CHAPTER II

REVIEW OF LITERATURE

The study on impact of Self-Help Groups has attracted the attention of many researchers and practitioners irrespective of countries, be it developed, developing or the least developed. The important studies, which are related to the present work, are reviewed here. The divergent perceptual frameworks involving various theoretical issues and problems of the members of Self-Help Groups are scrutinized through the review of literature.

The review has been made from a variety of sources namely books, journals, newspapers, magazines, websites, unpublished research theses, researches conducted by consultants, etc. A brief account on the available literature pertinent to the present study is presented in this chapter. The review of related literature is made to bridge the gap left by the earlier researchers.

The literature pertaining to this study has been reviewed under the following headings:

1) Self Help Groups and its Social Impact

2) Self Help Groups and its Economic impact

3) Self Help Groups and its Empowerment and

4) Constraints faced by Self Help Group Members
**Self Help Groups and its Social Impact**

Lakshmikandan (2000)\(^1\) in his study states that the Self-Help Group membership consists of small landholders and agricultural labourers. Out of the 74 Self-Help Groups studied, 57 were women groups and 17 were men groups. The strength varied from ten to twenty and weighed heavily towards the larger figure. Out of the 74 Self-Help Groups, only 11 were sanctioned loans successfully from the lead bank of the district, the Bank of Baroda and the amount varied from Rs.20,000/- to Rs.30,000/-. He is of the opinion that facilities for entrepreneurial development are available within the group only at the micro level when compared to the large basic functions like market study, providing resources, general production management and marketing management.

Mohana Rao (2000)\(^2\) reported that SHGs showed a positive impact on the households of the members in respect of building self-confidence and social development skill and formation of social empowerment of the members.

In the views of Sundari, and Geetha (2000)\(^3\), the empowerment of poor rural women would be possible only if they are trained and imparted skills for a certain employment. According to them, skill training includes social, economic and political strategies, enterprise development, increased access to credit, new approach to markets and the like.

Anjugam and Alagumani (2001)\(^4\) have examined the socio-economic and institutional impact of micro finance through Self-Help Groups in Kodikulam village of Madurai District. The study disclosed that the Self-Help Groups helped them to avail loan and utilize it properly. It increased the awareness of members for girls’ education, widened outside contact and
decision-making skills. In their opinion, when the group formation is correct, then definitely there would be positive impact on all aspects.

Sneh Lata Tandon (2001)\(^5\) has stated the reason to start the SHGs as to overcome some common problems, which may address a wide range of problems from alcoholism to provision of micro credit. As per the report in Ajmer District, 4,500 SHGs called “Mahila Samoohs” came up in two years and Shri Mahila Sewa Sahakar Bank was set up in 1974 by 4,000 self employed women with the capital of Rs. 60,000 has now raised to Rs. 51,000 depositors with a 100 million working capital which states that SHGs were encouraged to form cooperative societies to increase their inner strength, self confidence and also increase the social and economic empowerment and capacity building.

Punithavathy Pandian and Easwaran (2002)\(^6\) in their article observed that micro-credit has resulted in significant increase in women’s own income, equal access and control over resources at the household level by taking a sample of 100 women SHG members from Sedapattai block of Madurai district. Through SHGs, the members were able to develop their capacity in areas such as awareness of health, education, environment, legal rights, improving functional literacy, better communication skills and better leadership skills. They have found that majority of women (59 per cent) belong to petty business units, in view of the fact that the rural women find it easy to manage with their inherent skills and low level of education.

Puhazhendhi and Satyasai (2002)\(^7\) assessed the impact of the SHG programme on a sample of 223 SHGs functioning in 11 States representing 4 different regions across the country with the help of a structured questionnaire.
Pre-SHG and post-SHG situations were compared and various economic and social aspects such as asset structures, income, social empowerment, behavioral changes, etc. were collected and analysed to assess the impact. The study concluded that SHG with an institutional arrangement could positively contribute to the economic and social empowerment of the rural poor.

