CONCEPTS AND REVIEW OF RELATED LITERATURE

This chapter presents the definition of the concepts used and the review of literature surveyed. It is divided into two sections. The first section defines the concepts used in the study. The second section deals with the reviews of related studies in the field of Women Entrepreneurship, Self-Help Groups, Financial Performance of Self-Help Groups, and Non Governmental Organization (NGOs). Such review of literature helps to identify the gaps existing in the field, research questions left unresearched and enables the researcher to work on such gaps. Various dimensions on which research has already been done in this area, the gaps and the future research questions would also be understood through this review.

2.1 Concepts

This section defines the concepts used in the study.

2.1.1 Entrepreneurship

In a conference on Entrepreneurship held in United States, (Khanka., 2009) the term ‘entrepreneurship ‘was defined as follows: “Entrepreneurship is an attempt to create value through recognition of business opportunity, the management of risk-taking appropriate to the opportunity, and through the communicative and management skills to mobilize human, financial and material resources necessary to bring a project to fruition”. In other words,
entrepreneurship is the act of being an entrepreneur. Entrepreneurship is a process involving various actions to be undertaken an enterprise.

2.1.2 Micro enterprise

Micro enterprises are called as family business or self-employed ventures. They are described as having the characteristics assigned to the entire informal sector which is characterized by easy entry, small level skills and low levels of income. It is erroneously viewed as homogeneous and as having uniformly low levels of income. This study however, defines a micro enterprise as an enterprise where the size of investment is within one lakh and fifty thousand on plant and machinery. ‘Micro enterprise’ refers to a small undertaking run by individuals who have taken up the responsibility of managing and running a business venture. The entrepreneurs would be owners and labourers as well, mostly employing family labourers along with hired labourers.

2.1.3 Women Entrepreneurs

Women entrepreneur may be defined as a group of women who initiate, organize and run a business entrepreneur (Kavitha et al., 2007). According to the Government of India definition, women entrepreneurs are based on women participation, inequity and employment of a business enterprise. In India (Ramasamy, 2009) women entrepreneurship can be considered as “necessity entrepreneurship” rather than “opportunity entrepreneurship”. Women usually
have smaller networks and less geographical mobility than men, more so in the case of young, married women who need to take care of their families. These women can use their skills and available local resources to start their own enterprise. However, the location of the enterprise and the strength of relationship with contact are very important as it determines the entrepreneur’s ability to acquire and employ the resources available in her community.

2.1.4 Micro Finance

“Micro Finance is defined as provision of thrift, credit and other financial services and products of very small amount to the poor in rural, semi-urban and urban areas for enabling them to raise their income levels and improve living standards” (Mustafa, 2010).

Micro finance has usually features as, very small loans, non collateral; the formation of borrowers groups, borrowers from among the rural and urban poor, and loans for income generation etc., Credit is one of the most crucial inputs in rural developments. The Government is giving small loans especially for poor women that are from `500 up to `25,000 for SHG’s to have their own business. In rural areas, they are usually small farmers and others who are engaged in small income generating activities such as food processing and petty trade. In urban areas, micro finance activities are more diverse and include shopkeepers. Service providers, artisans, street vendors, etc., microfinance clients are poor and vulnerable non-poor who have a relatively less stable source of income.
2.1.5 Self Help Group

SHG is a small voluntary association of poor people, preferably from the same socio-economic background. They come together for the purpose of solving their common problems through self-help and mutual help. Usually the number of members in one SHG does not exceed twenty.

“Small, economically homogeneous and affinity groups of rural/urban poor, voluntarily formed to save and contribute to a common fund to be lent to its members as per group decision and for working together for social and economic uplift of their families and community” (Mahalir Thittam, 2010). Self help group members saving habit are increased through SHG (VinayaGamoorthy, 2007). SHG is such a tool, which directly hits the poverty by helping poor or enabling them not only to survive but also to improve their standard of living (Geeta Manmohan et al., 2008).

The SHGs are voluntary associations of people formed to achieve collective social and economic goals. People come together and function as a group around some need which furthers their common interest. NGOs mobilize the rural poor and underprivileged and enable them to achieve their collective goals.

2.1.6 Entrepreneurship Development Programmes (EDPs)

The main objective of Entrepreneurship Development Programmes (EDPs) has been enterprise creation. The course contents of EDPs, accordingly, include
inputs like introduction to entrepreneurship and enterprise, motivation, managerial skills, support system, project feasibility study and plant visits. The time duration of EDPs ranges from one week to six weeks.

2.1.7 Non Governmental Organization

A Non-Governmental Organization (NGO) (Pushpa Sinha et al., 2010) is a voluntary organization established to undertake social intermediation like organizing SHGs of micro entrepreneurs. They guide the members in framing norms for functioning and inculcate in them the habits of thrift, self help through mutual help and repayment ethics. NGOs impart dynamics, income generating activities, accounts maintenance and other skills needed for management of groups. At the time of linkage of SHGs they liaise with banks. They also ensure forward and backward linkages if the groups undertake production activities.

2.2 Review of Literature

This section brings out a brief outline of the related studies. This would highlight the nature of studies done in the field of women entrepreneurship, Self-Help Groups, financial performance of Self-Help Groups, and Non Governmental Organization (NGO’s), Women Empowerment is reviewed and classified on the basis of the aspects studied.
2.2.1 Studies Related to Women Entrepreneurship

Bankinchandra V. Vaidya (2003) in his article “Entrepreneurship Development-Transforming Rural Scenario” views that entrepreneurial society can be developed on various models, depending upon the socio-cultural, political and economic situation available in a particular country and also on the work-culture of the nation. First model is that which has come up in America, where the entrepreneurship society has been developed by the individuals, initially with small industrial unit or a business or as service provider which ultimately becomes giant enterprises. Like the Ford Motors or Departmental stores like Wall-mart or Microsoft having investment of millions and billions of dollars. The second one will be an entrepreneurial society developing on the Japanese model, where team work and ability to work collectively has been given priority over individual undertaking. These are undertakings known by their brand names such as Sony in electronics, or Honda Accord in automobiles etc. In our third model of Entrepreneurial Society, we encourage both the individual entrepreneur establishing small scale industry, a small business of a service provider and also large undertakings in all these fields, that, as we have a sort of mixed economy model, we have a concept of Sarvodaya, an entrepreneurial society based on certain values for human developments. The society, based on the third model in our country, would raise the density of entrepreneurs and when the entrepreneurs utilize local resources, it takes deep roots in rural areas.
Samuwel Kakuko Lapoyetum (2003) has written an article on “Co-operative Entrepreneurship-a perspective”. In this paper the author explains that the survival of the co-operative enterprise is highly essential in the era of open market economy. The success of any co-operative primarily depends on the participation of members in its business and management, therefore the entrepreneurial culture among the members is essential. The principal of self-help and voluntarism of co-operative is necessary and consistent with the entrepreneurial framework of the cooperative organizations, in country like India, with growing unemployment, the co-operatives, tiny and small industries, agricultural and non-agricultural activities and farm and non-farm activities. For these, they need entrepreneurship culture and spirit. The educated unemployed youth can be involved in the culture of co-operative entrepreneurship and the spirit will eventually grow.

