Microfinance is accessing economic services in an unofficially proper route in a imitation quick to respond and susceptible approach which otherwise would not have been potential for the official system for provided that such services because of factors like high transaction cost originate from the low scale of procedure high turnover of customers frequency of transaction etc. Microfinance and self help group must be evolved to see that SHGs do not use high rates of interest from their clients and improve access to those who cannot sign by their use through thumb attention.

The basic idea of microfinance is to have the funds for credit to the poor people who otherwise would not have permission to credit services. Micro credit programs increase small loans to very poor people for self employment projects that generate income and agree to them to take care for themselves and their families. Literature on microfinance offers a diversity of conclusion involving to the type and level of impact of the programs. There are different studies which substantiate that microfinance programs have an important positive impact in on the increase employment and reducing poverty. A number of studies show that the participant households enjoy higher standard of living as compared to the non-participants. The program reduces payments as well as income susceptibility among its beneficiaries. Some of the studies also substantiate that the programs are helpful in attaining millennium development goals by dropping poverty, hunger, transferable diseases and through women empowerment. There are many studies which explicate that
contribution in the programs has led to better levels of women empowerment in conditions of increase in knowledge, self-confidence, economic social and political awareness, mobility, development of organizational skills etc. The studies also show that the women participants have incomplete control over the use of group loans therefore, the program results in inadequate empowerment of women participants. Thus the literature on microfinance provides mixed results about the impact of microfinance program on the program participants. The review of impact evaluation studies provides important insights into the benefits and drawbacks connected with microfinance program. Some important studies which are applicable to the present study have been discussed below-

**Micro Finance Income, and Employment Generation**

Montgomery, Bhattacharya & Hulme (1996) analyzed their study find that the significant change in household income has led to reduce in the percentage of expenditure on food and that the better off among the poor benefit more from credit. To use credit effectively, the household has to reach a minimum economic level.

Khan M. Raheman (1999) in his article examined the loan use sample of women implicated in wage employment. Women wage earners are establish to value paid works more than credit. It is thus argued that more employment opportunities should be created for women as this would help to encourage their financial and social empowerment.

Khandker (1998) in his study showed “the impact of micro credit being low owing to low levels of oral mathematical skills and reading and writing skills of the recipients. A merit of group-based lending is that it makes credit accessible to those
who do not have sufficient collateral to receive loans. It even creates social capital which helps people to fight against poverty. However the argument on literacy has strength, that it creates impediment in acquiring micro-credit and its use in a more productive way-in addition to owing resources such as skills knowledge etc.”

Puhazhendhi, V. & Jayaraman, B. (1999) concluded their study women’s participation and employment among the rural poor through familiar groups in MYRADA. The Primary data were collected from 25 randomly selected credit management groups promoted by the Mysore Resettlement and Area Development Agency. Analysis of the groups in special stages of improvement shows that the share of loan for non productive purposes is reduced from 76% in new groups to 43% in the stabilized groups. The supplementary employment generated through informal group lending worked out to 172 days per member. The negative factors which deterred the performance of the groups are found to be lack of effective leadership less involvement of non-governmental organizations and consumption-oriented loans.

V. Puhazhendhi, V. & Satyasai K.J.S. (2000) examined in their study “the 560 members household of 223 SHGs from 11 states. These states spanned the central southern northern western and eastern region of the country. The findings shaved that the social impact of the post-SHG period was such that there was an increases in self worth in communication increase awareness of social evils this was tested by asking questions about the abuse of women in films and a small reduce in family violence.”
Anand, J. (2000) in his study concluded Community Development Society model in 1993 for the emancipation of the poor women of alappuzha in Kerala State. It is evident from this survey that those members who have some unit activity earlier could use the micro credit effectively for expansion modification and they reaped the maximum benefit. In some cases the failure of group activity has led to a financial crisis and imbalance for all the members, while it is not complex in individual activities. It is observed that a few women dominated the group.

