Chapter I
INTRODUCTION AND HISTORY OF BACHAT GAT (SELF HELP GROUP) MOVEMENT

1.1 Research Background -
Research Gap - The study self help Groups is being done on a large scale. But mostly the studies that are done on the areas of marketing strategies that are being lacking, new product development, finance availability to these women members etc. But as per the date these groups are well established and will and are producing many women entrepreneurs but there is a need being felt about that it is necessary to study the process of administration for these entrepreneurs.

Majority women in Self Help Groups are less educated or not educated at all and they need special help in administration and also the help to understand the working of these administration. The increasing scale of business, expansion in their business they will require a well defined process of administration.

Since this aspect needs to be highlighted and there was a research gap which will definitely help the Self Help Group members researcher thought of this aspect. Also researcher have been interacting with the Self Help Groups in Pune city there are certain problems also being faced by these urban Self Help Groups which is necessary to be highlighted.

Self Help Groups now have established and accepted but was not the case earlier even though when they are in market for so many years. Many women entrepreneurs are growing through this source that was also being observed by the researcher by frequently in contact with these groups.

The government of India and Reserve bank of India (RBI) have made concerned efforts since independence for poor with the access to credit. The disadvantaged communities including the women continue to depend on informal sources of credit. Regular institutions face difficulties in dealing with large number of small borrowers whose credit needs are small and frequent and their ability collateral is limited, this led to search a alternative policies, systems and procedures, saving and loan products, other complimentary
services and delivery mechanism that will fulfill requirements of poor. It is in this context that self help groups, micro credit has emerged as the best alternative to the conventional banking. It aims to mobilize people. Give them voice and build people’s organization that will overcome the barriesto participation and empowerment.

The Self help group model in India facilitates institution building in the form of people’s organization, group clusters and federations. But the people mostly the poor do not organize themselves. For the same the government, financial institutions and NGOs play an important role in assisting the poor and needy.

Self Help Groups and micro-credit organizations have a long history. It is almost two decades old. Self Help Group plays a major role in the economic development of the country. A self-help group (SHG) is a group of 10 to 20 women who come together for common reason to form savings and credit organizations to small interest bearing loans to the members which creates ethics for savings concept. But to run this group is not very easy. To bring all the women together, to decide about the administration and working of the group, to collect the information from the banks about opening an account, to be the group leader and many other activities they need the guidance cooperative banks, nationalized banks and also with NABARD bank etc.

In an agribased country like India the source of income through the agriculture is very uncertain, plus increase in the cost of inputs or raw material, unemployment etc due to this people in the rural area are always in the financial weaker position. Both the ‘market’ and the ‘State’ have failed to safeguard the interests of the poor especially women. In recent years, the civil society organizations such as Non - Government Organizations (NGOs), Self-Help Groups (SHGs), Mutual Organizations and such other Voluntary Organizations have emerged as important links between the poor and the formal system. To overcome this small scale business related to agriculture, opening of groups developed agriculture related items, etc due to which at least to some extent the financial support will increase.

The finance is required in the rural sector for various reasons like for daily routine activities, for agriculture etc. At this time availability of finance
in the rural sector in nearly impossible. There are private lenders who provide finance but the rate of interests are very high also the repayments ways are very different. based on this it is necessary for the people to be together and people who are having the chave for social wellbeing of the financial weaker section come together in a group with common objectives. The common objective should be monthly savings with a certain amount fixed. Generally the women who are more prone to the savings habit and the qualities like sincerity, transparency in the business and forming the groups these groups should be run by the women members only. In the rural area even if the women are uneducated they are good in the day – today financial activities and such women should come together and form the groups in which at least they will to some extent try to come out from the position of financial weaker section.

1.2. Historical background -

Origin of Self help Group: - The concept of self help group was started in the backward country of Asia like “Bangladesh”. The Professor of Economics in Chittagong University and Bangladesh noble prize winners Dr.Mohammed Yunus started the Self Help Group through the Grameen Bank. The project was started in 1976 and was finally registered as bank through ordinance issued by the government in 1983. But it was not having the status from central bank of Bangladesh.

The main objective of “Grameen Bank was to provide loan to the landless labours particularly women to promote self employment. Dr. MohammedYunus was graduate in Economics from Howard University and wanted to help poor and downtrodden people. The loan proposals of these people were rejected and they were forced to take the loans from private lenders, like “sawakars and ‘Zamindars’”. Dr.Yunus wanted this people to get the benefits of banking transactions and make available the employment opportunities to them.

Muhammad Yunus was born in 28th June, 1940 in the village of Bathua, in Hathazari, Chittagong, the business centre of what was then Eastern Bengal. He was the third of 14 children. His father was a successful goldsmith
who always encouraged his sons to seek higher education. But his biggest influence was his mother, SufiaKhatun, who always helped any poor that knocked on their door. This inspired him to commit himself to eradication of poverty. His childhood years were spent in the village. In 1947, his family moved to the city of Chittagong, where his father had the jewelry business.

Professor Muhammad Yunus, a Bangladeshi economist from Chittagong University, in 1974 led his students on a field trip to a poor village. They interviewed a woman who made bamboo stools, and learnt that she had to borrow the equivalent of 15p to buy raw bamboo for each stool made. She was not earning any profit as she had to pay to the middlemen with high rates. Had she been able to borrow at more advantageous rates, she would have been able to amass an economic cushion and raise herself above subsistence level.

Realizing this that something is going wrong with the economics he was teaching, he took matters into his own hands, and lent Rs.17 to 42 basket-weavers from his own pocket. He found that it was possible with this tiny amount not only to help them survive, but also to create the spark of personal initiative and enterprise necessary to pull themselves out of poverty.

Against the advice of banks and government, Yunus, in 1983 formed the Grameen Bank, meaning 'village bank' founded on principles of trust and solidarity. In Bangladesh today, Grameen has 2,564 branches, with 19,800 staff serving 8.29 million borrowers in 81,367 villages. Grameen collects an average of $1.5 million in weekly installments. Of the borrowers, 97% are women and over 97% of the loans are paid back, a recovery rate higher than any other banking system. Grameen methods are applied in projects in 58 countries, including the US, Canada, France, the Netherlands and Norway.

Mohammed Yunus dream is the total eradication of poverty from the world. 'Grameen', he claims, 'is a message of hope, a programme for putting homelessness and destitution in a museum so that one day our children will visit it and ask how we could have allowed such a terrible thing to go on for so long'. The World Bank recently acknowledged that 'this business approach to the alleviation of poverty has allowed millions of individuals to work their way out of poverty with dignity'. Credit is the last hope left to those faced with absolute poverty. That is why he believes that the right to credit should be recognized as a fundamental human right. It is this struggle and the unique and
extraordinary methods he invented to combat human despair that Muhammad Yunus recounts here with humility and conviction. It is also the view of a man familiar with both Eastern and Western cultures — on the failures and potential for good of industrial countries. It is an appeal for action: we must concentrate on promoting the will to survive and the courage to build in the first and most essential element of the economic cycle Man.