Ajantha B. Rajkonwar (2004) in his studies on “Cluster Approach for Developing Rural Entrepreneurship” said that the local community gains directly and indirectly from these successes of the cluster due to increased local employment more business opportunities as firms in the service and support sector are drawn into the cluster. The successful engagement of local economic factors in the clustering process can in turn spur the development of an entrepreneurial culture of innovation and initiatives through the locality. The whole industry gains because of the momentum of collective innovation. Development and growth
contributed by the cluster, forces the rest of industry to become more competitive to face stagnation and even closure.

Ashes Bhattacharyya (2005) in his work on “Entrepreneurship Education – An analysis”, showed the wave of globalization, deregulation, open competition, privatization and technological changes has created not only a new competitive environment for the business world and society but also affected our education system in a significant way. Excellence, skill, knowledge, thinking with positive attitude and outlook of the individual are the order of the day. Thus, to cope with the existing deficiencies in our present pattern of education, revolutionary transformation is required in the system to produce the quantity of skilled manpower the nation needs.

Chinnadurai (2005) has studied about, “Women Entrepreneurship and Service Sector”, According to this paper women are almost one half of the world’s population having enormous potential but being underutilized or unutilized for the economic development of the nation. Majority of women do not undertake entrepreneurial ventures. There is need to strengthen and streamline the role of women in the development of various sectors by harnessing their power towards nation building and to attain accelerated economic growth. Information gap largely affect women development. Therefore, the Non-Government Organizations (NGOs) and other associations take initiatives to make women aware and motivate them towards self-employment. At the same time individual
women should also come forward to advantage and risks in entrepreneurial seek women are very important segment in development at local to global levels. Economic independency and education of women will go a long way in attaining self-reliance for women.

Fredrick (2005) in his article, “SHGs Gate Way to Success for Rural Women Entrepreneurs”, views that the SHGs play a major role in transforming the rural economy. Micro finance fulfills their credit needs and helps the rural poor to improve their standard of living. Hence the self help groups are a new innovation in the field of rural development to finance the rural women and thereby helping to transform rural economy by improving economic status of each and every household in the rural areas.

Kamalakannan (2005) in his research paper, “The Role of Financial Institutions in Development of Women Entrepreneurs”, says that development of entrepreneurship is a crucial factor for the industrial development of a country. In India, women constitute 48.2 per cent (49.6 crores as per 2001 census) of the total population. Any sustainable change towards progress needs involvement of women. Development of entrepreneurship among women has become an important aspect of the overall economic development. Many organizations both at the central and state levels have come up to cater to the needs of potential women entrepreneurs. The article gives a detailed analysis of financial institutions,
Kamalakannan and Namasivayam (2005) in their studies on, “Economic Empowerment of Women through Entrepreneurship Development” said that in India women constitute 48.2 per cent of the total population as per 2001 census. The Government, non-Government organizations and financial institutions are implementing various programmes for the economic empowerment of women. Women have gained significantly through Self-Help Groups and other Government sponsored programmes. Women’s access to and control over their savings, credit and income have improved. Women have improved freedom to move and interact with officials and other women after undertaking economic activities

Kamaraju (2005) has studied about, “Self-Help Group-Emerging Rural Enterprise”. According to this paper, the Self Help Groups should function as a non-political and non-controversial one. Political and religious neutrality paves the way for its healthy growth. The Self Help Group helped the people to improve their economic conditions. There is a sign of relief and smile in the faces of the members of the Self Help Groups and it shall be extended to all people in the villages. Self Help Group concept gains momentum now-a-days because of its economic empowerment of women.
Nagayya (2005) has written a paper on “Promotion of Rural Non-farm Small Enterprises”. In this paper, the author explains that moving away from the pre-liberalization era of protection, small scale sector has been steadily reorienting and itself to face the challenges posed by increased competition, domestically and internationally, in the phased programme of integration with the global economy. Small enterprises with their dynamism, flexibility and innovative spirit will have to adapt themselves to the fast changing needs of the market-driven economy, where government acts as a facilitator and promoter; no longer as a regulator. The term rural industries” can be used in a broad sense to cover the small, tiny, micro, village and household units involved in manufacturing, processing (including processing of agro-based product), preserving, storing of marketing of goods, and those engaged in industry-related services which could be considered as capable of generating employment opportunities to the rural work force without a major shift in their habitat. Typically, rural labour may secure employment in nearby growth centre endowed with critical minimum infrastructure.

Ramachandran and Selvarani (2005) in their research paper on, “Problems and Prospects of Women Entrepreneurships in Rural Areas”, says that women are willing to take up business and contribute to the nation’s growth. Their role is also being recognized and steps are being taken to promote women entrepreneurship. Resurgence of entrepreneurship is the need of the hour. Women entrepreneurs must be molded properly with entrepreneurial traits and skills to meet changing
trends and challenging global markets, and also be competent enough to sustain and strive in the local economic area.