Joseph (2002)\textsuperscript{8} in his study reports that there is a development in leadership qualities and personality development of the women-folk. The SHG program has promoted not only the saving habit but also the responsibility of members in handling the money. It also teaches them the technical skill and time management.

Barbara Adolph (2003)\textsuperscript{9} in her study observes that SHGs are formed for a variety of purposes and states that they are formed by rural people with the objective of improving their livelihood through collective savings and investments for income generation. Poor women have succeeded in improving their life through membership in SHG. Gaining more self-confidence is often a more lasting achievement that forms the basis for social and economic improvements. To strengthen the participation of the poor, more effective targeting mechanisms are required, and SHG programmes need to be geared towards the specific needs of poor people with hardly any cash income and limited social capital. The study argues that SHG development needs to go hand in hand with policies that increase women’s access to productive resources, especially land. According to her conclusion different types of SHGs are required for different types of people depending on their specific socio-economic conditions and their goals.
Ritu, et al. (2003)\textsuperscript{10} reviewed the functioning of Self-Help Groups in Kanpur, Dehat District. Ten women members from self-help group and ten non-members from the same village were selected as respondents, with the objective of assessing the impact on their socio-economic status by applying correlation analysis. The result shows that there is relationship between the self-help groups and the socio-economic status of women.

Rao (2003)\textsuperscript{11} compared the genesis and development of Self-Help Groups from 48 women dairy co-operatives spread over 6 districts of Andhra Pradesh and Karnataka. The study indicated that the existing formal financial institutions failed to provide financial support to landless, marginalized and disadvantaged groups. The origin of the Self-Help Groups was traced to be a mutual support in Indian village community. Credit for consumption has been the major purpose for which loans have been availed in Andhra Pradesh while it is for social functions and purchase of inputs for agriculture in Karnataka. He concludes that women save Rs. 75 to Rs. 150 per month and are involved in social awareness programmes on dowry, nutrition, legal literacy, sanitation, and multiple roles of women.

In the words of Jain (2003)\textsuperscript{12} micro credit helps the women to achieve social and economic status through involvement of SHGs. The SHG is an available tool for rural development and the promotion of community participation in rural development programs as well as a vehicle for disbursing micro-credit to women and encouraging them to enter into entrepreneurial activities. His another finding is that Self Help Groups enhance the equality of the status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life.
Thelma Kay (2003)\textsuperscript{13} stated in his research paper that women who had generated increased income through SHG schemes have gained greater respect and decision making power within the household, power to command, attention within the community and had self-confidence due to exposure to women’s rights, social and political issues.

Kausalya Santhanam (2004)\textsuperscript{14} points out that the SHGs are transforming the face of Tamil Nadu and strengthening the gender equality because of economic independence and managerial training. Socio-economic empowerment and capacity building are achieved through a series of training programmes such as maintenance of registers, personality development, communication skills and entrepreneur development programmes. SHGs have inculcated the habit of savings among the members and also provided them with a sense of security.

Savitha (2004)\textsuperscript{15} who undertook a study on women empowerment and decision making in agriculture in Mysore district, found that majority of them experienced a moderate level of social empowerment and 26.67 percent had high level of empowerment by adopting percentage analysis.

Dolli (2006)\textsuperscript{16} who conducted a study on sustainability of natural resources management in watershed development project found that for the members of SHG in KAWAD project, improved income (66 per cent), self employment opportunities (66 per cent), awareness (66 per cent) and social contact (60 per cent) were expressed as major benefits, while in KWDP, awareness (53 per cent), social contacts (53 per cent) and self employment opportunities (40 per cent) were found to be major benefits.
Prem Singh Dahiya, et al. (2006)\textsuperscript{17} carried out a study to trace the socio-economic evaluation of the working of Self-Help Groups on their impact, issues and policy implications. The study found out that the social impact was deep in empowering womenfolk, educational development of children and emancipation from social evils like drunkenness by male household members.

