Chapter – II

THEORETICAL FRAMEWORK AND REVIEW OF LITERATURE

This chapter deals with review of previous studies on socio economic development of women in India in general and in Karnataka in particular. In order to create a foundation for the study, to understand the various nuances and dimensions of the topic of study as well as to prepare a proper methodology and framework for the study, elaborate efforts have been made to review the available literature on the topic. Some of the significant literature and their points of view are presented here below;

2.1 Theoretical Framework

Generally, there are in a broad sense, both micro and macro economic foundations of the theory of gender economics. The gender economics theory is an important part of theoretical welfare economics. The theoretical arguments regarding the role of finance in poverty alleviation are broadly classified into two main views, the ‘Development School’ (Lipton 1998). In particular the Development School views that lack of credit is a major constraint in taking up productive activities. This argument is that there is a need to steer rural credit into productive projects and into the hands of the rural poor community. Nurkes exolained that the underdeveloped countries are plagued with vicious circle of poverty due to low productivity, low income, low saving capacity and vice versa. And, Arthur Lewis in his “Theory of Economic Growth” (1995) think that the poor in rural areas need much more capital than they save in order to invest in productive activities in the country. The excess of demand for capital can be met with the help of loans. Providing the loans to the rural poor to meet the legitimate needs and expand their opportunities in the prime requirements also.
Hence, the rural credit policies in low developed countries are not supportive to increase productivity in addition to reducing poverty problem. Hence the decades of 50s and 60’s were marked with the supply of credit, which were seen as important constraints for economic development by many developing countries. So, it was widely believed that providing accessibility to credit to the rural poor was considered essential to alleviate poverty and promote economic development also. So the informal credit markets operated widely in rural areas, high interest rates of money lenders hindered the process of investing in productive income activities by the rural community (Von Pischke 1983).

In India, the government and Donors, Multilateral Financial Agencies funded credit programmes for the rural poor through various financial institutions at subsidized rates also (Padmanaban 1988). Then the subsidized credit lending discourages the underprivileged from saving as they provided low rate of interest (Von Pischke 1992). The low rate of interest in the rural credit market leads to excess demand for loanable funds. Excess demand for credit caused credit rationing by the lenders. The subsidized credit to the rural poor in developing countries did not result in the desired goal of poverty reduction. The Government subsidized credits were labelled as credits that hardly reached the poor, generated economic rents, in efficiencies and financially unsustainable. Generally, the past progress of the state or donor sponsored rural finance operation has fallen short of expectations.

The Credit Model was subjected to serious criticism from the mid – 1970s as donor and multilateral agencies switched their attention from ‘state intervention’ to ‘market – oriented’ solution. The changes in interest rate, policies and saving mobilization became the cornerstone of new thinking regarding rural financial markets also. And the break down of the system gave rise to new awareness among the economists, policy makers and donors in order to look beyond the present credit model and take on a board about the need of institutional viability
and efficient allocation of resources in the economy. Hence, the Banking School Model emerged as an alternative to the Traditional model.

Mellor and Desai (1993) examined the ‘structuralist view’ by stating that inappropriate organizational structure of financial institutions was a major reason for poor performance in the economy. The financial institutions provide that of ‘credit alone’ services, which have not contributed to economic development in general and poverty alleviation in particular. The ‘credit plus’ approach in development banking and led to the promotion of Multifunctional Financial Institutions which were encouraged to provide credit along with non-credit services to the poor community.

Hoff and Stiglitz (1990) and their followers were instrumental in presenting what is known as the ‘Information Paradigm’ in the economy. The paradigm is primarily emphasized the problem of information asymmetry in the rural credit market. The asymmetry characterized by three interrelated situations, viz., adverse selection, moral hazard and enforcement for the poor. The operation of these mechanisms cause rationed credit and segmented credit markets in the country. Then it is incredibly significant to note that the concept of women entrepreneurship is of recent origin also. So there have been several instances of successful women entrepreneurs in the world. Various school works have highlighted the information. A few of the reviews of the theoretical studies on entrepreneurship are as follows;

Prof.Joseph Schumpeter, (1950) is one of the founders of innovation theories as well as concept of entrepreneurship programme. And Silicon Valley may be one of the few places where businesses are still aware of the ideas of Joseph Schumpeter. Professor is an Austrian economist who wrote about business cycles during the first half of the last century only. He observed that “The lifeblood of capitalism is ‘Creative Destruction’; companies rising and falling would set free innovation and in the end, make the economy development.
The Entrepreneurship forces “Creative Destruction” across markets and industries, simultaneously creating new products and business models also. As opined by professor a woman entrepreneur is a person who is willing and able to convert the latest invention into a successful innovation in the country. That is why the creative destruction is largely responsible for the dynamism of industries and long-run economic development. After that Schumpeter’s early 20th century contributions, “The Traditional Micro Economic Hypothesis” had little room for women entrepreneurship in its theoretical framework. This study was presented at the “Annual Study Group Meeting of the Association of Christian Economists in Cambridge” on 7th July 2006. Professor Schumpeter has said that “Necessity is the mother of Invention”, women entrepreneurship concept is incorporated during the course of time in the country. Prof. Joseph Schumpeter was the Finance Minister of Austria in 1919, at a time when the old Austro-Hungarian Empire was disintegrating following the First World War. Prof. Schumpeter has seen both success and failure in his life also. Professor business career incorporated success but he acknowledged himself as bankrupt in 1924 only.