Sandhya Rani (2006) in her article, “Promoting Micro Entrepreneurship for Women Development”, views that Indian economy needs to generate a large number of jobs in the decentralized rural non-farm sector, comprising of small, tiny, cottage, village industries in order to arrest the rising unemployment and urban migration in the country. The rural economy in recent years has been showing clear positive signs for the micro enterprise opportunities especially for women. The prospects of micro entrepreneurship are very high in few sub sectors such as trade, transport, construction and service. Micro enterprises are an important source of income and employment for a significant proportion of rural poor. In fact this sector is perceived to be an essential part of survival strategy of poor households. The growing commercialization of rural economy, increasing dependence of agriculture on external inputs and growing educational opportunities have opened up new vistas for the micro enterprise sub sector. As per 2001 census, micro-enterprises sub sector accounts for 25 per cent of the employment of all main workers. The growth prospects of this sub sector are highly promising. Certain product lines such as brick making, chalk piece making, mushroom culture, coir products, candle making, agarbatti making etc., are considered to have very encouraging market.
Kavitha and Ramachandran (2007) in their topic on, “Recent Trends in Women Entrepreneurships”, said that a women entrepreneur is one who owns and controls an enterprise having a share capital of not less than 51 per cent as partners, shareholders, directors of private limited company, members of co-operative society. The functions performed by a women entrepreneur are categorized as risk bearing, organization and innovation. Women entrepreneurs are those women who think of a business enterprise, initiate it, organize and combine the factors of production, operate and handle economic uncertainty involved in running a business enterprise.

Thruman Erick (2007) in his study on “Micro Credit is Effective for Women in Self-Employment” said that “micro credit is a proven way to increase income. Anything else that will increase income is also a good idea. At times, creating factories has added to people’s income. Educating children improves the likelihood that they will earn more as adults. Training in skills can help adults increase their income. You can also reduce poverty by helping people acquire assets. In Central America there is a programme that helps peasants gain ownership of small plots of land to farm. That small asset brings tremendous advance in the standard of living of the family”.

Anjuly Sharma and Vandana Kaushik (2008) in their article, “Personal Profile: Analysis of Rural Women Related to Entrepreneurship”, views that the country which is rich in entrepreneurship, can attain economic augmentation. The
entrepreneurs organize economic ventures for producing goods and services of lower cost, with objects of maximization of new employment and setting up new business. The entrepreneurship shows path of independence to women who are very often living in situations of extreme poverty and in turn satisfies the need and aspirations for better living standard in the recent years. Living with harsh remedies of intra household and social discrimination, women have shown an inclination towards taking self oriented jobs and professions with their family support, financial assistance and industrial guidance. Entrepreneurship plays a vital role in the process of industrial growth and ultimately the economic development of the country.

Arumugam (2008) has revealed that, “Entrepreneurships from Economic Development”, in this paper the author explain that the entrepreneurships is a hidden talent in every human being. If he or she tries to expose and utilize such talent, they not only become entrepreneurs for their self-development but later on for the economic development of the nation also. We should be job providers, not job seekers. For this, we should become entrepreneurs who take high risk in order to grow rich. Whenever the list of the world’s richest people is being published, at least 2 or 3 men are from India. It shows nothing but successful entrepreneurship. However, success is not an accident. It is accompanied by hard work, constant labour, hope, confidence, vision, planning, etc. So we should try to become
entrepreneurs or help create entrepreneurs or support them in order to build an incredible India.

Nagarajan and Kaliyamoorthy (2008), in their studies on, “Marketing Methods of Self Help Group Products” said that self help groups have grown substantially over the years. Policy makers and development administrators cannot ignore its capacity to provide viable and sustainable avenues of self-employment to the members of SHGs. The sector is characteristic of great heterogeneity and diversity. Yet, across a broad range of settings, field evidence suggests that with appropriate market support strategies, the members of SHGs could be effectively assisted to identify and build enterprises as a source of their employment and income. However no market development strategy is static and enjoys universal reliability. These have to be relevant; the development functionaries should be innovative in their modes of development support. Besides these, they ignored the marketing mix, which is one area where all efforts have to be made to the fullest extent.

Ramya and Jauakumar (2008) in their topic on, “Rural Development and Women Entrepreneurs”, views that social empowerment of women is a long and difficult process, as it requires a change in the mindset of people. Women in the economically active age group of 15-59 years constitute 58.4 per cent of total women population. For empowering women, this group needs to be targeted because if a woman is economically empowered, it becomes as much easier for
her to become socially empowered. Today, no field is unapproachable to trained and determined women. The concept of Self Help Groups is getting immense favour from the women of Indian village where they are ready to invest their small savings and pocket money through micro credit institutions. The collective aspirations of the members of the SHGs become stronger day by day as the group dynamics gets strengthened and group bond gets cemented.

Sobha Rani and Koteswara Rao (2008) in his work of “Perspective of Women in Entrepreneurship” explain that female entrepreneurs are being considered as an important catalyst for economic development. Not only do they contribute to employment, wealth creation, and economic diversity of activities, but they also make a contribution to the diversity of entrepreneurship in the economic process. More importantly, the phenomenon brings about socio-economic transformation in the developing world, exploring alternative avenues and approaches for progress and well being of the people. The Government is acting as a major catalyst in the democratic framework, organizing efforts and planning new initiatives in close consultations with entrepreneurs from various regions, through associations functioning at different levels. The direction needs to be pursued more vigorously at the district and state levels to bring about socio-economic transformation through female entrepreneurship in a number of fields which have not yet been exploited by women. Efforts should be made to develop
women entrepreneurship more evenly in different regions, including rural and semi-urban areas.

Ramasamy (2009) has written an article on “Strategic Entrepreneurial Dimensions of Self-Employed Women -A Micro Study”. According to these paper women entrepreneurs in India face numerous problems in establishing as well as the successful running of their business. During the startup phase, women are reported to encounter more problems than their male counterparts, both within their family and as part of the larger system which discriminates against women. The Government of India has defined women enterprises as “as industrial unit where one or more women entrepreneurs have not less than 51 per cent financial holding”. In India, women entrepreneurship can be considered as “necessity entrepreneurship” rather than “opportunity entrepreneurship”. Women usually have smaller networks and less geographical mobility than men, more so in the case of young, married women who need to take care of their families. These women can use their skills and available local resources to start their own enterprise. However, the locations of the enterprise and the strength of relationship are very important as it determines the entrepreneur’s ability to acquire and employ the resources available in her community.

