CHAPTER II

REVIEW OF LITERATURE AND METHODOLOGY

This chapter presents review of literature on the past research studies and it describes the methodology adopted for the study.

2.1 REVIEW OF LITERATURE

A review of earlier studies on issues relevant to the research problem undertaken is attempted here.

Singh\textsuperscript{14} presented a brief review of various efforts to reduce poverty. The First Plan (1951-56) accepted reduction in inequalities of income as one of its objectives. The Second Plan (1956-61) added emphasis to it. The Third and Fourth Plans (1961-66 to 1969-74) highlighted the need for employment, and creation and distribution of income. They also identified Scheduled Castes and Scheduled Tribes as the major segments of the poor.

The most important programme of the Fifth Five Year Plan (1974-79) was the minimum needs programme, while Integrated Rural Development Programme (IRDP) was the central pillar of poverty eradication scheme. During the Sixth Plan (1980-85), Rural Landless Employment Guarantee Programme (RLEGP) was implemented to create more employment. In the Seventh Plan Period (1985-90) IRDP was made an effective instrument of poverty alleviation. However many gaps and weaknesses in the working of this programme kept the progress slow.

Sithalakshmi and Jothimani\textsuperscript{15} presented an analysis of organizational behaviour exhibited by women in the DWCRA programme. According to them, if permanent changes are to take place in the status of women, women must be given intervention programmes (income generating projects) or much income generating activities / institutions on their own or collectively, in an organized way, which should be backed by structural and institutional change that allow them access to skill, leadership, decision-making and economic independence. They reached the conclusion that organizational behaviour of DWCRA groups

directly influenced the active status of the groups concerned. In other words, organizational behaviour of the women acted as a means of empowerment.

Satyanarayanan Reddy and Renuka\textsuperscript{16} considered development of women and Children in Rural Areas (DWCRA) as a sub-scheme of Integrated Rural Development Programme (IRDP) at district level.

A distinguishing feature of (DWCRA) was that it was group strategy as against family as a unit of assistance under (IRDP). The women members of (DWCRA) formed groups of 10-15 each for taking up economic activities suited to their skill, aptitude and local conditions. The group strategy was adopted to motivate the rural women to come together and break social bonds which denied them income generating and self-fulfilling opportunities.

The scheme of (DWCRA) aimed mainly at providing opportunities of employment to women members of rural families below the poverty line. The assistance sanctioned to each group had to be shared by the central Government, State Government and the UNICEF in equal proportion.

According to Iyer\textsuperscript{17} the primary objective of Jawahar Rojgar Yojana was to generate employment through manual labour and the secondary objective was to create durable community asset in the process of employment generation. According to official statistics 3,300 million mandays were generated under JRY in the country during the period from 1980-90 to 1993-94. Till late (1993) the JRY was being operated uniformly all over the country without specifically focusing on the backward districts in the states. A policy shift occurred in the second half of 1993. Accordingly, two significant changes were made. The first was the change in criteria for allocation of funds to districts. Formerly, the district-wise allocation was made using an index of backwardness formulated on certain criteria. But later, the central Government changed this norm to include only two parameters, namely proportion of rural SC/ST population in a district to total SC/ST population in the State and (2) inverse of the district's agricultural productivity, in the ratio of 50:50 respectively. The main implications were:

(i) District with low agricultural productivity got higher JRY allocation

(ii) Weightage for SC/ST population decreased from 60 per cent to 50

per cent

(iii) No more weightage was given for percentage of agricultural labourers.

In an article "Rural Women and Poverty Alleviation", Gummadi Apparao\(^\text{18}\) explores the various developmental and poverty alleviation programmes which were launched by the Central Government since independence to help the rural masses to improve the socio-economic condition and standard of living through elimination of poverty, income inequality, inadequate and poor basic infrastructure and small and scattered unorganized rural enterprises. Apparao found that the achievement of the various programmes do not cover all the rural women. In his opinion, rural women are to be associated with poverty alleviation programmes right from the planning stage to make the programmes need-based. Awareness should be created among rural women on various activities of different poverty alleviation programmes of central and state governments. Women-oriented projects need to be given priority even under limited budget to help development of rural women and make women as part and parcel of development.