He is the founder and managing director of the Grameen Bank. In 1997, Professor Yunus led the world’s first Micro Credit Summit in Washington, DC. If I could be useful to another human being, even for a day, that would be a great thing. It would be greater than all the big thoughts I could have at the university. Muhammad Yunus I only wish every nation shared Dr Yunus’ and the Grameen Bank’s appreciation of the vital role that girls and women play in the economic, social and political life of our societies. Dr Yunus has offered them something far more valuable than a plate of food. He has offered them security in its most fundamental form. The Grameen Bank Project (Grameen means "rural" or "village" in Bangla language) came into operation with the following objectives:

- Eliminate the exploitation of the poor by money lenders
- Extend banking facilities to poor men and women
- Create opportunities for self-employment for the vast multitude of unemployed people in rural Bangladesh:
- Reverse the age-old vicious circle of "low income, low saving & low investment", into virtuous circle of "low income, injection of credit, investment, more income, more savings, more investment, more income
- Bring the disadvantaged, mostly the women from the poorest households, within the fold of an organizational format which they can understand and manage by themselves.

The action research demonstrated its strength in Jobra (a village adjacent to Chittagong University) and some of the neighboring villages during 1976-1979. With the sponsorship of the central bank of the country and support of the nationalized commercial banks, the project was extended to Tangail district (a district north of Dhaka, the capital city of Bangladesh) in 1979. With the success in Tangail, the project was extended to several other
districts in the country. In October 1983, the Grameen Bank Project was transformed into an independent bank by government legislation. Today Grameen Bank is owned by the rural poor whom it serves. Borrowers of the Bank own 90% of its shares, while the remaining 10% is owned by the government.

**Difference between Grameen Bank from Conventional Banks?**

Grameen Bank methodology is almost the reverse of the conventional banking methodology. More than half the population of the world is deprived of the financial services of the conventional banks as conventional banks work on the principle that if you have money you will get more. Conventional banking is based on collateral, Grameen system is collateral-free.

Grameen Bank starts with the belief that credit should be accepted as a human right, and builds a system where one who does not possess anything gets the highest priority in getting a loan. Grameen methodology is not based on assessing the material possession of a person, it is based on the potential of a person. Grameen believes that all human beings, including the poorest, are endowed with endless potential.

Conventional banks look at what has already been acquired by a person. Grameen looks at the potential that is waiting to be unleashed in a person.

Conventional banks are owned by the rich, generally men. Grameen Bank is owned by poor women. Overarching objective of the conventional banks is to maximize profit. Grameen Bank's objective is to bring financial services to the poor, particularly women and the poorest — to help them fight poverty, stay profitable and financially sound. It is a composite objective, coming out of social and economic visions.

Conventional banks focus on men, Grameen gives high priority to women. 97 per cent of Grameen Bank's borrowers are women. Grameen Bank works to raise the status of poor women in their families by giving them ownership of assets. It makes sure that the ownership of the houses built with Grameen Bank loans remain with the borrowers, i.e., the women.

Grameen Bank branches are located in the rural areas, unlike the branches of conventional banks which try to locate themselves as close as
possible to the business districts and urban centers. First principle of Grameen banking is that the clients should not go to the bank; it is the bank which should go to the people instead. Grameen Bank's 22,124 staff meet 8.35 million borrowers at their door-step in 81,379 villages spread out all over Bangladesh, every week, and deliver bank's service. Repayment of Grameen loans is also made very easy by splitting the loan amount in tiny weekly installments. Doing business this way means a lot of work for the bank, but it is a lot convenient for the borrowers.

In the conventional system if the loan is not recovered the file put against the court which is not the case under Grameen bank. There is no provision in the methodology to enforce a contract by any external intervention. Conventional banks punishes the defaulters when a borrower is taking more time in repaying the loan than it was agreed upon. Grameen methodology allows such borrowers to reschedule their loans without making them feel that they have done anything wrong (indeed, they have not done anything wrong.)

In such situation grameen banks helps the client to overcome this difficulty, where as conventional banks think of only there money and tries to recover it even by taking over the collateral. In conventional banks charging interest is continuous Interest charged on a loan can be multiple of the principal, depending on the length of the loan period. Where as in Grameen Bank, under total interest on a loan cannot exceed the amount of the loan, no matter how long the loan remains unrepaid. No interest is charged after the interest amount equals the principal.

Conventional banks do not pay attention to what happens to the borrowers' families as results of taking loans from the banks. Grameen system pays a lot of attention to monitoring the education of the children (Grameen Bank routinely gives them scholarships and student loans), housing, sanitation, access to clean drinking water, and their coping capacity for meeting disasters and emergency situations. Grameen system helps the borrowers to build their own pension funds, and other types of savings.

Interest on conventional bank loans are generally compounded quarterly, while all interests are simple interests in Grameen Bank. In case of death of a borrower, Grameen system does not require the family of the
deceased to pay back the loan. There is a built-in insurance programme which pays off the entire outstanding amount with interest. No liability is transferred to the family.

In Grameen Bank there client list also includes beggars. They persuade him/her to join the programme. The bank explains to her how she can carry some merchandise with her when she goes out to beg from door to door and earn money, or she can display some merchandise by her side when she is begging in a fixed place. Grameen's idea is to graduate her to a dignified livelihood rather than continue with begging.

Such a programme would not be a part of a conventional bank's work. Grameen system encourages the borrowers to adopt some goals in social, educational and health areas. These are known as "Sixteen Decisions" (no dowry, education for children, sanitary latrine, planting trees, eating vegetables to combat night-blindness among children, arranging clean drinking water, etc.). Conventional banks do not see this as their business.

In Grameen, we see the poor people as human "bonsai". Because in this healthy seed is sown in flower pot which has no enough space for the tree to grow, then it will be "Bonsai" only. It is only because the seed has been denied of the real base to grow on. People are poor because society has denied them the real social and economic base to grow on. They are given only the "flower-pots" to grow on. Grameen's effort is to move them from the "flower-pot" to the real soil of the society.

If we can succeed in doing that there will be no human "bonsai". As many as 1.2 billion people around the planet lack access to basic necessities, he explains, and microfinance could be their pathway out of despair. "Yunus and Grameen have taken a first step, which has inspired others to take a look at [microfinance] as a business," says John Tucker, deputy director of the microfinance unit at the U.N. Capital Development Fund.

Because of his appeal and innovation in 1997 only about 7.6 million families had been served by microcredit worldwide, according to the 2005 State of the Microcredit Summit Campaign Report. As of Dec. 31, 2004, some 3,200 micro credit institutions reported reaching more than 92 million clients, according to the report. Almost 73% of them were living in dire poverty at the time of their first loan.
In the grameen bank Yunus focused on women as they are the best who can think about the family needs, which was very difficult in the Muslim society. But today 96% of the burrowers of this bank are women. "If banks made large loans, he made small loans. If banks required paperwork, his loans were for the illiterate. Whatever banks did, he did the opposite," marvels Sam Daley-Harris, director of the Microcredit Summit Campaign. "He's a genius."

In some cases, Yunus has been able to attract private capital to fund socially driven businesses. GrameenPhone, a for-profit telecom outfit, is 51% owned by Norway's Telenor (TELN). It works with the not-for-profit Grameen Telecom to provide bulk airtime for so-called village phones. Funded by loans to individual women, these systems -- built from simple handsets and solar chargers -- function as pay phones in many rural areas. Now the idea of a "village phone lady" is catching on, along with other low-cost, high-tech systems, in other parts of Asia and Africa. An energy enterprise, Grameen Shakti, sells around 1,500 home solar-panel systems per month throughout rural Bangladesh and is growing 15% a year without subsidies, says Yunus.