Bilkish Sultana et al., (2010), in their studies on “Women’s Empowerment through the Development of Micro Entrepreneurship in Rural Bangladesh”, said that existing gender ratio in demographic structure of Bangladesh indicates that
women comprise almost 50 per cent of whom > 80 per cent live in rural areas. Women in rural Bangladesh are considered as a vulnerable group and the poorest. The objective of this study is to show the process of women’s empowerment through the development of micro entrepreneurship in Bangladesh. This research is based on the review of study; personal observation and a case study of Grameen Bank and Rural Advancement Committee in four rural areas of Bangladesh. This study has conducted an in-depth interview of 4016 branch managers of both Grameen Bank and Bangladesh Rural Advancement Committee (BRAC). The case analysis shows that microfinance institutions provide capital, create an opportunity to conduct small business and assist them to become economically empowered. It identifies some socio-cultural barriers of women’s entrepreneurship in rural Bangladesh and concludes with some suggestions for the improvement of the condition.

Santhosh Kumar and Vasanthagopal (2010) in their work on “Micro-Credit: Dispensation Models and Employment Generation”, showed the micro credit delivery in Kerala through NHGs, SHGs and IB models. They have led to setting up of micro enterprises by women on a large scale. It helped them generate both, full-time and part-time self employment even up to 20 days in a month at a very low investment. Concentrated efforts should be made to cover more women through micro credit in poverty prone states in the country which will be a great move to find employment and income for the impoverished female population.
through the three delivery models and the consequent employment generation possible among women in Kerala. The assessment has been made by considering variables, viz. ownership of micro enterprises, credit outreach and employment generation.

Sathiabama (2010) has studied about “Rural Women Empowerment and Entrepreneurship Development” According to this paper, Empowerment of women has emerged as an important issue in recent times. The economic empowerment of women in being regarded these days as a *Sine-quo-non* for the progress of a country. Hence, the issue of economic empowerment of women is of paramount importance to political thinkers, social scientists and reformers. The Self Help Groups (SHGs) have paved the way of economic independence of rural women. The members of SHGs are involved in Micro-Entrepreneurships. Through that, they are becoming economically independent and providing employment opportunities to others. This article deals with empowerment of rural women through entrepreneurship and the advantages of entrepreneurship among the rural women. “Economic empowerment of women led to development of family and community”. This statement is proved a collective by Micro Entrepreneurship in Tamil Nadu.

Subbulakshmi (2010) has written about “Women Entrepreneurs in Chennai Environ”. In this paper the author explains that the women entrepreneurs’ ambitious approach helped them to know more about business and this spirit gives
moral support during failures and also have confidently approved that self interest is the important motivating factor for their business. They remain neutral in their opinion about traditional family business and its support. Women entrepreneurs are of the same belief that the government encourages them and banking sector during negative results and this balanced support has helped them to solve business problems. The respondents strongly agree that they have the ability to work hard, earn money and to take quick business decisions in tranquil atmosphere. They agree on their ability to struggle hard to develop business by taking superior positions. They are ready to shoulder responsibilities and undertake risk where necessary. Women entrepreneurs are extremely positive to the view that they are active, hard working to see the daily income and are very confident and optimistic to make their business successful through their experience.

Surender and Manoj Kumar (2010) in their studies on “SHGs and their Impact on Employment Generation” said that the impacts of Self Help Groups on employment generation are both direct and indirect. The direct indicators are: expenditure of beneficiary; annual income of beneficiary and improvement in economic position. Indirect indicators are: number of working days of beneficiary; impact of SHG loan on employment generation; expenditure of beneficiary. Expenditure of beneficiaries had increased from last year to current year. There is positive impact of SHGs on earnings and employment generation. Majority of
beneficiaries of all SHGs reported expansion in employment after getting loans. It is clear from the study that Self Help Groups have the capability of generating employment and the experiment can be extended to all parts of the country.

### 2.2.2 Studies Related to Self-Help Groups

Jeya S. Anand (2002) has written about, “Self Help Groups in Empowering Women: Case Study of Selected SHGs and NHGs”. In this paper the author explains that the groups promoted by each NGO have their own individual ways of functioning, as there exists no rigid rules and operational regulations which govern them. The study has attempted to examine the performance of selected SHGs and NHGs and to assess its impact, specially, the impact of the micro credit programme on empowering women. However, a comparison of the performance of the three voluntary agencies has not been attempted as they were organised at different periods of time.

Shetty (2002) in his study on “Working and Impact of Rural Self-Help Groups and other Forms of Micro Financing”, said that IRDP and such other poverty alleviation programmes had brought the banking industry to disrepute. Its quality of lending had left much to be desired and borrower discipline suffered a severe jolt. Therefore, instead of the government ordering the banks to involve themselves in providing subsidized assistance to the beneficiaries of poverty alleviation programmes, the government should undertake programmes on its own even of on a lower scale. They may, if necessary issue bonds and raise resources
for the purpose from banks, but the responsibilities for such assistance should be that of the government. The government could then do intensive promotional efforts with banks such that the latter consider such areas as potentially genuine banking business propositions for supplemental lending for the beneficiaries. Mandatory involvement of banks in poverty alleviation programmes, in other words, should not be resorted to.

Chittaranjan Mishra (2005) in “SHGs in the Unorganized Garments Sector: A Case Study of Madurai” said about two types of Self Help Promoting Institutions (SHPI) namely, Government and NGOs are active in the household level garment sector. The DRDA-Promoted SHGs are more organized and have better infrastructure to carry out the activities relating to the garment sector. The NGO-promoted SHGs, on the other hand, have taken part in other development activities in the village in a bigger way than in the DRDA-promoted ones. The author is of the view that capacity building and credit availability are complementary inputs to the growth of SHG-based garment sector.

Abdul Raheem (2006) in his research paper on “Role of SHGs” says that micro credit programmes extend small loans to poor people for self-employment projects that generate income, allowing them to care for themselves and their families. In most cases, micro-credit programmes offer a combination of services and resources to their clients in addition the credit for self-employment. These often include savings facilities, training, networking and peer support. Our nation
is agro-centered and hence, majority of masses are tend to depend upon agriculture. It is roughly estimated that 65 per cent of the masses depend on agriculture. World Health Organization assessed that there are 900 million illiterate people globally (30 crores in India). Illiterate is debility and unless methods to eradicate this malady are taken, the process of rural transformation will not be a success. Unless the success of the process of rural transformation is attained, social and material advancement for majority of the people will not be possible. Hence the economy will tumble down.