T.R. Gurumoorthy\textsuperscript{19} in his article, “Economic empowerment through self-Reliance”, explains that the outreach of self-help groups can become an important link for formal credit institutions as an entry point. The loan recovery system of the SHG depends on social peer pressure and bankers can learn a few lessons in recovery from the SHGs. Empowering women contributes to social development. Providing microcredit to rural women through an organized setup will make them enterprising women. The self-help group (SHG) is a viable alternative to achieve the objectives of rural development and to get community participation in all rural development programmes. SHG is a viable organized set up to disburse micro credit to rural women for the purpose of encouraging them to enter into entrepreneurial activities. Self help groups undertake entrepreneurial activities at smaller level with minimum capital requirements. SHG has the power to create a socio-economic revolution in rural areas of our country. They have proved that they could indeed bring about a change in the mindset of the very conservative and tradition bound in rural areas. Self help groups have paved the way to bring the rural women in to the mainstream of social and economic progress of our country.

Puran Singh\textsuperscript{20} has found that unemployment and poverty are the two basic problems, which the Indian economy has been suffering from, since the beginning of the planning era \textit{per se}. The objective of the SGSY is to help the poor families to cross the stipulated poverty line and improve their standard of living through creating self-employment opportunities by establishing micro-enterprises and business and also attempt to ensure appreciable sustained level of income over a period of time. This scheme encompasses all the aspects of self-employment such as organization of poor into self-help groups, their training needs, credit requirements, access to technology required, infrastructure and needed marketing facilities. Since the SGSY focuses on SHG approach, it would be appropriate to define the SHG first and the evolutionary process it has to pass through. The SHG approach for poverty alleviation and economic empowerment of marginalized groups and poor through self-employment is found to be quite useful as it was not only instrumental in enhancing their incomes but also in building their confidence and capacity to handle their problems on their own. SHGs success would largely depend on training and on the active role of various stakeholders of the District/Block/Village levels.

Arundhati Chattopadhyay\textsuperscript{21} in her article “Women and Entrepreneurship” explains that the economic empowerment is sine qua non for elevating the status of women in our society. One possible approach towards achieving this end could be through entrepreneurship development. Empowerment is multidimensional and refers to the expansion of freedom of choice and action in all spheres to shape one’s life. Women’s empowerment is further complicated by intervening factors like gender discrimination, low level of education and work participation, poor nutritional status, violence against women, poor health and lack of access to

health care. Social empowerment of women is a long and difficult process, as it requires a change in the mindset of the people. Indian women get less priority in education and are deprived of proper food and lack access to healthcare. In India, women entrepreneurship can be considered as “necessity entrepreneurship” rather than “opportunity entrepreneurship”. In India, very few women entrepreneurs are in the big enterprises. They are mainly concentrated in the small-scale sectors. Women entrepreneurs in India face numerous problems in establishing as well as the successful running of their business. For instance, problems cited pertain mostly to obtaining finance, delays in the process and providing collateral security, often as a consequence of insensitivity to particular situation of women, or due to gender biases.

Sunil Choudhary\(^{22}\) said that the real participation of the poor and the marginalized can be achieved when a project or a scheme adds value to the individual need of the poor. This article describes on experiment undertaken to form self help groups through certain specific questions asked of the people in the self help group formation process. The way in which the questions are assured forms the basis of self-help group formation. It was found that there was big difference between the quality of groups formed through this process. Participatory approach has become a common word for most of the projects or schemes that raise expectation of people instead of getting their participation. It was realised that real participation of the poor and marginalized can be achieved when the process of the project adds value or responds to individual need of the poor.

Nava Thakuria\(^{23}\) found that the self-help groups are otherwise informal groups, through they can have registration under the societies registration act or state cooperative act. The bankers as also NGO workers can play a positive role in inspiring the rural poor to take up different economic and developmental activities. As credit is the key component, self help groups should have close association with the bankers, from identification of key activities to repayment of the loan in time. Moreover, the bank officials enjoy the final say in selecting the members’ self-help groups. Similarly the NGOs can play an important role in the formation and nurturing of the self help groups.