Dr. Klemke E. D., R. Hollinger and A. D. Kline, (Ed) (1980) have jointly opined that, the ‘Behavioral Science’ encompasses all the disciplines; explore the activities and interactions among organisms in the natural world only. Then the Behavioral Science also involves the systematic analysis and investigation of human and animal behavior through controlled and naturalistic experimental observations and rigorous formulations for the human development. Then the women are now the dominant force in small business ownership and succeeding in industries that were once upon a time unmentionable for women in the society.

Prof. Boettke, Peter T. Leeson (2003) argued that the women entrepreneurs may perceive that they are able to solve a problem themselves only. Persistence, Perseverance and Pluck are the three characteristics of the world’s most successful women entrepreneurs only. The women need a high level of tolerance for jeopardy. Women have to believe in themselves, sometimes against great odds.
Women have to be prepared to pick up the pieces and start over again if at first they do not succeed. Hence the study has highlighted that the Theory which describes that Entrepreneurs emerge from the ‘Population on Demand’, is the combination of opportunities and people well-positioned to take advantage of entrepreneurs in the country. The country like Canada is a rich country in outstanding women entrepreneurs, large and small only. After that the economic value created for country by this talented and energetic class of individuals is phenomenal. Economists agree that the Canadian economy relies heavily on a spirit of entrepreneurship, with a predominance of small- and medium-sized companies making up the bulk of the economy also. Women have aptitude, strength of mind, skill and synergy. Women practice their chosen profession to the highest international standards only. Women operate their own firms, large and small. Women serve other companies, providing much needed professional complimentary services to a great extent to many of the Canada’s successful small- and medium-sized enterprises only. Like this, the study highlights on both the distribution of information available to budding entrepreneurs and how environmental factors change the rate of a society’s production of entrepreneurs also.

Kaiserfeld, Thomas (2006) opined that any investment into the conversion of inventions may drastically lead to latest goods and human activities. The total industrial Research and Development, significantly affects long-term economic growth by converting the nation’s portfolio of science and engineering knowledge into innovations generating latest markets and industries as well as Women Entrepreneurship development. They have concluded that the ‘existing theories of invention and innovation about an entrepreneur. Then the field study of different categories of inventions and innovations, it will establish an arrangement relying on the origins of invention and innovation highlighting individual woman qualities, social environments, resources access and incentives for problem removal. And the different theories are analyzed and compared. Finally historical trends of theories are outlined as well as some preliminary results regarding
different points of directions of existing theories also. By understanding early-stage technology development is important because a national and global capacity to sustain long-term economic growth is significant. This study also highlights about the technological innovation which is critical to long-term economic growth and empowerment of women. Many of the technological innovation consist of incremental change in existing industries and factories. The technical advance quickens and product cycles compress, established corporations have strong incentives to seek opportunities for such incremental technological changes in the society. Then, the incremental technical change alone is not adequate to ensure sustained growth and economic security. Sustained growth can occur only with the continuous introduction of latest goods and services also. The radical and technological innovations may disrupt markets and create new avenues for industries and empowerment of women.

Louise Dignard, José Havet (1995) opined that, the instances of women entrepreneurial system show several uniqueness of an entrepreneur’s group also. The study indicates that the use of institutional facilities for women entrepreneurs. Here is a promising belief that men make better enterprises. And they make better entrepreneurs than women. What we do know from various studies is that men-owned business is on the explosion whereas women-owned business is an evolution system. The study opined that women have a propensity to launch the service-based businesses only. This is flourishing in recruiting members and publicizing issues of service-based business but has not yet, achieved the straight success in accomplishing its aspirations only.

Lettice Kinunda Rutashobya (2000) advocates that ‘how women labour activists have adapted their strategies to the existing national and international institutions and changed their strategies as the processes of globalization have altered the relative power of these institutions’. The study analyses the lack of influence that woman labour activists have traditionally had in party and trade union politics and how changes in these institutions are affecting the way women engage with them.
This looks at the alternative way to campaigners’ of entrepreneurs in India. It goes on to examine the way entrepreneur’s groups are increasingly directing action at international bodies and sharing information and activities with overseas activists only.