Anjuman et al., (2007) in their studies on “Determinants of Women’s Participation in Self-Help Groups (SHG) – Led Micro Finance programme in Tamil Nadu”, said that factors determining participation of women in microfinance programme in Tamil Nadu have been identified, following the multi-stage purposive and random sampling technique and selection. Coimbatore and Ramanathapuram district are selected for the study. It has been observed that socially backward, landless and marginal farm households participate more in this programme. Possession of livestock and consumer goods by the member households has been found to deter the joining of group. However, the number of households having informal borrowings, especially from moneylenders has been recorded to be higher among the members before joining the group. Analysis of determinants of women’s participation in microfinance programme using profit model has revealed that the age of women and value of productive assets other
than land have a significant negative influence on their participation. However, social backwardness, indebtedness and presence of other microcredit programmes in the same or nearby villages have a significant positive influence on women’s participation in this programme.

Arjun Y Pangannavar (2010) in his article “Women SHG Programme and Rural Poverty: a Micro Study”, views that incidence of poverty is more in rural India. Government made their efforts through rural development programme to overcome the problem of poverty. But these programmes are reduced to mere subsidy giving programs and by they failed to provide safety nets like guaranteed employment, stable assured income and gender justice. So women empowerment issue has received more thrust and significance in rural development studies. Unless and until villages are free from poverty, the efforts for the development of Indian economy will be futile, fruitless and rather burdensome.

Laseman B.Bahir (2010) in his article, “Performance Evaluation of SHGs in India”, explains that though there has been tremendous growth in the number of SHGs, the amount of loans granted to their members, number of families covered, etc, and good economic impacts in the country through them, there is yet a long way to go. 70 per cent of poor families in the country are yet to be covered and most of the states have yet to encourage the organizations and promotion of SHGs- bank credit link to provide micro-credit to the poor people for poverty
alleviation. Therefore, NGOs, banks and different Government agencies have to play a very important role in educating people with a view to expand the network of SHGs all over the country and thereby to achieve poverty alleviation for welfare of poor people, particularly poor women, on the track of success of the Grameen Bank in Bangladesh promoted by Dr. Muhammad Yunus, a Nobel Peace Prize laureate.

Sasmita Patel (2006) in his work of “SHGs- a Driving Force in Building Sustainable Communities” This Study showed incorporating gender concerns as an important element of development strategy. With the help of NEOs many states like Andhra Pradesh, Tamilnadu, Orissa, Madhya Pradesh, Chhattisgarh etc. have been successful in implementing the SHGs model for developing their communities. They are extending helping hands to district administration in different rural development projects. They are striving for a better future in the region by enhancing the status of women as participants, decision makers and beneficiaries in domestic, economic social and cultural sphere of life. Gradually this model is gaining momentum in both rural and urban communities all over India.

2.2.3 Studies Related to Economic aspects of Self Help Groups

Hema Bansal (2000) has studied about, “SHG- Bank Linkage Program in India- An over View”, According to this paper the formal institutions in India have ventured into microfinance in a massive way by adopting the SHG-Bank Linkage
Program model. The present paper makes an attempt to review the performance of the program in different states of India and across three major institutions – commercial banks, co-operatives and the regional rural banks. The study also presents vital information about the leading NGOs with major credit linkages in Indian states.

Banumathy (2005) in her research paper on, “Self-Help Groups and Bank Linkages”, says that SHGs play a major role in transforming rural economy. Micro-finance helps the rural poor to improve their standard of life and fulfill their credit needs. SHGs are new innovation in the field of rural economic development, to finance the rural people and also to satisfy their credit needs. This in turn will help to transform the rural economy by way of improving the economic status of each and every individual member of the SHG in the rural areas apart from providing scope for women empowerment. Thus, SHGs play a major role in women empowerment, micro-finance through bank linkages in collaboration with NGOs and contribute to the rural economy.

Kalpana (2005) in her article on “Shifting Trajectories in Micro finance Discourse” says that micro finance was earlier viewed as a “Silver bullet” that could pull households out of poverty. Since the 1990s, the approach has been more cautious, emphasizing the “Protection” aspects as opposed to the “Promotional” dimensions of microfinance. A defining feature of the micro-credit scenario in India, as opposed; to the Bangladeshi experience, has been the significant role
played by public sector, formal lending institutions in the establishment and expansion of financial intermediation through self-help groups. Today, the SHG-bank linkage programme is arguably the world’s largest microfinance programme on terms of outreach. In the light of issues and concerns raised by research on the Bangladesh microfinance experience, this paper asks whether these could adequately serve as lens through which Indian SHG-based microfinance could be critically examined, given the crucial organizational and institutional differences between Indian and Bangladeshi microfinance.

Naila Kabeer (2005) has revealed in “Is Micro Finance a ‘Magic Bullet’ Empowerment? Analysis of Findings from South Asia”, that the impacts of microfinance have been divided between those who see it as a “magic bullet” for women’s empowerment and others who are dismissive of its abilities as a cure-all panacea for development. This paper seeks to examine the empirical evidence on the impact of microfinance with respect to poverty reduction and empowerment of poor women. It becomes apparent that while access to financial services can and does make vital contributions to the economic productivity and social well-being of poor women and their households, it does not “automatically” empower women, just as with other interventions, such as education, political quotas, etc, that seek to bring about a radical structural transformation that true empowerment entails. These other interventions simply constitute different entry point into this larger project, each with the potential for social transformation, but each is
contingent on context, commitment and capacity if this potential is to become a reality.

Ramana et al., (2006) in their work,”Credit Management in SHGs under SAPAP Project: A study” explain that SHG-based micro finance is the main form of micro finance programmes in India. With the launching of NABRAD’s pilot scheme-SHG-bank linkage- micro finance gained visibility in the Indian development landscape. The rational of promoting and developing micro-finance in India rests on the apparent failure of state owned credit institutions including the co-operatives to reach out to the poor and disappointing performance of government anti-poverty programmes to eradicate poverty.