Santosh Kumar Panigrahi\(^{24}\) in his study “Status of women in India during the era of globalisation” explained that in India the slogans of feminism and gender equality are still distant dreams as the issues of women in our country are neglected. After more than five decades of planned economic development, it is ironical that we are still trying to tackle, the basic need of a minimum standard of living such as drinking water, shelter, sanitation and employment. Women


form almost half of the population in India. Yet their status in economic, political or in social life leaves much to be desired. This paper examines how the forces of globalization are degrading the status of women in India. Women in one way or the other are considered to be an institutionalized commodity. Globalization has accelerated the pace of exploration due to international trafficking in the flesh trade and electronic transactions by transactional crime syndicates. The Indian political history shows that throughout the ages, the women were treated inferior and subordinate to men in terms of their political rights and privileges. In the economic scenario of India, despite emergence of a new liberal capitalistic order facilitated by globalisation it has little to do for the women in India. Therefore, efforts should be made to introduce integrated multi pronged development approaches and permit the development of closer to real-life with problem centred analytical models. Concerted efforts should be made to reduce constraints and to facilitate women to play a crucial role in the mainstream of social and economic activities. Therefore, measures to improve their status, role and participation of women must be given high priority.

Sayed Afzal Peerzade and Prema Parande\textsuperscript{25}, found that women empowerment is a global issue, which has gained momentum in recent decades. In India, besides ratification of international conventions, there are provisions in the constitution and several legislative acts have been passed to ensure women empowerment. It however, appears that on this front the situation on ground is far from satisfactory. Despite concerted efforts of governments and NGOs there are certain gaps. Of course we have come a long way in empowering women yet the future journey is difficult and demanding. We need to draw strength from the determination and will to empower women, come what may. The efforts of government and its different agencies are ably supplemented by non-governmental organizations that are playing an equally important role in facilitating women empowerment.

V.Selvanathan and D.Aravazhi\textsuperscript{26} explored that the contribution of women in the present day business and commercial world is significant. The awareness of bank lending and the help from the government made the rural women to think on new lines. Self-help groups are considered as agents of socio-economic transformations in rural areas. The characteristic features of SHGs are voluntary membership, participatory planning, holistic approach, resource mobilization, self-managements, self-help and mutual help. Many of the SHGs are formed by women and are supported by NGOs and they provide revolving credit to them. The success of SHGs in the development of women entrepreneurs is not in the hands of a single agency; it will be the task of multiple agencies. In Tamil Nadu the movement of SHG has shown good results. Presently the movement covers 1.79 lakhs self-help groups with 29.84 lakhs women members, savings of Rs.531.96 crores and credit availment of Rs.857.76 crores. It is true the poor status of


Indian women in villages can be transformed with the help of SHGs. As the success rate is high at many places in India the SHGs are the real path finders in the life of rural Indian women.

Francisco Vazquez\textsuperscript{27} in his study explained that the concept of micro finance is now several decades old. Its institutions provide small credits and other financial services to low income households and very small informal businesses. Many micro finance institutions are owned and operated by non-governmental organizations that receive grants and some times loans from multilateral development agencies, private charities, governments and similar institutions. Proponents advance many arguments in favour of micro finance. As micro finance institutions become larger and eventually move into traditional financial intermediation, regulatory and supervising approaches would need to be considered. The optimal approach would have to weigh the specific circumstances of individual countries and avoid diverting scarce supervisory resources from more systemically important financial institutions or overburdening micro finance institutions with information and compliance requirements. Ultimately, the path to developing a sound and sustainable micro finance industry and deepening financial services, will provide answer to these challenges.

