
<td>58</td>
</tr>
</tbody>
</table>

*Source: Karnataka State Election Commissions Information of September-2009.*

The above table shows women’s participation in central legislatures. But it doesn’t provide women’s representation as per the accepted legislated reservation schedule. Like men, women are also found to be working in various fields i.e. from shop assistants to managers; from clerks, typists, telephone operators, receptionists, to those who possess highest and responsible posts in public sector, from primary school teachers to university professors, from private medical practitioners to hospital superintendents.
Today modern young women are aspiring to be successful in all fields; even they were previously dominated by males. And the challenges for these women are tremendous. They have to move in many cases against the tide in order to achieve their goals. Help comes in some way through non-governmental organizations, and some women-organization like Nari-Niketans, working women's organization, YWC etc., so taking this broad picture into view, the appointment of Smt. Prathibha Patil as the president of India, holds some significance. It has resulted in the installation of the First Woman President of the Indian Republic. Never before in the history of 63 years of post-independence, had our country had a woman occupying the top post. Smt. Prathibha Patil is the 13th President of the Indian Republic, but the first woman President.

Women's empowerment has five components:

1. Women's sense of self-worth;

2. Their right to have and to determine the choices;

3. Their right to have access to opportunities and resources;

4. Their right to have the power to control their own lives, both within and outside the home; and

5. Their ability to influence the direction of social change to create a more just, social and economic orders, nationally and internationally.

Women's empowerment has to be the core part of any development strategy. Apart from being denied equal status; women bear witness to the poverty in poor societies. In many, if not most rural poor families in India, women do more physical labor than men, eat less, have less access to health
and education facilities, get less wages, and bear the major part of the responsibility of bringing up children and looking after the family. This enormous contribution goes largely unrecognized. Women are even denied a role in household-decision-making.

However, empowerment of women in India is not so easy. There is no easy solution also. The real solution will be a holistic approach that should be dealt in the perspective of all major interrelated issues of social and economic justice, health and tradition. So for such a change, women should be self-equipped, have knowledge and ability to handle the problems of self and surroundings. The education-gap for girls in developing countries and post-conflict societies remains collective global task.

Some questions are raised here as to why women are victimized by the society? Why our leaders could not fulfill their own duty to make society more civilized especially to women related issues? These questions have to be discussed and solutions have to be found.

Basic issues in the empowerment process: Compact Clarification

Tripathy S.N (2002), There are two dimensions of the empowerment concept with respect to women: the static and the dynamic. The former concerns empowerment of women in terms of their capacities to participate in main decision that directly or indirectly affects their lives, and to influence those decisions. This refers to the notion of women having an effective voice. Consequently, women have assumed having to be dismembered when they cannot influence decisions on their lives. This view may suggest that an effective voice could be given to women who do not have one, or that disempowered women could be exogamous empowered.

The dynamic concept, regards employment as a process of developing the capacity of individuals to participate effectively in making and
implementing decisions that directly or indirectly affect them. Viewed as a process, empowerment is something an individual or a group of individuals acquire over time. It is not. Something you can give to people, although the conditions could be created to acquire their chances acquitting by themselves. This also means that it is possible to create conditions that block people's capacity to empower themselves.

The distinction between the static and dynamism concepts of empowerment is significant because it is likely to lead to different implementation strategies-specifically, the former may lead to exogamous empowerment strategies while the later may lead to endogenous ones. Exogamous strategies are those built on the premise that disembarked groups can be empowered by external individuals or groups. By contrast, endogenous strategies those whose underlying premise is that external groups can only facilitate empowerment by creating, enabling conditions for dismembered groups to empower themselves. The exogamous empowerment strategy implies a top-down approach while the endogenous strategy implies a bottom up one.

Empowerment is unlikely to be granted to the disembarked because some individuals or groups benefit from the dismemberment of others and are unlikely to freely give up the resulting privileges. Consequently, a quick fix solution, which the static concept seems to suggest, is unlikely to be feasible or effective. The dynamic concept is more likely to lead to effective empowerment strategies because its perception of empowerment and disempowerment as the consequences of social processes is more realistic. The endogenous notion of empowerment implies both that much of the effort to achieve empowerment depends on the dismembered and that exogamous forces can enable or accelerate the endogenous process, particularly if these do not treat employment as a gift. Thus, the exogamous enabling conditions
for endogenous empowerment become the key point of reference in evaluating empowerment strategies for women.

Karl, M. (1995)⁶, offers a useful framework for identifying the exogamous enabling conditions for endogenous empowerment, disrobing four stages in the empowerment process with respect to women; awareness; capacity building and skills development; participation and greater control in decision making; and action for change. The basic proposition is that the capacity for awareness and skills can be developed and to increase the capacity to participate in and greater control over decision making while empowerment is realized by the use of the awareness and skills acquired.

