CHAPTER-1
INTRODUCTION

Poverty and unemployment are the two most important problems faced by any developing country. In a developing country like India, where major part of the population resides in rural areas, rural development becomes necessary for the financial growth. Since independence though the Government of India has initiated a variety of programs to alleviate poverty but an important progress did not happen. The poor people are often deprived of the financial services by the banks. Consequently, they have to rely upon the informal sources of finance which exploit them by charging an exorbitant rate of interest, and resulting in their misery and indebtedness. Micro finance is one such initiative that aims at poverty reduction by ensuring basic economic services to the underserved sections at affordable costs.

The Indian policy for rural finance since 1950s till date mirrors the pattern experiential worldwide. Growing way in to credit for the poor has always remained at the core of Indian planning in its fight against poverty. It saw nationalization of responsive private commercial banks, substantial development of branch network in rural areas, preference sector lending’s, subsidized rates of interest, conception of a new set of rural banks at the district level and National Bank for Agriculture and Rural Development (NABARD) at the national level. Undoubtedly, this process resulted in generating gains in both the rural outreach and volume of the credit. Prof. Mohammad Yunus at Chittagong University, Bangladesh discovered the idea of Grameen Bank in 1976 and started making small loans to the local villagers. He
reasoned that if these poor people work for their own rather than for others, they could maintain much of the excess generated by their labour.

**Concept of Micro Finance**

Micro finance means the accessibility of small scale financial commodities and service to the poor. Traders and moneylenders usually make available microcredit to the rural poor but charge very expensive rates of interest, which led to substantial lack of money and insolvency of borrowers. Later, this resulted into debt trap bonded labour and illegal and forced transfer of properties. What we refer to as microfinance today does not consist of such unequal practices rather it refers to, ‘lending to the poor at reasonable but sustainable rates from government and private institutional sources.’

Micro finance enables the poor and expelled sections of the society, who do not have a way in to official banking to make resources, to have an access to diversified employment options and increased income and decrease in their susceptibility to economic pressure. The objective following the concept of microfinance is to generate financial service for those people which are missing from financial services and to help poor people to pull out from the vicious circle of poverty. But, the idea of micro finance is very naive to produce suitable change in financial system all over the world.

“Micro finance is one of those small ideas that turn out have enormous implications when Prof. Mohammad Yunus an Economics Professor of Chittagong University at Bangladesh discovered the idea of Grameen Bank (GB) and started making small loan to local villagers in the 1970s. He felt concerned at the pittance
earned by landless women; he reasoned that if they could work for themselves instead of working for others they could retain much of the surplus generated by their labour which is currently enjoyed by others. Established in 1976, The Grameen Bank has over 1000 branches (a branch covers 25-30 villages around 240 groups and 1200 borrowers) in every province of Bangladesh, borrowing groups in 2800 villages and 12 lakh borrowers with over 90% being women, it has annual growth rate of 20% in terms of its borrowers.”

The field has since increased with the approval and progress of Prof. Yunus’ ideas to different countries and context. The United Nation Year of Micro Credit (2005) indicates a turning point for micro finance as the private sector began to take more serious interest in what has been considered the field of NGOs. However, with all the excitement about the scenario of the field to supply to poverty alleviation and the combination of the world are poor into the quickly connecting global market system. The Counselling Group to Support the Poor (CGAP) estimated that micro finance possibly reaches less than 5% of its possible clients though this is over rough estimate of those not reached by official financial institutions it capacity serve to afford a general idea of what share of the possible customers of micro finance have yet to be reached.

**Meaning and Definitions of Micro Finance**

Microfinance has come to be regarded as an additional development concept which widens the financial service delivery system by linking the large rural population with official financial institutions through SHGs. Thus we see an increase of the concept of micro finance our existing challenges is to find well-
organized and consistent ways of provided that better micro finance products services. “Micro finance refers to small scale financial services for both credits and deposits that are provided to who former fisher herd operate small or micro enterprise where goods are produced recycled or commissions gain income from rating out small amounts of land vehicles draft animals or machinery and tools and to other individuals and local groups in developing countries in both rural and urban areas”. (Robinson).

