INTRODUCTION

Self Help Groups (SHGs) of women in India have been recognized as an effective strategy for the empowerment of women in rural as well as urban areas bringing women together from all spheres of life to fight for their rights. The access to credit can be seen as the motivational factor behind the formation of SHGs and the bond that sustains the groups over time. However, SHGs have a potential that goes beyond the mere economics of loan management. Once a group has been formed, the savings link is established and the group meets on a regular basis and gradually the groups tend to take on a much wider social role. On being, savings linked with the banks, the SHGs are further credit linked. This helps to meet the credit needs of the women. More precisely the SHGs provide a forum in which people can meet on a regular basis and discuss various issues or concerns that the members face in their day-to-day life.

It has been realized that group approach is relatively more effective and sustainable to initiate and implement developmental efforts. There has been phenomenal growth in the Self Help Groups across the nation. The Grameen model, put forth by the Nobel Laureate Prof. Mohammed Younus of Bangladesh, convinced the world about the fact that ‘poor are bankable’. In addition it laid a stress on the dual objective achieved viz. poverty alleviation as well as empowerment of individuals especially women.

1.1 WOMEN EMPOWERMENT

Empowerment has been defined by many in distinct ways. It is in fact the ability of an individual to lead his/her life as per his notions or desires. It may also be said that every individual has got the right to take care of his own life. However, multiple factors influence the individual and dictate the manner in which he leads life.
According to the World Bank’s Empowerment Source book, “empowerment is the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control and hold accountable institutions that affect their lives”\(^1\). In other words empowerment is understood as an attribute that enables poor people to discover their potentials as individuals and as groups and propels them to design their lives.

It is the process of transforming those without power to a level where they can exercise their choices and control these alternatives. Empowerment as per Wallerstein and Bernstein (1988) is a social process that promotes participation of people, organizations and communities in gaining control over their lives in their community and larger society\(^2\). Participation has been looked upon by many as an important ingredient of empowerment. The major functions determining participation are immediate material and social benefits, anticipated future benefits and symbolic benefits like increased status (Kindervatter, 1979)\(^3\). This basically led the planners and the policy makers to focus on a participatory approach to achieve empowerment.

The wholesome development of any nation calls for optimum utilization of its human resources, without any discrimination. But unfortunately in the third world countries, including India, women have been subjected to subjugation and subordination from times immemorial. Though women occupy half of the Indian population, they have been denied equality of status and opportunities in social, economic and political sphere. Various indices of development and socio-economic status of men and women if compared reveal that women of all regions and strata have fared worse than men.

The Human Development Reports since 1999 state that practically no country in the world treats its women as per the measures of life expectancy, wealth and education. The developing countries suffer from urgent problems where caste, class and gender disparities result in incapacitating the women.
With this backdrop it was necessary to find out the systems which can contribute to meeting the challenge of providing this deprived class of the society with an amicable environment. Various researches have stated that financial or economic independence can give women the opportunity for empowerment. For this it is necessary to bring these women in the mainstream of the financial system. An attempt was made by spreading the network of nationalized banks in every corner of the nation. However, the individuals from the rural areas especially women could not be provided with the financial assistance. There were many reasons underlying like the societal norms, the needs of these women did not match with the loaning norms of the banks and the hesitation of the banks in treating the poor as bankable. Mainly as a result of the inaccessibility of the formal banking system to the poor, micro financial institutions emerged, which act as an impetus to community action\textsuperscript{4}. Microfinance in fact has proved that lending to poor people is both possible and profitable.

\subsection*{1.2 MICROFINANCE}

Credit is an indispensable need of every individual irrespective of gender, caste and creed. Initially the money lenders formed the major source of credit for all. The money lenders were easy to access and credit was made available without any cumbersome documentation. However, the exorbitant interest rates led to exploitation of the society and hence necessitated the operation of a well organized funding sector. Thus came into existence the banking sector.

To meet this credit need the banking system was devised and gradually spread out in every nook and corner of India. Over the passage of time it was observed that the banking services could not reach the poor individuals, especially the women. It was also found that the nature of credit needs of poor differ from that of others. It thus became necessary to design such system which could successfully satisfy the requirements of the unbanked population of society. Various programmes and policies were designed for the same from time to time. But none of them could provide a viable solution of the problem.
In the search of such system, the concept of ‘Microfinance’ as experimented in Bangladesh formed an ideal for all. The efforts made by Dr. Mohammed Younus, the Noble Laureate, are worth appreciation. The small step taken by him on an experimental basis in 1974, has now taken the form of a big leap all over the world. It has provided millions of poor households with something that seemed to be unreachable and impossible. Thus, those locked out of the world of banking have found a way out in the form of microfinance. In India, microfinance delivery is made largely through Self Help Groups. It is taking a voluminous shape today through the SHG-Bank linkage programme of NABARD.

