REVIEW OF LITERATURE AND RESEARCH DESIGN

The term Review of Literature has two dominant words, i.e. ‘Review and Literature’. The dictionary meaning of the word ’Review’ is survey of past literature or assessment of a subject or thing or in other words to look back on the word ‘Literature’ means the written material on a particular subject. ‘Research’ is to discover new or to collect old facts etc. by the scientific study of a subject or by a course of critical investigation. In the course of research, one has to face new challenges every step that lead towards an end or new findings in a particular area. Thus the ‘Review of Literature’ helps the researcher to establish a link between past research and the present work of the subject and also helps to discover new findings in a systematic and scientific manner. In the process of ‘Review of Literature’ the researcher is shows an over view of past work, its finding and its relation to the step of the present study. This particular study is emphasized on finding out the prospects of the women in the context of self-help group and microfinance in Madhya Pradesh and Jammu and Kashmir. In this study the researcher focus is on how underprivileged women come forward for forming self-help group and demanding loan for small entrepreneurship from formal and informal microfinance institution and ultimately empower themselves. The researcher has made an attempt to go through the available literature in the sphere of Self Help Group and microfinance for women empowerment in India within the conceptual framework of the study. The concept of women empowerment has become one of the major concerns of the state in the post-independence era but the history and development of self-help group as a tool towards economic empowerment of the women populace has its root lying experiments made by social scientists and activists over a period of last one decade. In this connection the researcher has tried to concretize and highlight the salient features of the trends and practices towards self-help group and microfinance for women empowerment. Besides, this
organized effort has been made by the researcher to have a glimpse on few literature related to self-help group and microfinance for women empowerment. The review collected has been categorized under the following heads:

**HISTORY OF MICROFINANCE**

Microcredit and microfinance are emerging terms in the field of development, first coming to prominence in the 1970s, according to Robinson (2001) and Otero (1999). Prior to then, from the 1950s through to the 1970s, the provision of financial services by donors and governments was mainly in the form of subsidized rural credit programmes. These often resulted in high loan problems, high lose and a difficulty to reach poor rural households (Robinson, 2001).

Hulme and Mosley (1996, p.109) in their study on microfinance to eradicate poverty, he argue that well-designed programmes can improve the living standard of the poor and can move them out of poverty. According to them “evidence shows that the impact of a loan on a borrower’s income is related to the level of income” as those people having high income have a greater investment opportunities and so credit schemes are more likely to benefit the “middle and upper poor” (1996, pp109-112). However, they also prove the results that when Microfinance Institutions such as the Grameen Bank and BRAC provided credit to very poor households, those households are capable to generate their incomes and their assets (1996, p.118).

Mosley p (2003) state that microfinance projects could minimize the isolation of women as when they come together in groups they have an opportunity to share information and discuss ideas and develop a bond that lacked previously. In the studies Grameen Bank and BRAC they show that clients of these programmes suffered from significantly fewer beatings from their husbands than they did before they joined the MFI. However, in another study of a BRAC project
found that violence against women actually increased when women joined the programme, men were ready to accept the change in power relations, and so resorted to violence to express their anger and their violence decreased over time. The study found that when the violence did rise, the members, because of their increased awareness, reported back to the group on their martial life and got support from the group.

Yunus (1998) in their work put their views deprivation that the exclusion of poor women from land rights had been contributory to their marginal position. Grameen Bank in Bangladesh took a bold step it’s provided housing loans to members with 3 loan cycles and with title deeds to the land on which the house was built. As most group members were women, one of the results was that women had title deeds transferred to them often from their husbands to obtain these loans. This had also reduced the incidence of divorce. As women, are the owners of their own houses, they could not be easily evicted.

Osmani (1998) analysed the impact of credit on the wellbeing of Grameen Bank women clients. The project had increased their autonomy in that they were able to spend family income more freely than non-clients. They had greater control over family planning, but the project was not shown to have had an impact on clients’ control over other decision-making but they were found to have greater access to household resources.

Poverty is due to lack of income. Wright (1999) highlighted the shortcomings of only taking the increased income as a measure of the impact of microfinance on poverty. He states that there is a vast difference between increasing income and reducing poverty (1999). He says that by increasing the income of the poor, MFI s are not necessarily reducing poverty. It depend how the poor use this money, oftentimes it is gambled away or spent on alcohol (1999), so focusing solely on increasing incomes is not enough. The focus needs to be on helping the poor to “sustain a
specified level of well-being” (Wright, 1999) by providing them a variety of financial services tailored to their needs so that their net wealth and income security can be improved.