Karl’s four stage process can be extended in two directions. Firstly, Garba 1999 adds two more stages in order to facilitate a more systematic analysis of the empowerment process, one that is more applicable to the empowerment of women. Secondly, she explicitly recommends the significance of institution in dismembering women. This implies that a more effective strategy would first target the capacity and mutation of women to break institutional barriers to empowerment and then provide a framework. For, changing those ‘humanly devised’ rules that support women’s dismemberment. The differences in the humanly devised rules of dismemberment can be significant, and changing these would make endogenous empowerment easier.
Figure 1 shows a six-stage empowerment process namely

Awareness Building
↓
Skills and capacity Assessment
↓
Capacity building and skills development
↓
Participation and greater control in decision-making
↓
Action for change
↓
Capacity and skills assessment

Yadava, Surendra(2001), "Awareness, skills and capacity assessment, capacity building and skill development, participation and greater control in decision making, action for change and evaluation. The capacity and skills assessment stage increases the chance that the requisite capacity and skills will be developed. It also has an important methodological implication, which is that a need assessment must be based on the objective conditions of a specific problem of dismemberment. In other words, a general doctrine of empowerment would not work in all cases, nor would extensively deduced approaches work. The sixth stage is a feedback mechanism.

Being aware of the current of dismemberment and of pietism for empowerment is a necessary condition for achieving it. It is easy to accept a situation if one is not aware of it or better aware of it. Consequently, bringing awareness about discriminatory practices against women, about laws that
undermine their interests and cultural and traditional norms that perpetuate their subjugation and subordination, are necessary building blocks of an indigenous empowerment strategy. Awareness of the rules of dismemberment is 'potentially conflicting. It is important to recognize this and its implications for the empowerment process. The history of feminism shows that winning the vote in Europe and the USA after world war was the result of a long struggle and sacrifice by women during the war. So being informed of the casts of empowerment is a key part of the process of awareness.

The second stage involves identifying the capacity and skill that are needed for effective participation but which, the individual or group lacks. This assessment will realistically show what changes should take place before the targeted persons can be expected to participate effectively. A major disadvantage of not carrying out a needs assessment is that in appropriate skills and capacities may be given to a person who actually needs something else. For example, if a large number of women are represented in the lower echelons of an organization, as a result, unable to influence major policies, needs an assessment may show that education is a key to their empowerment.

The third stage of the empowerment process involves taking deliberate steps to build capacity and develop relevant skill as suggested by needs assessment programmes of enlightenment may require building capacity for planning, organizing co-ordination and resource and personnel management. These and other relevant skills and capacities are frequently needed in order to participate more meaningfully in decision making.

The fourth stage calls for the use of the skill and capacities that have been acquired to participate in actual decision making and to exert a greater control over the happenings in the home, the work place, and in the wider society. Acquiring skills and developing capacities is meaningless if these remain unused. On the contrary, such skills and capacities should lead to more
adroit decision making as well as improving women's bargaining power and deterring the potential agents of dis-empowerments.

The fifth stage consists of deliberate action on the part of the empowered person or group(s) to bring about change to redress the problems highlighted earlier. The entire process is successful only if the acquired skills and capacity are used to bring about changes in the lives of the individuals or groups concerned, and in the lives of others in their communities.

The last stage, evaluation, is important to assess the success or failure of the entire process, the results of which can be used as feedback in to next cycle of the empowerment process. In other words, empowerment is not seen as a once and for all activity but one that is gained overtime and frequently update new information feed back into the awareness stage often means building new and fresh capacities and skills in order to gain more decision making power for positive action. A woman is never fully empowered but must continue to update the skills and capacities, necessary to be an effective participant in ongoing decision that surrounds her. It should also be emphasized that evaluation is continuous employment.

Empowerment of women through self-help groups (SHGs)

Empowerment is a multi-dimensional social process that helps people gaining control over their own lives and communities in their society, by acting as issue that they define as important. Empowerment occurs within sociological, Psychological and economic spheres and at various levels, such as individual, group and community, and challenges our assumptions about status asymmetrical power relationship and social dynamics. Empowering women puts the spotlight on education and employment which are essential elements to sustainable development.
Empowerment implies expansion of assets and capabilities of people to influence control and hold accountable for institution that affects their lives.

Empowerment is the process of enabling or authorizing an individual to think, behaves, take action and control work in an autonomous way. It is the state of feelings of self-empowered to take control of one’s own destiny. It includes both controls over resources (Physical, Human, Intellectual and Financial) and over ideology (Belief, values and attitudes) (Batliwala, 1994). 8

Empowerment can be viewed as a means of creating a social environment in which one can take decisions and make choice either individually or collectively for social transformation. It strengthens innate ability by way of acquiring knowledge, power and experience.

The concept of empowerment is an important component of social studies. Empowerment has occupied the central theme of economics, sociology, political science, public administration and other subjects. In the process of development, particularly in rural development, the women are the instrument of both central and state movements. At present, a shift has been taking place from men to women to get the target achieved. According to, many programs are being implemented for the development of the society, among these Self Help Groups (SHGs) programmer is one.

Focus on Poor Women

In India, the trickle down effects of macro-economic policies have failed to resolve the problem of gender inequality. Women have been the vulnerable section of society and constitute a sizeable segment of the poverty-struck population. Women face gender specific barriers to accessing education health, employment etc. Micro finance deals with women below the poverty line. Micro loans are available solely and entirely to this target group of women. There are several reasons for this: Among them, the poor women
are most disadvantaged—they are characterized by lack of education and access of resources, both of which is required to help them in working their way out of poverty and to upward economic and social mobility.