Low-cost eye care and rural hospitals with video-conferencing between villagers and doctors in Dhaka is the next mission of them. "In Bangladesh, where nothing works and there's no electricity," Yunus says, "microcredit works like clockwork."

The international history of Self help Groups which was started by Dr Mohammed Yunus give us the brief idea as to how it was started and grew in various other countries.

1.3 **Indian History of Self Help Group**

The self Help Groups are classified in three types:-

1. **The Women Self Help groups** :- In these groups only women are the members. They were being started to give access to women members, rural areas which also were developed in the urban areas. These groups are more popular in our country.

2. **Men Self Help groups** :- These groups consist of only the male members. But these groups are not so popular in the country as men are busy in other income generating activities,
3. **Mixed Self Help Groups**: These groups consist of both men and women but such groups are also less in numbers as there are more conflicts experienced in this groups.

The self Help Groups emerged in India in 1985 in the southern states through the “Mysore Resettlement and Development Agency” [MYRADA]. There were around 300 SHG under MYRADA group. They were coming together in the group of 15-20 to revive the credit system by the cooperative banks. When they were being asked of loan repayments they preferred to pay it back to the MYRADA and not to the cooperatives as they were dominated by the individuals.

MYRADA was able to convince them to pay back the loan, but they realized that it a proper training and meetings to be held with proper agenda and minutes. In 1991-92 NABARD started promoting self-help groups on a large scale. And it wasthe real take-off point for the ‘SHG movement’. In 1993, the Reserve Bank of India also allowed SHGs to open saving accounts in banks. Facility of availing bank services was a major boost to the movement now nearly 560 banks like NABARD, Bank of Maharashtra, State Bank of India, Cooperative Banks, Regional rural banks, the Government institutions like Maharashtra Arthik Vikas Mahamandal (MAVIM), District Rural Development Agency (DRDA), Municipal corporations and more than 3,024 NGOs are collectively and actively involved in the promotion of SHG movement.

A analysis was made of the group members they were meeting. They had the homogeneity of the caste, religion or more over the income, occupation and more over the trust and relationship. But the economic homogeneity played a major role on which bases they were together. Today there are at least two million SHG’s in India. In many Indian states SHG.s are networking them for institutional and financial sustainability. The impact of Self Help Group on women’s empowerment has increased and status of women is also developed and the gender discrimination has reduced.

To meet the credit needs of the poor was one of the objectives of the banks in the post nationalization period. Making available the financial services to the neglected sector, as a result banking sector underwent the expansion phase were credit came to be the recognized as a remedy for many
ills of the poverty. But still the credit flow to the poor women still was low due to which efforts were made by the NABARD bank for framing appropriate policies for rural credit. In 1980 Integrated Rural development programme was launched a poverty alleviation credit programme which provided government subsidized credit through banks to poor. The aim was that the poor would be able to use inexpensive credit to finance themselves over poverty also during this period NABARD along with MYRADA a leading non government and also independently organization conducted certain research studies which showed that despite having the wide network of rural banks a large number of poor were remaining outside the fold of formal banking system. The banking policies and systems, deposits and loan products were not suited to meet the immediate need of the poor. What poor really needed was better access to these services and products rather than cheap credit.

A need was felt for alternative systems, policies and procedures which would fulfill the requirement of poorest and especially the women members. The more effective programs are being designed now in the last 25 to 30 years. In 1990 SHGs were viewed by state governments to be more than just financial intermediaries but a common interest groups working on other concerns also the agenda of SHGs includes social and political issue as well.

**SHG model in India**

In India three different models of linkage of SHGs to the financial institutions have emerged. They are -

1. Banks, themselves, form and finance the SHGs.
2. SHGs are formed by NGOs and other agencies but financed by banks.
3. Banks finance SHGs with NGOs and other agencies as financial intermediaries.

The second model is the most popular model. Almost three-fourths of all the SHGs come under this model. Only 20% of the SHGs are covered under the first and 8% under the third model respectively. Micro credit one form which is very popular in India is self help Groups, which is promoted by natural and state government and non government organizations. The approach of welfare and poverty alleviation and including women in the
development culminated in DWCRA (Development of Women and Children in Rural Area) was a government initiated program through which groups of women were granted financial assistance to take up economic activities. And also one of the objectives of the government was also to incorporate gender justice; The Ninth five year plan (1997-2002) was vocal about women empowerment and governments efforts of formation of SHG. About 24.25 million poor households have gained access to formal banking through SHG-bank linkage programme.

In India, Self Help Groups (SHGs) have been promoted as a channel of microfinance. SHGs were first started in the eighties by NGOs who disbursed small loans to groups of poor women as a tool to empower them socially, politically as well as financially (Morduch and Rutherford, 2003). Predominance of Women in microfinance an important feature of microfinance has been the predominance of women as its clientele. In fact, the programmes did not begin with a focus on women. In 1980-83 the Grameen Bank and the Bangladesh Rural Advancement Committee had 39 and 34% of women respectively. But by 91-92, BRAC’s membership was 74% women and Grameen had 94% women (Goetz and Sengupta, 1996).

Self Help Groups that have been promoted in India, are majorly are of women. The lower mobility of women would offset the moral hazard of clients borrowing loans and disappearing. The fact that women also have fewer opportunities of access to credit is another factor that led to a preponderance of women under the programme. A. Rahman (1999) has argued that the Grameen bank targeted women because it was easier to recover loans from women than men. However another study by R.I. Rahman (2000) attributed the predominantly female clientele of microfinance to the preferences of the MFIs and the concerned households. The men may not find time to attend group meetings, women may find it relaxing to attend meetings and meet friends. Women were also more ‘obedient’ in complying with directions of bank representatives. Thus microfinance institutions find it more advantageous women as client. Self Help Groups in India, Microfinance in India has evolved primarily through Self Help Groups (SHGs). The Self Help Group decides on 1. NABARD Status of Micro Finance in India 2009-2010.Maharashtra Economic Development Council March 2012 Maharashtra
common amount which they would save on a regular basis. The common corpus is then used to give loans to members of the group at a small interest. The pilot project for SHG-Bank linkage launched by NABARD in 1992 has now become the largest microfinance programme in the world today (Meissner Jan et al, 2008).

Status of SHGs Data from NABARD indicates that as of 31 March 2010, women’s SHGs comprised 80.35% of the 48.51 lakh SHGs in India and had 82.14% of the total bank outstanding of Rs. 28038.28 Crores. However, the southern region accounted for 62.7% of SHGs having 76.39% of the loans outstanding with the banks, under the programme, in 2009-10. NABARD data (2007-08) also shows that NPAs r SHGs in India in 2007-08 were 2.9% as compared to 3.64% for Maharashtra. The corresponding figures for SHGs under the SGSY over the same period were 5.72% and 5.3%. Thus loans disbursed to SHGs showed a much higher recovery than in previous programmes such as the IRDP. The per SHG loan to women SHGs in 2009-10 (Rs. 96019) was higher than that of the overall figure for SHGs (Rs.91083). It can be inferred that banks seem to have greater confidence in the repayment behavior of women as compared to men.