1.3 SELF HELP GROUPS

With the realization about the feasibility of microfinance in the third world countries the policy makers experimented with the microfinance philosophy through the SHG-approach. Self Help Groups are informal groups formed of individuals who can get along well with each other.

According to NABARD:
“Self Help Group (SHG) is a small voluntary association of poor people, preferably from the same economic background. They come together for the purpose of solving their common problems through self-help and mutual help. The SHG promotes small savings among its members. The savings are kept with a bank. This common fund is in the name of the Self Help Group. Usually, the number of members in one SHG does not exceed twenty”\(^5\).

The Self Help Group has also been defined as a voluntary group valuing personal interactions and mutual aid as a means of altering or ameliorating the problems perceived as alterable, pressing and personal by most of its participants\(^6\).

The basic principles of Self Help Groups are group approach, mutual trust, organization of small and manageable groups, cohesiveness, spirit of thrift, demand
based lending, collateral free, and women friendly loan, peer group pressure in repayment, skill training, capacity building and employment\(^7\).

Today we find the SHG approach to be one of the most effective strategies for poverty alleviation as well as women empowerment. The SHG-Bank linkage programme run by NABARD is an example of its effectiveness. The progress of microfinance so far has been modest. A notional estimate of the poor benefiting from it is 5 per cent at the all-India level, as compared with 65 per cent in Bangladesh\(^8\). There has been a rapid expansion of SHGs and credit disbursals through them. The number of SHGs linked with banks rose from barely 500 in early 1990s to over 8,00,000 in 2004. Between 1999-2003, the number shot up from 32,995 to 7,17,306, an increase of more than 2000 percent\(^9\). Its outreach in terms of number of SHGs having accounts with the banks is 61,21,147 as on 31\(^{st}\) March, 2009. The enormity of the programme and its growth in last three years is understood from the following table:

**TABLE NO.1.1**

PROGRESS OF MICROFINANCE AS ON 31/03/2009

(Rs. In crores)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of</td>
<td>Savings</td>
<td>No. of</td>
</tr>
<tr>
<td></td>
<td>SHGs (Cum.)</td>
<td>with banks (Rs.)</td>
<td>SHGs (Cum.)</td>
</tr>
<tr>
<td>Status as on 31(^{st}) March</td>
<td>41,60,584</td>
<td>3512.71</td>
<td>50,09,794</td>
</tr>
</tbody>
</table>

Source: Report on Status of Microfinance in India 2008-09\(^{10}\)

From table no.1.1 it is clear that within a span of 15-17 years there has been phenomenal growth in the SHGs in terms of quantity. The table also depicts a
substantial growth in the amount of savings of the SHGs with the banks. These figures unveil the fact that not less than 612 lacs of people who could not have access to the formal financial system could be brought into the mainstream by means of the Self Help Group approach. This is indeed a remarkable achievement though at a gradual pace.

1.4 LITERATURE REVIEW

The review of the research literature pertaining to the study undertaken becomes essential for the researcher in order to have complete and thorough information of the work done in this field. Here, an attempt has been made to review the relevant and available studies and research work. The study focuses on linking the triad-Microfinance- Self Help Groups and Women Empowerment. Hence the researcher made an organized effort to go through the available literature on Women empowerment through Self Help Groups. The reviews of the literature studied are summarized as follows:

- **Manimekalai and Rajeshwari**\(^{11}\) (2002) in their study of SHGs in Tamilnadu found that the women members of SHGs who started their own small businesses like tailoring, animal husbandry, petty shop etc. were contributing more than fifty percent of their earnings to their households. They further observed that though women were supporting the families financially, their voices were not heard in core familial decisions like education and weddings of their children, purchasing assets etc.

- **Lalitha and Nagarajan**\(^{12}\) observed in 2002 that in India, microcredit studies done on self help groups dealing with income generating activities have noted positive profit levels and short payback periods for loans. Earnings generated from such undertakings have been instrumental in increasing the physical wellbeing of the household.
• Zaman\textsuperscript{13} (2001); Simanowitz and Walker\textsuperscript{14} (2002) reported that the SHGs in India have shown positive effects on women, with some of these effects being ripple effects. They further say that the SHG intervention has played valuable roles in reducing vulnerability of the poor, through asset creation, income and consumption smoothing, provision for emergency assistance and emboldening women by enhancing their status.