“Mishra, J. P. Verma, R. R., & Singh, V. K. (2001) examined in their study impact of rural SHGs on generation of income and employment among the beneficiaries recognized the major constraints and problems faced by the groups and not compulsory events for overcoming these problems in Faizabad district of eastern Uttar Pradesh. For the purpose of the study five SHGs in Amaniganj block of the district were selected randomly. It was observed that SHG members were mainly from OBC community whose main occupations were agriculture small businesses labour etc. Majority of the members lived below the poverty line. The average monthly savings ranged from Rs. 15 to Rs. 50. Repayment performance was good. Results of the survey showed that SHGs have helped to increase the income of the respondents.”

Bhattacharya, K. M. (2002) analyzed in his book role of banks in alleviating poverty under the Integrated Rural Development Programme (IRDP). Field studies were made in Uttar Pradesh and West Bengal for a critical appreciation of the role of various types of banks in poverty alleviation. The evaluation of bank services by the borrowers revealed more positive orientation in favors of the bankers in West Bengal than in Uttar Pradesh may be because of more effective land reforms in West Bengal than in Uttar Pradesh.
Chavan, P. & Ramakumar, R. (2002) examined in their study “reviewed empirical evidence on NGO led micro credit programs in a number of developing countries and compared them with state led poverty improvement schemes in India. The study shows that micro finance programs have been capable to bring about a marginal progress in the beneficiaries income. However the beneficiaries have not gained much by way of technological improvements give the emphasis of survival skill also in Bangladesh the practice of repayment of Grameen bank loans by making fresh loans from moneylenders has resulted in the creation of debt cycles.”

Sundari, S., Geetha, N. (2000) has investigated in their “study the gender disparity in access to institutional credit. In their opinion, the disparity is gradually narrowing down over a period of time. Hence the empowerment of poor rural women will be possible only if they are trained and imparted skills for a certain employment. According to them skill training includes enterprise development increased access to credit new approach to markets and social, economic and political strategies and the like.”

Puhazhendi, V., Badtya, K.C (2002) analyzed in their study the socio economic condition in pre and post microcredit. The study findings concluded that SHGs contributed significantly to the social and economic improvement of members.

Fisher, T., Sriram, S., (2003) investigated how development can be put back into micro finance. It sets out how micro finance can be designed in practice to make a payment to a wide range of development objectives, including providing social and economic security, promoting livelihoods building democratic people’s organizations, empowering women, and changing wider system with in society.
Basu, P., & Srivastava, P., (2005) have reviewed in their study “The survey showed that 66% of the large farmers had a deposit account and 44% had access to credit. While only 30% of the marginal landless farmers had a bank account and 87% had no access to credit from a formal source. So they had to depend on informal sources of finance.”

Dasgupta, R., (2005) analyzed in their study microfinance is a financial service of small quantity provided by financial institution to the poor. Financial services may include savings, credit, insurance, leasing money transfer etc. This paper examined the trend of agriculture micro credit weaker section microcredit and self help group micro credit in SHGs different models for microfinance.

Guha, S., (2005) examined in her study conducted by NABARD aimed to understand the impact of microenterprises on beneficiaries in Andhra Pradesh, Gujarat, Jammu & Kashmir, and Himachal Pradesh. The study covered 155 SHGs and 632 members of these SHGs. It is important at this juncture to understand the impact of these micro enterprises on the livelihood of SHG members.

Saraswathy, A., Porkodi, S., & Bhuvanswari, M., (2009) concluded in their study “that microfinance has been recognized as a powerful instrument to address poverty. Apart from the scorching pace of growth the rapid spread of microfinance has provided competition to rural moneylenders. SHGs have become the development ambassadors of villages and they symbolize the growing face of rural India. The microfinance sector like the information technology sector has grown rapidly and in many ways creativity. The experience of many MFI's so far strongly suggests that it is possible for these institutions to reach the goal of serving people in extreme poverty without having to sacrifice their profitability.”
Singh, Gurmeet, (2009) in their study reviewed “that SHGs were from southern region consisting of Andhra Pradesh, Karnataka, Kerala & Tamil Nadu. The share of southern region has come down progressively over the years but is still at 44% many states as Uttar Pradesh and Bihar with high incidence of poverty shown poor performance under programme. So it is finally clear that the role of micro finance institutions is very importance in rural development and poverty eradication.”