Andrea Smith-Hunter (2003) opined that the role of women entrepreneurship and an entrepreneurial culture in economic and social development has often been underestimated also. Over the years, however, it has become increasingly apparent that entrepreneurship does indeed contribute to economic development only. It shows that economic progress has been significantly advanced by pragmatic people who are entrepreneurial and innovative, able to exploit opportunities and willing to take risks in the country. The study also opined that globalization and corporate governance has become multi-layered strategies that are all formulated at a sub-state or state level only. The women activists have, in recent years, concentrated their activities at the local state level, or, as shown in section, at the transnational level only.

Dina Lavoie (1988), observed that the private sector development and Women Entrepreneurship development are essential ingredients for achieving the ‘Millennium Development Goal’ of reducing poverty problem. Then the sound ‘Macro Economic Policies’ and providing market access are crucial, emerging markets need to nurture and develop entrepreneurs who are able to take advantage of opportunities. The study highlights that the transmission of control to local assemblies has resulted in the entirely pragmatic decision by feminist activists to deliberately target local governments also. The strategies include joining advisory committees or attempting to aid the election of candidates who will champion feminist causes only. The women would be empowered if they entered the decision-making fields from which they were largely excluded sections.

Hasegawa, H. and Hook, G. (2001) argued that the private sector development has been a powerful engine of women empowerment and crucial for
quality improvement, economic growth wealth creation and employment opportunities for the poor section. And there are signs that Parliament and local government are opening up to women and those women who have entered formal politics have tended to have both a high profile and a feminist agenda only.

Stephen Cheng Innovation Theorist (2003) analysed the secret of Thomas Edison, the Wright brothers and numerous great inventors. The thought is called ‘Logical Analysis’. Stephen Cheng Innovation Theorist says that “I shall demonstrate that this same methodology may be applied in helping us solve one of our more serious problems, such as “why are identical twins alike?” Every creativity study says you do not need to possess high level of academic knowledge in order to make an important discovery also. Hence today we can demonstrate how this is done for the betterment of the society.

Thomas A. Edison (1931) has argued that entrepreneurship is a kind of innovation, which leaves the bulk of the inventor’s estate. Thomas Edison has made numerous careful studies of sound characteristics. He had hypothesized that every sound (e.g., the phrase “Good Morning”), had its own unique vibration waveform. On this basis, he set about reproducing sound by creating an identical sound vibration system. The ultimate led him to the invention of a ‘Talking Machine’ or Phonograph (Machine in which rotating records cause a stylus to vibrate and the vibrations are amplified acoustically or electronically). Only later, with the invention of the oscilloscope, did it become technologically feasible to prove that his hypothesis had been corrected. Hence, according to him Entrepreneurship is something unique in nature.

Edwards D. Ashmore and Potter J. (1995) have studied about the History of the Human Sciences and challenges in the society. There is need to re-introduce a logical analysis methodology back into our schools and into our research environments also. Hence it is need to promote logical analysis which is very essential to any woman entrepreneur. The logical analysis to uncover latest scientific knowledge, we need to come up with the most suitable hypothesis and verify this idea with experiments in the country.
2.2 Review of Empirical Studies

The empirical studies are applied research studies. They help us to test the theories or models and also provide insights to reformulate old theories and models and/or formulate new theories and models. Here we have made an attempt to briefly review the important studies relating to the role of SHGs and Women Development programmes in empowerment of women in India.

Aloysius P Fernandez (2003)\(^1\) opined in the study that the impact of Self Help Groups on the social / empowerment status of women in India. It is found from the Study that members in three year old groups perceive themselves as stronger on almost all the studied parameters, with the exception of a few parameters where the difference between the one year old and three year old groups is not very significant. Stanley Fischer (2003)\(^2\) opined that not only can microfinance help people emerge from poverty, but also can be an effective strategy to reach other Millennium Development Goals, particularly those relating to promoting children’s education, improving health outcomes for women and children, and empowering women in India. And improvements in these areas can be sustained only when households have increased earnings and greater control over financial resources in the society.

Banerjee (1994)\(^3\) studied that compared to other explanations; arguments based on peer monitoring are more successful in explaining the success of group lending schemes and projects also. It has been illustrated that how imposing joint liability on borrowers can alleviate adverse and more hazard problems. So, the variables they emphasise in order to demonstrate peer monitoring are slightly different aspects.

Ghatak (1999)\(^4\) opined that group lending could lead to homogenous group formation system. He affirms that joint liability and self-selection in credit could lead to positive assertive matching so that borrowers of the same type club
together also. Safe borrowers will from credit cooperatives and risky borrowers will be left aside in the country.