• The study conducted by Goetz and Sengupta\textsuperscript{15} in Bangladesh reported that microcredit is an empowering tool for the rural women. However, in recent years it has been criticized with the charge that microcredit accessed by women is often appropriated by other household members, leaving women burdened with the responsibility of repayment.

• In 1998 Naila Kabeer\textsuperscript{16} observed the effectiveness of credit in addressing the needs and priorities of the poor as well as in empowering women. The study reveals the impact of participation in micro enterprise services of the SEWA bank in Ahmedabad. It compares the borrowers and savers in the SEWA bank with a control group on various impact variables. The study also provides preliminary indications of the nature and magnitude of benefits resulting from participation.

• Naila Kabeer\textsuperscript{17} (2001) gave a critical reflection on attempts to construct indicators of women’s empowerment. It focussed in particular on the meanings given to these measures and values embedded within them. It provides a three-dimensional conceptual framework for thinking about women’s empowerment: resources as part of the preconditions of empowerment; agency as an aspect of process; and achievements as a measure of outcomes. The study highlights the need for ensuring that indicators mean what they are intended to mean.

• Linda Mayoux\textsuperscript{18} (2000) in her study concludes that women’s empowerment needs to be an integral part of policies. Empowerment cannot be assumed to be an
automatic outcome of micro-finance programmes, whether designed for financial sustainability or poverty targeting. More research and innovation on conditions of micro-finance delivery is needed. The paper finds that cost-effective ways of integrating micro-finance with other empowerment interventions, including group development and complementary services are still lacking. Unless empowerment is an integral part of the planning process, the rapid expansion of micro-finance is unlikely to make more than a limited contribution to empowerment.

- **Osman K.** (2000) in his article remarked that micro-finance schemes alone can not alleviate poverty. The battle for total eradication of poverty requires combining micro-finance schemes with parallel, complementary programmes addressing the social and cultural dimensions of want, privation, impoverishment and dispossession.

- **Kapoor Pramilla** (2001) in her study tried to discuss, analyse and answer the challenging questions as to why despite all the efforts and progress made, still there continues to be so much of gender discrimination and what strategies, actions and measures to be undertaken to achieve the expected goal of empowerment. She opined that women’s empowerment is much more likely to be achieved if women have total control over their own organisations, which they can sustain both financially and managerially without direct dependence on others.

- **Meenakshi Malhotra** (2004) in her book has examined how women entrepreneurs affect the global economy, why women start business, how women’s business associations promote entrepreneurs, and to what extent women contribute to international trade. It explores potential of micro-finance programmes for empowering and employing women and also discusses the opportunities and challenges of using micro-finance to tackle the feminisation of poverty. According to her, the micro-finance programmes are aimed to increase women’s income levels and control over income leading to greater levels of economic
independence. They enable women’s access to networks and markets, access to information and possibilities for development of other social and political role. They also enhance perceptions of women’s contribution to household income and family welfare, increasing women’s participation in household decisions about expenditure and other issues leading to greater expenditure on women’s welfare.

- **M.L.Narasiah**\(^2^2\) (2004) in mentioned that the change in women’s contribution to society is one of the striking phenomena of the late twentieth century. According to the study micro-credit plays an important role in empowering women. Giving women the opportunity to realise their potential in all spheres of society is increasingly important.

- **Cheston & Kuhn**\(^2^3\) (2004) in their study concluded that micro-finance programmes have been very successful in reaching women. This gives micro-finance institutions an extraordinary opportunity to act intentionally to empower poor women and to minimise the potentially negative impacts some women experiences.

- **Manimekalai**\(^2^4\) (2004) in her article commented that to run the income generating activities successfully the SHGs must get the help of NGOs. The bank officials should counsel and guide the women in selecting and implementing profitable income generating activities. She remarked that the formation of SHGs have boosted the self-image and confidence of rural women.

- **Sahu and Tripathy**\(^2^5\) (2005) in their edited book views that 70 per cent of world’s poor are women. Access to poor to banking services is important not only for poverty alleviation but also for optimising their contribution to the growth of regional as well as the national economy. Self Help Groups (SHGs) have emerged as the most vital instrument in the process of participatory development and women empowerment. The rural women are the marginalized groups in the society because of socio-economic constraints. They remain backward and lower position
of the social hierarchical ladder. They can lift themselves from the morass of poverty and stagnation through micro finance and formation of Self-Help Groups.