Rutherford (2000) analyzed the difference between microfinance and micro-credit. Microfinance refer to micro loan given to the poor people but microfinance was a broader term that used to savings from low-income households, consumption loans and insurance along with micro-credit. It also helped in distribution marketing clients” output. Microfinance are giving range of financial services that seek to meet the needs of poor people, also protecting them from cyclical fluctuating incomes and other shocks and helping to promote their incomes and livelihood.

Mayoux (2001, p.52) states that while microfinance has much potential its main effects on poverty are:

- Credit making a significant contribution to increasing incomes of the better-off poor, especially for the women.
- Microfinance services contributing to the smoothing out of peaks and troughs in income and expenditure thereby enabling the poor to face the hardships in life.

Therefore, much has been discussed about the impact of microfinance projects on poverty, we have seen that when MFIs understand the needs of the poor and try to meet these needs, projects can have a positive impact on reducing the vulnerability, not just of the poor, but also of the poorest in society.

A key objective of many microfinance interventions is to empower women belonging to poor sections of the society.

S. Sundari and N. Geetha (2000) tried to examine in their work “Poverty and Micro enterprises”. The Study was conducted on gender disparity in access to institutional credit. The disparity has been reduced over a period of time. The women empowerment will be possible only
if they are trained and have get skills for a certain employment. According to them, skill training includes the fields like enterprise development, increased access to credit, social, economic and political strategies and new approach to markets.

D. Nagayya (2000) states that microfinance for Self-Help Groups would eradicate the poverty among the poor only with a special focus on women. The study analyzed the various measures at the national level for a few institutional arrangements. Jay Anand (2000) in the research entitled “Microfinance in Kerala” analysed the Community Development Society model in 1993 for the emancipation of the poor women of Alappuzha in Kerala State. It is clear from this survey that those members who have some unit of activity earlier could use the micro-credit in an effective manner for expansion or 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 seen that a few women dominated the groups.

Robinson states 1980s had a turning point in the history of microfinance in that MFIs such as Grameen Bank and BRI show that they could provide small loans and savings services profitably on a large scale. They don’t received continuing subsidies, they were commercially sound and fully sustainable, and could attain wide outreach to clients. It was also at this time that the term “microcredit” got popularity in development (MIX3, 2005). The difference between microcredit and the subsidized rural credit programmes of the 1950s and 1960s was that microcredit focused on repayment, on charging interest rates that covered the cost of credit delivery and by focusing on clients who were dependent on the informal sector for credit. It was now oblivious for the first time that microcredit could provide large-scale outreach profitably.

Zaman Hassan (2001) has given opinion about the extent to which micro-credit reduces poverty and vulnerability through a case study. This has made a positive impact on the overall
economic status of the group members. Additional employment generated through the group functioning of groups has provided scope for increase in the household income.

Cheston and Kuhn (2002)\textsuperscript{11} studied the reasons for women empowerment. They studied 60 microfinance institutions and opportunity international’s 42 partners were surveyed. An in-depth research of Sinapi Aba Trust (SAT) located in Ghana was also undertaken. The study showed that MFIs contributed to women empowerment. One consistent finding was increased self-confidence and self-esteem. Another finding made by them was increased participation of women in decision-making. Women participants had also experienced improved status and gender relations in their houses. At SAT it was observed that financial contribution of women helped them to earn greater respect from their husbands and children.

Gurumorthy, T.R. (2002)\textsuperscript{12} make assess of the micro-credit funding agencies and the amount sanctioned by them. Out of the 27,000 Self-Help Groups in Tamil Nadu, 5,400 were linked with banks and the banks advanced credit to them to the extent of Rs. 9 crores. The study states that Self-Help Groups have the capability to create a socio-economic revolution in the rural areas of the country. It also shows that members of Self-Help Groups must be prepared to conduct entrepreneurial activities at a smaller level with minimum capital requirements.

Mosedale (2003, p.1)\textsuperscript{13} states that if we want to people empower people it means we currently see them as being disempowered, disadvantaged by the way power relations shape their choices, opportunities and well-being. She states that empowerment couldn’t be provided by a third party but must be claimed by those seeking empowerment through an ongoing process of reflection, analysis and action (2003).