Kantha Krishnan et al., (2007) in their topic “People Bank as a New Form of Savings and Empowerment” said that it is vividly clear that the problem of empowerment can be tampered upon, but in our country, there is an existence of unemployables. The feeling of uselessness, the feeling of I –am-of-no-use to the society concept, the feeling of unrecognizedness, the sense of unworthiness are really removed with the membership in the people’s bank. Thus, every member of the people’s bank is a leader and feels empowered that he or she can also render something useful to the formation, transformation and reformation of the society. As the Indian economy is a mixed economy of agriculture and industry, the new economy will lime light the banking habits created at the grass root level and with
their sense of empowerment in the society because the people’s bank is the bank for the people, with the people and by the people.

Manohar and Uthira (2007) in their studies on, “Micro Credit-A Panacea for Rural Economy”, views that the micro credit programme has shown positive performance with respect to coverage, disbursement of credit and recovery rates by acting as a beneficiary oriented scheme. NABARD has clearly mentioned that while selecting a group for finance it should be seen that the group should not have come into existence solely for the purpose of obtaining loan but there should be a genuine need to help each other. Thus, the aim should be to mobilize human resources that lead to sustainable rural development.

Kaunakar et al., (2008) in their studies on, “Impact of Micro Finance on SHGs on Tamil Nadu”, said that the micro finance is recognized as key strategy for addressing issues of poverty alleviation and women of empowerment. The women become economically self reliant, contribute directly to the well-being of their families; play a more active role in decision-making and are able to control systematic gender inequalities. Self-Help in micro credit groups are recognized as useful tool to help the poor, access financial resources which is not available to them previously and help them from the clutches of exploitative money lenders.

Kalavathi et al., (2008) in their study on, “Micro Credit in Villupuram District”, said that perfect inequality in income distribution exists for poor household under programme participants. For the remaining households in both
the group, the income distribution becomes tending to zero, indicating the more equitable distribution of income. Despite the intensity of poverty, it is marginally higher for controlled group. This is true because, though the micro credit programmes generate income among programme participants, it is not significant. This trend reflects in the sex index. The intensity of poverty is only marginally higher for controlled group than for participants.

Geeta Manmohan et al., (2008) in their article, “Rural Banking and Micro Finance” views that micro finance is such a tool, which directly hits the poverty by helping poor or enabling them not only to survive but also to improve their standard of living. Their article attempts to highlight the hurdles faced by the rural poor while dealings with banks, impact of various poverty alleviation programmes initiated by banks, NGOs, government, other institutions and challenges ahead.

Kamala Kananan (2008) has studied about “Role of NABRAD in Rural Development” According to this paper NABRAD has been playing an important role in the channelization of bank credit for the development of rural areas. It provides refinance and improves the resource base of institutions providing credit to the rural sector. It provides assistances to NGOs in development of entrepreneurship in rural areas.

Mohammed (2008) in his research paper, “Micro credit: A Tool for Poverty Alleviation”, says that the success of the micro credit program would change the future of 320 million poor in India. Reserve Bank has done much more than what
is expected of a Central Bank. The ball is now in the court of the banks. There are large numbers of the NGOs or other organization engaged in purveying micro credit outside the orbit of h banking system. Most of these NGOs thrive on foreign donations and aids. It is perhaps not possible for Reserve Bank to regulate and supervise these NGOs on account of their small size and large number. Some mechanism has to be evolved before long to regulate and supervise these NGOs. Further, we should not forget that credit is one of the ingredients that contribute to the success of micro entrepreneurs. The success actually depends on variety of other factors, like level of education, social customs, family planning, health, medical services and environmental technology. The Oriented Bank Grameen Project recognizes six cardinal principles other than credit for the success of micro entrepreneurs. These principles are hard work, education, small family, planting of trees, growing of vegetables and cleanliness. These principles should also form a part of the whole micro credit package.

Saikow E. Sanyang et al., (2008) in their work “Micro-financing: Enhancing the Role of Women’s Group for Poverty Alleviation in Rural Gambia,” explain that in Gambia, women groups are the core of development activities. The role of women in micro financing for poverty alleviation has long been recognized as vital approach to household welfare. Micro finance generally refers to the provision of financial services (e.g. savings, credit, insurance) to the poor especially women who normally do not have easy access to formal financial
institution. In Gambia, donor agencies are the core of developmental activities. When linked to other institutions such as training in technical and simple business skills, microfinance can be instrumental in establishing successful enterprises development. In the case of on farm activities where women are engaged, may require securing rights and access to productive assets. Access to credit has often proven to be the first step out of poverty alleviation because it gives rural community, window of opportunity to operate small enterprise at profit orientation. Therefore, the objective of this study is to establish the need to empower and support women’s group in poverty alleviation through micro-finance approach by implementing policies and strategies in rural Gambia.

Saravanan (2008) in his article, “Microfinance and Rural Development in Tamil Nadu”, views that micro credit based income generating activities are a good beginning, opening the door of credit to the marginalized poor women who were denied access to traditional channels of credit, but it need not be the panacea for all the problems of poor. Though micro credit operators help in increasing the income levels of the beneficiaries to a certain extent, credit alone is not enough to tap the full economic potential of the poor.

Anu Muhammad (2009) has studied about “Grameen and Micro Credit: A Tale of Corporate Success”, According to this paper, The Grameen Bank’s micro credit programme has been recognized internationally as a successful model. This model has become an integral part of developmental thinking and has earned
global attention as a new form of banking. But it has been hailed more as an effective tool for alleviating poverty and empowering women. To find out if this is correct, GB’s publications and studies were analyzed, its declared objectives were scrutinized, and international experiments of the model were also studied. The findings from inside and outside Bangladesh contradict the current myth around the model. The model created a good opportunity for expanding the market for finance capital, thereby ensuring GB’s spectacular success. However, it failed as a tool for poverty alleviation and empowerment of women.

Dinesh (2010) in his article “Micro Finance; Present Scenario and Emerging Challenges” views that, after the pioneering efforts of the last ten years, the microfinance scene in India has reached a take-off point. With some more efforts substantial progress can be made in taking microfinance movement to the next orbit of sustainability. This needs innovative and forward-looking policies, based on the ground realities. This will make this sector vibrant and help achieve its single-minded mission of providing financial services to the poor and bridge the increasing gap between the demand and supply.