Smita Sabhlok (2006)\textsuperscript{18} viewed that the SHGs could empower women’s contribution to the economy and has transform the lives of many Indians. Group power has been found to be a potent force in giving collective empowerment and voice to the poor women in rural areas. There is a long way to go before reorientation of power relationships, both at the household and at the societal level.

**Self Help Groups and its Economic Impact**

Puhazhendhi and Jayaraman (1999)\textsuperscript{19} states that as a result of self help group formation, women were able to diversify their activities through undertaking non-farm and animal husbandry activities. Members taking up more than one activity increased their income from 30 per cent during pre-group formation to about 53 per cent during post-group formation. They also observed that the average annual net income per member during pre-group formation ranged from Rs. 6,763 to Rs. 9,157 while the average net income per member during post-group formation ranged from Rs. 10,531 to Rs. 18,762. The increase in net incremental income shows that SHG has improved the economic status of group members.

Shylendra (1999)\textsuperscript{20} revealed that Self Help Groups were capable of playing an effective role as financial intermediaries for the poor and also helped the members in mobilizing considerable funds through small savings;
Self Help Groups have the potential to tap external funds quite significantly to meet the increased credit needs of their members. The study observed that the members have found the Self Help Groups to be superior to other sources of formal and informal credit. The study also concluded that Non Governmental Organizations could play a major role in the successful promotion of Self Help Groups.

Dodkey (1999)\textsuperscript{21} analysed and reported that as on March 1997, 18 states and 2 union territories were covered under the programme of linking of Self Help Groups with banks with the participation of 30 commercial banks. The programme had benefited nearly 1,50,000 rural poor families. The progress under the programme has been quite encouraging. The repayment of loans both at Self Help Groups level and bank level under this programme has been excellent.

Nedumaran (2001)\textsuperscript{22} in his study stated that the informal groups with active intervention of Non Governmental Organizations significantly improved the participation of poor people in group activities. The poor people were easily accessible to formal credit through Self Help Groups and group activities had a positive impact on income, asset position and social condition of the members.

Sharma (2001)\textsuperscript{23} in his review of the genesis and development of SHGs in India, unearthed the fact that the existing formal financial institutions failed to provide finances to those who were landless, marginalized and disadvantaged groups. The establishment of SHGs has enabled many poor people to become involved in various income-generating activities through the small loans that they received from the groups.
Manimekalai and Rajeshwari (2001) highlighted that the provision of micro financing by the NGOs to women SHGs, has helped the groups to achieve a measure of economic and social empowerment. It has developed a sense of leadership, organizational skills, management of activities of business, establishing adequate financing, identifying raw material, market and suitable diversification and modernization.

Kuberanarayanan (2002) highlighted that the multi-fold activities of Self Help Groups paved the way for improving village economy. More than 3,300 Self Help Groups have been formed by Tamil Nadu Corporation for Development of Women in Madurai district in the last two years with a membership of 67,202 lakhs women who have recorded savings of Rs. 6.34 crores. The credit linked Self Help Groups have ensured that the repayment of loans was nearing 100 per cent, which encourages the bank to enhance quantum of advances.

The NGOs have played a vital role in facilitating tangible economic growth of women, redeeming them from the clutches of moneylenders. Several Self Help Group members had taken up self-employment or small-scale ventures, utilizing the training they got under entrepreneurship development programmes. On an average each member has savings ranging between Rs. 1,000 and Rs. 10,000 and as many as 1.57 lakhs beneficiaries have used credit facilities to the tune of over Rs. 20.20 crores.

Radha (2002) pointed out that the SHG mechanism can be leveraged as an instrument to sphere head the campaign to urge the government to scrap the cheap liquor scheme and introduce total prohibition.
Kuttan Mahadevan (2002)\(^{27}\) mentioned that the socio-economic survey of Self Help Groups conducted by District Rural Development Agency in different districts of Andhra Pradesh has highlighted that the scheme has helped women earn an additional income ranging from Rs. 2,501 to Rs. 20,000 per month depending on the economic activities taken up. The programme has helped them to reduce drastically their dependence on moneylenders in rural areas.