The problem is more acute for women in countries like India, despite the fact that women’s labor makes a critical contribution to the economy. This is due to the low social status and lack of access to key resources. Evidence shows that groups of women are better customers than men, the better managers of resources. If loans are routed through women, benefits of loans are spread wider among the household.

Since women’s empowerment is the key to socio-economic development of the community, bringing women into the mainstream of National Development has been a major concern of the government. The Ministry of Rural Development has special components for women in its programmers. Funds are marked as “Women’s component” to ensure flow of adequate resources for the same. Besides this there are various programmes like Swarnajayanti Grameen Swarazgar Yojana (IJAJ), National Social Assistance Programme (NSAP), Restructured Rural Sanitation Programme, Accelerated Rural Water Supply Programme (ARWSP) the (erstwhile) Integrated Rural Development Programme (IRDP), the (erstwhile) Development of Women and Children in Rural Areas (DWCRA) and the Jawahar Rozgar Yojana (JRY), for the upliftment of women.

Features of Self Help Groups (SHGs)

The concept of Self Help Group is also known as Micro Finance. The term Micro finance is of recent origin and is commonly used in addressing issues related to poverty alleviation, financial support to micro entrepreneurs; gender development etc. There is, however, no statutory definition of Micro finance. The taskforce on supportive policy and Regulatory Framework for
Microfinance has defined Microfinance as "provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas for enabling them to raise their income levels and improve living standards". The term "Micro" literally means "Small". But the task force has not defined any amount.

The term Micro finance sometimes is used interchangeably with the term micro credit. However while micro credit refers to purveyance of loans in small quantities, the term microfinance has a broader meaning covering in its ambit other financial services like saving, insurance etc.

The mantra "Microfinance" is banking through groups. The essential features of the approach are to provide financial services through the groups of individuals, formed either in joint liability or co-obligation mode. The other dimensions of the microfinance approach are:

- Savings/Thrift precedes credit
- Credit is linked with savings/thrift
- Absence of subsidies
- Group plays an important role in credit appraisal, monitoring and recovery.

Basically Groups can be of two types

Self Help Groups: the group in this case does financial intermediation on behalf of the formal institution. This is the predominant model followed in India.

Grameen Groups: In this model, financial assistance is provided to the individual in a group by the formal institution on the strength of group's assurance. In other words, individual loans are provided on the strength of
joint liability/co obligation. This microfinance model was initiated by Bangladesh Graeme Bank and is being used by some of the Micro Finance Institutions (MFIs) in our country.

Women’s Empowerment and self-help groups

Puyalvannan (2003), Concerning with women’s access to credit and assumptions about contributions to women’s empowerment are not new. From the early 1970s, women’s movements in a number of countries became, increasingly interested in the degree to which women were able to access poverty-focused credit programmes and credit cooperatives. In Indian organizations like Self-Employed Women’s movements identified credit as a major constraint in their work with women workers in informal sector.

The problem of women’s access to credit was given particular emphasis at the first International women’s Conference in Mexico in 1975 as part of the emerging awareness of the importance of women’s productive role both for national economics, and for women’s World Banking network and production of manuals for women’s credit provision. Other women’s organizations are set up throughout the world. The credit and saving components are both increasing the women’s income and bringing women together to address wider gender issues. In the mid-1980s, there was a mushrooming of donors, government and nongovernmental origination-sponsored credit programmes in the wake of the 1985 Nairobi Women’s conference (Mayoux, 1995).

The 1980s and 1990s also saw the development and rapid expansion of large minimalist poverty-targeted micro-finance institutions and networks like Grameen Bank, ACCI On and Finca among others. In these organizations and other evidence of significantly higher female repayment rates led to increase the emphasis on targeting women as an efficiency strategy to increase credit
recovery. A number of donors also saw the female-targeted financially-sustainable micro-finance as a means of marrying internal demands for increased efficiency because of declining budgets with demands of the increasingly vocal gender lobbies.

The trend was further reinforced by the Micro Credit Summit Campaign started in 1997 which had 'reaching and empowering women' as its second key goal after poverty reduction (RESULTS 1997). Micro-Finance for women has recently seen as a key strategy in meeting not only Millennium Goal 3 on gender equality, but also poverty Reduction, Health, HIV/AIDS and other goals.

Paradigm of Empowerment

The feminist empowerment paradigm did not originate as a Northern imposition, but is firmly rooted in the development of some of the earliest Micro-finance programmes in the South, including seva in India. It currently underlies the gender policies of many non-government originations and the perspectives and some of the consultants and researchers looking at gender impact of Micro-finance programmes (Chen 1996, Johnson, 1997).10

Here the underlying concerns are gender equality and women's human rights. Women's empowerment is seen as an integral and inseparable part of a wider process of social transformation. The main target group is poor women and women capable of providing alternative female role models for change. Increasing attention has also been paid to men's role in challenging gender inequality.