Madhura Swaminathan (2007) 5 opined in the study of the Microcredit Alternative? Observed that microcredit has been receiving a significant amount of attention all over the World, especially in developing countries. It is felt that by providing microcredit to the poorest of the poor, the gap in the formal rural credit sector can be filled for the purpose. A majority of such projects are now being controlled by non-government organizations in the hope that they will be able to overcome the weaknesses in the banking system only. However, while small-scale rural credit is necessary, overall credit policy must build on the strengths of the banking system in India as its mainstay also.

Sudhir Varma (2001) 6 argued in the study of Women’s Development: Policy and Administration observed that the issues relating to women in development which started getting crystallized in the early seventies have by now assumed proportions which cannot be ignored by policy planners and administrators anywhere in the World. Different governments have responded differently to the exhortations made from time to time to create national machinery’s to meet the challenges thrown up by this new dimension of development in the economy.

Shivashankar Reddy A.V and Chitrashkekhar Chiralli (2009) 7 jointly argued in the study on “SHGs and the Political Participation of Women in Panchayat Raj Institutions: A Case Study” opined that the self help group programme in Kalyanadurgam mandal has become an instrument for the socio-political development of people. There are few lacunas in the implementation of the programme; however this could be overcome by constant efforts of the administrators and poor in the society.

Anil Bhuimali and Bipul Malakar (2008) 8 observed in his study on
“Women, Globalization and Development” analyzed the important issues like women literacy and education, privatization of higher education, human rights, self help groups, population growth, poverty and unemployment problems. The ultimate goal of empowerment is to ensure women’s participation in the political, and social decision making process at the local, regional and national levels also.

Amartya Sen and Grown (1988)\(^9\) opined that the feminist empowerment paradigm did not originate as a Northern imposition, but as noted above is firmly rooted in some of the earliest micro finance programmes in India. And the underlying goals are gender equality and women’s human rights as set out in the 1979 convention on the elimination by the international women’s movement. The term empowerment is conceived as a multidimensional process involving challenging existing power relationship and inequalities at different inter-linked levels also. Economic empowerment itself is defined in more than individualist terms to include issues such as property rights, changes intra-household relations and transformation of the macroeconomic context in the society.

Hamsaveni .V (2009)\(^10\) analysed in the study entitled “Study on the Family Support of Women Employees” argued that when education of women improves automatically the income of women increases, when income increases the child care support is good and the status in the family is also satisfactory. The encouragement from the family and child care support educated women is proving to be successful. With more awareness on right education for girls our country will face a powerful female workforce who strikes the balance between work and family also.

Kaladhar.K (1998)\(^11\) analysed in the study that the benefit of the programme should be at least as great as the cost of lost working time of households to participate in micro credit programmes in the economy. Kaladhar stated that micro credit programmes are not relevant for the poorest and the most illiterate, because of their poor ability to bear risks also. Hence these programmes are helpful for those women in rural areas whom cannot be wage employed outside
home or for those who do not have the ability to join formal labour market system.

Evans (1999)\textsuperscript{12} opined that the poorest were not able to collectively participate in many programmes due to lack of continuous supply of credit from the programmes, lack of registration fees, high opportunity cost of lost working time, lack of awareness of the group action rather than individual action also. Generally the same idea was promoted by Satish (2001)\textsuperscript{13} in the Indian circumstances. He suggested that the poorest were hesitant to participate in many programmes since they were not confident about their capacity to save for the improvement.

Lalitha.K and G.Prasad (2009)\textsuperscript{14} jointly argued in their study on “Empowerment of Women: DWCRA Programme” observed that the potential of the women at present is not fully tapped and utilised for the community empowerment. The woman is given her proper role in the various activities of the community namely, social, economic and political field’s women will be able to plan mould and activate various programmes for the betterment and the development of the community also. The women must be made to assert her to legislature and also through providing more opportunities in the administrative set up in the country.

Reddeppa Reddy .A and K.Narasimhulu (2009)\textsuperscript{15} jointly opined in the study on “SHG in India: A Tool for Urban Poverty Eradication” analysed that the linkages between different approaches towards development, poverty reduction and empowerment must be considered for the empowerment. The economic indicators of poverty and other determinants of human poverty in terms of health and education require attention also. Hence, social poverty, which manifests in the presence of evils like caste, dowry and alcohol, needs to be checked. In India, which is a home to a third of the World’s poor and where have been discriminated for generations, thousands of poor in general, and poor women in particular are spearheading a silent revolution in this field also.
Ruby J.A James Devassia and Abraham George (2009) observed in the joint study of “Women Empowerment: Meaning, Characteristics and Dimensions” observed that women empowerment aims enabling them to realize their identity, potentiality and power in all spheres of their livelihood security. This includes five dimensions viz., economic, political, social/cultural, personal and familial. And each dimension is very important because the real empowerment of women is possible only when a woman has increased access to economic resources, more strength and courage for entering into the power structure, more involvement through social and cultural relationships and participation, for their development.