- **Rajaram Das Gupta**\(^26\) (2005) in his article commented that a paradigm shift is required from “financial sector reform” to “micro-finance reform”. While the priority sector needs to be made lean, mandatory micro credit must be monitored rigorously. Simultaneously space and scope have to be properly designed for providing competitive environment to micro-finance services. Extensive database needs to be created by the RBI for understanding micro-finance.

- **F.Sinha**\(^27\) (2005) in his study has observed that micro-finance is making a significant contribution to both the savings and borrowing of the poor in the country. According to him the main use of micro-credit is for direct investment. There is of course some fungibility, depending on household credit requirements at the time of loan disbursement.

- **Thelma Kay**\(^28\) in her study deals with the challenging issue of whether self-help microcredit programmes are tools for empowering poor women. The study demonstrates the multiple aspects of self-help groups developing in a phased process, starting with economic enhancement, leading to empowerment at the individual level, and then moving on to collective action at the community level. It also shows that various government bodies can play supportive roles. However, these initiatives will not be able to bring about social transformation in the aggregate unless issues of control and ownership of the production process, linkages with a broader market and greater decision-making at the political level are tackled. Initiatives at the community level can be a useful tool to empower women, forging gender equality from the grass-roots to the national level. However, these initiatives have to incorporate strategies and measures that empower the poor, especially poor women, and enable them to participate in the development and transformation of society if poverty is to be truly alleviated.
A study conducted by EDA Rural Systems Pvt. Ltd. in association with APMAS\textsuperscript{29} in 2006 reported that most stakeholders present the SHG as a financially useful and sound instrument, and worry about the social and political implications. This study indicates the lights and shades on both sides. It states that there are more social lights beginning to appear, and more financial shades. But, this study suggests that progress on either – financial or social plethora– will require greater clarity of vision and objectives and a systematic approach to building capacity and providing guidance.

Shahnaz P and Leonhauser\textsuperscript{30} (2004) conducted a study of households in Bangladesh to investigate the nature and extent of rural women's empowerment and factors influencing it. The study concludes that education, training and exposure to information media have the potential to increase women’s empowerment. Therefore, effective initiatives undertaken by the concerned agencies in improving women’s education, skill acquisition training and access to information could enhance women's empowerment in order to achieve gender equality and development at all levels in the rural society of Bangladesh.

The evaluation study of NABARD undertaken by Puhazendhi\textsuperscript{31} in 2000, reviews the progress of SHG-Bank linkage programme in Tamilnadu. It examines the socio-economic impact of the programme on the group members. The study covered 70 SHGs promoted by four major NGOs from Tamil Nadu. The study also attempted to estimate the cost of lending for banks through the SHG-Bank linkage program vis-à-vis other general priority sector lending and IRDP.

Satyasai and Puhazendhi\textsuperscript{32} (2000), in their study covering 223 SHGs from eleven states assessed the living conditions of the members of SHG after linking with banks. The findings showed that the social impact of the post-SHG period was such that there was an increase in self-worth, in communication, an increased awareness of social evils and a small decrease in family violence. It was concluded
in the study that SHG as an institutional arrangement could positively contribute to the economic and social empowerment of the rural poor.

- **Nirmala and others**\(^{33}\) (2004) studied the empowerment of rural women through SHGs in Pondicherry by examining the changes with certain indicators. They found that due to SHGs there was an increase in income level of the women, improvement in access to credit facilities and reduction in work load. In addition to this positive changes in the status and decision making power of women were also observed.

- **Nair T.**\(^{34}\) reviews the major trends in rural financial intermediation in India by public sector banks in the post nationalization period. The paper further examines the role of commercial banks in the newly emerging institutional forms with a thrust on Microfinance services. It is pointed out that the spread of Bank-SHG linkage programme of NABARD has been quiet high with the three southern states of Andhra Pradesh, Tamil Nadu and Karnataka accounting for about 67\% of the bank loan and refinance released. The paper suggests that unless absorptive capacity of the economy is given priority, a credit programme may end up creating a large pool of indebted individuals perpetually dependent on external agencies.

- **Namboodiri and Shiyani**\(^{35}\) in 2001 examined the potential role of SHGs in terms of reach, linkage with banks or savings and credit for the weaker section of the rural households. The study deals with a typical model of SHGs promoted by NGOs and banks. It also examines the basic characteristics, coverage and financial deepening of SHGs formed by the Panchmahal Vadodara Grameen Bank in Gujarat. The paper finally examines the strength, weaknesses, opportunities and threats of Self help groups in both micro savings and micro credit.