In an article, “SHGs empowering women at the grass roots”, V.M.S. Perumal\textsuperscript{28} explored that the poverty and unemployment are the major problems of under developed countries, to which India is no exception. In India, at the end of the Ninth Five Year Plan 26.1 per cent of the population was living below the poverty line. The rate of growth of unemployment of women in rural area is 9.8 per cent. The union government has implemented various schemes to reduce poverty and to promote gainful employment. The most attractive scheme is “self help group”. It is a tool to remove poverty and improve rural development. The origin of SHGs is from the Grameen Bank of Bangladesh, which was founded by Mohammed Yunus. SHGs were started and formed in 1975. In India NABARD initiated it in 1986-87. In Tamil Nadu, the SHGs were started in 1992. SHGs work in a democratic manner. SHGs are a tool to promote rural savings and gainful employment. The major aim of the SHGs is to promote savings and credit for productive and consumption purposes. The SHG member’s income has increased after joining the SHGs. Hence the women members of the group are now independent to meet their personal expenditure. Women who join SHGs are strengthened in many ways apart from becoming economically empowered. They gain a say in family matters and their social status is enhanced.

S.Almelu\textsuperscript{29} said that people’s participation is not a one-way interaction. It takes place by building skills among the people to understand and articulate their own problems. The success of the self-help groups is crucial in channelling their efforts constructively through motivated and

inspired individuals in field. The concept of SHG is that it lays the foundation for self-reliance through building an institution, which has the capacity to continue developmental activities and empower people. SHGs create confidence, awareness and information sharing attitude in a collective manner. They help in the promotion of economic activities. In India many NGOs have promoted SHGs for collective action through periodic group based savings and credit. SHG can make best use of their Micro-credit programmes for improving knowledge and capacity of women. To strengthen these groups towards positive development the best way is to organise issue - based training for SHG members. The proper functioning of SHG can create conditions for rural women to realize their role in development. The group can also promote progressive attitudes, awareness and support women in improving their status and conditions. Some basic rules have to be followed by NGOs that are planning to facilitate the formation of self-help groups in villages. The existing infrastructure, indigenous trader and skills should be taken into account.

Sandip Das\textsuperscript{30} in his article “SHGs enhance women’s participation in local self-governance” explained that the linkage between Panchayat Raj institutions and self-help groups formed for the socio-economic empowerment of women has been demonstrated in several regions. The group members have given guidance and help to the panchayats for carrying out community development work such as clearing of roads, provision of drinking water and construction of community buildings. The study has said that the SHGs should expand their scope and agenda from economic empowerment to social and political empowerment too. While carrying out income generation activities, SHGs must integrate the issues relating to gender equality, access and control over resources and rights and entitlement of women into their programme.

Agnes Stephen and A.Seilan\textsuperscript{31} found that Micro finance programmes targeting women have been a welcome corrective to previous neglect of women’s productive role. The primary aim of the self-help group is to instill a culture of thrift and savings among the rural poor. Banks are able to provide loans to members of SHGs even though they are not individually creditworthy. This is possible because the group functions like NGO and carries weight as a creditworthy institution. The peers in the group exert pressure on other members to repay loans in time. Micro finance refers to the entire range of financial and non-financial services, including skill upgradation and entrepreneurship development, rendered to the poor for enabling them to overcome poverty. Micro financing programmes targeting women has led to their empowerment in economic, social and political spheres, and also empowerment within family. It is also observed that providing credit alone may not produce the desired impact. The supporting services and structures through which credit is delivered, ranging from group formation and training to awareness raising and a wide range of other supporting measures are critical to make the impact of micro finance programmes strong and sustainable.


Kanagaraj\textsuperscript{32} found that Panchayat Level Federations (PLF) play a significant role to improve the status of women in rural as well as urban areas. The government of India has implemented various development programmes viz Integrated Rural Development programme (IRDP), Development of Women and Children in Rural Areas (DWCRA), Training Rural Youth for Self-employment (TRYSEM) and Entrepreneurship Development Programme (EDP) for women to increase the standard of living of the weaker sections of the community. One of such programmes is the 'self-help group' programme functioning in rural, urban areas for the purpose of eradicating poverty. A federation of SHG members can function as coordinating and monitoring agency for a particular coverage area. The federation is democratically elected and evaluates all the activities carried out by the group of SHGs under one panchayat. The federation can give support, motivate and train members apart from networking with other agencies for village development. The goals of the federation are imparting continuous help to self help groups and coordinating all government and non-governmental organizations for attaining sustainability in socio-economic development. The success of the federations depends on how far the members understand the concept at various levels of the federation, participate effectively in the decision making, understand the financial details and carry on the day to day activities independently.