Seibel and Parhusip (1998) argued that group-lending idea in their study on outreach and sustainability of micro-finance institutions in Indonesia also. The micro credit programmes had improved outreach in terms of number of savers where more than 94% of the profit was from individual lending also. Bratton (1986) observed in a comparative study of the individual and group lending credit schemes in Zimbabwe, Africa found that the group lending was not effective in times of severe drought, since chances of default are very high patren. He has analysed taht how group repayment rates can fluctuate according to changing external circumstances. They have also stated that the key ‘organizational factors making voluntary repayment are cohesive groups, strong community leadership and firm but flexible staff supervision also. They confirmed that either a selective incentive or coercive sanction is required to enforce joint liability and maintain group formation activity.

Datta and Raman (2001) observed in the study that the heterogeneity and social cohesion existing in the SHGs of Andhra Pradesh state also. The study observed out that sociality among the members assured timely repayment and avoided adverse selection and misutilisation of funds by the respondents. Hence, dynamic incentives built into the groups ensured a high repayment, because further loans are made available only to those groups in the society.
Munian .A (2009) 20 opined in his study on “Micro Finance and Poverty Reduction: Analytical Issues” observed that the SHG Bank Linkage approach is found to be an effective instrument by which very poor people can access hassle free formal credit without any collateral security and simultaneously improve their thrift habits also. The method also contributes to a social empowerment of the women in the society. Hence, the linkage and its impact can be made sustainable with the sincere interventions by the promotional agencies particularly the banks and block authority in the areas of awareness building, skill development and training of the women.

Raja Rajan (2009) 21 opined in the study on “Gender Equality and Empowerment of Women in India” analysed that in India, the earlier phase of development planning, the concept of women’s development was mainly welfare oriented programme. In the Sixties, women’s education received priority along with measures to improve maternal and child health and nutrition services also. In Seventies, there was a definite shift in the approach from welfare to development which recognized women as participants in development programmes also. During the eighties, the Government of India adopted a multi-disciplinary approach with a special thrust on the three core sectors of education, health and employment opportunities.

Sankaran.A (2009) 22 stressed in the study of “Trend and Problems of Rural Women Entrepreneurs in India” opined that even though, women are playing a vital role in all developmental aspects of a nation, they are not properly recognized in general and entrepreneurial activities in particular system. The Women continue to be discriminated, exploited and exposed to inequalities also. We can say that this is very real in business circle and in universal and rural entrepreneurial activities based education, training facilities, capacity building and management skills are to be provided for the women.
Subbalakshmi.A.V.V.S (2008) 23 proved in her study entitled “Micro Finance: A Study of Sample Blocks of Kancheepuram” observed that micro finance programmes have been very successful in reaching women. This shows that microfinance institutions an extra ordinary opportunity to act intentionally to empower poor women to minimize the potentially negative impact some women experiences also. The World Education found that the combination of education and credit put women in a stronger position to ensure more equal access for female children to food, schooling, and medical care facilities.

Gummadi Apparao (1999) 24 opined in the study of “Rural Women and Poverty Alleviation” analysed that rural women are to be associated with poverty alleviation programmes right from the planning stage to make the programmes need based approach. This type of projects to help solve the area specific problem is to be formulated with active participation of rural women development. The necessity like education, training and health etc., vary depending on their ages also.

Puyalvannan.P (2001) 25 observed in his study on “Micro Finance and Women Empowerment through CRUSADE” reviewed the role of CRUSADE in empowerment of Women, he observed that Centre for Rural Systems and Development a non-governmental organisation opted to work with women and children as they are considered most vulnerable sections of the community development. The CRUSADE supports poor, ladles women to organize themselves into self-help groups focussing on savings, health care and their children’s education system.

Abdul Raheem.A and Yasmeen Sultana (2007) 26 opined in the joint study on “Empowerment of Women through Self Help Group: A View” opined that the unemployment problem prevalent in India sharply differs from that which prevails in the Western nations also. And there are a number of possible routes to the promotion of self-employment position. The Promotion and strengthening of Self Help Groups is one
of them also. Hence more and more Self Help Groups should be encouraged in order to eradicate poverty through self-employment and at the same time empower women which in turn lead to overall economic development in the country.

Sudhir Raj .K (2002) opined in his study on “Micro Finance and Empowering Rural Women” viewed that micro credit through SHG experiments is being viewed today as one of the powerful tools for alleviating poverty and empowering the rural women development. The development thinkers are constantly in search of practical, workable solutions to the deep rooted challenges of poverty eradication, micro credit through SHGs appears to be an exciting solution by delivering financial services at an appropriate scale and by mechanism approachable to rural people empowerment.