Tejmani, N. S., (2009) examined in their study “that SHG is propagated as an alternative system of credit delivery for the poorest of the poor groups. Recognizing their importance both Reserve Bank of India and National Bank for Agriculture and Rural Development have been spreading the promotion and linkage of SHGs to the banking system through refinance support and initiating other proactive policies and systems. This paper attempts to give a comprehensive overview of all aspects of micro finance in India its essence the different institutions involved in its promotion the different modes of delivery its weakness and the challenges that lay ahead the programme of micro finance that has made rapid strides in India”.

Kumar, R. S., (2009) in his paper studied “that creating self employment opportunities is one way of attacking poverty and solving the problems of unemployment. There are over 24 crore people below the poverty line in our country. The scheme of microfinance has been found as an effective instrument for lifting the poor above the level of poverty by providing them increased self employment opportunities and making them credit worthy. A basic effort of last
decade the microfinance objectives in India have reached at the top point similar to Bangladesh. There is need of designing financial sustainable models and increase outreach and scale up operations for poor in India. People belong to villages are still unaware about banking policies and credit system. So NGOs should communicate to them and share their view with villagers.”

Katsushi S. Imai, Thankom Arun, (2010) in their study examined “whether household accesses to microfinance reduce poverty. Using national household data from India treatment effects of model is employed to estimate the poverty reducing effects of micro finance institution loans for productive purposes such as investment in agriculture or non-farm businesses on household poverty levels these models take into account the endogenous binary treatment effects and sample selection bias associated with access to micro finance institution. This study is based on national level household data in India provided by the EDA research team in India.”

Venkata, G. N., & Ramappa P.,(2011) in their study found that the self help group movement in Anantapur district bought some positive change in socio political employment and economic development of the poor women. By joining the SHGs the women have improved their saving capacity. Almost all the members are availing the credit ranging from Rs.5000 to 20,000. Access to credit has enabled them to undertake various economic activities like dairy petty business live stoke horticulture. Women earned an additional monthly income from Rs.600 to 1200. The incremental income has been spent on children education nutritious food and health care.
Prusty, T., & Chaudhari, A. K., (2011) examined in their study “performing role of the NABARD in rural transformation. The study covers various types of the refinance facilities provided by the NABARD in rural areas in Uttar Pradesh. NABARD provides refinance assistance for the promotion of agriculture small scale industries cottage and village industries handicrafts rural crafts and other allied economic activities in rural areas with a view to promote integrated development for employment and income generation.”

Rautela, R., & Pant, G. (2011) in their study concluded “that microfinance is a powerful for poverty alleviation and development. In order to declare microfinance success in India, not only do tens of millions of more people need to be reached but those services must have a transformational impact on their lives and those of their family members. For that considerable work and continuous efforts are needed to diversity the service of funding for microfinance to attract more foreign investments for well established microfinance institutions to use all the possible channels to serve more rural and urban poor. Poor people need access to many more financial services than just micro-credit including a range of micro savings and insurance products these services can protect poor people from the impact of unforeseen crisis and emergencies in their household or micro business from falling yet further into debt and enable poor household to plan and manage their limited resource more effectively to meet their basic needs.”

Bera, S.K., (2011) in his study attempted to analyze the “performance of micro finance activities and to explain the socio economic impact of micro finance on the SHGs members of Purbo Midnapore district based on primary data. The study
identified the remarkable improvement in the income level and employment generation by the member beneficiaries and found significant increase in saving of the member households.”

Kumari, S., Surendar, & Sehrawat, R.K., (2011) analyzed in their study “explore employment generation through SHGs. A field study conducted to detail the expenditure of beneficiary annual income of beneficiary. Annual Income of beneficiary Improvement in economic position Number of working days of beneficiary Impact of SHG loan on employment generation in Beri Block of Haryana brings out important conclusion in employment generation through Self Help Groups. This paper provides another way of employment generation and in depth information on various aspects of self employment through SHGs. This paper concludes that self help group has the capability of generating employment.”

Silva I. De, (2012) in their study analysis “advances in propensity score matching methods to assess the impact of microfinance on household income and savings. With respect to both household per capita income and savings programme participation definitely has a positive impact for all low income households. The regressive effect on household per capita income suggests that poorer households do not feel as much the effects of the intervention compared to richer households. The finding of participation in microfinance programmes not being highly effective in terms of savings for richer households highlights the importance of a robust and accurate targeting mechanism for the microfinance programme in Sri Lanka.”