Gaonkar’s (2004)\textsuperscript{14} research paper also aims at evaluating the role of SHGs in the empowerment of women. Primary data was collected from the state of Goa, India. Out of total 600
Self Help Groups functioning in Goa about 100 groups were promoted by National Co-operative Union of India (NCUI). Twenty-five women SHGs was promoted by NCUI from Bardez and Bicholim talukas were selected on the basis of sampling. Comparison of past and present SHG technique was made. The study made it clear that the microfinance programme had made a lasting impact on the lives of women particularly in rural areas of Goa. There was income generating, savings and consumption expenditures. With the improvement in self-confidence, the social horizon of the members has also widened. It was found that with the improvements in socio-economic opportunities for women and their ability to take collective action, there had been a significant decline in gender based problems such as domestic violence, dowry, polygamy etc. Interestingly, the members were motivating other women to form SHGs so that they can also take direct programme benefits. SHGs has made better understanding between the members of different religious groups. This was a significant change to have understanding and tolerance towards the members of other religions particularly in a country like India where there was a diversity of religions and castes.

The importance of microfinance of development has increased with the launch of the Microcredit Summit in the year 1997. The Summit aims to reach 175 million of the world poorest families, especially the self-employed women and other financial and business services, by the end of 2015 (Microcredit Summit, 2005).\(^\text{15}\)

Franes Sinha (2005)\(^\text{16}\) studied that impact of microfinance services on client’s dependence on informal sources of credit. Their studies showed a lower incidence of borrowing from informal sources and the percentage of households which are borrowed at a high interest rates is comparatively lower.
Raj Smitha (2005)\textsuperscript{17} examines “Micro credit: Self-Help Groups an Alternative Development paradigm”. Credit market problems of moral hazard, enforcement, and information asymmetry are related to borrower vulnerability and market inaccessibility. The group structure of Microfinance self-Help Groups such as the SHG-bank Linkage projects are shown to generate profit from poor clients. The project also exhibits the problems of regional concentration, meager loans, debt trap, high interest rates, and questionable benefits. The micro credit are concluded to be myopic in the refusal to recognize that financial services do not create opportunities, but only allow people to take advantage of this opportunity.

Wright (1999)\textsuperscript{18} analysed the microfinance programme on rural poor households in some backward regions of Madhya Pradesh in India. His studies shows that, many of the poor households were apart from the programme, and on the other, the gains from participation of microfinance programme were mostly observed those with high per capita income or the large land holders. The study showed that credit to serve as a sole instrument of poverty alleviation did not seem to be valid, without other corroborative mechanisms that help in increasing the potential of credit use by the poor.

Sharma (2007)\textsuperscript{19} examined the impact of participation in microfinance programme on women autonomy and gender relations within the household. For this purpose, study was conducted in hill and terai areas of Nepal in the year 2004-2006. The participants of microfinance programme who adopted Grameen model for at least four years were selected. Comparison between pre and post-SHG participation showed that programme led to women participation in household decision-making, power over economic resources, wider social networks and freedom of mobility. Female financial support had increased spousal communication about family planning and parenting concerns. It was also found that microfinance institutions had reached only a small
portion of the population and the challenge was to expand the existing services. The study suggested that the government should come forward environment to develop microfinance services.

Swain (2007) studied the role of SHG bank linkage programmes on poverty, vulnerability and socio economic development of the programme participants. The study collected data in two periods from five states in India. He used group discussion and interview methods for his studies. Twenty group discussions were conducted; four in each of the five surveyed states. In each group there were 15-20 SHG participants each from different SHG. In order to aware the outcomes of microfinance programme, the SHG members were compared with respondents who were unexposed to the concept of SHGs till the time of the survey. The comparison showed a differences. The level of confidence, mobility, and exposure and communication skill were better for the SHG participants. Majority (88 per cent) of the SHG respondents showed a positive response in the meetings that were held thereafter. Increase in self-confidence after making participation in the group as compared to only 34 per cent of control households. The SHG households showed a positive response in the meetings that were held thereafter. About 87 per cent of the SHG respondents expressed their ability to meet a financial crisis in the family. Almost sixty per cent of the SHG members and 43 per cent of the control group members reported that borrowing women themselves took the crucial decisions regarding the purchase of raw material and product pricing. About 50 per cent of the microfinance participants reported an increased level of respect from their spouses as compared to just 20 per cent of the control group respondents. When compared to the control group, the data also showed a greater involvement of SHG participants in decision-making, children marriage, buying and selling of property and sending their daughters to school etc.
However, a small increase of about 8 per cent in family violence was also noticed within the participant households.