Gautam Patikar et al., (2010) has written about, “Scenario of Micro finance in India: An overview” and explains that micro finance in India is still in its nascent stage. Micro finance yet remains a powerful tool for development. It may not be a panacea, but it has brought a sea of change in the lives of many in the poor and over-populated country of India. By reaching the un-reached rural poor
in the rural areas, micro finance innovations are yielding results and giving hope to the millions of poor through providing credit. The SHG-Bank linkage and financing through MFIs approaches is no doubt effective instruments by which very poor people can access hassle free formal credit without any collateral security and simultaneously improve their thrift habits. But in order to make the approaches a more useful means for poverty alleviation, and as a sustainable rural development, there is a need for sincere intervention by the promotional agencies, particularly the banks and block authorities in the areas of awareness building, skill development and training, etc. Considering the number of clients, range of services and the increase involvement of both formal and informal sector institutions, there is tremendous scope for the sustaining of micro finance development in India.

Parameswara et al., (2010) in “Impact of Microfinance: A Critical Analysis,” said that majority of the studies conclude, that microfinance positively contributes to the poverty reduction and reaches core poor. This can be accepted as a good sign of economic development and individual group development. But here, the danger arises about that the “better off” stands preferential from the ‘core poor’. It is also said microfinance institutions depend upon donor subsidies and the question that naturally arises here is that whether these subsidies are justified.

Vanitha (2010) in her article “Micro Credit and Women’s’ Empowerment With Special Reference to Swarnajayanthi Gram Swarozgar Yojana,’ explains that
there are indications of positive interventions in the women empowerment process due to the implementation of SGSY in Coimbatore District. From the stage of mere passive beneficiaries of welfare benefit, women are tending towards the stage of taking appropriate action to close gender gaps and inequalities. It has been found that there have been improvements in the financial position, income control and skill levels besides access to savings and credit. Microfinance programs like SGSY when properly designed can make an important contribution to women’s empowerment. By adopting a holistic approach that takes into account cultural, economic and political factors affecting empowerment, the schemes like SGSY can ensure that women are more deeply and consistently empowered. Apart from the revolving fund and economic assistance extended to the SHGs, there should be more emphasis on other elements of empowerment such as leadership, self management, and entrepreneurship in order to inch towards the overall empowerment of women.

2.2.4 Studies Related to Non Governmental Organization

David Lewis and Tina Wallace (2000) in their article “New Roles and Relevance ; Development NGO’s and the Challenge of Change, “Opine that the new attention that is being given to NGOs as actors in “civil society” unleashes a new set of difficult conceptual and terminological problems, partly because ‘Non Governmental Organization’ is in many ways a virtually meaningless label. For some analysts the term is synonymous with the “aid industry,” in which NGOs are
viewed as effective tools or channels for donors to provide international development funds to low-income countries. Conversely, they are seen as vehicles for privatizing foreign assistance, making it less accountable to either government authorities or local people because of a lack of clear governance structures of NGOs. Some see NGO as a term strongly associated with grass root action and community organizing, which may exist outside the domain of the formal development world. Others see NGOs primarily as service contractors, able to work more efficiently and more effectively than government agencies, but with comparatively little legitimacy with which to challenge policy or represent people.

Mark Waller (2002) has written an article titled, “South Too Far for Northern NGS’s”. In this paper the author explains that, on the positive side thought, there is also an increasing number of organizations from developing countries as well as both new and more established ones in the industrialized countries, doing important work, helping to raise important issues or tackle various problems. In recent years as well, development and environmental NGOs for example, are learning that they can be more effective, and their work can have more positive effects, if they work with the actual communities and help them to empower themselves. Working at the grass root level helps to provide assistance directly at the source. Often corrupt governments can intercept much assistance so this approach is sometimes favoured. However, there is still much that needs improving.
Nilanjana Biswas (2006) in his article “On Funding and the NGO sector” said that every attempt made during the past decade to address the question of funding of women’s groups has become a highly charged affair. This is most unfortunate because a significant section of the women’s movement has identified strongly with autonomous politics and needs to interrogate the premises and implications of autonomy. Yet, the reality is that NGOs are an entrenched part of the system, an institutionalized force, from which we must demand accountability even as we continue to ally with them through critical engagement.

Lekorwe et al., (2007) in their article “Managing Non-Governmental Organizations in Botswana,” view that the extent to which non-governmental organizations is managed in the contest of Botswana. The paper is based mainly on secondary data analysis. The results indicate that NGOs are efficiently managed in Botswana, particularly in the areas of human rights. One of the major factors impacting management efficiency of non-governmental organizations is reduced international funding, particularly after Botswana was re-categorized as a mid-income country. The research concludes that the previously held fact, that NGOs in Botswana enjoyed international funding, has now elapsed. This has affected their capacity to effectively lobby, develop, deliver and sustain themselves. Furthermore, reduced financial resources have impacted the NGO’s financial and human resource bases.
Patrick Kilby (2007) in his research paper “The strength of Network: the Local NGO’s Response to the Tsunami in India,” says about that the role played by a network of 12 local non-governmental organizations (NGOs), the East Coast Development Forum (ECDF) – in the response to the Indian Ocean tsunami (Asian tsunami) of 26 December 2004, which devastated the east coast of India. It examines how the ECDF sought to meet the needs of affected people through a direct relief programme, a rehabilitation programme focused on the restoration of livelihoods, and through advocacy to press for changes to government programmes to make them inclusive and to ensure that they satisfy the priority needs of the people most affected. The paper concludes that it was the trust and capacity built up through past network activities of the fisher, dalit, and tribal communities that enabled the ECDF to launch an effective response to the tsunami. A lesson to emerge is that the use of similar existing networks could be employed in other disaster responses around the world.