Ghosh, M., (2012) in their paper reviews “the progress of SHG bank linkage programme at the national and regional levels and examines its impact on the socio
economic conditions of SHGs member households. The average annual net income assets and savings of SHG member households increased significantly in the post SHG situation. The percentage of loans used for productive purposes and employment per household increased the incidence of poverty among SHG members declined and the social empowerment of women improved significantly.”

Sunny, D., & Pereira, (2011) in their study investigated “that micro finance through self help group bank linkage as an innovative program of financial inclusion. It highlights the role of SHGs as a new development paradigm for improving the welfare of marginalized rural women in India by creating self employment opportunities through micro credit. This study is based on the premise that the concept of group formation is the best strategy to provide credit and the necessary mental courage for self employment.”

Taramol. K.G (2015) in his study reviewed micro finance has become one of the most effective instruments for economic development of the poor. Expansion of rural credit delivery system since 1947 has not changed the dependence of the poor on money lenders ad commission agents. The poverty alleviation and government sponsored schemes in banks have problems in implementation, with more nonperforming assets than of other schemes and therefore failed to deliver the expected results. Thus the rural banking institutions are out of step with changing rural credit. The situation necessitated the formation Self Help Groups for enabling the poor to participate in the process of development. Micro Finance or micro credit for the poor and women has received extensive recognition as a strategy for poverty reduction and for economic development.
Micro Finance and Self Help Groups

Mehrotra, C.K., (1997) concluded in their study a comparative study of the State Banks Performance with Self-help Groups. In his view the State Bank of India financing scheme for Self-Help Groups has been quite encouraging. The branch officials themselves encourage the poor to form Self-Help Groups in a number of centres. They also utilize the services of the non-governmental organizations for the very same purpose. He points out that with the help of the reputed non-governmental organizations in states like Tamil Nadu, Kerala, Karnataka and Andhra Pradesh good progress has been made possible by the State Bank in the self-help groups’ schemes.

Kumar, K.P., (1997) examined in their study “a total of 21 SHGs were selected for this study after a detailed description of the profile of groups and members the author came to the following conclusions the groups were mostly homogeneous in terms of their socio-economic background. This homogeneity contributed to the cohesiveness and solidarity of the members. The saving level was reasonably satisfactory because of low interest rates charged by the banks and the revolving fund. However, some groups become passive and defunct. The reasons for this were irregularity in repayment of loan non adherence to the norms set by the group and lack of mutual trust and confidence among group members.”

Qasi, M., (1997) analyzed in his work makes an attempt to study the reasons for the linkage of members of self-help groups in rural development. According to his findings a common bond like caste sub-caste blood community and place of origin or activity linked the members of self-help groups. He stated that woman self-
help groups are more effective than those of others and they have more chances for survival. Although social homogeneity is used in establishing these groups the real objective is for economic factors, the author stated. The support provided must be sensitive to their feelings, appropriate and timely.

Karmakar, K.G., (1998) in his study reviewed the SHGs program in Orissa. He was of the opinion that women can be empowered through SHGs by offering them an opportunity initiate income generating projects and thereby assist in raising their family incomes. He suggested that the banks need to explore possibility of linking up more SHGs as part of their legitimate business activity.

Nanda, Y.C., (1999) in his study studied “the role of linking banks self-help groups and non-governmental organizations in India. He observes that the model non-governmental organizations which act as facilitators continue to be the most popular since 42% of the self help groups are linked with banks by these non-governmental organizations. The analysis insists further on the need for adopting different strategies and approaches in different regions in India. The strategy for the southern regions should be the consolidation and deepening of the programme and nurturing of emerging self-help group federations.”

Suriakanthi, A., (2000) investigated in her study a random survey of 120 groups shows nearly 95% of the members and 75% of the office bearers are illiterate. The female office bearers manage to carry on the activities with the help of their husbands and educated wards. They use to narrate the incidents that happen in the meetings to their husband ward and they prepare the report. 50% of the group’s survey shows that only literate members prepare the minutes and accounts on behalf
of the office bearers who are illiterate. It is found that 10% of the illiterate members do not even know the amount saved by them. She strongly insists on the necessity of imparting basic education to all Self-Help Groups.