- **P.A.Pathak**\(^{36}\) in his paper ‘Self help groups and their linkages with banks’ deals with the concept, functions, linkages and financing of SHGs. The paper concludes that banks are financial institutions and not rural development institutions.
Necessarily they may not possess the instruments and facilities to provide non-financial services to clients, which make their projects profitable, viable and credit worthy. However, through linkages with financial intermediaries such as Self Help groups and with other institutions providing these services (like NGOs), banks can ensure that the services are provided. The paper calls for proper care in two aspects namely assessment of the problems in the efficient use of credit and planning to solve them, while financing SHGs.

- **Naila Kabeer** seeks to examine the empirical evidence on the impact of microfinance with respect to poverty reduction and empowerment of poor women. It becomes apparent that while access to financial services can and does make vital contributions to the economic productivity and social well-being of poor women and their households, it does not automatically empower women. Other interventions like education, political quotas etc. constitute different entry points each with the potential for social transformation. Each of these is contingent on context, commitment and capacity if this potential is to become a reality.

- **Kishanjit Basu and Krishan Jindal** in their edited book present a review of the microfinance revolution taking place in the world of credit. The book tries to identify the stumbling blocks that prevent Indian banks an financial institutions from grasping the benefits of microfinance. It also deals with the experiences of professionals from India and abroad. The book contains the experiences of some examples like the Grameen bank of Bangladesh, Bank Rakyat of Indonesia and those of India. It also includes several innovative initiatives and successful strategies undertaken by NGOs, banks, MFIs in India and abroad.

- **Malcolm Harper** in his study of Self Help Promoting Institutions examines and compares the different ways in which SHPIs promote SHGs in order to enhance the efficiency and quality of the SHG promotion process. The study concludes that the co-operatives should be replaced by SHG members own initiatives. Training should include hands on SHG record keeping, SHG promotion for lower grade
bank staff and improved understanding of the importance of access versus the cost of finance.

- **Dr. Y.S.P. Thorat** (2006) in his article pointed the strengths of banking system in India with special reference to Maharashtra. According to him the state government needed to be more innovative for boosting the rural development. The study further deals with the real sector challenges and proposes for a rehabilitation package for the distressed farmers. He states that NABARD works with the banking system to increasingly use information and communication technology to deliver better financial services to the rural population. The article concludes on the note that using the SHG and Joint Liability Group (JLG) mode of financing is like riding a bicycle, as it can only go forward. Banks will adopt, over a period of time, a group approach in the form of SHGs and JLGs and use credit cards for financing those rural people who are otherwise unable to access financial services through the banking system.

- **Misra S.B.** (2004) in his paper provides an empirical evidence of the “affect” character of the women self-help groups (SHG), presently working around a metropolitan city of India. This comprises a segregated analysis of empowering women in both financial and non-financial aspects, depicting the part played by micro-funding support leading to individual and community competency. Four levels of empowerment are categorized through this study accommodating 280 SHGs with 9680 members. The major findings confirm the individual potency, self confidence, mobility, arithmetical skill, widening of interest, inter-caste communication, leadership quality, collective action and market networking getting build up through micro finance- centered empowerment.

- **H.S. Shylendra** (2004) in his paper assessed the SHG-Bank Linkage programme focusing on its approach and strategy. The paper observes that the programme has performed quiet impressively in quantitative terms. He further states that NGOs have emerged as prominent players in the programme and that the other financial
institutions have lagged behind. He also states that the programme is but in a primary phase and has a long way to go in order to become the core strategy of the banking sector also laying emphasis that the success depends on retaining the basic character and strength of the SHGs along with integrating them with the outside world to meet the demands of the members. According to him this will require highly coordinated efforts from all stakeholders at different levels.

- **Srinivasan Girija**\(^4\)\(^3\) (2002) in her paper explores the formation of self help groups and the advantage of bank linkage systems. She brings out issues related to linkage at policy level, voluntary saving facilities and the threat of political interference. In this paper she states that groups of poor people prefer linking to existing bank infrastructure than creating new institutions to deliver microfinance. The findings of the study reveal that microfinance can cover a vast scale of operation and can become a national movement.

- **Tamiselvi P and Rathakrishnan T** \(^4\)\(^4\) (2004) in their paper based on the SHG leaders in Omalur Taluk Salem district state that the group leader is the key person in the functioning of the SHG. They reveal that the major tasks performed by a group leader are ensuring participation of all, ensuring regular group savings, working for improvement of literacy, creating awareness for current social positions, disseminating information received during sessions and motivating members towards collective action. The study brings out the need for motivating the leaders for better performance.