Thus, most of the above studies revealed that it is only due to microfinance programme that reducing poverty, generating of employment opportunities, improvement in living standard, reduced gender inequality and improved status of women, whereas a few studies showed negative effect of microfinance programme, particularly regarding the unchanged level of poverty, ineffective reach to the poorest, lower amount of bank loans, unproductive use of group loans and miss targeting of the programme. The review of literature gives us an insight about both positive and negative aspects of the programme. In India, most of the studies had been carried out in central and southern regions and but in northern India there is a dearth of microfinance studies. The present study is a modest attempt in this regard. There is hardly any comprehensive study of impact of microfinance on women empowerment of Jammu and Kashmir. Financial Inclusion, or broad access to finance, is defined as the absence of price or non-price barriers in the use of financial services (World Bank-2008).21

Vasantha kumari (2008)22 studied the role of micro-enterprises in empowering women in Kerala. She took a sample of 328 micro entrepreneurs. The study conducted by her showed that these enterprises helped in empowering rural women economically, socially and individually. The study suggested that priority should be given to commercial viability of enterprises.

Sarawathy et al, (2009)23 conducted a study on the role of microfinance in Krishnagiri district. The study highlighted about the role of Government of India, NABARD, NGO and banks. The questionnaire was distributed among 75 members of 16 SHGs of 9 NGOs. The studies showed a positive response of members have agreed that their income has increased after joining SHG. It showed that SHGs have become the development ambassadors of villages.
Pallavi Chavan and Bhaskar Birajdar (2009) conducted their study “Microfinance and Financial Inclusion of women” by tabbing geographical distribution of microfinance institutions, access and affordability of microfinance for women borrowers. The findings of this study clearly showed the significantly limited scale of spread of microfinance in India. The continued dependence of women respondent of the SHGs on informal sources. The high interest rate on SHG loans, which are comparable with the rates of informal sector, underline the issue of affordability of microfinance for poor people. Dropout of the members is another issue related to interest rates. The most of the SHG members don’t repay loans regularly which causes dropout. The members mostly complain of their inability to repay their loans on time and subsequently drop out.

In the Jammu and Kashmir state, banking institutes are working towards the goal of financial inclusion, with J&K Bank taking the lead (Sangmi and Kamili – 2010).

In Jammu and Kashmir Financial Inclusion Programme was launched well in line with the other states in 2006. The banking institutions has taken substantial initiatives towards achieving financial inclusion, however, among all the institutions, the Jammu and Kashmir Bank has taken a leap forward (Sangmi and Kamili – 2010). Microfinance in the State of Jammu and Kashmir is still in its initial stage. Under SHG bank linkage model by NABARD in 1992 Societies, Regional Rural Banks and Private Sector Commercial Banks, providing microfinance services to few thousand SHGs are formed. Under the MFI-Bank Linkage model, a bank (J & K Grameen Bank) recently established by amalgamating two regional rural banks namely Kamraz Rural Bank and Jammy Rural Bank started working from July 2009. Money lenders also provide Microfinance services to a large section of population by charging higher rate of interest due to lack of formal financial system. The State is lagging in spite of having treasure of natural resources, due to its peculiar demographics and the political turmoil since last few decades. The severe problems like
poverty, illiteracy and unemployment remained unnoticed which has amplified over the past two decades due to negligence of government and other non-governmental agencies. As a result of this, the State still has 21.63% of BPL Population (Directorate of Economics and statistics 2009-10) with financial exclusion largest among all other Northern States with about 68.2% of farmer households living in rural areas non-indebted and having no access to financial services (Sangmi and Kamili, 2010).