In Maharashtra SHG’s have mainly been promoted by the DRDAs and their contracted NGOs and the MahilaArthikVikasMamandal – the State Women’s Development Corporation. According to NABARD data (2010), as of 31st March 2010, 3,84,765 SHGs in the state have availed of Rs.1203.31 Crores of credit while there were 7,70,695 SHGs that had savings to the tune of Rs. 568.28 Crores with the banks. 65% of SHGs promoted in Maharashtra were women’s SHGs as of 31st March 2010.Microfinance Institutions (MFIs)MFIs have also spread throughout India and provide microfinance to SHGs, Joint Liability Groups and individuals through bulk funds obtained from banks and financial institutions like SIDBI. An interest cap of 26% on loans by MFIs has now been fixed by the Reserve Bank. Women - the driving force behind Microfinance Women, who were hit her to considered unbankable as they owned no property and had no collateral, have found access to credit under microfinance programmes.
In 1992 NABARD started the bank linkage programme beginning with the pilot programme by linking 255 SHG with bank, the programme has today reached 69.5 lakh saving linked and 48.5 lakh credit linked SHG’s. To keep the track of the status, progress and performance of the groups at all India level.

Following is the information about the SHG upto 2010

| Total number of SHGS linked with the banks | 69.53 lakh |
| Women SHGs | 53.10 lakh |
| Number of families covered upto march 2010 | 97 million |
| Total savings of Women SHGs | 4498.66 crore |
| Savings linked women SHG with banks | 76.4% |
| Credit linked women SHG with banks | 81.6% |
| As on 31\textsuperscript{st} March 2009 having savings bank accounts | 61.21 lakhs |
| Savings of the above SHG | 5545.62 crore |
| As on 31\textsuperscript{st} March 2010 SHGs having savings bank account | 69.53 lakhs |
| Savings amount of these groups | 6198.71 crores |

Impact studies have also drawn positive conclusions about the economic empowerment and social mobility of women brought about by SHGs in many programmes such as Stree Shakti, and Mahalir Thittam (Rao and Agrawal, 2004; Gariyali and Vettivel, 2003). A study of the major World Bank funded Veluguprogramme in Andhra Pradesh (Deshmukh-Randive, 2004) showed that the coverage of the poorest of the poor was low under the programme. (Around 47% of the sample households were found to be above the poverty line.) It was seen that poverty reduction occurred among 69% of the members. But, it was less among the dalits and women headed households. It was further concluded that a ‘complex mix of methods’ is necessary to achieve poverty reduction effectively. The lower loans to the women’s SHGs in Gujarat were attributed by Thakur and Tiwari (2005) to the risk adverse ‘feminine’ credit behavior which concentrated on low investment opportunities yielding lesser returns. Impact on Poverty.

**Purposes behind promoting SHGs.**

The fundamental aim of promoting SHGs is poverty alleviation and to achieve empowerment of women.
The recent trends show significant changes in the promotional strategies for the SHGs. Financial needs like banking; saving, insurance etc, getting subsidies, and building organisations to gain political power also, are the purposes behind some of the SHGs.

Today like Bangladesh & India, SHG movement is spreading in other Asian Countries and Latin America, Africa etc. SHG movement has got importance in the social movement. In the year (2005) the Central Government of India has announced a plan to promote 7 lakh SHGs, all over the country. The State Government of Maharashtra had also announced to promote 5 lakh SHGs within 2 years (i.e. 2005 to 2007.)

Few states in India like Kerala, Tamil Nadu, Karnataka, Andhra-Pradesh, and Maharashtra are leading states who are contributing a lot for the development of Self Help Groups and the women empowerment.

The role of SHG is very divided as far as economic empowerment is concerned. The economic empowerment through the role of formation of self help group plays a crucial role to play. Women self Help Groups take the economic activities for skill and resource formation in the development process through social mobilization. The SHG activities aim at increasing the per capital output and the savings. By raising the productive capacity of poor, the total output of the economy increases.

**SHGs and Women’s Empowerment in India**

Some of the intangible social benefits, due to SHG movement, was the self confidence among women, empowerment in community development, improved women’s literacy, drastic increase in school enrolment, decline in population growth, vaccination of children, improved sanitation and drinking water, changes in the attitudes of men, reduction in smoking and drinking, voicing of objections against child marriage and the practice of dowry. The study of the Veluguprogramme by Deshmukh and Randive, (2004) showed that there were improvements in school enrolment, attendance, sanitation, access to electricity and gas. But there was not much impact on gender bias - in terms of male preference in serving food and access to clothing. The studies have shown that, on the whole, the SHG programme has resulted in positive developmental outcomes and also lead to women’s empowerment.
Role of Self Help Group in Kerala

In Kerala State women development and the balance of gender status has stabilized in many fronts, Kerala has a high female literacy rate of 86.2%, a low IMR of 13 (against the national average of 80) a favorable sex ratio of 1032 female/1000 male, High Life expectancy ratio 74 female/70 male etc., just to mention a few. But in spite of all these absence of women in the public domain remains as a paradox of the Kerala model of development.

This led into development of Self Help Groups run by women and for the women. For the poverty alleviation the informal banking system was introduced to develop the relationship between the members of Self Help Group. The members know each other’s potentials weaknesses and problems. The members can deposit even trifle amount in the thrift scheme of the banks. Informal bank always tried to encourage saving habit among poor women. An informal bank can provide collateral free loans with the terms and conditions decided by the group. The Self Help Group behind the informal bank is free to fix market driven rates of interest for advances. Every operation of an informal bank takes place in the group level, including depositing of thrift amounts and sanctioning of thrift loans. The groups itself decides the eligibility of a member to get assistance from the bank after discussions and assessment of the need and repayment capacity.

Due to financial empowerment of women achieved through thrift and bank accessibility will improve their status in their own families and society. Naturally, their confidence will increase. Above all Informal Banks provide loans to the poor women at their own doorsteps without any hassle. The empowerment of women is rightly quated in there is no tord for development more effective than empowerment of women - Kofi Aman.

Kerala has finally got rid of the contract farming jitters that enveloped it after an infamous cocoa beans-purchase letdown in a deal with a chocolate manufacturing giant 20 years ago. Acceptability has now reached a stage that in crops like ayurvedic herbs and organic tea, local business bigwigs, such as Natesan group’s KAPL and Poabs group, have even ventured to stretch the contract farming tag to corporate farming. The future reins of the contract farming revolution in Kerala are not with corporate houses or political think tanks, but with nearly 2.24 lakh women SHGs (self-help groups). SHGs under
Kudumbasree (the state’s anti-poverty mission), have been initiated into leased land farming with training in farm practices and market handling. Three years ago, Kerala’s pineapple farmers, producing 80,000-1 lakh tonne per year, were unable to set up a smooth supply chain, when Pepsi sought one for its Tropicana brand. And not too long ago, Sami Labs was unable to get a suitable contract farming partner for Coleus Forskohlii, a wild plant.

The absence of an optimal revenue model in market linkages was a problem, till SHGs entered the picture. The crisis of land fragmentation and the shift of educated youth away from farm labour has thrown up new solutions that combine leased land and less mobile female labor.

This year, as much as 50,000 acres are under leased land cultivation by Kudumbasree women, making them, perhaps, the biggest single lease in the land-starved state. Since local markets absorb the vegetable produce (demand, here, exceeds local supply by Rs 1,000-crore), vegetable cultivation by SHGs does not call for price-contracts. This framework could also translate to contract farming with professional outfits. “Given its high economic efficiency, the Kudumbasree SHGs can easily evolve into new products,” says Annette Busque, Bank of America’s finance expert, who has studied the issue.