Manjusha Kharole\textsuperscript{33} has said that in ancient India, women had a status of dignity. This was lost in the medieval period because of Socio-political changes. Today, their status is measured by means of indicators such as sex ratio, literacy, and work participation. There are signs of hope on some fronts but on others there is a decline in status. Women are said to be the weaker segment of the society and passive beneficiaries of the developmental programmes. It was observed that women enjoyed a position of equality during 2500-1500 B.C. Degradation started in 1500-500 B.C. It continued to be worse during 500 B.C – 500 A.D and 500 –1800 A.D. Sex ratio shows increasing and decreasing trends. However the 2001 ratio shows sign of hope as there is 6-point rise from 927 in 1991 to 933 in 2001. Female literacy rate also shows signs of increase over the years. In 2001, it increased by 15.12 points from 39.4 in 1991 to 54.16 in 2001. Average age at marriage again shows signs of hope. Indian women’s participation is more in unorganized sector. Although the female literacy rate is showing signs of increase, yet as compared to men, it is still lower. It is therefore, recommended that the programme of free universal education up to the age of 14 should be vigorously implemented.

Chittaranjan Mishra\textsuperscript{34} has said that the SHGs are informal, voluntary, grass root level institutional arrangements to meet the credit requirements of the poor. SHGs are different from other groups in the sense that its members lend to and borrow from their own accumulated savings. The SHGs are essentially thrift and credit groups. The SHG programme in India allows a group approach, where the group itself, not individual member, is the client. Two types of Self

Help Promoting Institutions (SHPIs) namely government and NGOs are active in the household level garment sector. The DRDA promoted SHGs are more organized and have better infrastructure to carry out the activities relating to the garment sector. The NGO –promoted SHGs on the other hand, have taken part in other developmental activities in the village in a bigger way than in the DRDA-promoted ones. In India three types of promotional institutions namely, government, Banks and NGOs are involved in the formation and promotion of SHGs. The involvement of NGOs in the growth of the SHG movement is substantial. Capacity building and credit availability are complementary inputs to the growth of the SHG based garment sector. They also need governmental support to market their finished product. The SHPIs should recognize the inevitability of emphasizing all the aspects of the functioning of the SHGs such as training, credit technology, infrastructure and marketing.

J.Fredrick\textsuperscript{35}, in his article, “SHGs gateway to success for rural women entrepreneurs”, explains that the status of women in society is index of its degree of civilization. As long as women are excluded from socially productive work and are restricted to household chores, the emancipation of women is impossible. When proper education and entrepreneurial climate are assured, women force can become a good human resource potential for national development. There are several institutional arrangements both at the central and state levels like nationalized banks, SFC, DIC, NAYE which have been engaged in protecting and developing women entrepreneurs. The most important social innovation to help the poor in recent years has been the success of the thrift and credit based self help group especially those formed by women. The SHGs generate a common fund out of small savings promoted on a regular basis among members by curtailing unproductive expenditure. The SHGs play a major role in transforming the rural economy. Microfinance fulfills their credit needs and helps the rural poor to improve their standard of living. Hence, the self help groups are a new innovation in the field of rural development to finance the rural women and thereby transform rural economy by improving the economic status of each and every household in the rural areas.

T.Ramachandran and A.Seilan\textsuperscript{36} said that the role and status of men and women are governed by traditions and cultural practices. The social evils are illiteracy, poverty, violence against women and girls, and low health status in the society. To raise the status of women, they must be socially, economically and politically empowered. Empowerment is a process of awareness and capacity building, leading to greater participation, greater decision making power and control of the transformative action. The empowerment of women covers both individual and collective transformation. It strengthens their innate ability through acquiring knowledge, power and experience. The self-help groups in the study area are taking the lead and playing an important and pivotal role in social transformation, welfare activities and infrastructure building and they have served the cause of women empowerment, social solidarity and socio-economic betterment of the poor.