Micro-Finance is promoted as an entry point in the context of a wider strategy for women's economic and socio-political empowerment, which focuses on gender awareness and feminist organization.
As developed by Chen in her proposals for a sub sector approach to micro credit, based partly on save's strategy and promoted by UNIFEM, microfinance must be a part of sectorial strategy for change which identifies opportunities, constraints and bottlenecks within industries which addresses can raise returns and prospects for large numbers of women. Possible strategies include linking women to existing services and infrastructure, developing new technology such as labor-saving food processing, building information networks, and shifting to new markets, policy level changes to overcome legislative barriers and unionization. Besides, it must be based on participatory principles to build up incremental knowledge of industries and enable women to develop their strategies for change.

Economic empowerment is however defined as individualist terms to include issues such as property rights, changes intra-household relations and transformation of the macro-economic context. Many organizations go further interventions at the industry level to include gender-specific strategies for social and political empowerment. Some programmes have developed very effective means for integrating gender awareness into programmes and for organizing women and men to challenge change gender discrimination. Some also have legal rights to support for women and engage in gender advocacy. These interventions to increase social and political empowerment are seen as essential prerequisites for economic empowerment.

**Paradigm of Poverty Reduction**

The poverty alleviation paradigm underlies many non-governmental originations and integrated poverty-targeted community development programmes. Poverty alleviation here is defined in broader terms the market incomes to encompass increasing capacities and choices and decreasing the vulnerability of poor people.
The main focus of programmes as a whole is on developing sustainable livelihoods, community development and social service provision like literacy, healthcare and infrastructure development. There is not only a concern in reaching the poor, but also the poorest. Policy debates have focused particularly on the importance of small savings and loan provision for consumption as well as production, group formation and the possible justification for some level of subsidy for programmes working with particular client groups or in particular client groups or in particular contexts. Some programmes have developed effective methodologies for poverty targeting and/or operating in remote areas. Such strategies have recently become a focus of interest from some donors and the Micro Credit Summit Campaign.

Here gender lobbies have argued for targeting women because of higher levels of female poverty and women’s responsibility for household well-being. Although gender inequality is recognized as an issue, the focus is on assistance to households and there is a tendency to see gender issues as cultural and hence not subject to outside intervention.

The term ‘empowerment’ is frequently used in general terms, often synonymous with a multidimensional definition of poverty alleviation. However, the term ‘women’s empowerment’ is often considered as best avoided as being too controversial and political. The assumption is that increasing women’s access to micro-finance will enable women to make a greater contribution to household income and this, together with other interventions to increase household well-being, will translate into improved well-being for women and enable women to bring about wider changes in gender inequality.
Paradigm of Financial Sustainability

The financial self-sustainability paradigm (also referred to as the financial systems approach or sustainability approach) underlies the models of microfinance promoted since the mid-1990s by most donor agencies and the best Practice guidelines promoted in publication by USAID, World Bank, UNDP and CGAP.

The ultimate aim is large programmes which are profitable and fully self-supporting in competition with other private sector banking institutions and able to raise funds from international markets rather than relying on funds from development agencies. The main target group, despite claims to reach the poorest, is the 'bankable poor': small entrepreneurs and farmers. This emphasis on financial sustainability is seen as necessary to create institutions, which reach significant aid budgets and opposition to welfare and redistribution in macro-economic policy.

Policy discussions have focused particularly on setting of interest rates to cover costs, separation of micro-finance from other interventions to enable separate accounting and programme expansion to increase outreach and economies of scale, reduction of transaction costs of delivery. Recent guidelines for CGAP funding and best practice focus on production of a 'financial sustainability index' which progress of programs in covering costs from incomes.

Within this paradigm gender lobbies have been able to argue for targeting women on the grounds of high female repayment rates and the need to stimulate women's economic activity as a hitherto underutilized resource for economic growth. They have had some success in ensuring that considerations of female targeting are integrated into conditions of micro-finance delivery and programme evaluation.
The term 'empowerment' is frequently used in promotional literature. Definitions of empowerment are in individualist terms with the ultimate aim being the expansion of individual choice or capacity for Self-reliance. It is assumed that increasing women's access to micro-finance services will in itself lead to individual economic empowerment through enabling women's decisions about savings and credit use, enabling women to set up micro-enterprise, increasing incomes under their control. It is then assumed that, this increased economic empowerment will lead to increase well-being of women and also to social and political empowerment.

These paradigms do not correspond systematically to any one organizational model of Micro-Finance. Micro-Finance providers with the same organizational form e.g. Village Bank, Grameen model or Cooperative model, may have very different gender policies and/or emphasizes and strategies for poverty alleviation. The three paradigms represent different 'discourses' each with its own relatively consistent internal logic in relating aims to policies, based on different underlying understandings of development. They are not only different, but also often seen as 'incompatible discourses' in uneasy tension and with continually contested degrees of dominance. In many programmes and donor agencies there is considerable disagreement, lack of communication and/or personal animosity and promoted by different stakeholders within organizations between staff involved in Micro-Finance (generally firm followers of financial self-sustainability), staff concerned with human development gender lobbies (generally incorporating at least some elements of the feminist empowerment paradigm).

What is of concern in current debates is the way in which they use of apparently similar terminology of empowerment, participation and sustainability conceals radical differences in policy priorities. Although
women's empowerment may be a stated aim in the rhetoric of official gender policy and program promotion, in practice it becomes subsumed in and marginalized by concerns of financial sustainability and/or poverty alleviation.