In addition, women have taken initiative in improving their socio-economic status by participating in governmental programmes such as family welfare, promoting their nutritional and educational status, awareness of environment, public health, through sanitation and clean drinking water.

Sivarajan (2002)\(^{28}\) presented the success story of Self Help Groups in Dharmapuri. The district had formed during the period as many as 7,500 Self Help Groups which was considered the maximum in the State. The groups have so far saved Rs. 25 crores, the highest in the State. The groups, which had availed revolving funds and successfully rotated the amount for at least six months, are rated for economic assistance. Accordingly, as many as 486 groups were been provided with a subsidy of Rs. 5.34 crores from 1990-2000 to 2001-2002, while the bank had extended loans to the tune of Rs. 11.13 crores. He concluded that SHG concept paved the way for economic independence for women members in Dharmapuri District.

Jaya (2002)\(^{29}\) in her case study stressed the need to create a grassroots organizational base to enable poor women to come together, to analyze their issues and problems themselves, and to fulfill their needs in countries like India, Bangladesh, and Pakistan. In these countries, such group-based
participatory programs have made a significant improvement in the living conditions of poor women. She concludes that the SHG is the only mechanism which can bring upliftment in the life of poor and illiterate women folk.

Mahendravarman (2005) in his article state that the deposits are the foundations upon which banks thrive and grow. The twin objectives of a commercial bank i.e. acquiring deposits and advancing credit cannot be attained without good banking habits of the people. Therefore people’s banking habits seem to be a major factor that affects the sustainability of the banks concerned. In India, SHGs which came into existence as informal organizations are linked to banks and their members, who are generally women folk. The author makes a modest attempt to examine whether there is any association between the growth of SHGs and the increase in the female bank account holders. In this process the author tries to trace the socio-economic factors that determine deposit and credit account holdings in formal banks among individuals and households.

Raja Ram Das Gupta (2005) in their article state that one of the reasons for lackluster performance of both public and private sector banks in extending credit to weaker sections is the high level of non-performing assets. Comparing the SGSY scheme with SHG-Bank linkage programme, the study points out that while credit under the SGSY schemes across states has been extended in proportion to the poor in the population, this is not so in the case of SHG credit that has been growing at the rate of 120 per cent per annum.

However, growth in SHG credit has been uneven. The southern states are seen as SHG developed states while Bihar and Madhya Pradesh are among those characterized as SHG backward. But besides the SHG model in
extending credit to the weaker sections, several models exist for extending micro credit to the poor and weaker sections.

According to Getaneh (2006)\textsuperscript{32} SHG is a development scheme, which works on the principles of self-regulation, mutual help and co-operation. He adds that SHGs members create their own capital through regular savings currently emerging in Ethiopia. The scheme provides saving and credit services which stimulates members’ self help capacity resulting in social and economic empowerment as a resource for poor families, especially women.

Anitha and Revenkar (2007)\textsuperscript{33} has made an attempt to study the rural development through micro credit, the growth of SHGs from 1992-93 to 2003-04 and agency-wise Self Help Group Bank Linkage as on March 31, 2004. They concluded that the success of SHGs not only improved the economic status of women but also brought a lot of changes in their social status.

Monika Tushir, et al. (2007)\textsuperscript{34} stated that finance is one of the most crucial inputs for growth and development of any economy. Provision of financial assistance to the poor and underprivileged section of the society has always been in the focus of various programmes, run by the government since independence. Despite having a wide network of rural bank branches in India a large number of the poor women continue to remain outside the purview of formal banking system.