- **Thara Bhai L, Karuppiah and Getha B** \(^4\)\(^5\) (2004) in their paper try to find women’s participation and involvement in group activities. In their study based in three districts of Madurai, Theni and Sivaganga the three stages in the development of SHGs namely formation, development of SHGs and capital formation through revolving fund and skill development and taking up economic activity for income generation are dealt with.
• **Vatta, Komal and Parminder Singh** (2001) in their paper make an attempt to describe the process of development of SHGs in Hoshiarpur district of Punjab, identify their weakness and evaluate the impact of the groups on the income of the members. The study is based on the classification of groups as Above Poverty Level (APL) and Below Poverty Level (BPL). The study reveals that APL groups were able to get more benefits from schemes because of their awareness, education and managerial abilities.

• **Dr. Bishnu Narayana Sethi** (2008) in the edited book by R.L. Panigrahy and Nayak takes a review of the SHGs in Orissa. The study attempts to justify that self help promotion promotes socio-economic development of rural society. The Ganjam district of Orissa is taken as the area of study. The study also deals with the problems faced by SHGs. It concludes that the state level organizations should intensify their efforts and provide marketing support to the SHGs through the state. It indicates the advantages of federating SHGs as they provide an opportunity to constitute effective pressure group at the district and state level.

• **K.G.Karmakar** (1999) in his book reviews the existing rural credit delivery system in India, examines its strengths and weaknesses and also suggests various innovations and strategies to make the credit delivery system sustainable and stronger. In the first section of the book, the author reviews the problems and prospects of rural credit, traces the evolution and growth of the rural credit delivery system and analyses the problems associated with credit recycling and overdues. In the second section the author attempts to identify the microfinance needs of various groups including tribals, rural non-farm sector, rural women and microfinance entrepreneurs. The third section highlights the concept and functions of SHGs with special emphasis on the BAAC system in Thailand and the Grameen Bank in Bangladesh. The author opines that these initiatives need to be replicated far and wide in order to ensure that the rural poor do not remain marginalized.
forever. The book concludes with strategies for developing a sustainable rural credit delivery system in developing countries.

- **K.G.Karmakar** (2008), in his edited book presents selected papers that convey the experiments and innovations in the field of microfinance. The book provides an informative and holistic status of microfinance in India and suggests a line of action for the future. The first part of the book reviews the existing financial system of India and suggests that along with the policies, the institutions and the markets need to be transformed to improve the efficiency of the formal rural finance sector. The second part deals with the emergence of microfinance institutions and their problems and prospects. It also covers the issues regarding the linkages with banks and sustainability of the MFIs. Section three of the book examines the SHG-Bank linkage programme in terms of its outreach and prospects. It also focuses upon the SHG federations and their challenges. Section four presents some important successful MFI models like Sanghamithra set up by MYRADA, Kalanjiam programme of DHAN Foundation etc. The fifth section of the book deals with successful bank models and the innovations in credit delivery system are reflected upon in the sixth part of the book.

- **V.S.Somanath** (2009), in his book brings out the successful development of microfinance in India as a means for the elimination of poverty, despite the outdated technology used by the SHGs. The book gives an overview of the microfinance sector in India. The book reflects the emergence of MFIs and their prospects. It suggests strategies for sustainable growth of the MFIs. It also deals with the challenges faced by SHG federations. Finally the book also highlights the role of technology for enhancing the efficiency of microfinance sector.

- **Manoranjan Sharma** (2007), in his edited book presents the transforming financial sector of India. The book includes contributions of various eminent people from different backgrounds. It reflects the role of banking sector in
inclusive growth. The social dimensions of microfinance are dealt with in the book. The critical issues, challenges and the perspectives regarding the rural credit are also presented. The book recognizes the growth of microfinance as impressive but states that there is still a long way to cover.

- **S.k.Das, B.P.Nanda and J.Rath** (2008), in their edited book present a compilation of research papers and articles contributed by social scientists, academicians and researchers. Topics ranging from the concept of microfinance, self help groups, issues in rural credit delivery system, bank linkage programme, rural development and related matters have been examined in the book. The book attempts to address the loopholes in the rural credit delivery system. It also points at the role played by the MFIs in assuring smooth flow of adequate credit to the largest segment of rural population living below poverty line. Various policy measures for removing the poor from the plight of poverty are also suggested in the book.