Problem of Empowerment

Surveys have shown that many elements contribute to make it more difficult for women empowerment through micro businesses. These elements are:

- Lack of knowledge of the market and potential profitability, thus making the choice of business difficult.

- Inadequate book-keeping

- Employment of too many relatives which increases social pressure to share benefits.

- Setting prices arbitrarily.

- Lack of capital.

- High interest rates.

- Inventory and inflation accounting is never undertaken.

- Credit policies that can gradually ruin their business (many customers cannot pay cash; on the other hand, suppliers are very harsh towards women). Other shortcomings includes:
1. Burden of meeting: Time consuming meetings, in particular in programmes based on group lending, and time consuming income generating activities without reduction of traditional responsibilities, increase women's work and time burden.

2. New Pressures: By using social capital, in-group lending/group collateral programmes, additional stress and pressures are introduced, which might increase vulnerability and reflect disempowerment.

3. Reinforcement of traditional gender roles: lack of economic empowerment: Micro finance assists women to perform traditional roles better and women thus remain trapped in low productivity sectors, not moving from the group of survival enterprises to micro-enterprises

Thus, the concept of Self Help Group is one of the components of development in India. Women have become center point in the Implementation of programmes of development or welfare. In the process of development, in the beginning, the women were not considered and as a result of failure of the other programmes of development the shift has been taken place. Therefore, the present Self Help Group Programme is a boon for the development of the India society. The empowerment of Women Empowerment through Self Help Groups would lead to benefits not only to the individual women and women groups but also for the families and community as a whole through collective action for development. These groups have a common perception of need and impulse towards collective action. Empowering women not just for meeting their economic needs but also through more holistic social development thrift societies "(MACTS) was included as Anexure-2
Self-help groups as main strategy;

Punam Kumara (2001)\textsuperscript{11} The concept of self-help groups: Despite several years of our experiment with the administrative delivery system, vast majority of the poor are still outside the fold of development process. Participation of the poor in determining their development needs has always eluded. Smoother and meaningful development of self-help groups has become one of the largest and widely accepted means of effective delivery mechanism in the world. A self-help group is a homogeneous group of primary stakeholders (poor women users etc.) formed voluntarily on areas of common interest so that they can think and plan for their development. It is a means of empowerment. It also promotes collective action paving way for transparency and accountability. Self-help groups approach is the key element of Evidences available across the country strongly favor the approach. A nationwide study of self-help groups by national bank for agricultural and rural development has shown that self-help group's bank linkages have produced positive results.

- Average asset position has gone up by 72 percent from Rs.6, 800 to Rs.11, 801; about 13 percent of the beneficiaries have increased their assets status to more than Rs. 15,000.

- The average per capita personal saving has gone up to Rs. 1,444 from Rs.460.

- The average loan amount per household through self-help groups was in the order of Rs. 8,300.

- Repayment performance consistently stood above 90 percent.

- Per thousand net incomes has gone up by over 33 percent among self-help groups members.
• No. of households below poverty line have come down by 48 percent.

• Confidence level and social development indicators have shown encouraging improvements.

**Micro credit: General Scenario in Andhra Pradesh**

Micro credit has been defined as “provision of thrift, credit and other financial services and products of very small amounts to poor in rural, semi-urban or urban areas for enabling them to raise their income levels and improve living standards”. The Self Help Groups are the most common micro finance structures in rural India. With a view to enhance the outreach of the formal credit system among the unreached rural poor, a pilot project for micro credit by linking with self-help groups banks was lunched by National Bank for Agricultural and Rural Development in 1991-92 following encouraging response of the banks to the pilot prospect. RBI in 1996 included self-help group’s bank linkage as a normal lending activity under priority sector. Since then, the synergy between banks, DRDAs and non-governmental origination made it possible for the banking system to provide micro credit to 45 lakh poor households by March 2001; at the all India level. The self-help groups-Bank linkage programme is perhaps the world’s largest and most successful micro finance programme for the rural poor.

The showcasing of micro finance products as profitable business proposition by many banks, commercial, regional rural and cooperative banks have firmly put men on the road to mainstream banking in the country. National bank for agricultural and rural development has been working as a catalyst facilitating promotion and linkage of self-help groups to the banking system. In addition, awareness creation on self-help groups in implementing special programmes and formulating appropriate development policies were the other policy measures adopted by national bank for agricultural and rural development.
Social Mobilization In, Micro finance sector in Andhra Pradesh

<table>
<thead>
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<th>(i)</th>
<th>Development of women &amp; children in Rural Area</th>
<th>3,82,000</th>
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<tr>
<td>(ii)</td>
<td>NGO sector</td>
<td>25,000</td>
</tr>
<tr>
<td>(iii)</td>
<td>Indira Mahila Yojana</td>
<td>2,000</td>
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<tr>
<td>(iv)</td>
<td>South Asia poverty Alleviation Programme(UNDP)</td>
<td>5,000</td>
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<tr>
<td>(v)</td>
<td>Integrated Tribal Development Agency(ITDA)</td>
<td>500</td>
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<tr>
<td>(vi)</td>
<td>Joint Forest Management</td>
<td>1,700</td>
</tr>
<tr>
<td>(vii)</td>
<td>Watershed Development Projects</td>
<td>3,000</td>
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<tr>
<td>(viii)</td>
<td>Mutually Aided Cooperative Societies</td>
<td>20,000</td>
</tr>
<tr>
<td>(ix)</td>
<td>Banker Promoted SHGs</td>
<td>1,200</td>
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</table>