The alternative policies and procedures are needed for savings and loan products, other complementary services and new delivery mechanisms, which would fulfill the financial requirements of the poor with the main emphasis on socio-economic upliftment.
Mettei (2008)\textsuperscript{35} states that remarkable changes have taken place in Manipur after the implementation of Self Help Group scheme. He observes that most of the members are in the age group of 25 – 35 and all the members in the study experienced increased income earning capacity after joining the SHG. The study concludes that SHG has good prospect for future economic development as it is found to be a suitable agent for extending command over small ventures.

Saraswathy, et.al (2009)\textsuperscript{36} made an attempt to analyze the role of micro finance in Krishnagiri District by conducting a primary survey. The study revealed that majority of members agreed that their income, expenditure and savings increased after joining the SHG. They concluded that SHG has become the development ambassador for villages.

Jothi (2010)\textsuperscript{37} with the aid of primary data brought out the changes in the social and economic aspects of the sample respondents who are the members in SHG. The sample respondents, who were either unemployed or engaged in petty activities during their pre-membership period, have become very active by becoming fully employed in varied activities and thereby earning more. He has concluded that the self help groups contribute substantially in pushing the conditions of the female population up and through that chip in poverty eradication as well.

**Self Help Groups and their Empowerment**

Pathak (1992)\textsuperscript{38} has reported that SHG, comprising a group of persons, gets empowered to solve most of their problems of non-financial nature like raw materials, input supply, marketing, better adoption of technology, and training for realizing the human potential for development.
Braimoh (1995) in his paper emphasized that the participation of women in development depends on utilization of women’s abilities, equal employment rights to women, equality in inheritance rights, equal sharing of responsibilities in the home and participation of women in institutional and administrative life. Further he stated that promotion of women institutions would empower the women in rural areas.

Qazi (1997) in his article outlined the role of Self-Help Groups in poverty alleviation in the rural areas in India. He stressed the role of Self-Help Groups and the schemes of male and female Self-Help Groups. He noticed that the Self-Help Groups have contributed a lot towards women empowerment and poverty alleviation in India.

Manimekalai and Rajeswari (2000) in their work “Empowerment of Women through Self Help Groups” analysed the women self help groups formed by the Non-Governmental Organisations in the rural areas of Tiruchirappalli District for the purpose of promoting rural women through self-employment. The Non-Governmental Organization namely, Society for Education and Village Action and Empowerment (SEVAE), has been working in 362 villages and helping a total of one-lakh women beneficiaries consisting of different avenues of self-employment like petty businesses, processing, production and service units.

Vijay Kulkarni (2001) who made a study on “Empowerment of Women through Self-Help Groups” identified that SHGs are an effective tool for the empowerment of women in the real sense. According to him, the viability, sustainability and empowerment depended to a large extent on the grassroots process rather than conceptually sound rationale. Women can be
empowered not by an external agency but by themselves, through capacity building, to take up challenges and to question all types of exclusion and exploitation. He has thus shown that formation of SHGs is not the end in itself but the means to facilitate the process of empowerment.

Kapoor (2001) sought 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. He states 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.

Cheston and Kuhn (2002) 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 minimize the potentially negative impacts which some women experienced.

Malhotra, et.al. (2002) constructed a list of most commonly used dimensions of women’s empowerment, drawing from the frameworks developed by various authors in different fields of social sciences. Allowing for overlap, these frameworks suggest that women’s empowerment needs to occur along multiple dimensions including: economic, social-cultural, family, legal, political, and psychological. Since these dimensions cover a broad range of factors, women may be empowered within one of these sub-domains. They give the example of “socio-cultural” dimension which covers a range of empowerment sub-domains, from marriage systems to norms regarding
women’s physical mobility, to non-financial social support systems and networks available to women.

According to Krishna (2003)\(^\text{46}\) empowerment means increasing the capacity of individuals or groups to make effective development and life choices and to transform these choices into desired actions and outcomes. It is by nature a process and/or outcome. Social capital, on the other hand, features social organization such as networks, norms and inter-personal trust that facilitate coordination and cooperation for mutual benefit. It is by nature a stock. Community Driven Development (CDD) is a methodology of undertaking development enterprises that gives control of decisions and resources to community groups. It is by nature an activity.