Lakshminandan, K.R., (2000) has reviewed in his study “stated that most of the membership of the self help groups consisted of small landholders and agricultural laborers out of the 74 self help groups considered 57 were women groups and 17 were men groups. The SRESOC organized self-help groups in that district. Among all the self help groups only 11 were sanctioned loans successfully from the lead bank of the district 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.”

Raman, N.P.Y., (2000) examined in their study research experience of the primary agricultural Co-operative society of Kerala with self help groups. His study shows that though both the groups avail themselves of the loan for the same purpose the recovery of loans from the self-help groups is 95% to 100%. While it is 60% to 70% from the members of the primary agricultural Co-operative society. The reason cited is that the members of the self-help group are to pay only a 4.5% rate of interest against the usual 9.5% interest after deducting the state government incentive of 5%. The sample study shows that only 10% of the members of the primary agricultural co-operative society have been brought under the concept of self-help groups.
Sharma, H.C., (2000) examined in his study that self help groups have a flexibility of approach and working but they have failed to develop a work culture, which is acknowledged by the tribal themselves. He is of the opinion that better coordination is required from the voluntary agencies and the government departments for its better performance.

Singh, D. K. (2001) analyzed in his study “the socio-economic impact of microfinance programme in Uttar Pradesh. The impact rural areas of Kanpur district were selected on account of highest number of credit linked SHGs as compared to other districts in the state. For the purpose of the study out of 11 SHGs linked with RRB one group in Beridayria village was selected. The study showed that the average value of assets increased by 46% and the annual income per household increased by 28% in post-SHG periods. The most interesting feature of SHGs was compulsory savings even by cutting the necessary expenditures. Recovery rate was quite high which ranged from 95 to 100%.”

Raghavendra, T.S., (2001) in their Study evaluated “the contribution made by microfinance programme initiated by Sahyadri Grameen Bank in Thyagarthi village in Shimoga district of Karnataka. The income generating economic activities and women’s empowerment in rural areas was studied. For the purpose of study three SHGs were personally interviewed and data was collected for the years 1994-1995 to 1999-2000. Analyses revealed a significant change among the group members in diversifying income generating economic activities. The members reported that they did not borrow from moneylenders anymore. It was found that the members of SHGs formed by forward community had created their own capital
base. They were involved in diversifying farm-based activities into market-based activities. For the other two groups, resource constraint was found to be a detrimental factor to expand economic activities.”

Reddy, C.S., (2005) in his work analyze “that microfinance has evolved over the past quarter century across India into various operating forms and to varying degree of success. One such form of microfinance has been the development of the self help groups’ movement based on the concept of self help small groups of women have formed into groups and operate a saving first business model whereby the member’s savings are used to fund loans. The results from these self help group are promising and have become a focus of interest examination as it is proving to be an effective method of poverty reduction.”

Vijayachandran P.B., & Harikumar, V., (2006) in their study reviewed “that existence of SHGs is highly relevant to make the people of below poverty line hopeful and self reliant. SHGs enable them to increase their income improve their standard of living and status in society. It acts as a catalyst for bringing this section of the society to the mainstream.”

Panda, D.K., (2008) in his study reviewed “the SHGs program in Orissa. Micro finance has proved very relevant and effective in India and offers the rural and urban poor the possibility of gradually breaking away from exploitation and isolation. Self sustainability of income generating and micro enterprise development programmes of self help groups have been successfully achieved with effective linkage and networking through the micro finance revolution rural villagers of Orissa the most backward state of India.”
Singh, R., Singh, H.P., Sen, C., & Kushwaha, S., (2010) examined in their study “the impact of group marketing on technology adoption and economic return. It was observed that 67% farmers are using seed treatment followed by soil treatment 57% farmers are using HYV and 47% of gross cropped area was covered under soil tasting. When marketing of produce was done through groups approach higher return was realized in all agricultural products. They suggested that efforts should be made to form more number of active marketing Self Help Groups and improve market access through comprehensive market information and better regulatory framework.”