MICROFINANCE STUDIES ON WOMEN EMPOWERMENT

On the contrary Hashemi et.al (1996) told that women have access to saving and credit system has hardly any impact on their lives. Their results shown that women should give access to savings system contributes notably to the degree of the economic contributions reported by women, to the likelihood of an increase in asset holdings in their own names, to an increase in their exercise of purchasing power, and in their social, political and legal awareness as well as in composite empowerment index. They also found that access to credit was also associated with higher levels of mobility, political involvement in ‘major decision-making’ for particular organizations. Microfinance programmes target has not achieved the goal of empower women. There are different arguments varying underlying motivations for pursuing women empowerment. Some argue that women are in the poorest conditions to help them should be a priority. Whereas, other believe that by the investment of women’s capabilities empowers them to make choices which is a valuable goal in itself but it also contributes to greater economic growth and development. It has been well-documented that an increase in women’s status through different resources creates a direct effect on well-being of the family, especially children (Mayoux, 1997; Kabeer, 2001; Hulme and Mosley, 1996). Beside that the increase in financial services increased
access to represent an opening opportunity for greater empowerment through new revenue of income generation. Such institution explicitly perceive microfinance as a tool for the women’s rights and independence. Keeping a number of microfinance institutions has come forward to help poor women in their socio economic development better and can refund money in time. The aspect of microfinance has sometime long term effect on women empowerment. It has sometime positive as well as negative effects. That’s why Sudha (2003) argues that the role of microfinance programmes on women is not always positive. Women who have set up enterprises benefit not only from small increases in income at the cost of heavier workloads and repayment pressures. Sometimes the loans are used by men in the family to set up enterprises, or end up being employed as unpaid family workers with little benefit. She further points that in some cases women increased autonomy has been temporary and has led to lack of male support. It has also been observed that small increases in women income lead to the decrease in male contribution in household expenditure.

Ramakrishna (1997) further discusses that the impact of entrepreneurship set up by the self-help group members by using credit given by bank varies from woman to woman. These come due to the difference in productive activities or different backgrounds. Sometimes, programme benefited the women who are already better off, and the poor women couldn’t take benefit from the programmes because of their low resource base, lack of skills and market contacts. However, it is possible that the poorer women can also be more free and motivated to use credit for production.

Narashimhan Sakunthala (1999) in her study used of secondary data to arrive at meaningful conclusions. The main objective of the study is to assess the effectiveness of alternative strategies on poorer woman development and empowerment of women. The study suggests that
instead of economic intervention, there is needed to create awareness among women. The study reveals for every area of empowerment, acquiring knowledge and skill will play more effective role. Some great features has given by Rahman (1999) about the proper use of loan by women folk in their development which is practically based on the basis of anthropological approach with in-depth interviews, participant observations, case studies and a household survey in a village. The studies showed that about 40% to 70% of the loans disbursed to the women group are used by the husband and a relation gap exists there which later turned to domestic violence.

Manimekalai and Rajeswari (2001) examined the socio-economic back ground of self-help women groups in rural micro enterprises, they also studied the factors that motivated the women to become self-help group members and eventually entrepreneurs. The study analyzed role of economic activities is growth indicators such as supplementary finance, marketing and other related aspects and identified the problems faced by self-help group women in running the enterprises and suggested policy measures. From the studies it is oblivion that the provision of micro finance by NGOs to women SHGs has helped the groups to achieve a measure of economic and social empowerment.

On the other hand Rahman (1999) conducted study about the intrinsic dangers in excessive use of social capital to cut costs in the context of other policies for financial sustainability. It is observable that the reliance on peer pressure rather than individual incentives and penalties may create corruption and disincentives within groups. Reliance on social capital of women along with increasing emphasis on ideals on strict economic accounting at the programme level require large voluntary contribution by the members in terms of time management and work effort. By putting a voluntary contributions also expect to be repaid in the form of leadership of the group etc. Though much resources invested on women empowerment microfinance program
it is hardly seen any changes of women traditional roles instead of promoting gender equality. A women practical needs are closely linked to the traditional gender roles, social structures and responsibilities, and which contribute to a tension between meeting women practical needs in the both short-term and promoting long-term strategic change. By supporting women meet their basic needs and increasing efficacy in their traditional roles, microfinance can help to gain respect in the society and achieve more in their traditional roles, which in turn lead to increased esteem and self-confidence. Although increased esteem does not automatically lead to women empowerment it does contribute decisively to an ability and willingness to challenge the social injustices and discriminatory systems that they face (Cheston and Kuhn, 2002).

Dwarakanath (2002) asserts out that women led self-help groups have successfully meet the needs of the women through financial assistance. The study which was conducted in Andhra Pradesh has shown the effectiveness of self-help groups among rural folks about the significance of women empowerment and rural credit. The credit needs of rural women are fulfilled through women groups. They became successful in bringing socio-economic development of women in Andhra Pradesh.

Raghavendra (2003) revealed that the total number of SHGs, in the country reached a phenomenal figure of 4.61 lakh by March 2002. Almost 90 per cent of them were linked to banks were exclusive women groups and periodic studied have shown that repayment of loans by SHGs to banks has been consistently over 95 per cent.