Source :- Micro finance sector in Andhra Pradesh

There are about 4, 40,000 self-help groups reportedly functioning in the state. Most of these groups have been formed by District rural development authority under the DWCRA programme. Other Government Departments women and child welfare forest & rural development, besides a host of non-governmental origination are also involved in the forming of self-help groups. More recently, the World Bank supported APDPIP & DFID supported APRLP projects have also entered the field with in the main objective areas. Group formations are as under:

The state has about 100 lakh rural families, out of which 42 lakh households have been identified as poor. The state government has made an attempt to mobilize groups to cover these poor families. Now, many programmes entailing provision of support services to target beneficiaries are routed through these groups.

All the districts are presently covered by self-help groups- Bank linkage programme, with East Godavari leading the other districts. The significant increase in the number of self-help groups linked during the year
2001-02 was rendered possible because of the active involvement of over 90 non-governmental organizations and 22 commercial banks, 16 RRBs and 4 co-ops, banks, besides the District rural development authority as and the various Govt. Departments in all the 22 districts. Out of the 22 commercial banks, 3 were private sector banks. A notable feature of the self-help groups Bank linkage was the above 95% repayment performance under the programme. Out of more than 4200 Rural and semi-urban branches in the state, 2792 branches have participated in the programme. However, considering the presence of over 4 lakh groups, the extent of linkage is only 28% of the existing groups.

Having regard to the number of groups already formed, involvement of bank branches, the State presents immense scope for intensifying self-help groups -Bank linkage programme with capacity buildings and group consolidation being medium-term goals, the short-term goals for the strategy for self-help groups-Bank linkage programme will be to facilitate bank finance to all matured’ groups through sensitization/ training of all partners and with necessary capacity building of self-help groups to absorb external finance. Based on the projections of DCCs, the SLBC took a decision to link about 1 lakh groups during 2001-02 with credit support of about Rs. 200 crores as against the PLP projections of National Bank for Agricultural and Rural Development to the extent of Rs. 255.30 crores.

Operational strategy for accelerating credit linkage of Self-help groups (A) Widening and deepening the programed self-help groups-Bank linkage.

Various efforts for accelerating the programme include, promotion of new groups, qualitative improvement of existing groups, capacity building training programmes inducting all bank branches, etc. the strategies formulated and initiatives to be taken are discussed below:
(i) Spatial Balance

Although the state ranked first in the country in terms of the number of self-help group’s credit linked, the place of linkage in not evenly spread. Certain districts continue to lag behind. Identification of slow moving districts, determining the reason for the slow progress and taking appropriate action thereof are:

(ii) Institutional spread

Identification of slow starters/non-starter bank branches and evolving branch-specific strategy for accelerating the linkage movement are necessary.

(B) Promotion of fresh self-help groups

Considering the large number of various types of groups in the state, promotion of fresh groups is not a priory’s area as of now. However, encouraging promotion of groups in tribal tracts where group mobilization was sparse will have to take priority. Further, the group formation among vulnerable, left-out sections of the poor and the disadvantaged community will also be encouraged and supported through internationally funded projects like Andhra Pradesh Poverty Initiative’s Project (APDPIP) and Andhra Pradesh Rural Livelihoods Project (APRLP) and Credit and Savings for Household Enterprises (CASHE). There exists good scope for promotion of self-help groups among the predominantly SC/ST/BC members of 2422 coop. joint framing societies in the state which are unable to access formal credit system to the desired extent. Four training programmes have been conducted by National Bank for Agricultural and Rural Development for sensitization/creating awareness among all the DCDs and DLCOs in the state. Three special Training programmes have also been conducted by national bank for agricultural and rural development for the DFOs/Rangers and other forest officers Job promotion of self-help groups among the members of joint
for specific Management groups. Concerned agencies/Departments will have
to take initiative for promotion and strengthening of groups.

Banks as SHPIs

National bank for agricultural and rural development encourages
promotion of groups by bank branches and extends need-based grant support
on merits. So far, four RRBs in the state have already volunteered to promote
groups and formed and linked about 1500 groups. Some more RRBs had also
expressed willingness to act as SHPI. National bank for agricultural and rural
development will also continue with the programme for supporting RRBs to
take on the role of SHPIs.

(C) Capacity Building of self-help groups

Placement of capacity building organizations at the grassroots,
designing simple modules, aids and materials for training self-help groups for
member education, leadership development, accounting and financial
management, etc. are required with a view to create a cadre of district
Resource persons for downstream training of village/Mandal level Resource
persons National Bank for Agricultural and Rural Development in association
with Commissioner of women empowerment and self-employment,
started conducting training programmes for the district level resource persons.
Such district level Resource persons are expected to train village and Mandal
level. Functions arise like VDOs, animators, Gram Deepak's for training and
capacity building of the groups at the ground level.