Thingalaya.N.K (2001) proved in his study on “Microfinance and Rural Employment: An Appraisal of the Potentialities” observed that for enabling the SHGs to play their assigned role efficiently, there is an imperative need for avoiding target fixation, subsidy distribution and political intervention also. The urgent necessity of providing vocational training, general guidance and organisational support for marketing facilities. The small commonwealth of self-help groups has to be protected from political interference and excessive state intervention.

Binay Kumar Sahay (2002) observed in the study of “Empowering Community for Sustainable Livelihood through Jankar System” rightly observed that the jankar system developed by the project leads towards framing of a plan for integrated development, scaling up the capacity on different components and empowering the community for sustainable livelihood security. Then the jankar becomes a cost effective and sustainable tool in the development process looking for shifting the responsibilities to ensure the participation of the community in planning, implementation, monitoring as well as evaluation process in order to improve the livelihood pattern of the rural poor empowerment.

Santhoshkumar.S and R.Vasanthagopal (2010) observed in their study on
“Micro-credit Dispensation Models and Employment Generation” focussed on the micro credit delivery in Kerala through NHGs, SHGs and IB models also. It has helped them generate both full-time and part time self employment even up to 20 days in a month at a very low investment factor. And the efforts should be made to cover more women through micro credit in poverty prone states in the country which will be a great move to find employment and income for the impoverished female population in the country.

Komala.K and Chikkarangaswamy (2010) 31 analysed that in Mysore district SHG’s have been playing a vital role in the empowerment of women in rural areas. It is an important institution for improving the life of women on various social and economic components also. The women inclined towards SHG is increasing which implies that women are aspiring for equality, self-confidence and self-respect in the society.

Roy.K.C (2001) 32 discussed that increases in women’s income and income earning opportunities improve the family’s living standard, enhance the family’s social status, raise the age of marriage, reduce the pressure on women’s health and time and on them to have more children also. The Property rights, availability credits, inputs, and marketing facilities make poor women more independent economically and facilitate the process of sustainable growth and development of the economy. They examined the issues affecting rural women’s access to employment, land, other resources in the economy.

Heggade.O.D (1998) 33 opined in his study on “Developing Rural Women Entrepreneurship: A Case Study of Financing and Promotional Role of Public Sector Banks” attempted the evaluation of the output, employment, income effect of the growth of women entrepreneurs and the possible reductions in gender-bias in resource allocation to promote the participation of women in socio-economic development in the economy.
Ojha.R.K (2001) discussed about the self help group model of self-employment generation seems to be a workable model also. So, there will be need for utmost care in promotion of self help groups in the country. They have to adopt absolutely participatory approach towards identification and strengthening of self help groups. There should be simply facilitate the process and let the villagers/people evolve their own mechanism for formation of groups in the country.

Pushazhendhi. V. (2000) in the study on the Evaluation of Self Groups has stated that SHGs are characterized by small size, usually limited to less than 20 members per group in the society. And the homogeneity in terms of socio-economic conditions and levels of living from the basis of the group formation. Regular meeting, on a weekly or fortnightly basis, including the habit of thrift, creating a common fund through contributions by way of savings from the members, on lending to its members, availing credit support from financial institutions with collateral substitutes, are some of the major binding factors in the group functioning for their betterment.

Gupta.A. (2001) discussed that the Self-Help Group–Bank Linkage Programme, Launched by NABARD in 1992, is a landmark in the field of micro–financing in India. The programme targeted to organize SHGs of 15-20 persons from the economically homogeneous strata to regularly save the amounts from their earnings, cooperatively agreeing to contribute to a common fund, meeting their emergency needs, taking democratic decisions, resolving conflicts through discussion in open forum and providing surely free loans at market driven rates to members on the terms decided by the groups. By considering their savings pattern, SHGs are given the bank loans to fulfill the loan requirements of its members also.

Singh.G.P. (2001) observed that the Self-Help Group (SHG) is a voluntary informal group of 10-20 rural people formed with the objective to encourage the poor villagers to mobilize their savings for meeting their cash requirement, develop
habit of management of income, link them with the banks to avail credit facilities for productive use also. SHG has to perform various activities like collection of contribution towards saving and repayment of loan, make available credit facilities to needy persons, discuss various development plans and income generating enterprises in the village, maintain records and accounts, etc. The Credit facilities are provided by the SHG on the basis of fulfillment of certain conditions like regularity in group meetings and savings, utilization of saving for internal lending, etc. The SHG groups that are awarded more than 75 marks based on an appraisal of their performance are considered for credit linkage with banks linkages also.

Hosmani. S.B. (2001) discussed that the SHG Bank Linkage Programme has made rapid strides in Karnataka as well as in the country as a whole in the country. The number of groups in the state and the country has shown a remarkable growth of 92 and 94 % respectively. In the state of Karnataka, more number of SHGs was concentrated in the southern part and in recent years the trend has been reversed with more concentration towards the northern part of the state. And the agencies involved by Regional Rural Banks (54 %) and commercial banks (40 %) respectively.