India: Creating rural entrepreneurs

Helping women, creating entrepreneurs

Rojamma is a single parent living in Kurumurthy, a small village in the Indian state of Andhra Pradesh. Her husband left her, she earned a few rupees working in her mother's field but found it difficult to support her two daughters. Then she joined a women's self-help group and found out about Project Shakti. "From that moment my life changed", recalls Rojamma.

To expand its markets, the challenge for Hindustan Lever (Unilever’s business in India) was how to reach millions of potential consumers in small remote villages where there is no retail distribution network, no advertising coverage, and poor roads and transport.

The solution was Project Shakti, launched in 2000 in partnership with non governmental organizations, banks and government. Women in self-help groups across India are invited to become direct-to-consumer sales distributors for Hindustan Lever’s soaps and shampoos. The company provides training in
selling, commercial knowledge and bookkeeping to help them become micro-entrepreneurs.

**Increasing income -**

After an initial investment in stock - usually borrowing from self-help groups or micro-finance banks facilitated by Hindustan Lever - most Shakti entrepreneurs net a monthly profit of 700 - 1,000 rupees (US$15 - 22). This is a far cry from the few rupees single mothers like Rojamma had earned before, and for those with husbands who work in the fields, this typically doubles the household income.

By the end of 2009, 45,000 Shakti entrepreneurs were selling products to three million consumers in 100,000 villages. Shakti has brought them self-esteem, a sense of empowerment and a place in society. As Rojamma says: "When my husband left me I had nothing except my daughters. Today everyone knows me. I am someone now". It has meant she has been able to send her daughters to school, giving them the chance in life she didn't have.

**The Role of Self Help Group in Andhra Pradesh.**

In Andhra Pradesh from the period of 1979 the self help groups were started are run more by NGO's. There are more than five million women in the Self Help Groups. They are working for the upliftment of the poor like in order to take care of the food SHG,s are working for the rice credit line, also the strata of savings among the poor have gone up due to the SHGg,s.

The growth of SHG is due to the support by the state government, NGO’s and banks. They have enabled government to achieve the poverty eradication and women empowerment and also programmes like HIV aids, mid day meals, pension distribution child labour They are also working under improving the quality of life by improving the nutritional and health standard of women and children. The government of Andhra Pradesh has contributed to more than 70,000n self Help Groups.

The women’s movement in Andhra Pradesh originated from the anti arrack (anti liquor) movement started by the state’s rural women in the 1990s. The state government built on its momentum to start a women’s literacy movement. In 2000, with World Bank support, it expanded this program as
thrift based program where women could make small savings, revolve their own resources, and meet their families’ critical consumption and food needs. The program, earlier called Velugu and now called the Indira Kranti Patham, has since evolved into a movement for the all-round empowerment of poor women - social, legal, political, and economic.

The World Bank’s Andhra Pradesh Rural Poverty Reduction Project supports the program. It promotes women's social, economic, legal and political empowerment to reduce poverty among the poor and the poorest of the poor.

The World Bank project has helped take the women's Self Help Group movement to all 22 districts of Andhra Pradesh. It has also become the model for livelihood programs in other states too, including Tamil Nadu and Bihar.

**Empowerment in social, legal political economic issues**

The women Self Help Groups (SHGs) hold regular weekly meetings save and repay regularly, and use trained bookkeepers for proper book keeping. All SHG members abide by the principles of saying no to child marriages, child labor, domestic violence and wasteful expenditures. The weekly meetings provide a platform for sharing and discussing broad social, legal, political and economic issues that affect their lives. The women discuss family planning, the number of children they should have, and the spacing between births, indicating a significant change in their ability to exercise reproductive choice within the household. They have also not hesitated to take up difficult issues like domestic violence, the trafficking of women and children, and the jogini system of exploitation.

While this is a continuous and evolving process, these poor women’s groups have made a number of gains in a variety of spheres: 5000 child marriages have been prevented by women SHG group A study by the Center for Economic and Social Studies in Hyderabad finds that the incidence of child marriage has declined among project participants. Groups have campaigns against the trafficking of women and girl children with the support of police, the revenue administration and NGOs.

To provide quality education to girl child laborers new residential schools have been started a bid to reduce child labor; new residential schools
have been set up in six districts to provide quality education to girl child laborers. Over 40,000 girls are now enrolled in these schools. According to an impact evaluation, these schools have outperformed other public schools in terms of regular attendance, academic results and facilities provided to students, leading to a fall in the drop out rate from 14.8% in 2001 to 4.3% in 2005-2006.

Groups have achieved considerable success in eradicating exploitative social practices such as the “Jogini” (temple concubine) system. Says a Community Activist, from Mahabubnagar District: “I was made a jogini when I was eleven years old by my parents. Joining the SHG gave me confidence and, despite opposition, I got married to lead a normal life. There are still thousands of joginis still operating in and around my community, whom we are trying to rehabilitate. As the children of these jogini mothers are considered illegitimate by the village, we are going to conduct DNA tests for four thousand of them to determine who their father is and ask them for support. We want to ensure that these children are proud of their mothers and lead a normal life”.

The issues like gender violence and make efforts to identify the victims and make them start new livelihoods. The project has helped to improve food security of the poor. Over half a million households in six districts have benefited from access to food grains and other essential commodities of good quality at relatively lower prices, provided on a credit basis. Destitute women, especially elderly widows, are being helped by a special program through which community members contribute a fistful of rice to a common pool which is then distributed among these women.

Over 21,000 households have been covered with health insurance on a pilot basis. The community managed risk fund aims to provide quick financial support to meet families’ health expenditure, including during emergencies. 1.2 million Women SHG members have purchased life insurance cover. Over 160,000 disabled persons have been mobilized into some 17,500 SHGs and have received support to start new livelihoods.

The project has facilitated the resolution of several land issues affecting the poor including the restoration of illegally occupied land. Para legals have been trained, and efforts are on to establish a land rights center for
tribal areas in association with the Law College at Hyderabad, and organize lokadalats (public courts).

A local movement is started by the women groups in which natural methods of pest management were taught and utilized for the farmers which reduced their cost. Cost savings have ranged from about US$40 to US$120 per acre leading to a 75% increase in the income of a farmer. This has also had positive effects on farmers’ health status.

Social empowerment issues have become the basis for the subsequent economic empowerment of women. The program enables women’s organizations to develop the skills to negotiate with market institutions and develop other financial services.

**Role of Self Help group in Karnataka**

In the urban slums of Karnataka in the period of two years nearly 839 SHG’s were formed. The SHG concept is in existence in over last two decades in India. But predominantly in rural areas. Initiatives by NGO, government donor agencies support by NABARd helped SHG’s to take off.

This SHG programme covered 23324 families below poverty line. The SHG were given the option of availing credit through lending within the group, formal banking system, financial agencies other than banks, GO federations, or microfinance agencies set up by NGO’s. Membership of SHG’s have contributed to significant changes in the lives of the women. The most was escape from moneylenders charging exorbitant interest rates. Another impact has been in the terms of self esteem and increase social mobility as many women of urban slums had never been involved in such programs before.