(D) Systems improvements in self-help groups

Introduction of Standard Accounting package in self-help groups,
enhancing financial management skills in self-help groups by encouraging
preparation of micro credit plans for resource mobilization and facilitating the
development of effective monitoring and information systems for SHPIs would help enhancing sustainability of the groups. National bank for agricultural and rural development had devised the appraisal format for the banks and is attempting field-testing of the standard accounting package among select self-help groups.

(E) Strengthening credit linkage practices

Introduction of the concept of rating for selection of self-help groups and encouraging bank to adopt the appraisal system devised by National Bank for Agricultural and Rural Development would strengthen the linkage process. A state level workshop was convinced to develop consensus on the parameters that go into the rating effort and also their relative weights. Subsequently, a small working group constituted by GOAP with the convener ship of national bank for agricultural and rural development had finalized the rating norms. The same has been forwarded to GOAP for considering issue of suitable instructions for operationalization. It is expected that the credit rating and appraisal suggested by national bank for agricultural and rural development would go a long way in improving the quality of self-help groups lending.

(F) Capacity building of partner Institutions

Formulating coherent training strategy for the entire matrix of development and banking institutions involved in MF sector and designing and implementation of customized training modules for sensitizing the several factor’s for ensuring common understanding of self-help group’s concepts and linkage practices are required for the growth of the programme. During the year 2001, National Bank for Agricultural and Rural Development provided directly/associated with other agencies for providing training of officials of financing, banks/District rural development authority and other
Govt. Departments and non-governmental origination through 411 programmes. In view of the need for propagating best practices in self-help group's linkage and sustainability of the groups, it is necessary to make best use of all training facilities. Banks and non-governmental origination should come forward to organize more training programmes during the coming years.

(G) Documenting best practices

It is important for all MF practitioners to document best practices in self-help group's success stories and other important lessons learnt for implementing micro-finance programmes.

(H) Insurance products

Reaching cost-effective and sustainable insurance products to the poor clientele to reduce their vulnerability to unforeseen risks is a challenge to all MF practitioners.

(I) Micro-enterprise Development through MF

Efforts are being made to design participatory interventions for promoting income generating activities and micro enterprises through self-help groups. The efforts in this regard involved identification of eligible groups, providing capacity building training; identifying potential activities that can be profitably under taken by the groups, etc.

(J) Monitoring of self-help groups finance

National Bank for Agricultural and Rural Development has been conducting monitoring studies with the support of local banks & District rural development authority as for tracking the health of the self-help group's processes and portfolio. During the current year, National Bank for
Agricultural and Rural Development conducted a number of monitoring studies to ascertain the quality and impact of self-help group's linkage. While the studies brought out a number of the positive features, viz. Increase in the loan quantum for the self-help groups, availability of repeated loans to the groups, taking up of livelihood activities, repayments exhibited by most of the groups in range of 90 to 100% etc., a number of disturbing features had also been observed in some groups like not holding regular meetings after linkage, financial transactions conducted outside the meeting, unsatisfactory maintenance of records, multiple financing of the same group by several agencies, defaults by some self-help groups in repayment of bank loan, lack of follow up by bank branches, etc. There is an urgent need to take note of the unsatisfactory features and take corrective actions through training/sensitization. Financing banks need also mount such studies for improving quality of linkage.

Issues for discussions

The self-help groups-Bank linkage programme has reached a stage where there is now an urgent need for the micro credit providers to shift from a minimalist approach that is offering only financial intermediate to an integrated approach to ensure a long term sustainability of the groups.

i. Rating of self-help groups

All micro credit institutions have finalized a rating instrument, which needed to be implemented earnestly for quality improvement in linkage. The state Govt. may like to issue instructions for operational sign the use of the raking instrument.

ii. Capacity Building of self-help groups

Despite the vast proliferation of self-help groups the quality of a large number of these groups leaves much to be desired. Many groups have weak
management structure and loose financial dynamics. A comprehensive training strategy may have to be devised to better equip them in various aspects of management like stabilifying group dynamics, leadership, decision-making aspects, record keeping, banking aspects, management of group enterprises etc. Intensive group destructing and strengthening exercises must be taken up by associating with leading agencies like DRDAs, non-governmental origination, banks, training and consultancy organizations.

iii. Group maintenance and up keep (Matured group)

The greatest need of the hour is to ensure stability of group dynamics and consolidation of internal financial control systems to enhance the group effectiveness. Such dynamics could be maintained through insistence on basic practices and adoption of a standard accounting package.

iv. Dovetailing credit activities like project opportunity guidance, skill, training etc.

There is a need to promote business skills among matured self-help groups mainly to enable them to strengthen to make informed choices for occupational mobility by taking up suitable income generating activities.

v. Induction of the entire network of rural branches

Keeping in view the availability of self-help groups in the hook and corner of the state, it is essential that all rural and semi-urban branches of the state with have service area obligations should participate in the programme without any further delay.

vi. Waiver of stamp duty

On the line of the waiver of stamp duty for inter se agreement, the state government may grant waiver for loan agreements for self-help groups' loans.
The objectives of the study are

1. To find out the objectives and other details of Indira KranthiPatham.

2. To enquire about the benefits accrued to women beneficiaries through Indira KranthiPatham.

3. To find out the degree of empowerment achieved by women beneficiaries in

   (a) Personal

   (b) Family

   (c) Social

   (d) Socio-economic and political aspects of their life.