Atal Bihari Vajpayee (1999) noted that “the concept of Self Help Groups is of immense importance in the realization of our goal to take banking services to the door steps of the poor people. All are useful for freeing the poor people from the clutches of moneylenders also. The network of vibrant grassroots banking organizations is the surest guarantee of socio–economic empowerment of the poor and especially of poor women development”.

Sharma K.C. (2001) notified that significant changes in the living standards of SHG members have taken place in terms of increase in income levels, assets savings, borrowing capacity and income generating activities also. Hence the caution needs to be exercised to safeguard healthy growth of SHG movement in India. The important challenges are real and change agents will have to struggle
for keeping the SHG movement away from subsidy oriented programme like Swarna Jayanti Gram Swarazgar Yojana, differential rate of interest scheme, integrated rural development programme, scheme of urban micro enterprises, twenty point programme – 1986, Prime Minister’s Rozgar Yojana for educated unemployed youths also.

Nedumaran. S. (2001)\textsuperscript{41} opined in a study on performance and impact of Self-Help Groups indicated that more than 62 % of the members were scheduled castes/tribes and about 67 % were illiterates. And the main occupation of about 70 % of the members was agricultural labours. And 47 % of SHGs were registered as with their saving performances. Then the saving and the over age loan group member in the groups showed an increase based on the age of the groups. The average annual saving per member was Rs.550 in the Self – Help age group 2–3 years, which almost doubled and the loan advanced increased by 33 % after a period of four years, the repayment of loan was to the extent of 95 to 98 %. The annual net family income of the members in the post– SHG situation increased by 20 % over the pre– SHG situation gradually.

Aloysius P Fernandez (2003)\textsuperscript{42} analysed the impact of Self Help Groups on the social / empowerment status of women in India. It was found from the Study that members in three year old groups perceive themselves as stronger on almost all the studied parameters, with the exception of a few parameters where the difference between the one year old and three year old groups is not very significant ratio.

Stanley Fischer (2003)\textsuperscript{43} studies that not only can microfinance help people emerge from poverty, but also can be an effective strategy to reach other Millennium Development Goals, particularly those relating to promoting children’s education, improving health outcomes for women and children, and empowering women particularly. Improvements in these areas can be sustained only when households have increased earnings and greater control over financial resources in the country.
Sudhir Varma (2001)\textsuperscript{44} noticed in the study of Women’s Development: Policy and Administration observed that the issues relating to women in development which started getting crystalised in the early seventies have by now assumed proportions which cannot be ignored by policy planners and administrators anywhere in the World also. And the different governments have responded differently to the exhortations made from time to time to create national machinery’s to meet the challenges thrown up by this new dimension of development process.

Lalitha.K and G.Prasad (2009)\textsuperscript{45} studied in their study on “Empowerment of Women: DWCRA Programme” observed that the potential of the women at present is not fully tapped and utilised for the community development. The woman is given her proper role in the various activities of the community namely, social, economic and political field’s women will be able to plan mould and activate various programmes for the betterment and the development of the community also. The Women must be made to assert her to legislature and also through providing more opportunities in the administrative set up also.

Reddeppa Reddy .A and K.Narasimhulu (2009)\textsuperscript{46} observed that in the study on “SHG in India: A Tool for Urban Poverty Eradication” analysed that the linkages between different approaches towards development, poverty reduction and empowerment must be considered gradually. This is not enough to address the economic indicators of poverty problem. And the other determinants of human poverty in terms of health and education require attention also. And, social poverty, which manifests in the presence of evils like caste, dowry and alcohol needs to be corrected. In India, which is a home to a third of the World’s poor and where have been discriminated for generations, thousands of poor in general, and poor women in particular are spearheading a silent revolution also.

Ruby.J.A James Devassia and Abraham George (2009)\textsuperscript{47} discussed in the study
of “Women Empowerment: Meaning, Characteristics and Dimensions” observed that women empowerment aims enabling them to realize their identity, potentiality and power in all spheres of their lives security. This is mainly five dimensions viz., economic, political, social/cultural, personal and familial.

Gummadi Apparao (1999) 49 in the study of “Rural Women and Poverty Alleviation” analysed that rural women are to be associated with poverty alleviation programmes right from the planning stage to make the programmes need based. The need based projects to help solve the area specific problem are to be formulated with active participation of rural women. The needs like education, training and health etc., vary depending on their age. The unfelt needs are to be made felt needs through motivation for ensuring better results.

Puyalvannan.P (2001) 50 in his study on “Micro Finance and Women Empowerment Through CRUSADE” reviewed the role of CRUSADE in empowerment of Women, he observed that Centre for Rural Systems and Development a non-governmental organization opted to work with women and children as they are considered most vulnerable sections of the community. The CRUSADE supports poor, ladles women to organize themselves into self-help groups focussing on savings, health care and their children’s education.