An early morning in April, 2001. A convoy of several cars speeds into Kolar in Karnataka for a function at the Zilla Office. Soon, it screeches to a halt at the gates of the office. There's a blockade. Police and officials race to the group of about 100. A minister, a legislator and several bureaucrats wait in the cars.

A youngish woman with steely eyes tells the police in an even voice: “We are not moving even if you choose to shoot. We are worn thin with lies and broken promises of the local officials. Rs.200,000 had been sanctioned
long ago by the government for desilting a tank at Minijeenahalli on which depend some hundreds. The money has not been released after several months of patient petitioning. Here take this paper - it has the full story, dates, file numbers, references, everything. Before we leave here, we want the letter of release for the funds. We want it now. Today or every hour more people will be arriving to feed us and join us. Go tell the minister."

They got the letter within two hours of letting the convoy in conditionally today; you can't stuff these hardy folks into caste boxes. They are a few of the thousands created from the soil and let loose to bring about change by theremarkable initiative of a man called Dr.N.K.A. Iyer. In just over 10 years, Iyer and his GramaVikas caused in 145 villages of Mulbagaltaluk [Kolar district of Karnataka], a transformation triggered by these new-women. Today, the 6000 members of the Okkuta are spearheading change and progress in the taluk's economy, health-care and education. And they have created an all-inclusive community freed of caste hangovers and full of self-esteem.

Iyer's reputation and background had early convinced donors like Oxfam, Inter Cooperation [Switzerland] and Novib [Netherlands]. They were ready to back the man.

Armed with assured support, Iyer put out advertisements in papers for rare new jobs in social work. And audaciously, he wanted girls for those jobs! What is more astounding than that - remember, it was the late seventies- is the fact there were tens of responses from girls all over Karnataka

The buzz that began then spread far and wide. Between 1984 and 1992, women from the original 7 villages fanned out dressed in bright sarees and singing specially created songs, to persuade women to start SHGs to better themselves. They told them of loans available, opportunities, and rights, importance of child care, environment, education and health. Friday evening women's clubs or Sanghas or SHGs sprung up everywhere. The membership of women swelled from the original 76 to over 5000 organized into 200 SHGs. Small loans were sponsored, crèches spread to over a 100 villages, and employees of GramaVikas rose to over 50 to nurse the new SHGs.

GramaVikas began to inform the SHGs of the schemes and resources the government had announced for their benefit. It urged them to rise and
demand these as a right. They were taught the ways of the banks and government departments. They were taken on trips to see these for themselves. How does one apply, how to follow up and what were their duties? The world of women of Mulbagal began to widen and glow. Evident in several of them. Iyer began to ponder the issue of sustainability. GramaVikas had to slowly disengage and let the women run the activities themselves. He organised a conference of all SHGs at which they spontaneously declared themselves a Okkuta or a Federation. Leadership qualities were They elected a President, a Secretary and a Treasurer. Each SHG agreed to pay Rs.200 per year as membership fees and the Okkuta was to be the focal body for all interactions with the outer world. GramaVikas transferred to the Okkuta a corpus fund of Rs.20 lakhs received from donors abroad. Grama Vikas was now merely to advise the Okkuta from behind the scenes and intervene only when necessary.

Today a visit to Honnsetthalli would amaze the visitor. The air throbs with energy as women strut about with confidence. Papamma runs a tight ship. English words like green cover, biomass, catchment area, water rights, advocacy and empowerment trill down her tongue. She is held in awe and respect in government offices and banks. She knows their mazes and navigates them with ease. She and many village women travel to conferences, to meet legislators and ministers and the media. Women of the Okkuta have stood for elected offices and won. Okkuta is a banker, counsellor, facilitator and as we saw, an agitator when necessary. It commands a savings of over Rs. 50 lakhs to operate from. Check this for their scale of operations: there is a doctor from Bangarpet town that visits the Okkuta built hospital every day: the Okkuta pays him Rs.10,000 a month: that’s a wage many city doctors would stand in line for.

**Role of Self Help Group in Maharashtra**

In Maharashtra the Self Help Groups was started way back in 1947 in Amravati district with the tiny amount of 25 paise. In 1984-85 in Gadchiroli the self Help Group was started. These groups were stared in the early stages in Maharashtra as there was a need of financial independence of women and social activity was also one of the objectives of starting the bachat Gat or Self
Help Group. There are around 33 districts in Maharashtra who have bachat gats or Self help groups operating. In Maharashtra about 4 lakh women are members of these groups. It is one of the leading states in India in this movement with the increase number every month.

Maharashtra ranks the 4th in Human Development Index. Female economic activity rate of 35.97% for Maharashtra is higher than the national average of 29%. The state has 12 allwomen panchayats. Women constitute 11.60% of membership in the cooperatives. In the rural Maharashtra, the work participation rate of women is 46.5% out of which 89% in the agrarian sector. Among the total agrarian work force, 41% constitutes cultivators and 48% constitutes agricultural labourers. In the Urban Maharashtra, the female work participation rate (Main Workers who get employment for 8 hours per day for 183 days in a year) is only 13%. Out of total urban female workforce 1% is in the highly skilled jobs, 9.2% is in the house-hold industry, 45.3% is self-employed, and 33.3% is in the regular employment and 214% in casual labor.

In 1993 Latur and parts of rural Maharashtra had suffered massive earthquake which suffered 11000 lives. Many state led rehabilitation programs were arranged by the state where they wanted to improve the communication between villages and state of Maharashtra to transfer this disaster into opportunity a wide spread network of Self Help roups were started by the State. The objectives were to build social, political and economic competencies for women members. Since 1998 it has operated in the five districts of backward area of marathwada in Maharashtra.

Further in 1988, ‘Chaitanya’ Gramin Mahila Bal Yuvak Sanstha started promoting SHGs in Pune District, informally.

In Maharashtra, the NGOs not only have catered to the economic needs of the participants, but also involved in the process of social development. Presently, numerous NGOs and government Institutions promote SHGs on a large scale.

**Challenges before SHGs in Maharashtra -**

Lack of options make women in poverty groups vulnerable to risks, restrict their freedom, and grant insufficient endowments. Their victim statuses enhanced due to lack of voice and unequal burdens/ responsibilities.

Most of the schemes suggested by the state are such that they add on more duties to their backbreaking and drudgery prone household duties,
though they bring more income to the households. The state government has promoted self-employment of poor women through micro-enterprises facilitated by Self Help Groups (SHGs). But these program’s have also increased the work burden on women to one more duty to their existing workload does not empower women. Increasing women’s burden/responsibility does not automatically give her authority. Economic empowerment is not something you look forward to see women as rag pickers or stone breakers for good. If upgraded technologies are introduced in women specific economic activities, their income, credit and quality of work improve.

The State government has paid special attention to safeguard women’s interests in agriculture, live-stock and poultry, fisheries and in the cooperative movement.

Maharashtra Aithik Vikas Mahamandal Limited (MAVIM) has provided the vision statement for "The Self Help Group movement in Maharashtra- Vision 2020. (Thekkekara, 2003). MAVIM guestmate showsthat the state has 122 federations of SHGs nurtured by MAVIM that cover 557.29 lacs families and 2.8 lacs SHGs of poor men. These SHGs are focussing on a woman empowerment programme, enhancing women’s capacities, Building self-confidence, challenging gender bias, conducting literacy, accountancy and life skills classes, providing and facilitating exposure to larger world.