- **H.S.Shylendra** (1998) in his paper attempted to evaluate the performance of eight women SHGs promoted in the Vidaj village by the Institute of Rural Management, Anand (IRMA). The findings of the study stated that the SHGs failed to enable members to realize their potential benefits. The reasons identified for the failure were the wrong approach followed in the SHG formation by the team, misconceptions about SHG goals both among the team and the members, and lack of clarity about the concept. The main lessons drawn from the project are the need for creating SHGs based on a clear assessment of the needs of different sections of the society, ensuring clear understanding of the concept of SHG among team members involved in promoting SHGs, and enhancing the relevance of SHGs to their members by enabling them to meet effectively their requirements, be it savings or credit or income-generating activities.
• **Ghosh Rajarshi** \(^{54}\) in her research paper attempts to trace the evolution of the Microfinance revolution in India as a powerful tool for poverty alleviation and women empowerment. The paper points out that where institutional finance failed Microfinance delivered, but the outreach being too small. However the paper further puts a question mark on the viability of the Microfinance Institutions. The paper concludes on the note that there is a need for an all round effort to help develop the fledgling Microfinance Industry while tackling the tradeoff between outreach and sustainability.

• **Dr.M.A.Lokhande and Dr.Shivaji Madan** \(^{55}\) (2010), in their impact study have dealt with the SHGs established by MAVIM under the Maharashtra Rural credit Programme. The study is based on primary data collected from 150 respondents. The study confirms that establishment of SHGs lead to the economic, social and political empowerment of women. At the same the study points out the major problems faced by the SHG members. They state that the formal financial system is still averse to provide financial services to women. The study concludes that to empower women economically it is necessary to provide easy access to credit as well as promotion of entrepreneurship among women.

• **Dr.K.B.Laghane and S.Patil** \(^{56}\) (2010), in their research article review various aspects related with microfinance. The paper discusses the role of women in economy and suggests the ways for increasing women’s participation in microfinance activities. The paper finally cautions that microfinance can prove to be a magical wand only with due accountability, transparency and the firm determination to eradicate poverty.

• **Dr.W.K.Sarwade** \(^{57}\) (2010), in his research article examines the contribution of Self Help Groups in the social and economic development of India. The paper discusses the origin of SHGs on the global sphere as well as in India. It gives a brief review of the SHG-Bank linkage and the SGSY in Maharashtra. The paper
concludes on a positive note that SHGs are an ideal combination of formal banking system for freeing the poor population from the vicious temperament of the sahukars (money lenders).

1.5 OBJECTIVES OF THE STUDY

The present study is aimed at making a comparative study of the rural and urban women SHGs towards the social and economic empowerment of women in Marathwada region. The objectives of the study are:

1. To understand the outreach of micro finance through Self Help Groups
2. To identify the status of women.
3. To examine the role of Self Help Groups in empowering women socially and economically.
4. To examine the constitution and function of the women SHGs.
5. To study the SHG leader’s knowledge about the functioning and profile of the SHG.
6. To study the problems faced by the women SHGs.

1.6 HYPOTHESIS

1. There is no relationship between the area (rural/urban) in which the SHG is established and the empowerment of the women members.
2. There is no relationship between the period of association of the member with the SHG and her empowerment.
3. There is no relationship between the demographic variables like family type, education etc. of the SHG member and her empowerment.
4. There is no difference in the constitution and functioning of SHGs from the rural and urban areas.
5. There is no relationship between the training imparted and the empowerment of the member of SHG.
6. There is no difference between the SHG leaders level of knowledge about the SHG among rural and urban areas.

1.7 LIMITATIONS

The present study is subjected to the following limitations:

1. Due to the constraints of time and resources at the disposal of the researcher, it was not possible to take a large sample. The small size of sample might have affected the findings to some extent.

2. Sampling was on a random basis. However the researcher tried to maintain a balance between the different sections of the society; but an accurate weightage could not be allotted to each segment.

3. The non availability of details of self help groups established by various agencies, in a compiled form as also the non accessibility of many SHGs and promotion agencies may have caused the effectiveness of sample selected.

4. Since the study was based on qualitative aspects sophisticated statistical tools could not be applied for the purpose of analysis and interpretation.

5. As the study is based largely on the responses obtained through the questionnaire, the limitations applicable to the questionnaire method affect this study also.

6. The lack of literacy on the part of respondents while furnishing the information may be a cause for inaccuracies in interpretation, if any.