Abdul Raheem.A and Yasmeen Sultana (2007) 51 in the joint study on “Empowerment of Women through Self Help Group: A View” opined that the unemployment problem prevalent in India sharply differs from that which prevails in the Western nations. There are a number of possible routes to the promotion of self-employment. Promotion and strengthening of Self Help Groups is one of them. So more and more Self Help Groups should be encouraged in order to eradicate poverty through self-employment and at the same time empower women which in turn lead to overall economic development.

Rural Women” viewed that micro credit through SHG experiments is being viewed today as one of the powerful tools for alleviating poverty and empowering the rural women. As development thinkers are constantly in search of practical, workable solutions to the deep rooted challenges of poverty eradication, micro credit through SHGs appears to be an exciting solution by delivering financial services at an appropriate scale and by mechanism approachable to rural people.

Thingalaya.N.K (2001)53 studied in his study on “Microfinance and Rural Employment: An Appraisal of the Potentialities” observed that for enabling the SHGs to play their assigned role efficiently, there is an imperative need for avoiding target fixation, subsidy distribution and political intervention also. The urgent necessity of providing vocational training, general guidance and organisational support for marketing. And the small commonwealth of self-help groups has to be protected from political interference and excessive state munificence.

Binay Kumar Sahay (2002) 54 observed in the study of “Empowering Community for Sustainable Livelihood through Jankar System” rightly observed that the jankar system developed by the project leads towards framing of a plan for integrated development, scaling up the capacity on different components and empowering the community for sustainable livelihood. The jankar becomes a cost effective and sustainable tool in the development process looking for shifting the responsibilities to ensure the participation of the community in planning, implementation, monitoring as well as evaluation process in order to improve the livelihood pattern of the rural poor community.

Komala.K and Chikkarangaswamy (2010)55 noticed that in Mysore district SHG’s have been playing a vital role in the empowerment of women. This is an important institution for improving the life of women on various social and economic components. The number of women inclined towards SHG is increasing which implies that women are aspiring for equality, self-confidence and self-respect.
Roy.K.C (2001) argued that increases in women’s income and income earning opportunities improve the family’s living standard, enhance the family’s social status, raise the age of marriage, and reduce the pressure on women’s health and time and on them to have more children. Property rights, availability credits, inputs, and marketing facilities make poor women more independent economically and facilitate the process of sustainable growth and development of the country. He has examined the issues affecting rural women’s access to employment, land, other resources and markets.

Murugan and Dharmalingam (2000) conducted a study on SHGs in Tamil Nadu and documented that weekly meetings were held for savings and repayment while discussions regarding social and community issues were held on fortnightly basis.

Puhazhendi (2000) reported that regularity in attending meetings and saving habit was a disciplinary measure in SHGs and in 46% of the SHGs, the group meetings were organized on a weekly basis whereas in 26% of the groups fortnightly group meetings were organized. The remaining SHGs followed a system of monthly meetings the promptness and regularity of attendance was high in the functional non-government SHGs (88.89%), and medium in quasi-government (50.00%). It had a positive and significant relationship with the groups and the female respondents expressed significantly greater promptness and regularity in attending SHG meetings.

Vasudeva (2003) observed in the study conducted in Andhra Pradesh found that only 20% of the groups were formed out of own interest. In 76% of the cases, group meetings were regularly conducted once in a month in which majority of the members participated regularly to achieve their objective. Unfortunately in 93% of the groups, there was no change of leadership since their inception, and nearly 80% of the groups received financial assistance from banks linkages also.
Arunkumar (2004) observed in a study conducted at Chitradurga and Bidar districts of Karnataka reported that, with respect to frequency of meeting all the 15 groups conducted weekly meetings and nearly 86.66% of members showing more than 75% of attendance is important.

Josily (2006) discussed in a study conducted at Dindigal district of Tamil Nadu reported that 73.4% of the groups conducted meetings and members were attending the meetings regularly to contribute their savings on the fixed day also.

2.3 Research Gaps

Various researchers have studied about SHGs and empowerment of women in different perspectives. The earlier studies were mostly on the impact of SHGs programmes on poverty alleviation in the country. And the later studies recognized the significance of women participation in the micro-finance activities. The impact of women borrowing from micro-finance groups on other household members, their power to make social, political and economic decisions and the overall empowerment were reflected in these studies. The recent studies were more on the sustainability of the programme. Thus the focus was on the financial sustainability with the amount of loan disbursement, cost structure, loan recovery rate, cost of funds etc. on the basis of these studies we may say that none of the studies have conducted on the role of stree shakthi programme on economic empowerment of women in Karnataka in general and in Mysore district in particular. To fulfill this gap the present study has been undertaken.
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