Chiranjeevulu (2003)\(^\text{47}\) made a study on, “Empowering Women through Self Help Groups”. He investigated the micro enterprises started by self-help groups in Warangal district (Andhra Pradesh). The researcher found that the conversion of consumption based self-help groups into entrepreneurship-oriented self-help groups lead to employment generation and empowerment of women.

Malhotra (2004)\(^\text{48}\) has examined how women entrepreneurs affect the global economy, why women start business, how women’s business association promotes entrepreneurs, and to what extent women contribute to international trade. It explores the potential of micro-finance programmes for empowering and employing women and also discusses the opportunities and challenges of using micro-finance to tackle the poverty of women.

Narasaiah (2004)\(^\text{49}\) in his study states that the change in women’s contribution to society is one of the striking phenomena of the late twentieth
century. According to him micro-credit plays an important role in empowering women. Giving women the opportunity to realize their potential in all spheres of society is increasingly important.

Nayak (2006) made an attempt to analyze the empowerment of the poor through SHG and micro finance in the Kalahandi district of Orissa. The questionnaires were prepared and presented to 997 members of 80 SHGs. The study found that more families of Kalahandi district benefited from SHGs and bank linkage program and suggested strengthening of cooperative sector.

Sahoo and Tripathy (2006) in their edited book viewed that 70 per cent of the world’s poor are women. Access for the poor to the banking services is important not only for poverty alleviation but also for optimizing their contribution to the growth of regional as well as the national economy. Self Help Groups 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 in lower position of the social hierarchical ladder. They can live themselves from the morass of poverty and stagnation through micro finance and formation of self help groups.

Gudagaanavar and Gudaganavar (2008) made an attempt to examine the empowerment of rural women through SHG. They highlighted the progress of SHG’s in India from 1992-93 to 2006-07. They also highlighted the region-wise progress of SHGs and employment of women through SHGs. They concluded that no development was possible without empowerment of women.

Ganapathi and Sannasi (2008) made an attempt to highlight the factors that influencing the women entrepreneurs. The study highlighted the
common features of women entrepreneurs, challenges faced by them while undertaking the entrepreneurial activities and the necessary strategies to overcome the challenges. The study concluded that women must be motivated to establish business in the interest of the family income in particular and national income in general.

**Constraints Faced by Self Help Group Members**

Mohinder Singh (1988)\(^{54}\) stated that the inadequate coordination among various departments and agencies involved in the development of the rural poor including banks is one of the deficiencies of the programme. The effective participation of the target group can’t be achieved due to the domination of members owing allegiance to political parties.

Thangamuthu and Manimekalai (1989)\(^{55}\) in their survey on “Generation of Employment for Women though DWCRA” found that the beneficiaries have crossed the poverty line with an additional income of Rs. 285 to Rs. 460. They have noticed that the problems faced by the beneficiaries in their trades were scarcity of raw materials and difficulty in marketing.

Suriakanthi (2000)\(^{56}\) in her study “Literacy – Essential for SHGs” stressed the need for literacy of the self-help group members. A random survey of 120 groups showed nearly 95 per cent of the members and 75 per cent of the office bearers were illiterate. The female office-bearers managed to carry on the activities with the help of their husbands and educated wards. They used to narrate the incidents that happened in the meetings to their husband/ward. Fifty per cent of the group’s survey showed that only literate members prepared the minutes and accounts on behalf of the office-bearers who were illiterate. It was found that ten per cent of the illiterate members did not even know the amount
saved by them. She strongly insisted on the necessity of imparting basic education to all Self-Help Groups

Lakshmi (2000) brought to the fore the major constraints in effective and beneficial credit programming for women on a larger scale like lack of banking data disaggregating by gender and lack of an adequate analytical framework for integrating women into credit analysis. The policy concern for increasing access to credit and generating a sustained favourable impact on their socio-economic uplift should be transformed into practical reality only by achieving such integration.