1.8 SCOPE

The study can explore the following scope in the domain of women empowerment:
The study may help the future researchers to continue further investigation on this subject;

The study may prove to be a good area-specific review of the status of the SHG members and understand the effectiveness of SHG as an approach towards social and economic empowerment of women.

The study may help to develop an integrated strategy for effective intervention in the study area i.e. to identify the need and kind of skill training, orientation and functional knowledge among the women self help group members.

The findings of the study may influence the government policies and programmes initiated from time to time aiming at the upliftment of women status.

1.9 RESEARCH METHODOLOGY

The present study is based on both the primary as well as secondary data sources. Previous literature was reviewed in order to establish a clear analytical framework of the study, and to understand the difficulties and challenges that previous studies and evaluations of the SHGs have faced. Secondary resources include previous evaluations of the concept, books, articles published in various magazines, statistics published by the Government of India (GOI), and various other publications in this regard. Primary data, on the other hand, is collected through structured interviews with key informants of the SHGs, and focus-group discussions with SHG members. Questionnaires were filled in by the respondents in the presence of a trained investigator to assist the respondents in case of any doubt generated in their mind regarding the questions. The pre-SHG and post-SHG methodology is applied to identify the change in the status of the respondents.

The questionnaire for members is divided into two sections viz.

a. Demographic profile of the respondents
b. Questions related with various measures of empowerment.
There are in all 39 questions in the questionnaire for members of Self Help Groups while the questionnaire designed for the SHG leaders consists of 24 questions.

1.10 SAMPLE AND SAMPLING METHODOLOGY

Multi-stage, simple random sampling method is used for selecting the SHGs and respondents. Further the sampling at places has also been done using the non random techniques like convenience based sampling and purposive sampling technique. From all the eight districts of Marathwada viz. Aurangabad, Jalna, Parbhani, Beed, Osmanabad, Latur, Hingoli and Nanded, rural and urban SHGs are selected in the sample on the basis of availability of women self help groups in large number and their easy accessibility. However, optimum care has been taken to select the best representative sample from the universe. The sample comprises of total 950 respondents from 211 Self Help Groups spread across Marathwada. 404 respondents belong to 87 urban SHGs and 546 respondents belong to 124 rural SHGs.

1.11 DATA COLLECTION

Two questionnaires are prepared for the survey viz. one for SHG leaders and the other for SHG members. These questionnaires are also translated in the regional language (Marathi) for better understanding. Primary data is collected through these questionnaires from the women Self Help Groups functioning in both rural areas as well as urban areas of Marathwada region. Close ended questions are used in maximum possible number. The data is collected from the SHGs functioning for more than three years and less than three years of period.

1.12 FRAMEWORK OF DATA ANALYSIS

The data collected is processed and analyzed with the help of SPSS [Statistical Package for Social Sciences]. Tables and graphs are prepared towards meaningful
interpretation of the facts and figures. The statistical tools like percentage analysis, mean, cross factor and cross section analysis and chi-square technique are applied. In the present study, an attempt has been made to develop a scale to measure women empowerment. Accordingly critical indicators have been identified and grouped under various empowerment parameters. In addition, Women Empowerment Index (WEI) was also developed to measure the levels of empowerment of women. The procedure followed is adopted with slight modifications from the works of Dr. V. Alagappan and Dr. Abbas Manthiri\textsuperscript{58}(2008) and A. Sakunthala and R. Ganesan\textsuperscript{59}(2008). This index is expected to help in the empirical assessment of women empowerment.

1.13 CHAPTER SCHEME

I. INTRODUCTION
This chapter provides a brief framework of the study and includes the review of literature, objectives, research methodology, data collection and processing, scope and limitations of the study.

II. MICROFINANCE – THE INDIAN SCENARIO
The second chapter discusses the concept of microfinance, it’s emergence and applications across the nation.

III. WOMEN EMPOWERMENT
In the third chapter the intricacies of empowerment with special reference to women empowerment are highlighted. The status of women in India and in Marathwada is also documented.

IV. SELF HELP GROUPS- PHILOSOPHY, EVOLUTION AND GROWTH
This chapter deals with the concept, evolution and the growth of Self Help Groups.
V. DATA ANALYSIS AND INTERPRETATION
The data is analyzed and interpretations there from are given in chapter sixth.

VI. FINDINGS OF THE STUDY
The sixth chapter details with the findings of the research work undertaken.

VII. SUMMARY, CONCLUSION AND RECOMMENDATIONS
The seventh chapter is devoted to the summary, conclusions and recommendations based on the study. The chapter is further appended with bibliography.
REFERENCES:

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