Kothal (2003) stated that four different models of linkage could be between SHGs and banks. Acceptance of a particular model depends on the perception of the bank and the strength of the SHGs and the NGO. The performance of SHGs has been seen satisfactory.
Holvoet (2005) reported that direct barrowing from bank does not give women an opportunity to gain self-confidence and therefore they do not reach much in terms of decision making patterns. So eventually women must get help through self-help groups. However, when loans are given through women groups and are combined with more investment in social intermediation, a sort of shifts in decision making is observed. This involves a remarkable shift in norm-following and male decision making to more bargaining and sole female decision-making. Positive Effects have been seen when women have been members of a group for a longer period and especially when greater emphasis has been laid on genuine social intermediation. Social group intermediation had further gradually transformed groups into actors of local institutional change. Credit should be given to the poor people to get out of poverty in business way, but not as an opportunity to make money out of poor people.

Reghavendra (2006) studied the credit management in Self Help Groups (SHG’s) under South Asia Poverty Alleviation Programme (SAPAP) revealed that purpose wise credit given to sample groups like businesses, animal husbandry and agriculture respectively. Under animal husbandry, members take loan to purchase milch animals, sheep and goats, in agricultural group members take crop loan to purchase plough and bullock carts. Under other purposes members include take loan for domestic consumption (13 per cent) and clearing of old debts (7 per cent) and share of health and education is only three per cent. Thus the members in the sample groups have taken credit mainly (78 per cent) for productive/ income generating activities during the study period.

Mosedala (2006) studied the working of primary agriculture co-operative banks and analyzed the loan dispersed by the bank. He had used the annual average growth rate of different types of loans given by banks. He studied that the average annual growth rate for the period 1996-
97 to 2001-02 with regard to short term loan was 2.07 per cent, for jewel loan it was 1.35 per cent deposit loan has 3.44 per cent of growth rate. It the results were appreciable and it showed the performance of the bank. According to the amount of loan dispersed by the bank, maximum load was taken by the jewel loan in all the six years and the amount was small with regard to deposit loan.

Kala (2000)\textsuperscript{35} says that entrepreneurial talents and capabilities are latent in all communities and these should be taught to the women entrepreneurs through proper training, in her article “Management Training Needs of Women Entrepreneurs”. And she also studied methods of women entrepreneurs and an in depth analysis of socio-economic demographic, entrepreneurial personality and management profiles of women entrepreneurs was made to project the significance of management to the sample. This is made by keeping in view the need of women entrepreneurship development. She concluded that what women need for enterprise management is a little training, finance, co-operation and encouragement in the sphere of activities at all levels-home, the society and the government.

Advani, Abhishek (2009)\textsuperscript{36} reported that among the three models of linkages introduced, the second model i.e., SHG formed by NGOs and formal agencies directly financed by bank is the best model. And he stated that the NGOs role is very important to form SHGs.

Ramakrishna and Krishana murthy (2011) have examined the impact of SHGs on the social and economic empowerment of the sample households. He observed the role of SHGs in obtaining formal credit. He analyzed that SHGs have a positive impact on women beneficiaries. Standard of living of these beneficiaries also improved, according the results of the study.

Rao.V.M (2011)\textsuperscript{37} in his research paper made an analysis of the working of SHGs in rural areas. About two thirds of the respondents have availed the loans after joining the SHGs, it was
seen that nearly two thirds of the borrowing have used for productive purposes. The study showed positive results in Girijan areas where exploitation and backwardness of the people is more. The efforts of Government department, social workers and NGOs have facilitated the effective functioning of SHGs.

**RESEARCH DESIGN**

**STATEMENT OF PROBLEM**

The review of literature mainly focuses on trends in the status of rural women and Empowerment of women in India through SHGs and micro enterprises. The microfinance scheme has developed the spirit of entrepreneurship among rural poor, especially women. Microfinance and micro enterprises are being viewed as a mechanism to achieve laudable objective of growth with social justice.