Major challenges faced by the SHGs in the state are -

1. Making banks meet the demands of micro-credit for micro-trade.
2. Coping with new issues posed by globalization, livelihood issues and dumping of cheaper foreign goods in the market.
3. Finding a way out in case of multiplicity of programmes with conflicting interests.
4. Curtailing counter-productive competition among SHGs at field level.
5. Dealing with political vested interests.
6. Retaining quality while up-scaling MAVIM is making an effort to evolve a strategy for convergence at governmental level in terms of joint programme between Department of Women and Child Development, MAVM, Banks, Departments of Agriculture, tribal, HRD, Planning, etc and NGOs. The new approach treats GOs and NGOs as networking partners not donor and donee. MAVIM’s efforts are targeted at making banks accept poor women as
bankable clients. "Recovery rates in SHG banking are 98+ % and the branches actively participating in SHG banking have neither missed their low cost deposit targets, priority sector advances targets or the estimates of profitability. "(Kesavan, 2003). The effort of MAVIM is inspired by the Andhra Pradesh Model of promotion and credit linking of SHGs in which 2.78 lakh groups have been extended financial assistance to the tune of Rs. 9.38 crore under SHG- Bank Linkage Programme in Andhra Pradesh by close of financial year 2003. (Reddy, 2003).

Under the Maharashtra Rural Credit Project in Maharashtra (IFAD, 2003) while women obtained access to credit of their own under the project, the average loan size to the individual SHG members, was low at Rs. 1519. In a study by Thhekkekara (2011, unpublished) it was seen that participation in SHGs in by tribal women in Melghat, did not increase women’s incomes, however it did lead to some increase in household assets. The small size of loans received led to the use of initial loans for consumption purposes. However, women who obtained higher order loans obtained under SGSY, were observed to invest them in activities having higher returns such as dairy. In general banks were observed to be reluctant to sanction loans to poor tribal women.

Associated with an overall reduction in violence against women. A study by Pitt and Khandker (1995) examined the differentiation in decision making outcomes for male and female loanees. The study concluded that (i) households receiving the loans were largely better off than those not receiving loans and (ii) the pattern of decision making in households showed that women’s preferences carried greater weight in decision making in the households where they had received a loan as compared to the households where men had taken the loan or households that did not receive a loan.

The joint use of loans taken by women, to also benefit the men in the family, was seen as an instance of women seeking to enhance their hold within the family the higher repayment rates of the Grameen type of intervention has ultimately come in the face of poor women having fewer real choices. However, she acknowledges that the training on gender in the Grameen programme, has raised women’s levels of consciousness about their status and their rights.
Scenario of SHGs and Women’s Empowerment in Maharashtra

Several studies from Maharashtra have concluded that SHGs have led to women’s empowerment in the state. The conclusions drawn by the project completion review report of the Maharashtra Rural Credit Project were that women perceived a huge difference in their lives, and their self confidence, and mutual help as a result of the project. There was no backlash from male family members, even when women became vociferous about their demands (such as agitation against use of alcohol by men) because the whole family has benefited as women gained financial independence. However traditional roles within the households still predominated (IFAD 2003).

The study of SHGs in Dharni taluka of Melghat by Thekkekara (2011) concluded that the participation of women in SHGs did lead to women’s empowerment, increase in their mobility, better treatment by family members, and greater participation in the public space. However, though a majority of women stated that either there was no violence by their husbands or that violence by their husbands had declined after loan taking, a significant number (7.7% of women form Running groups and 16% of women from closed groups) stated that violence by their husbands had increased after loan taking. As there were instances of losses to families due to the death of uninsured milk animals purchased by means of loans, the loan repayments in such cases came from the wages of the women and would naturally lead to tension in households. There were also defaults in loan repayment which had the potential of creating disputes in the house. The absence of clarity about the subsidy component in loans under SGSY also led to disputes about repayment of the loans.

Case Studies by ten researchers on SHGs promoted by MAVIM in Maharashtra (Parthasarathy et al, 2011) examined the issues of i) women’s economic empowerment due to their participation in the SHG programme: ii) their resultant assimilation into the local governance structure: and iii) their involvement in community mobilization and social transformation. SHGs were seen to make villages like Khusari in Bhandara district free of money lenders, by means of timely loans at a lower interest rate from the SHGs. The loans helped vulnerable families to cope with distress situations caused by ill-health, loss of work or crop failure.
Backward Scheduled Caste community was seen to benefit more from these interventions, leading to the social upliftment of the community. SHGs also enabled women to come together and elect women Sarpanchas, on the seats reserved for women under the 73rd and 74th constitutional amendments. The case studies also cite instances of community mobilisation by SHGs such as the formation of grain banks and the implementation of the total sanitation campaign.

It may be concluded that women have played a crucial role in the spread of microfinance. The predominance of women’s participation in the programme has shaped its outcomes, especially in regard to higher the repayment. However the small size of loans disbursed has led to micro finance smoothing consumption but not having a visible impact on poverty alleviation. The evolution of women’s leadership in community and village activities is another observed phenomenon. This has in turn also fuelled women’s participation in local self government.

**Pune City Map**
Role of Self help Group in Pune -

The geographical area on Pune we can understand through the following details: The total area of Pune district is 15642 km², the total population of the district is 9,426,959 which is fourth most popular district in India. The total population of Pune urban area is over 5 million. The urban population comprises of 58.08% which is 6,115,431 Literacy rate is 71% and sex ratio is 919. There are 14 talukas of pune district which are:-Pune city, Baramati, Shirur, Ambegaon, Bhor, Daund, Indapur, Velhe, Purandar, Khed, Junnar, Maval, Mulshi, Haveli. The three major highways NH4, NH9, NH 50 go through Pune district. Pune is situated at the altitude of 559 meters.

The population of Pune city in 2009 was 3337481 and was the 8th most popular city of India. With the density of 7214 people per square meter area. Pune district is located between 17.5° to 19.2° North and 73.2° to 75.1° East. Pune district is having two municipal corporations City is located at 559 meters from the sea level. It is located in the Deccan Plateau and is about 100 kms east from Konkan coast and at a distance of about 160 kms from Mumbai. The geographical area of Pune district is 15642 sq.kms. It is around 5% of total area of Maharashtra state.

As per provisional reports of Census India, population of Pune in 2011 is 3,115,431: of which male and female are 1,602,137 and 1,513,294 respectively. Although Pune city has population of 3,115,431: its urban / metropolitan population is 5,049. In education section, total literates in Pune city are 2,556,743 of which 1,361,257 are males while 1,195,486 are females. Average literacy rate of Pune city is 91.61 percent of which male and female literacy was 95.13 and 87.91 percent, 968 of which 2,659,484 are males and 2,390,484 are females. The sex ratio of Pune city is 945 per 1000 males. Average literacy is 91.42 percent.

‘Empower women in a sustainable family”. This is one of the vision of self help Group Annapurna Parivar which is working with poor self employed women and men in urban slums through its various projects in Pune city. There are many self help Groups like this in Pune city. They also have a mission which is to make our members sustainable and happy in their professional and personal lives by giving small repetitive loans to poor enterprising men and women along with business guidance and skill trainings.
to improve their business. ‘Annapurna Parivar’ as a micro finance institution gives loans ranging from Rs 1000/- to Rs. 35000/- to women/men. These loans are given through “Arth-Udyampurna” project. While repaying the loan, they have to save 20% minimum. All the partners are insured under Janashri Family Security Fund. The partners of Artha-Udyampurna are vegetable vendors, fish/dry-fish sellers, fruit seller, flower / garland sellers, rag pickers, papad rollers, construction & domestic workers, farm laborers, construction workers, small fabricators, petty merchants, rickshaw drivers etc.