Sharma (2000) in his study “Forest Policy – Role of SHGs” examined the role of self-help groups in the development of the tribal people. According to him, self-help groups have a flexibility of approach and working but they failed to develop a work culture, which was acknowledged by the tribal’s themselves. He is of the opinion that better coordination is required from the voluntary agencies and the government departments for their better performance.

Prita (2001) investigated the performance of SHGs in Dharwad district and found that the major constraints faced by the members were difficulties in diversification/starting of the activities (41.67 per cent), misunderstanding amongst SHG members (38.17 per cent), lack of space for storage of materials (28.24 per cent) and inadequate availability of raw materials at the right time (16.03 per cent).

Mishra, et al (2001) made an attempt to study the “social and economic analysis of rural SHG Scheme”. The study revealed that the major problems faced by SHG members were lack of training, marketing facilities,
entrepreneurship and high rate of interest. It was suggested that bank and credit societies should come forward to help the rural poor through the SHG and provide liberalized credit facilities at cheaper rate of interest.

Sebastian Titus (2002)\textsuperscript{61} in his study has examined the promotion of women entrepreneurs through self-help groups. He cited reasons like non-availability of funds for investment, dearth of technical and managerial skills, inability to manage the labour force, dual role burden, lack of professionalism, gender bias and the like which inhibit promotion of women entrepreneurs through SHGs.

In a study conducted by Sentil and Sekar (2004)\textsuperscript{62} in Kerala, pointed out that political interference, lack of timely credit facilities, lack of adequate credit, lack of adequate farm women oriented schemes and delay in operation of development programmes were the major constraints perceived by the SHG members.

Thejaswini and Veerabhadraiah (2004)\textsuperscript{63} conducted a study in Karnataka and reported that majority of respondents indicated that lack of training (85 per cent), financial constraints (82 per cent), poor quality of raw materials (81 per cent), high cost of production (77 per cent), lack of quality aspects (73 per cent), marketing problems (65 per cent), lack of storage and warehousing facilities as the major constraints hindering the functioning of SHG.

Sarath Kamala (2004)\textsuperscript{64} in her study found that the capital is perceivably quite low and could not meet all the requirements of the SHG members. She has suggested that emphasis should be given to design the training programmes with entrepreneurial abilities, managerial skills, quality consciousness and competitive spirit.
A study by Rao (2005)\(^6\) reported that among the various problems, lack of communication skills came out to be major factors. Lack of transportation, competition from established brands and lack of capital were some of the notable problems voiced by women.

Joseph and Easwaran (2006)\(^6\) conducted a study in Mizoram and identified the perceived constraints in the functioning of SHGs and found that lack of government attention, high rate of interest, insufficiency of loan for income generation, and inability to repay the loan etc. are the main problems faced by the SHG members.

Ratana Reddy and Jayashree Venkatesan (2006)\(^6\) in their study have found out that many specialized training programs were offered for women entrepreneurs, but they were not need based. The training needs at the inception and operation stage of the business were not properly identified and provided for. This led to failure of groups in the survey area.

Bharathi (2009)\(^6\) analysed the personal, social, economic and technical problems of SHG in Gadag district of Karnataka. The result of the study revealed lack of training, restrictions in the family, insufficient loan amount, non-availability of raw materials as their main problems. The study concluded that it is necessary to educate rural women, upgrade and improve their skills, provide opportunity for them to express their potential abilities for addressing social, economic and technical problems of members. It is also the responsibility of higher authorities to motivate, guide and educate rural women for their empowerment and to solve their problems.

Murlidhar Lokhande (2010)\(^6\) pointed out that marketing of the products, and irregular income were the burning problems of SHG members in
the study undertaken in Aurangabad District under the Maharashtra Rural Credit Programme. Lack of training and guidance for modern business activities, inadequate loans, political interference, and unfair competition among the groups were identified as major constraints faced by the SHG members. He concluded that proper training and skill developing programmes for women, marketing assistance, and sufficient loans from banks would bring a ray of hope for the development of these under privileged people.