\textsuperscript{35} J.Fredrick, “SHGs Gateway to success for Rural Women Entrepreneurs”, \textit{Kisan World}, Vol.32, No.9, September 2005, pp.60.
Anuradha Mathu and Nilam Shuckla\textsuperscript{37} found that the self-employment and development of entrepreneurship among women requires the inculcation of confidence building among them apart from training. Women have to overcome several social obstacles on the path of socio-economic independence. Entrepreneurship lies at the centre of economic development. It is an integral part of the strategy of industrialization, particularly in small-scale sector. According to Government of India, a woman entrepreneur is defined as “an enterprise owned and controlled by women and having a minimum financial interest of 51 percent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women”. Entrepreneurship is a process where one person who is self employed provides jobs to others also. Entrepreneurship creates employment opportunities and extracts the use of natural and human resources. Entrepreneurship is an activity that aims at starting, establishing and increasing the size of an enterprise that produces and sells goods or services in the market. Due recognition should be given to the integrity of women’s knowledge in its own right or of the value of this knowledge in contributing to women entrepreneurship. Emphasis should be made to develop and disseminate appropriate technologies and labour reducing devices for various household work for relieving double burden as women entrepreneurs.

V. Gandotra and Deepa Sharma\textsuperscript{38} in their study conducted in Uttaranchal among the quilt making women artisans have shown that training has a positive co-relation with the development of entrepreneurial traits among the study group. In India entrepreneurship and self-employment are often used synonymously without losing sight of the fact that all entrepreneurs are self-employed persons but may not necessarily be entrepreneurs. The promotion of self-employment of educated women has the additional advantage of creating more jobs for aspiring uneducated women. If entrepreneurship is made socially rewarding for women and encouraged through proper motivation and training as common human resource development activity, it will definitely induce a steady flow of women entrepreneurs. The objective of the study is to identify motivating factors and constraints faced by self-employed women, to study entrepreneurial characteristics of self-employed women and to assess impact of training in the development of entrepreneurial characteristics.

S. Banumathy\textsuperscript{39} in her article “Self Help Groups and Bank Linkages” explained that women population constitutes nearly half of the national population. The empowerment of women through self help groups (SHGs) would lead to benefits not only to the individual women, but also for the family and community as a whole through collective action for development. SHGs have linkages with banks and NGOs to get finance for development. In turn it will promote the economy of the country by its contribution to rural economy. SHGs aim at providing awareness among the rural poor about the on-going development programmes. SHGs


not only empower women, but also solve their personal problems apart from their economic development. The main objectives of SHG are thus to develop leadership quality, self-confidence and reliance. Thus SHGs play a major role in women empowerment, micro-finance through bank linkages in collaboration with NGOs and contribute to the rural economy.

Velu Suresh Kumar\textsuperscript{40} found that women constitute about half of the total population in the country but they suffer from many disadvantages compared to men in terms of literacy rates and earnings. The process of women empowered is conceptualised in terms of personal assertions, self-esteem and confidence, ability to protect themselves as women attaining socio-political participation and economic independence, ownership of productive assets and provide leadership in both women and community related issues at all levels. SHG is the brainchild of Grameen bank of Bangladesh which was founded by Prof. Mohammed Yunus of Chittagong University in the year 1975. The main characteristic features of SHGs are participatory planning, holistic approach, resource mobilization, self-management, self help and mutual help. The formation of SHGs in rural areas has created awareness among women both in social and economic aspects. The empowerment of women through SHGs have benefited not only the individual woman but also her family and community as whole. As the success rate is high at many places in India the SHGs are the real pathfinders in the life of Indian rural women.

Usha Revelli\textsuperscript{41}, in her article “Women of SHGs taking on the market”, explained that many rural and tribal women in Andhra Pradesh (AP) are experiencing far reaching changes in their economic, social and domestic situations thanks to poverty alleviation initiatives using the “Value chain model”. The value chain model enables women to have access and control over a business enterprise. The women run their business through self help groups (SHGs) in the villages. Self help groups in the Chanchu tribal areas of Andhra Pradesh participate in a community process that was initiated by UNIFEM. They have been empowered to market their small forest produce thereby earning a good profit. The women of these SHGs have demonstrated women power in the market place. Women empowered with the solidarity of their collectives, empowered with product and market knowledge, and supported by their own external financial resources perform very well in the market place.