In Urali Devachi village, members’ loans have provided the wherewithal to purchase a flour mill, and the working capital for a market stall selling refreshments and a shop selling saris. Members have used the loans to pay off money lenders, and for education and health needs.

Nearly 9,000 SHGs will have their information put up the special website for Pune rural alone. “Information on loans and products offered by the SHG members will be displayed on the website. Pune division will be the first to roll out the project in the state, all self-help groups of the poor will have all information relating to them, ranging from loans to products offered by members, on a special website.

With the government spending Rs 3 lakh for each district, the software will look at having all the information of the SHGs being put up. From the name of the members to the loans, savings and their products, monthly transactions, regular meetings, assets created, repayment will be put up on the website.

The SHGs should provide the information and it will benefit them. This will be also helpful in assessing the track records of these SHG’s in the BPL category, PD Kasar project director of District Rural Development Agency said that in Pune rural 9,000 groups will be covered. They have already conducted meetings with these women. They have already been asked to give the necessary information for the website.

In a new high for the self-help groups movement in the State, Pune district with 38,000 groups and at least 4 lakh women as part of them, is head and shoulders above the rest. Of these, 10,032 groups were formed in just one month. The surge is the result of a special drive undertaken by the Zilla Parishad from September 1, 2007 helped by Taluka officials, block
development officers, nationalised and cooperative banks. “We already had 27,000 groups and with another 10,032 joining we stand to lead as the district with the highest number of self-help groups in the State,” said ZillaParishad CEO SK Bankar.

The State has around 4.75 lakh self help groups, Pune is the highest contributor and efforts are to reach more women. All the newly formed self-help group members have opened accounts with various banks in their talukas. The loan factor factor was being worked out at present, he said. The trends are interesting — in some village's one member from every family is part of the self-help group and each group has 11-12 members. In Purandar, around 100 villages have total participation. “Awareness drives and workshops conducted by block development officers in each taluka helped, as the information provided by district rural development agency project director Women members would now be trained for capacity building, maintaining records and given training on internal lending. Technical training will also be provided for credit linking. According to the block development officer entire process would be completed by March.

Women attain financial empowerment and a change in attitude, thanks to a year-old scheme that has led to the formation of self-help groups The Urban Community Scheme (UCD), launched by the Pune Municipal Corporation (PMC), has financially empowered 4,000-odd women living in the city's slums.

The women are attached to 205 self-help groups (SHGs) which were formed as part of the scheme. A corpus fund of Rs 1.74 lakh has been generated since the inception of the SHGs, a year ago. Each group consists of 20 women, and each woman is expected to save at least one rupee a day. The amount collected is deposited in a savings account from which members meet their credit needs.

Till a year ago, most of these women had not even ventured into a bank. Credit was available to them in small amounts at an interest rate of 35 per cent. Now, they pay an interest rate of just 1.5 per cent per annum. The women have their own passbooks and are capable of meeting their financial needs.

As per the statistics available from the UCD department upto the year 2012 the SHG's started with the help of UCD department of Pune Municipal
corporation were around 11,918 in which 1,79,970 women are working and there are 1214 business self help groups who are working under the guidance of UCD department, who is helped by “Savitri Mahasangh, Samaj Vikassanstha, SMART organisation etc.

Assistant municipal commissioner, Ashok Kalamkar, who was also in charge of the UCD programme, says: “This simple procedure changed the lives of the members of the SHG. Their credit needs seldom run to more than a few hundred rupees. Most of them wanted this money to pay for their children's tuition fees.”

The constitution of neighbourhood groups has been a major step in the three-tier SHG system evolved by the UCD, which monitors the work of the groups. This three-tier system includes committees, neighbourhood groups and a city development society.

The UCD is following a Kerala model involving women from economically weaker sections, regardless of whether they belong below the poverty line (BPL) or not. “This helped us route all the government grants available for self-employment through these groups. It certainly helps to reach those in genuine need, since recommendations come from the neighbourhood groups.

More than taking care of the financial needs of the women, the SHGs have brought about a change in attitude as well. A SHG from Mundhawa (Pune) has started its own chapatti-making unit: another group has taken the lead in cremating an AIDS victim whose family would not touch the deceased. The very feeling that you are supported by 50 others causes this change,

Pune's SHGs were formed to coincide with the launch of the United Nation's Year for Women Empowerment. The 74th amendment to the Constitution, adding poverty alleviation programmes in urban areas to the basic terms of references of the civic bodies, was the main motivation behind starting the SHGs.

1.4 Working Definitions of the terms used -

1. **Self Help Group (SHG)**: It is a village based financial intermediary usually composed of between 10-15 local women. Members make small regular savings contributions over a few months until there is enough capital in the group to begin lending. Funds then may be lent back to the members for any
purpose. In India many SHGs are linked to banks for the delivery of micro credit.

2. **Bachat Gat:** It is the same term as defined of the Self Help Group here this term is being used in Marathi language. It is the group of the women who contribute specific amount every month and then grow into entrepreneurs.

3. **Entrepreneur:** “An entrepreneur is one who searches for change responds to it and exploits it as an opportunity.”

4. **Women Entrepreneur:** It is an enterprise owned and controlled by women and having a minimum financial of 51 percent of the capital and giving at least 51 percent of the employment generated in the enterprise o women.

5. **NGO:** An organization not affiliated to political parties, generally engaged in working for aid and development.

   The diversity of NGOs stains any simple definition. They include many groups and institutions that are entirely independent of government and that have primarily humanitarian or cooperative rather than commercial objectives. They are private agencies in industrial countries that support international development, indigenous groups organized regionally or nationally, and member groups in villages. NGOs includes charitable and religious associations that mobilize private funds for development, distribute food and family planning services and promote community organizations. They also include independent cooperatives, community associations, water user societies, omens groups and pastoral associations. Citizen groups that raise awareness and influence policy are also NGO’s.

### 1.5 Limitations -

1. The research is limited to boundaries of Pune Municipal corporations only.
2. The research is limited to the period of ten years only i.e. year 2000-2009.
3. Researcher has considered the administration of the Self Help Groups working in the Pune city only.
4. The research is based on the actual information collected by the sources of primary and secondary data.

According to a survey conducted by Centre for Bharatiya Marketing Development (CBMD), the highest number of SHGs are found in the southern states. On an average southern states constitutes 65% SHGs, eastern 13%, central 11%, northern 5% and western 6% at the national scene. Andhra Pradesh, followed by Tamilnadu, has the highest number of women SHGs.
working independently and setting up a micro enterprise, which helps in income generation.

1.6 **Conclusion -**

Thus in this chapter of introduction researcher has tries to portray the need for the study in administration by focusing on the administration aspect and entrepreneurship developed among this women who had no savings and aware of the credit facilities. The researcher have informed about the historical background of the Self Help Group, the various models in the SHG in India, and have thrown light on the progress of SHG in the leading states of Kerala, Andhra Pradesh, Karnataka and then about Maharashtra and finally role of SHG in Pune city.