Micro finance refers to the condition of financial services to the poor or low income households counting consumer and the self employed. The term also refers to the training of maintain capably delivering loan to the in need sector of the society to make it more clear, it refers to movement that the idea a world in which as many poor and near-poor households as potential have enduring access to an suitable range of high quality financial services together with not now credit but also saving insurance and finance transfers. In others words micro finance means provided that very poor families with very small loans (micro credit) to help them connect in creative performance or grow their small business overtime.

Micro finance is a relatively an improvement in financial services for the low income groups self in employment person which face complexity to take an access towards banking services and banking services. More usually according to Oxford dictionary micro finance defined as-

“A world in which as many poor and near poor households as possible have permanent access to an appropriate range of high quality financial services, including not just credit but also saving insurance and fund transfer”.
“Micro finance can be defined as the provision of financial services to low income clients, poor household both in urban and rural areas who are generally bankable”.

According to CGAP, “Microfinance can be defined as the supply of loans, saving and other basic financial services to the poor”.

According to ACCION, Microfinance is defined as, “banking and financial services targeted to low and moderate-income businesses or households including the provision credit”.

In the International Year of Microcredit 2005, “Microfinance was referred to as loans savings, insurance, transfer services and other financial products targeted at low-income clients”.

Poor people also like everybody else need a various range of financial goods and services to maintain their employment, creative finance to run their business make property position for both production and consumption and to protect themselves against risks and uncertainties.

**Concept of Micro Credit**

Micro finance refers to the entire range of financial and non financial services including skill up gradation and entrepreneurship development rendered to the poor for enabling them to overcome poverty. Microfinance or microcredit programmes generally transfer to the purpose of such programmes viz. success small amounts of credit and other micro financial services to the poor so as to support income generating activities. The statement of the Microcredit summit held in
Washington, D.C. in 1997 defined microcredit programmes as those that "extend small loans to poor people for self employment project the generate income, allowing them to care for themselves and their families."

NABARD defines microfinance as the “Provision of thrift credit and other financial services and products of very small amounts to the poor in rural semi-urban or urban areas for enabling them to raise their income levels and living standards.”

The terms microfinance and microcredit are often used interchangeably in the economic or financial literature, it is normally established that microcredit or small loan for income generation or expenditure purposes refers to one section of a great range of microfinance services which could include saving, insurance and other connected business growth service as well.

“Microcredit is defined as provision of thrift credit and other financial services and products of very small amount to the poor in rural semi-urban and urban areas for enabling them to raise their income levels and improve living standards. Microcredit institutions are those which provide these facilities.”

Microcredit SHGs are an innovation of Grameen Bank of Bangladesh which was established by Prof. Mohammad Yunus in their 1995. In India the NABARD initiated it in 1986-87 but the real effort was made 1991-92 for the linkages of SHGs with the bank. Microcredit is delivered during self help groups a self help group is a register unregistered group of micro entrepreneurs having consistent social and economic background voluntarily imminent mutually to save small amounts
frequently. They equally agree to contribute to a frequent fund and to meet their crisis requirements on common help origin. The group members use combined knowledge and examine pressure to insure suitable end use of credit and suitable refund thereof. In fact peer pressure has been accepted as an efficient alternative for collaterals.

**Micro Finance and Rural Development**

Development of local resource based economy provider’s additional employment to people’s to living in rural areas. In this context Sumacher observed that in order to bring work to the people not people to the work it was absolutely necessary to establish millions and millions of small scale industries in rural areas.