Mansuri, B.B., (2010) analyzed in his study “That poverty has global presence and varied genesis and dimensions. Since independence government has taken several initiatives to tackle the insufficient of poverty through area development approach. Formal banking sector also ignored the poor due to risk involved in lending to poor as they do not have collaterals and apprehension of non-bankability. Against this backdrop SHGs bank linkage from NABARD is considered as best alternative to reach the poor. The provision of small and regular repayment schedule made possible very high recovery rate.”

Kablana, S.A., Kumar, S., Kumar, R., & Deswal, J., (2011) in their study analyzed “that self help groups play a significant role in poverty alternation. The analytical results revealed that the self help groups in term of number and amount of micro loan have significantly increased during the study period. Further they found that commercial bank plays a vital role in creating of self help group and providing micro finance. The study also revealed that there is a significant difference between the spreading of self help groups in different regions in India.”
Das, S.K., (2013) examined in their Study “that self help group is a unique innovation of credit delivery technique and has produced positive impacts on two vital areas of national development alleviation of poverty and women’s empowerment. The study is conducted by using multi-stage random sampling method to collect primary data from the selected development blocks of Nagaon districts of Assam. 65 variables relating to impact of SHGs on members are identified from survey of literature and relevant perception of direct stakeholders. Whether the aspects like impact on members of SHGs and its involvement in larger social issues should be peripheral or core components of quality indicators of SHG are perceived in this study.”

Mathivanan, R., & Bhopathy, G., (2014) in their study founded “that the micro finance is a poverty alleviation tool. Micro finance in general is a practice of providing the poor with credit savings and insurance facilities to set up or to expand income generating activities relating to agriculture and its allied activities and non-farm sector, and thereby is poverty reducing mechanism. Objectives of the study how micro finance empower a women and what the problems faced by members in availing financial support through micro finance. The area selected for the study is Namakkal the respondents have selected from SHGs group functioning in the study area. Findings of the study suggest that microfinance has a profound influence on the economic status, decision making power, knowledge and self worthiness of women participants of self help group linkage program in Namakkal.”

Self Help Groups and Women Empowerment

Sengupta, N., (1998) in his study identified the different forms of community organizations, which involve people’s participation and the role played by them for
the empowerment of these organizations. He also discusses social leaning as an empowerment strategy for increasing the participation of people at the grass-root level. Further he gives the project design for people’s participation at the grass-root level. According to him social awareness among the group members has to be created first and then they could move towards economic empowerment.

Manimekalai, N., & Rajeswari, G.,(2000) in their study analyzed the women self help groups formed by the non-governmental organizations 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 lake women beneficiaries consisting of different avenues of self employment like petty businesses processing production and service units.

Karnakar, K.G., & Ghosh (2002) in their study reviewed “SHGs programme in Orissa and opined that SHGs provide opportunities for economic empowerment of rural women and the possibility of taking up income generating activities that supplement their family incomes, which proved a powerful incentive. However, both banks and NGOs are yet to see this as an alternative channel for rural credit delivery in Orissa despite the extensive efforts made for popularizing the scheme. The success stories of a large number of rural women who have formed SHGs have given a spur to the movement and banks need to explore the possibility of linking up more SHGs as part of their legitimate business activity.”

Ritu, K., Kushwaha, R.K., & Srivastava, A.K., (2003) in the study examined “the functioning of self help groups in Kanpur Dehat district twenty five women
from self help groups were selected as sample for the study. Ten women members from each self help groups and ten non members from the same village were selected as respondents, to study the impact of the self help groups on their socio-economic status. The results show that there is relationship between the self help groups and the socio-economic status of women.”

Manoharan, K.N & Girija, (2005) analyzed in their study experience has shown that many of poverty alleviation programmes through organized credit channels have not achieved the required success. Hence to bridge the gap between the demand and supply of funds in the lower rungs of rural economy the microfinance schemes of NABARD have made a smooth foray into the role played by microfinance in eradicating poverty and empowering women to manage the enterprises.