There is voluminous literature on women studies and the thrust in most of the studies is emphasis on the need for compulsory and active participation of women in development programmes of the economy and the consequent need for empowering women for the benefit of family, society and the country at large. The various studies and surveys conducted by the researchers on women and poverty whether theoretical, empirical or policy oriented is highly useful for taking proper steps for strengthening the women development efforts and alleviation of poverty. The Central and all the State governments in India by adopting liberalized policies have given high priority to women empowerment in India. Even the academicians, researchers, planners and administrators bestowed sufficient attention to the problems of women.
PURPOSE OF STUDY

On the basis of successes stories in economically backward regions, it has been found that microfinance has facilitated multiple socio-economic flows on sustainable thereby acting as an important tools for the poverty alleviation and economic empowerment. It has also been experienced that microfinancing has brought in its ambit inclusion of financially excluded people. Available literature about on the efficiency and prospective role microfinancing in triggering socio-economic transformation, especially in vast rural hinterland in Jammu & Kashmir State is too scanty. This, therefore, led to conceiving present study. Evidence of substantive research in the area of micro finance was found to be inadequate in order to evolve a comprehensive and integrative operational policy in the state and became an inspiration for carrying out proposed research. Initial empirical evidence gathered to justify this study has upheld on the premise that micro finance can act as catalyst for long term economic take-off. The present study is therefore intended to generate awareness, accessibility and impact and gaps analysis in formulating policy options for improving living conditions of the beneficiaries.

IMPORTANCE OF THE STUDY

Government of India has been constantly emphasizing on women development and women empowerment since independence. All the State governments and officials, concerned with women welfare and development are also putting their best efforts towards this goal. The researchers, sociologists and policy makers are conducting surveys of different nature on women empowerment from time to time and assessing the achievements of governments in uplifting women status in Indian society. There is a marked progress in the status of women in India over a period of time. However, Indian women have remained as one of the nation’s greatest untapped resources. Hence, the Government of India now wants to empower by giving more elevation to
women in all sectors of life. It has realized that the neglect of women power has been one of the root causes for backwardness of the country. Hence, there is a significant shift in the developmental programmes and approaches that entail women to acquire control over themselves, their resources and take their own decisions. However, for effective implementation of this approach, the prerequisite is the realization by the women themselves, of their economic role and potential, and subsequently their economic self-reliance. In other words, women first of all must empower themselves. Therefore, efforts should be initiated to infuse confidence in them. Training programmes to enhance the skills, to have access to credit, educational inputs and improvement in the bargaining capacities, marketing skills etc., have to be conducted. The non-government organisations from India and from abroad, Government agencies and educational institutions have been putting all their collective and individual efforts. Today, Jammu and Kashmir and Madhya Pradesh has also accepted women empowerment as one of the important tasks for economic development. Both the State Governments has been encouraging SHGs and micro enterprises by involving more women in the rural areas. Hence, there is a need to review the performance of these SHGs and micro enterprises to stabilize and improve their operations. The present study of Empowerment of Women through Microfinance - Role of Micro Enterprises is taken up by the researcher with a view to analyze the operational performance of SHGs and micro enterprise and suggest steps to improve the status of women and their conditions. The study is confined mainly to measure the degree of empowerment of women in Madhya Pradesh and Jammu and Kashmir. This study is a modest attempt on a micro level to examine various issues relating to women empowerment with specific reference to women residing in poorer settlements. It is expected that the study of this type will help the people concerned to evolve and create opportunities for better growth of women in terms of improving economic independence and family welfare. This study
could also provide insights into the factors responsible for the success of efficiency in organizing micro enterprises and SHGs especially at group level through collective action, which is very much needed for nation building.

**OBJECTIVES**

1. To assess the extent to which microfinance institutions have successfully helped the poor women to improving their socio-economic profile.

2. To compare the impact of microfinance on women empowerment in participants SHGs in Madhya Pradesh and Jammu and Kashmir.

3. To examine the roles of microfinance towards the dispersion of credit among the working Women.

4. To study the changing trends in the status of women in India and assess the present role of women and their empowerment.

5. To examine the current status of microfinance industry in India.

6. To analyze the problems and suggest the microfinance programmes more effective in the study area.

**HYPOTHESIS**

1. Microfinance effectively improving socio-economic profile and living standard among the participant households.

2. As self-help Groups grow older, the members of the groups are more benefited as compared to the new entrants.

3. Participation in microfinance program leads to women empowerment.

4. There is no significant relation between microfinance and women empowerment.
METHODOLOGY

In the present study, the impact of microfinance programme has been determined by comparing two groups: participant women of the programme (henceforth called as participants) and non-participants. Participants was the members of the SHGs which has been benefited from the scheme and was received the bank loans. Non-participants members was those in the same areas which was eligible for the microfinance programme and was formed the SHGs but did not access credit up to the time of the survey. As per the NABARD guidelines, Self Help Groups are provided bank loans only after the active existence of the groups for about six months after the time of their inception. So, the non-participants was belonged to the same group which was less than six months old at the time of survey; and have not availed any benefit of the programme.