The new paradigm, which was centralised in the central places only. The new paradigm of development is concentrating fiercely in its rural development, especially the precedent of the developing countries which by all predictions would make a world power (developed countries) in the next stipulated time period because all the nations have traced out that under-development of any area will retard the growth of prosperity. ‘Poverty anywhere is a threat to prosperity everywhere.’ Adam Smith the Father of Economics had composed the same as, “what improves the circumstance to the whole. No society can surely be flourishing and happy of which the far greater part of the members are poor and miserable.”

Developing economy like India aims at maximum employment of their own national and manpower resource. Even the countries availing raw material in abundance and cheap labour resources, cannot achieve their targeted growth rate without having sufficient financial resources. In a labour extensive economy it is
necessary to liberalise and change the financial and monetary policies which are the tools to achieve the multidimensional life goal of the poor. To achieve these goals and keep the rural poor away from the burden of heavy interest rates prescribed by the moneylenders the government, the NGOs and voluntary organisations play a crucial multi-linked role in rotating microfinance. Now a day’s microcredit is worldwide scheme and it is broadly established as a tool to uplift the rural poor from the measurable and deplorable condition.

For sustainable development in rural areas in consonance with rural people’s wishes and aspirations huge investments are being made by the Ministry of Rural Development, Government of India through the different programmes. A number of new initiatives have been introduced in the course of the last years.

**Micro Finance Role of NABARD**

“Indian public policy for rural finance from 1950s to till date mirrors the patterns observed worldwide. Increasing access to credit for the poor has always remained at the core of Indian planning in fight against poverty. The assumption behind expanding outreach of financial services mainly credit was that welfare costs of exclusion from the banking sector, especially for rural poor are very high. Starting late 1960s, India was home to one of largest state intervention in rural credit market and has been euphemistically referred to as ‘social banking’ phase. It saw nationalisation existing private commercial banks, massive expansion of branch network in rural areas mandatory directed credit to priority sectors of the economy, subsidised rates of interest and creation of a new set of rural banks at district level and an apex bank for agriculture and rural development at national level. These
measures resulted in impressive gains in rural outreach and volume of credit. As a result, between 1961 and 2000 the average population per bank branch fell tenfold from about 140 thousand to 14000 (Burgess and Pande 2005) and the share of institutional in rural credit increased from 7.3% in 1951 to 66% in 1991-2002.”

NABARD investigate for different models of getting the rural poor brought the subsistence of informal groups of poor to the fore it was realised that the poor tend to come together in a diversity of informal ways for pooling their savings and provision small and unsecured loans at changing costs to group members on the basis of need. Under the programme generally as SHG-Bank Linkage Programme there are generally three models of credit linkage of SHGs with banks. However, the essential formulate element in all remains the same i.e. identification development and promotion of groups either by NGOs other improvement agencies or banks handholding and original period of inculcating habit of thrift follow by deposit free credit from bank in section to the groups savings.

NABARD has set up the Micro Finance Development Fund (MFDF) with original involvement of Rs 100 crores which be mutual by a variety of institutions suggest RBI the fund is being utilized for sealing up different poverty alleviation programme with particular from on ability make up below Self Help Group Bank Linkage Programme (SHG BLP) maintain by different banks and NGO Groups.

**Micro Finance and Financial Inclusion**

“Micro Finance is defined as the provision of thrift, credit and other financial service such as money transfer and micro insurance products for the poor to permit them to raise their income levels and get better living standards. Financial inclusion
will be outlined as a state during which all folks of operating age have access to a full suite of quality money services provided at reasonable costs in an exceedingly convenient manner and with dignity for the clients (ACCION International 2009). The Rangarajan Committee outlined financial inclusion as the method of guaranteeing access to money services and timely and adequate credit. Wherever required by vulnerable teams like weaker sections and low financial gain teams at an inexpensive value (2008). It includes access to banking services credit insurance, savings and assets, cash recommendation and money skill and capability.”

“Financial Inclusion is delivery of banking services at an affordable cost to the vast sections of disadvantaged and low income groups. The main focus of financial inclusion in India is to promote sustainable development and generating employment in rural areas for the rural population.”