Prasad Rao, et. al. (2011) conducted a study in Srikakular District of Andhra Pradesh with a sample members of 130. They analysed the socio-economic profile, performance evaluation including the problems faced by the SHG members in Micro Enterprises. Marketing the product and insufficient loans were the main snags faced by the members. They concluded that the Government would help them in marketing the products by purchasing their requirements at a reasonable rate.

Summary

The various pieces of literature reviewed from diverse sources bring to the fore the following. The entire review of literature has been organized into four heads viz., reviews which have a bearing on social impact, economic impact, empowerment and constraints in the functioning of SHG. The main purpose of the review is to identify the research gap.

Reviews dealing with social impact

1. Studies on SHG in North Indian context revealed that SHG has played a big role in creating awareness about the health, environment, women rights, legal rights, literacy, etc.
2. Most of the studies conducted on the impact of SHG its members pointed to the improvement of decision making skill, communication skills, reading and writing skills, computation skills, interactive skills and technical skills of members.

3. Some studies conducted in South Indian context have highlighted the fact that SHG has made a deep impact on nurturing leadership qualities and personality development among women members.

4. Very few studies have concluded that SHG mechanism has helped women members to win a social entity status in the society.

5. Some authors have stated that SHG has played a big role in building self confidence, social awareness, inter-personal relationship, etc.

Reviews relating to economic impact

1. Studies conducted in North India have highlighted that SHG has improved the economic resource of the people.

2. Most of the studies in India as well as abroad disclose the fact that SHG have helped their members to learn the habit of saving.

3. Some of the research studies have established the fact that the economic status of members has considerably improved after their membership in the SHG by comparing pre-membership and post-membership income.

4. A few research studies made on the economic impact on its members proved that the members have learnt the art of investment after joining the SHG.
5. A great deal of studies has shown that the member’s capacity to expend and to invest has certainly risen.

**Reviews having a bearing on Empowerment**

1. Most of the studies conducted across the world have highlighted that SHG has undoubtedly facilitated women empowerment.

2. Some of the articles in the newspapers, edited books and web sites have demonstrated that SHG have played a monumental role in enabling the members to face daunting challenges, raising voice against the cruelties inflicted on them, sharing the responsibilities, raising entrepreneurial qualities, etc.

**Reviews relating to constraints faced by members of SHG**

1. Most of the studies in the Indian context have disclosed that the inadequate finance by funding agencies has driven them to private lenders to seek funding at exorbitant rate of interest.

2. Almost all the studies spotlighted the fact that the members were unable to get adequate marketing support and therefore they had to suffer from poor sales.

3. Some studies across India have revealed the fact of members getting inadequate training.

4. Lack of coordination, inter-member conflict, default by members, poor leadership qualities, problems of illiteracy, domination by a few influential members over the rest of others, non conduct of meetings, inability of the members to understand the financials of the
ventures due to poor level of literacy etc are stated to be problems constraining the successful functioning of SHGs.

In the light of the above, it is manifest that no research has been conducted in Tamil Nadu in Kanchipuram district which is atop and ahead of other districts in Tamil Nadu in the number of SHGs functioning. In view of higher enrolment of women members, and increase in number of SHGs functioning in the district, it was purposively chosen for the research work. In other words, a comprehensive study examining the impact of SHG members on multidimensional perspective is lacking in Kanchipuram district. The present research has been undertaken to bridge this research gap.

The study on SHGs in Kanchipuram district may throw light on identifying the factors contributing to increasing number of groups, number of women members; and other favourable environment prevailing in the districts for the successful functioning of SHGs over there. In this backdrop, the present study assumes importance.

It is appropriate to have an overview of Self Help Groups before examining the impact of Self Help Groups on their members. It is proposed to give a bird’s eye view of self Help Groups in the next chapter.
End Notes