DATA COLLECTION

The study was based on both primary and secondary data. The primary data collected through interview from participants and non-participants sample households. Primary data was collected from the women respondents on a specially structured pre-tested questionnaire through personal interview method. The study was conduct in Madhya Pradesh and Jammu and Kashmir it was not possible to collect data in whole of both the two states. So one district was selected from each state. There was also used secondary source of data to understand the concepts, definitions, theories and empirical results. The researcher has used books, research literatures, articles, journals and reports, as secondary sources for study. Internet source was also been used for secondary sources.

SAMPLE DESIGN

The Researcher has taken random sample of 200 each in two districts namely Gwalior from Madhya Pradesh and Anantnag from Jammu and Kashmir. The researcher distributed 400 samples
among participant and non-participant women members of the programme in which participant get benefited from the scheme and had received the bank loans and non-participants in the same area which was eligible for the microfinance scheme and was formed the SHGs but did not get access credit up to the time of the survey. So the total of 400 samples was used for the study area. As per survey in Madhya Pradesh out of 200 questionnaires 112 respond comes from experienced of more than six months and 63 come from women respondents with experience of less than six months. In Jammu and Kashmir out of 200 questionnaires 106 comes from experienced sample respondents with experience of more than Six months and 78 comes from sample women respondents with experience of less than six months.

Being a researcher the focus of the research was on some of the problems that the women face in the society some problems was be analyze that hinder the progress and development of the women. The researcher taken sample of women of the age group between 18 to 45 because of following reasons:

(i) Psychological aspect

- From the age of 18 a woman enters in the cycle of adulthood. She undergoes all-around development that is physical and psychological development.
- Emotional development occurs maximum during this period. It is a crucial stage as the stress and strain occurs during this period (18-45).
- Women of age group from 18-45 faces a lot of disorders.

(ii) Political aspect

- Most of the women complete their education during this period and try to become independent, for this purpose they have to face a lot of problems. They are not given best opportunities to express themselves.
➢ They have been given right to vote but they are not given the right to know the uncertainties that hinder their progress.

➢ The so called leaders have not provided any special unit where they could express their demands and their rights.

➢ Most of this age group commits suicide and the government authorities remain silent without taking any action.

(iii) Social aspect

➢ Women in India face a lot of social issues and problem all through the life.

➢ It is the stage when a woman passes through the stages like marriage, responsibility of other family, employment problems etc.

➢ Dowry, social discrimination and violent victimization is faced more by the women of this age group.

➢ Most of the divorces happen during this period, as it is the crucial stage for a woman in her life cycle.

Why I not selected the age group below 18 and above 45.

Up to 18 a girl remains in innocence cycle. She does not undergo maximum physical and psychological changes and she does not become a victim of the society as an adult woman becomes and also as per guide line of NABARD the respondent with age group of less than 18 years are not allowed to join SHGs.

If we analyze a group above 45 they lack energy and their role in society is negligible. For the said reasons the researcher avoided the above mentioned age group.
LIMITATIONS

- As social science researches usually present multiple limitations when it is conducted, this study was no different. Like any empirical study, the study reported here suffers from a number of limitations.

- Absence of specialised MFIs which cater only MF services.

- The study also wanted to collect the data from the SHGs which were directly supported by the banks but was not able to get the list of beneficiaries as banks don’t maintain separate ledgers for beneficiaries of MF.

- The bias in the data cannot be ruled out as the questionnaire had to be translated in native languages of the state.

- NGOs were not able to give more time so that more number of SHG could have been contacted because of their other important engagements. As SHG members were shy of providing information in absence of concerned people of NGOs.

- Findings of this study need further validation and inquiry because of the study being exploratory in nature. However, the findings have provided a foundation and measurement base for future studies related to micro finance.

- The views and perceptions of women on empowerment programme differ from district to district and state to states, mostly women hesitate to express their problems. The study is restricted only on Madhya Pradesh and Jammu and Kashmir so results will not be generalize for SHGs working in other states, similarly financing pattern to SHGs through Microfinance institutions wouldn’t be same in all states.

- Difficult to survey SHGs with experience of less than six months.
REFERENCES


27. Sudha Rani, K.D. Uma Devi and G. Surendra (2003), SHGs.