**Micro Finance and Women Empowerment**

Empowerment of women is an absolute issue it is an active multi-dimensional procedure which allow women to appreciate their full individuality and powers in all spheres of life. It is also social political and economic and decision making changes the sequence of improvement. Women are the essential constituent of society today they are not simply wives and mothers but leaders of our culture and machineries of civilization. Women characterize half the world’s human resources. Through women implement various roles household and productive, women continue to be usually responsible for the care for economy.

Meaning of empowerment is explained in numerous ways depending on the context concerned. “According to United Nations (2001) empowerment is the
process by which women take control and possession of their lives through development of their choices. Thus, it is a progression of acquiring the ability to make strategic life choices in a context where this skill has formerly been denied. Adapting from the report on micro finance programs and women empowerment strategies for growing impact edited by Linda Mayoux and Susan Johnson hosted by action aid Ethiopia. Anand (2002) defined empowerment as a continuous process where the powerless people become conscious of their situation and organize themselves to improve it and access opportunities, as an outcome of which women take control over their lives, set their own agenda, gain skills solve problems and development self reliance.”

Women empowerment has acquired a very vital place in government development programs. Apparently most of the embattled group programs of the central and state government are using self help group as an instrument for efficiently implementing and to make the advantage of trickling down to its destitute. Once Mahatma Gandhi said, “millions of women in our hamlets know what unemployment means. Give the access to economic activities and they will have access to power and self-confidence to which they hitherto have been strangers”.

**Micro Finance and Poverty Alleviation**

Microfinance can be an essential element of an efficient poverty decrease approach. Indian community policy for rural finance from 1950s to till date mirrors the patterns experiential universal. Growing right to use to credit for the poor has always remained at the core of Indian planning in fight against poverty. “Financial
services could enable the poor to influence their inventiveness accelerating the process of building incomes assets and economic security. However, conventional finance institutions hardly ever lend down-market to serve the needs of low-income families and women-headed households. They are very often denied access to credit for any purpose, making the discussion of the level of interest rate and other terms of finance immaterial. Therefore the fundamental problem is not so much of unaffordable terms of loan as the lack of access to credit itself. The lack of access to credit for the poor is attributable to practical difficulties arising from the inconsistency between the mode of operation followed by financial institutions and the economic characteristics and financing needs of low income households.”

**Micro Finance in India**

Microfinance in India has helped in poverty eradication economic empowerment and inclusive growth. Several studies conducted in India and abroad after comparing the situation of SHG members during pre-SHG and post-SHG periods on various socio-economic parameters have proved that those who join the SHGs end off in a better socio-economic condition.

“Micro finance in India started in the early 1980s with small efforts at farming informal self help groups to provide access to much needed saving and credit services. From this small beginning the micro finance sector has grown significantly in the past decades. National bodies like the Small Industries Development Bank of India (SIDBI) and the National Bank for Agriculture and Rural Development (NABARD) are devoting significant time and financial resources to micro finance. These points grow importance of the sector the strength
of the Micro Finance Institutions (MFIs) in India is in the diversity of approaches and forms that have evolved over time in addition to home grown models of SHGs and Mutually Aided Cooperative Societies (MACS) the country has learned from other micro finance experiments across the world, particularly those in Bangladesh Indonesia Thailand and Bolivia, in terms of delivery of micro finance service.”

In India micro finance usually contained but not obviously defined for example if an SHG gives a loan for a financial activity it is seen as micro finance. But if commercial bank gives a similar loan it is doubtful that it would be treated as micro finance. In the Indian context there are some different characteristics of micro finance which are as follows-

• Micro finance is an activity undertaken by the alternate sector non-governmental organization. Thus a loan agreed by a market moderator to a small borrower is not seen as microfinance. However when an NGO gives a related loan it is treated as micro finance. It is understood that microfinance is given with a creditable meaning and has institutional and non unequal connotation then we define microfinance not by from but the intent of the lender.