(1) To understand the status and problems of women in the present times

In India, the trickle down effects of macroeconomic policies have failed to resolve the problem of gender inequality. Women have been the vulnerable section of society and constitute a sizeable segment of the poverty-struck population. Women face gender specific barriers to access education, health, employment etc. Micro finance deals with women below the poverty line.

(2) To find out the objectives and other detail of Indira Kranthi Patham

The main objective of Indira Kranthi Patham (IKP) is to eradicate objective poverty in the rural areas of the state and to enable the poor in 22 rural districts of Andhra Pradesh to improve their livelihoods and quality of life. This objective is sought to be achieved through the active participation of the poor women and through their Self Help Groups and their federations. The self-help group's movement has taken firm roots in the state of Andhra...
Pradesh from 1991 onwards. With the financial support of the World Bank in the year, 2000 and 2003 the government introduced two more projects called APDPIP and APRPRP. However, these projects introduced only in selected mandal. After that the programme in 2004-05.

Indira Kranti Patham is implemented by the society for elimination of rural poverty (SERP), an autonomous society registered under public societies Act.

At the grassroots level, the community based organizations, mandalsamikhyas and village organizations —implement various project components. The village organization which is a federation of all self-help groups in a village is registered as a co-operative society under the mutually Aided co-operative society Act and the mandala samikhyas is registered year 2006-07 where, in 304 villages, the banks financed self-help groups for all their needs including retiring high cost debts, income generation needs and social needs. Each self-help groups depending on their requirements was provided financial support up to Rs. 5 Lakhs. This is a very successful intervention and in 2007-08, 4000 villages are going to be covered under total financial inclusion, in the next 3 years, all villages will be covered under total financial inclusion.

The target for Bank loans during 2007-08 is Rs. 6527.00 cores and Indira Kranti Patham has already facilitated Bank loans of Rs. 4645.15 cores as on January 2008, A.P. leads in self-help group's Bank loans programme in India with a share of around 42 percent of all loans extended to self-help groups in India.

The Government is committed to eradication of object poverty in Andhra Pradesh, and makes Andhra Pradesh, a poverty free state. The pre-requisites for this are as a federation of cooperatives.
(3) To enquire about the benefits accrued to women beneficiaries through Indira Kranthi Patham.

The self-help groups-Bank linkage is a great success story in A.P there are 4124 rural bank branches belonging to 18 commercial banks and 5 regional rural banks participating in the self-help groups bank linkage programme.

Due to pavalavaddi incentive introduced in 2004-05, bank linkages have taken a dramatic upward movement after 2004-05. The Self Help Groups in Andhra Pradesh are able to secure Rs. 84, 00/- per self-help groups which is 70% higher than the rest of India figure, which stands at Rs. 48,000/- due to the strong support given by the state Government, the banks have agreed to finance all genuine financial needs of the poor women enrolled in self-help groups. This has led to the total financial inclusion (TFI) concept in the establishment of strong self-help groups, village organizations and mandalsamikhyas, which provide regular support to their members. This also requires a financial support of around Rs. 1,00000/- per member to be given in the form of “small loans” and “big loans” over a period of 6-8 years, the Government plans to mobilize 100,000 cores by 2013-14 so that each poor women in self-help groups receives a financial support of at least Rs.1,00,000/-

(4) To find out the degree of empowerment achieved by women beneficiaries in

(a) Personal

➢ Advantages for women after joining in self-help groups;

➢ They are becoming literates so that they can do their Work as their own.
They become capable of decision-making.

They can do their works individually without depending on others.

They are able to discuss their problems with higher officials and political leaders.

They are capable of buying their own things.

They can provide education to their children.

They make themselves strong to face critical situations like sexual abuse and can solve them.

They feel that they developed the values like self-respect and self-confidence.

(b) Family

By joining in self-help groups they want their children to become literates and they feel that they are given a respectable place in their family and they are given an active participation in family matters.

They were offered a bridge loan of 20,000 under the scheme of Indiramma houses to build their own houses, they are also feeling that the human relations like husband-wife relation, parent-children relations are improved better.

(c) Social

They conduct group discussions which help to develop their capability of speaking in meetings solving the problems by taking them to the notice of officials. They feel the problem of one person as their own and discuss and give right decision in right time.
(d) Economic

They are feeling that they can improve the economic condition of their family by utilizing the scheme of ‘paavalavaddi’ they also feel that the money from their saving account can be used for purchasing gold, cattyle, etc. They feel that the decision of government of increasing the pension from 200/- to 500/- for the old and disabled helped them to improve their economic condition. They want to use to save the money in the bank accounts and use then in need and want to be free of debits and lead an independent life.

(e) Political

They also developed/improved their political knowledge. They came to know the value of vote and want to use it in a right way to select the right person as leader. They also want to participate in the elections as ward members, village Sarpanch and want to take steps to improve/develop their village they also discuss about the political parties and their role played in society and they are capable.
References