Kabeer, N. & Helzi, N., (2005) analyzed in their study “socio economic impact study of PRADAN’s microfinance programme carried out in Jharkhand one of the poorest states in India. The study was carried out in Godda Dumka and Banka districts of Jharkhand. In order to study the impact of microfinance programme 400 SHG members were compared with 104 non-members in these three districts. The major objective of the study was to find out the impact of microfinance on the capacity of the participants to meet basic needs livelihood base asset position saving and debt position and women’s choice and agency. The findings of the study showed that as far as basic needs were concerned the members had reported a more favourable overall food situation in terms of adequacy and diversity of diet as compared to non-members. The study showed that members were in a better
position than non-members and the process of women empowerment had been initiated through the microfinance programme.”

Verma, R., (2008) examined in “their study concludes that microfinance is expected to play a significant role in poverty alleviation and rural development. Microfinance have in the recent past become one of the more promising ways to use score development funds to achieve the objectives of poverty alleviation further he stated that certain microfinance programs have gained prominence in the development field and beyond. These microfinance institutions may very well have had a major impact on improving the standard of living of millions of poor people as well as on promoting economic development.”

Selvem, P., R. & Radjaramane (2011) in their study examined “there is an improvement in the status of women who are member of SHGs. Sample of 190 women selected randomly from 34 villages of seven talks Coimbatore District. The primary data collected from the sample respondents indicated that the status of women has improved after becoming member of SHG group. The awareness of the sample respondents in terms of various factors including family politics has also improved.”

Sharma, B.R., & Chakravorty, D., (2012) examined in their study “25 SHGs and a sample of 300 women members were selected for the study. Present study is carried out with the specific objective to know the socio-personal background of the members of SHG to know the knowledge attitude and skill acquisition after getting training and financial support from different agencies. Majority of SHGs had started their work from group savings whereas few had taken subsidized loan from bank.
Profit earned is equally shared by the members of SHG. It was observed that all the respondents had very low level of skills prior to different trainings, especially in case of trainings on vermi compost making and fabric printing and painting etc. Change in knowledge skill and attitude was worked out on the basis of average scores obtained from pre and post exposures.”

Das, S.K., (2012) analyzed in study compared “the quality of the SHGs in three selected districts of Assam (Cachar, Nagaon, and Karbi Anglong) under NABARD CRI and MYRADA assessment tools. Further sincere effort is also given to study the performance of some selected SHG in the study area on various indicators and also to study the impact of SHGs on the psychological economical and social well being i.e. empowerment on its members. Some of the factors affecting the quality of SHGs are the target oriented approach of the government in preparing group inadequate incentive to NGO’s for nurturing their groups etc.”

Vasantha V., (2015) in his study studied “microfinance through SHG is instrument poverty reduction. Many studies show that microfinance plays an important role beyond enterprise development in supporting the livelihoods of the poor. Micro financing through self help groups has transferred the real economic power in the hands of women and has considerably create a space for gender equality. SHG has expanded as the largest micro finance programme in the world in terms of its outreach and has extended banking service to people hitherto not served by the banking systems. Micro finance provides self-employment, income generation, living standards, economic growth and purchasing power. This paper focuses on the impact of micro finance on poverty reduction and empowerment women.”
Research Gap

There are different studies which substantiate that microfinance programme have an impact on employment generation and poverty reduction. A number of studies also show that the participating households enjoy higher standard of living as compared to the non-participants. Some of the studies also point out how the program is helpful in attaining millennium development goals by reducing poverty, hunger, transferable diseases through women empowerment. There are many studies which explicate that contribution in the programme has led to better levels of women empowerment in terms of increase in knowledge, self-confidence, economic social political awareness, mobility, development of organizational skills etc.

Most of studies have been carried out in Andhra Pradesh, Kerala but not much work has been carried out in the districts of Uttar Pradesh like Muzaffarnagar and Meerut. Thus limited detailed studies have been conducted to know the impact of micro finance on employment and income specifically in the areas of Meerut and Muzaffarnagar districts. Hence a detailed study is to be conducted to know how to increase the income and employment through microfinance with special reference to 8 blocks namely Baghra, Charthawal, Khautali, Sadar, Daurala, Rajpura, Rohata, Sardhana, by collecting the responses’ from households. Further, the study will focus on demographic variables which are responsible for employment generation, income disparities and for poverty reduction.