• Second micro finance is impressive done mainly with the poor banks generally does not quality to be Micro Finance Organizations (MFO) because they do not primarily cater to the poor. Though there is ambivalence about the Regional Rural Banks (RRBs) and the new local area bank.

• “Third micro finance grows up out of developmental roots. The can be termed the substitute commercial sector micro finance organization confidential under this need are promoted by the alternative sector and
objective the poor. However these MFOs need to necessarily be
developmental in incorporation. There are MFOs that are offshoots of NGOs
and are run commercially. There are commercial MFOs promoted by the
people who have developmental credentials we do not find commercial
organization having micro finance business”.

- Reserve Bank of India (RBI) has defined, “Microfinance by specifying
criteria for exempting MFOs from Its registration guidelines. This definition
is limited to not for profit companies and only two MFIs in India quality to
be classified as micro finance companies.”

Micro Finance Service Providers

Microfinance has emerged as a significant sector in many countries for
providing financial service such as saving, credit, insurance and remittance service
to the poor. Micro finance has become a global phenomenon. Government, central
banks, donors, practitioners, and other development agencies promoting
microfinance are increasingly involved in developing suitable policy initiative for
meeting local needs.

In India a variety of intuitions in the public sector as well as the private
sector offers microfinance services these can be generally considered into two
categories namely official institutions and semi-formal institution. The previous
group include apex progress financial institution, Commercial Banks, Regional
Rural Banks and Cooperative Banks that make available microfinance services in
adding up to their common banking performance and are referred to as microfinance
service providers. On the other hand semi-formal institutions that accept
microfinance services as their major movement are usually referred to as microfinance intuitions. Whereas equally private and public ownership are establish in the case of regular financial intuitions contribution microfinance services the MFIs are mainly in the private sector.

“Microfinance service providers include apex institutions like National Bank for Agriculture and Rural Development, Small Industries Development Bank of India (SIDBI) and Rashtriya Mahila Kosh (RMK) at the retail level Commercial Banks, Regional Rural Banks, and Cooperative Banks provide microfinance services. Today there are about 60,000 retail credit outlets of the formal banking sector in the rural area comprising 12,000 branches of district level Cooperative Banks over 14,000 branches of the Regional Rural Banks and over 30,000 rural and semi urban branches of Commercial Bank besides over 90,000 cooperatives credit societies at the village level. On an average there is a least one retail credit outlet for about 5,000 rural people. This physical reaching out to the far-flung areas of the country to provide savings, credit and other banking services to rural society in general is an unparalleled achievement of the Indian Banking System. Microfinance through formal banking institutions is excluded and an attempt made to deal with various aspects relating to emergence of the private microfinance industry in the context of prevailing legal and regulatory environment for private sector rural and microfinance operators.”

**Concept of Self Help Groups**

Self help groups have a significant role to play in micro finance programs for boosting developmental activities for creating employment generation, women empowerment and poverty alleviation etc.
Self help groups from the basic element unit of the micro finance society in India. A SHG is a group of a small number of persons generally poor and often women who pool their saving into a finance from which they can make use of as and when essential. Usually in practice SHGs are constituted of individual members know to each other that are from the same socio-economic back ground the principle size of an SHG is 10-20 members. The purpose around which an SHG is initially formed varies depending on the kind of program being implemented and need for the collective work. In the context of micro finance, SHG are formed to faster saving and credit. Such a group is linked with a bank a rural Co-Operative or Commercial Bank where they continue a group account above the time the bank begins to lend to the group as an element with no security, relying on self-monitoring and peer-pressure within the group for refund of these loans.