K.Dasaratharamaiah, M.C.Naidu and M.Jayaraju\textsuperscript{42}, found that ever since the declaration of 1975 as the International Year for Women by the United Nations followed by the International Decade for Women, gender issues gained prominence. The need to empower women and understand their perspectives in economic and social development has been realized. Women’s

\textsuperscript{40}Velu Suresh Kumar, “Women Empowerment Success through Self Help Groups”, \textit{Kisan World}, Vol.32, No.11, November 2005, p.31.


participation in the organised sector is about 15 percent only. The role of women is vital in all spheres of rural development. If the earning power of the women increases, it is expected that the total well being of the family will improve. Recent trends in India indicate that women are far superior to men in various aspects of development. With an objective of improving the equality of assistance to the rural women, a sharper focus was conceived through the scheme of development of women and children in rural areas (DWCRA). The government of Andhra Pradesh has taken up the theme of women’s improvement as one of the main items of agenda to tackle rural poverty and socio-economic issues. Due to effective organization of DWCRA programme in the mandal, the mandays of employment among all sections of rural women increased significantly. The women who are actively participating in DWCRA in the sample villages, their income and employment levels increased significantly. Through the DWCRA programmes various rural artisans’ products will be available for export to earn foreign exchange.

Ajai Nair⁴³ found that "SHG banking is the primary mode of micro finance in India today. Reaching over 6 million families inspite of its considerable outreach successful savings mobilization and high repayment rates, as with most other micro finance models, the financial viability of SHG banking has not been clear. SHG federations attempt to provide financial viability and sustainability to SHG Banking. The study explores the merits of federating and funds that SHG federations create. Economies of scale, reduced promotional and transaction costs, enable provision of value added services and increase empowerment of the poor".

Dr. Erhard W. Kropp and Dr. B.S. Suran⁴⁴ found that contiguity with human nature enhances the relevance and utility of the human development initiatives. The core of SHG bank linkage in India has been built around an important aspect of human nature, the feeling of self-worth. Over the last 10 years it has come to symbolize an enduring relationship between the financially deprived and the formal financial system, forged through a socially relevant tool known as self help groups (SHGs). An amazingly large number of formal and non-formal bodies have partnered with NABARD in this unique process of socio-economic engineering. What had started off in 1992 as a modest pilot testing of linking around 500 SHGs with branches of half a dozen banks across the country with the help of few NGO’s, toady involves about 20,000 rural outlets of more than 440 banks with an advanced portfolio of more than Rs.1200 crore ($240m). In micro finance lending to SHGs, financial services have reached the door steps of over 8 million very poor people, through 500000 SHGs.

**RESEARCH GAP FILLED UP IN THE STUDY**

Review of earlier studies on SHG has helped the researcher to identify the research gap. Studies pertaining to SHG in Madurai District are found inadequate. The previous studies

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covered mainly the growth of SHGs, in terms of number of members, savings and loan amount obtained. More over studies on SHG are concentrated on only the descriptive nature relating to the functions of SHGs and role of NGOs. Socio Economic Impact of SHGs remains not fully explored research. Therefore, in depth and comprehensive study on SHGs in this respect attempts to evaluate the changes in the members' occupation, income, assets position, savings, indebtedness, housing conditions and socio–economic empowerment of women. The socio-economic impact on the members compared at pre and post SHG period will be useful to planners and programme implementers to understand the factors facilitating women empowerment. Therefore, the present work in some aspects is a follow up work and also claims improvement over the other studies.

2.2 METHODOLOGY

Designing a suitable methodology and selection of analytical tools are important for a meaningful analysis of any research problem. In this section, an attempt is made to prepare a methodology of the present study. It includes sample design, period of study, collection of data, method of analysis and tools of analysis.

2.2.1 Sample Design

Madurai district comprises seven taluks and 13 blocks. For the purpose of collecting primary data, block-wise lists of SHG members were obtained from the Project Officer, District Rural Development Agency, Programme Officer, Tamil Nadu Corporation for Development of Women Ltd., (TNCDW) and Non-
Government Organizations (NGOs) functioning in Madurai District. More than 80 per cent of the members were concentrated in blocks, namely Madurai West, Madurai East, Chellampatti, Vadipatti, Kottampatti and T. Kallupatti. 300 sample women members under SHG scheme from these six blocks were randomly selected by using proportionate probability sampling technique. The selected blocks and sample women members in each block are given in Table 2.1.

**TABLE 2.1**

**NAME OF THE SELECTED BLOCKS AND SAMPLE WOMEN SHG MEMBERS**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Selected Block</th>
<th>Total Number of Members</th>
<th>Sample Women Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Madurai West</td>
<td>13923</td>
<td>60</td>
</tr>
<tr>
<td>2.</td>
<td>Madurai East</td>
<td>15193</td>
<td>66</td>
</tr>
<tr>
<td>3.</td>
<td>Chellampatti</td>
<td>12226</td>
<td>53</td>
</tr>
<tr>
<td>4.</td>
<td>Vadipatti</td>
<td>9426</td>
<td>41</td>
</tr>
<tr>
<td>5.</td>
<td>Kottampatti</td>
<td>12112</td>
<td>52</td>
</tr>
<tr>
<td>6.</td>
<td>T. Kallupatti</td>
<td>6630</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>69510</td>
<td>300</td>
</tr>
</tbody>
</table>
2.2.2 Period of Study

The field survey was conducted from September 2004 to March 2005 for the collection of primary data. The reference period of the survey was 2004-05.

2.2.3 Collection of Data

Both primary and secondary data have been used for the present study. A reconnaissance survey was made of the selected respondents to get acquainted with the loan amount received, utilized, repayment and the like. On the basis of the information gathered, a well designed pre-tested interview schedule was drafted and used in the field survey to collect primary data. Before undertaking the main survey, a tentative interview schedule was prepared and administered to 25 members in order to test the validity of the interview schedule. It facilitated the removal of the 'no-response' and unwarranted questions and the modified final schedule was prepared on this basis.

The selected women members were contacted in person and the objectives of the study were clearly explained to them and their co-operation was ensured. The details regarding the general characteristics of the sample members, their families, income, savings and the like relating to the overall objectives of the
study were collected from the sample members through the direct personal interview method.

2.2.4 Method of Analysis

Keeping in view the objectives of the study, 300 sample women members were post-stratified into two categories namely those who are in rural and those in urban areas. Out of 300 sample women members, 182 (60.67 per cent) came under rural area and the remaining 118 (39.33 per cent) fell under urban area.

2.2.5 Tools of Analysis

In order to examine the relationship, chi-square\textsuperscript{45} test was used by adopting the following formula.

\[
\text{Chi-square} = \sum \frac{(O - E)^2}{r-1} (c-1)
\]

where,

\[ O = \text{observed frequency} \]

\[ E = \text{Expected frequency} \]

\[ E = \frac{\text{Row total} \times \text{Column total}}{\text{Grand total}} \]

\[ c = \text{Number of columns in a contingency table} \]

\[ r = \text{Number of rows in a contingency table} \]

To examine the variation in monthly income between the two categories of members, one way analysis of variance (ANOVA) test was carried out.

In order to assess the contribution of members to family income multiple log linear regression model of the following form was fitted.

\[ \log Y = \beta_0 + \beta_1 \log x_1 + \beta_2 \log x_2 + u \]

where
\[ Y = \text{Total family income (in Rupees)} \]

\[ x_1 = \text{Members earnings (in Rupees)} \]

\[ x_2 = \text{Earning of their parents/spouses (in number)} \]

\[ u = \text{Error term} \]

The above model was estimated by the method of least squares.

In order to find out the difference in mean values of two groups, \( t \)-value was employed.

In order to identify the factors which influence the repayment, the following form of multiple log linear regression model was estimated.

\[
\log Y = \beta_0 + \beta_1 \log X_1 + \beta_2 \log X_2 + \beta_3 \log X_3 + \beta_4 \log X_4 + u
\]

where,

\[ Y = \text{annual repaid amount in rupees} \]