According to NABARD, “SHG consists of an average size of 15 people from a homogeneous social or economic class all of them come together for addressing their common problems. The SHGs meet regularly and save small sums of money. They rotate these small-pooled savings as loans within the SHG. They maintain records of such financial transactions and slowly learn the basic aspects of financial management. They then approach a bank and leverage their accumulated savings for higher loans, which they then intermediate within the SHG. The groups are promoted either by banks or non-governmental organisations and are credit linked to various models developed by banks. In India, the SHG-Bank Linkage Programme has now been in operation for well over a decade Under the SHG-Bank Linkage programme, the coverage of rural households having access to regular savings through SHGs linked to banks came down by around 8% during the year to 95
million as on March 2013. A similar decline of number of SHGs savings linked to Banks was also observed with only 73.18 lakh SHGs linked to Banks as against 79.60 lakh a year back. Number of SHGs having outstanding credit with banks however, showed a marginal increase of 2% to 44.5 lakh as against 43.5 lakh the previous year. The average loan outstanding of SHGs with banks is 88,500 against 83,500 a year back. There has also been a 6% spurt in the number of SHGs getting fresh loans from banks during the year to 12.2 lakh (up from 11.5 lakh the previous year) and the quantum of fresh loans issued also showed a significant growth of about 24% during the year. The share of exclusive women SHGs in the total number of SHGs savings linked to banks now stands at 81% while the groups formed under the SGSY programme now constitute 28% of the total number of groups.”

**Statement of the Problem**

Micro finance is regarded as one of the most efficient and flexible strategies in the fight against worldwide poverty. The proposed research study essentially studies the initiatives of the micro-financial institutions in regular and self help groups in precise. Self help group is a replica of the model used by the Grameen Bank. Hence, it is important to study the working and peculiarities of the SHGs. The researcher has attempted to study how SHGs are effective for the SHG members in improving their socio-economic status and the financial requirements of the participating members. It was also important to see the participation of Non Government Organisations in serving the financial wants of a huge number of economically weaker sections of the society.
Need and Importance of the Study

Poverty is a critical problem in every one developing country in the present day world. It is felt that the problem of poverty can be solved during a determined attempt by the state. Poverty alleviation has always be one of the major objectives of various governments in India and is all the time one of the major objectives of some planning in national financial system. Thus it is of main value to prepare explicit poverty alleviation policies and programmes for rural poor, which from a considerable proportion of the national population. Since the untimely national plans following governments in independent India have emphasized the link between getting better access to finance and dropping poverty. In the era of post nationalisation period in India for the development of the rural areas thrust was always there on the banks to increase credit in rural areas for the socio-economic growth of the rural poor. Since independence no important impact has been made on the grin poverty condition general in rural India despite the presence of a vast system of commercial, cooperative and rural banks and other financial institutions present in the rural areas.

The failure of these institutions gives rise to the role of the governmental and other institutional players to make available positive environment to the poor to increase their organisation. The decade of 1990’s witnessed the development of different people organisations. Most importantly the not a success of the state led and official financial system in reaching to the rural poor gives increase to the appearance of micro finance society in the country. Linked with micro finance the SHG approach and movement has now been accepted as an efficient involvement scheme for poverty alleviation.
Most people living in the rural areas of the country get their employment from agriculture and related sectors. Hence, the government has been to focusing on improving the economic and social situation of the disadvantaged sections of the rural population by emphasising the agricultural production and also the non-farm sectors to support productive employment opportunities through integration of traditional production infrastructure, skills and locally available raw material. Although, the agriculture sector occupies an essential place in the national economy both in conditions of its payment to the gross domestic product and employment generation, but the data available from the National Sample Survey Organisation (NSSO) clearly shows “that the non-farm employment growth had been significantly higher than farm employment growth during the last thirty to forty years. The rural non-farm sector generally refers to all non-agriculture activities: mining and quarrying, household and non-household manufacturing, processing, repair, construction, trade and commerce, transport and other services in village and rural towns undertaken by enterprises varying in size from household own-account enterprises to factories.” Against this background present study has been conceded out in Uttar Pradesh to consider the impact of microfinance on employment and income generation. Uttar Pradesh the most populated states in India. Population of Uttar Pradesh as per 2011 Census is 199,812,341.29 (19.98). In Uttar Pradesh 29.43% (NSSO Report 2011-2012) of the total population is below poverty line. Poverty is one of the major problems that Uttar Pradesh is facing.

The present study is undertaken in the specific context of Meerut and Muzaffarnagar districts of Uttar Pradesh. Many studies have taken place on microfinance and self help groups in India yet no such attempts make for the districts
namely Meerut and Muzaffarnagar so the investigator chose the area. Micro finance developments in the state offered scope for comparing the performance of institution mechanisms. Micro finance can play vital role in improving the status of those below poverty line. Thus, researcher has chosen the present topic, ‘Impact of Micro Finance on Employment and Income Generation in Uttar Pradesh: An Inter District Analysis’ for her research work. The study has been proposed to be conducted in two districts namely Meerut and Muzaffarnagar of Uttar Pradesh. It aims at analyzing the impact of Micro Finance in generating employment and income in the two districts. The findings of the study would be great help to the academicians, administrators, policy makers, and researchers.

**Objectives of the Study**

Micro finance plays a major role in the development process of a country. It helps in achieving major developmental goals like poverty eradication, employment generation, and sustainable development. The major objectives of the study are as follows-

- To examine the growth and development of micro finance through self help groups in India and Uttar Pradesh.
- To examine the socio-economic characteristics of the members of self help groups in selected districts Meerut and Muzaffarnagar of Uttar Pradesh.
- To examine the impact of micro finance through self help groups in generating employment opportunities in selected districts of Uttar Pradesh.
- To investigate the impact of micro finance through self help groups improving incomes and savings of the people in selected districts of Uttar Pradesh.
Hypothesis of the Study

Following hypothesis have been formulated based on the objectives of the study and the literature review.

**Ho:** There is no significant growth and development in micro finance and SHGs status in India and Uttar Pradesh.

**Ho:** There is no significant change in the socio-economic conditions of the people before joining the SHGs and afterwards.

**Ho:** There is no significant change in employment opportunities and improving incomes after joining the SHGs.

**Ho:** There is no significant difference to SHG promote income generation activity.

Chapter Scheme of the Study

In order to present the research report in a perfect and easily understandable manner, it is divided into eight chapters.

**Chapter 1: Introduction**

This chapter focuses on the introduction, concept of micro finance, status of micro finance in India, need and importance of the study, objectives of the study, and hypothesis of the study.

**Chapter 2: Review of Literature**

Examines the introduction, significance of literature review, some recent studies, related to micro finance, income generation self help groups and employment generation women empowerment and the research gap in the study.

**Chapter 3: Methodology and Profile of the Study Area**

This chapter discusses the geographical, demographic, social, and economic characteristics of the selected area of the study. Also this chapter examines research
methodology concept and significance of research methodology, type of data and sample selection of the study.

Chapter 4: Growth and Development of Micro Finance and SHG Bank-Linkage Programme in India

In this chapter the researcher has discussed the growth and development of micro finance and SHG Bank-Linkage Programme, functions of micro finance, microfinance delivery models in India and micro finance institutions. It also focuses on the SHG movements, function and formation of SHG, progress of SHG-bank linkage programme in India.

Chapter 5: Socio-Economic Impact on the Members of the SHGs

This chapter discusses socio-economic conditions of the members of SHG. Its deals with the impact of SHGs on the economic conditions of the members. It elucidates the self-confidence, behavioural change, savings, borrowings, impact of income generation, poverty, and poverty alleviation, and employment generation.

Chapter 6: Analysis of the Data

This chapter presents the findings of the study. The analysis of the data has been discussed in detail in this chapter.

Chapter 7: Case Study of the Self Help Groups

This chapter discusses the selective case studies from the two districts.

Chapter 8: Summary Findings, and Suggestions

In this chapter concluded summarise the major findings of the study, conclusion, and suggestion, limitations of the study and scope for further research.