Malathi (2009) in her study paper “RTI Act for NGOs, SHGs” said that a large number of members from the Self Help Groups (SHG) and Non-Governmental Organizations (NGO) attended a workshop on the ‘Right to Information Act’ conducted by the Alangudi Taluk Legal Services Authority at Alangudi in Pudukottai district. She explained in detail about the right to get information from the government departments under the Right to Information Act and also about filing petitions for obtaining information.
Hedayat Allah et al., (2010) in their work “The Role of NGOs in Promoting Empowerment for Sustainable Community Development” explain about that the contribution of NGOs towards sustainable community development NGOs have many programs, functions and roles which assist community to become empowered, and eventually attain sustainable development. This paper reviews some of these roles, functions and programs of NGOs, such as microfinance, capacity building and self-reliance. Microfinance programs improve the economic well-being of communities of job creation and income generation. In the long run, this economic empowerment will contribute to sustainable community development. NGOs, through capacity building, develop community capacities such as ability, skill and knowledge of mobilizing resources, planning and evaluating community initiation and solving problems to gain the mastery over their lives. It also motivates the community to participate in the projects and help them to improve the quality of their initiatives. In this way, NGOs contribute towards sustainable community development. Furthermore, NGOs mobilize the communities to be self-reliant. It assists the communities to discover their own potentials and rely on their own resources. In short, this paper demonstrates that all these programs and functions of NGOs could contribute towards the realization of sustainable community development.
2.2.5 Studies Related to Women Empowerment

Femida Handy and Meenaz Kassam (2004) in their article “Women’s Empowerment in Rural India”, say that if NGO employees advocating behavior change for self-empowerment, such behavior must also be modeled for successful transmission as suggested in the self-efficacy models of behaviour change. Rural NGOs in India that depend on local population for employees face a limited labour pool who are as likely to be vulnerable to the traditional social pressures and therefore equally marginalized as their clients. This may be because a gap between what the employees may be trained to ‘preach’ and what they may ‘practice’, thereby diminishing their effectiveness to motivate change. We examine the employees of a successful rural NGO in India that has received accolades for its work in empowerment to establish if the employees actually ‘walk the talk’. Using three empowerment instruments, including one developed for this study, we find that employees indeed ‘walk the talk’ and their index of empowerment is related to their tenure in the NGO. We suggest some policy recommendations based on our findings.

Rosa (2005) has studied about “Women Empowerment and Fancily setup” According to this paper though it is perceived that the status of a woman is enhanced by employment, it is not yet explained how it empowers women in the family set up. The power relation in family is a very important aspect from the point of view of empowerment of woman. An employed woman may be very
powerful and efficient in an organization. But the situation at home may be different.

Selvaraj (2007) in his topic, “Empowerment of Women”, said that in recent years, empowerment of women has been recognized as a central issue in determining the status of women. Empowerment covers aspects such as women’s control over material and intellectual resources. Empowerment is a process, not an event, which challenges traditional power equations and relations. Abolition of gender-based discrimination in all institutions and structures of the society and participation of women in policy and decision-making processes at domestic and public levels are some dimensions of women empowerment.

Vinayagamoorthy (2007) in his article “Women Empowerment through Self – Help Groups: A Case Study in the North Tamil Nadu,” has undertaken the study on women empowerment through SHGs in north Tamil Nadu. It is found that the income of the women has been increased after joining the SHGs. So, that the monthly household expenditure also has been raised to considerable level. But the saving is increasing at slow rate, because the incremental expenditure is higher. Mostly they are spending for present consumption. The good practice of the women SHGs in the study area is repayment of the loan in time. Nearly 64 per cent of the debtor paid their monthly due within the time, even some members, 19 per cent paid their due in advance. A few members did not pay in time but this does not affect the further credit of SHGs. Since the repayment of loan is regular
and within the time, we may conclude that the economic activities of SHGs are quite successful. In this way SHGs in north Tamil Nadu are very successful to develop women empowerment in rural areas.

Ahirrgo et al., (2009) in their work “Rural Women Empowerment through Micro finance,” explain that women in rural India lived in virtual isolation, unable to access even the most basic of services. But, with the formation of Women’s Self – Help Groups, these women are now achieving social and physical mobility. It is recognized that while the empowerment of women is a process that will not happen automatically, SHG is a suitable means for the empowerment of women. The impacts of SHGs on socio-economic status of women were found significant. Micro finance programmes are currently, being promoted as a key strategy for simultaneously addressing both poverty alleviation and women’s empowerment. Where financial service provision leads to the setting up or expansion of micro-enterprises there are a range of potential impacts including, increasing women’s income levels and control over income leading to greater levels of economic independence, access to networks and markets giving wider experience of the world outside the home, access to information and possibilities for development of other social and political roles. It also enhances perceptions of women’s contribution of household income and family welfare, increasing women’s participation in household decisions about expenditure and other issues and leading to greater expenditure on women’s welfare.
Komala et al., (2010) in their study “SHGs as an Instrument for Women Empowerment,” said that, it is evident from the study of Mysore district that SHGs have been playing a vital role in the empowerment of women. This is an important institution for improving the life of women on various social and economic components. The number of women inclined towards SHG is increasing which implies that women are aspiring for equality, self confidence and self respect. Mysore district is one of the important district in Karnataka that has been in the frontline as far as SHG is concerned. Numbers of SHG members are being trained for undertaking various productive activities like making Agarbathi, candle making etc which makes them to be economically independent. This SHG has been an important in empowering women in Mysore district.

Laksmi (2010) in her article “Influence of SHG Schemes on Rural Women Empowerment,” views that, the SHG-Bank linkage programme has made enormous contribution to empowering rural areas of Tamil Nadu through SHGs. The credit from banks form a position of dominance of supply side considerations to a more healthy demand oriented service system. It has been observed that empowerment through self help group approach has increased quite a few benefit. They are: (i) savings mobilized by the poor (ii) access to the required amount of appropriate credit by the poor (iii) matching the demand and supply of credit structure and opening of new market for financial institutions, (iv) reduction in transaction cost for both lenders and borrowers (v) tremendous improvement in
recovery (vi) heralding a new realization of subsidyless and corruptionless credit and (vii) remarkable empowerment of poor women. The strong social ties among the members, increased business loan per member and lower SHG’s expenditure will contribute to the higher average income of the group members. Moreover, micro-credit is used to meet the current demands of rural dalit women empowerment and poverty alleviation. This will lead to a gradual improvement in the quality of their life and will enable them to identify activities for economic betterment.

2.3 Research Gap

The researcher could peruse a number of research works, studies and books already published relating to the study undertaken. She could gain significant insights into the several aspects, role of SHGs in promoting entrepreneurships and SHG trained women entrepreneurs gained by entrepreneurship development training programme at different places and stages. Still, anyone can identify a few gaps in the previous studies or past literatures with respect to the objectives of SHGs.

In the light of such research gaps, the present research study has been designed and completed. This study tries to fill in the research gaps in a modest manner. The researcher has been optimistic that this task is well met to a very great extent.
2.4 Summary

The review of literature relating to the development of women entrepreneurs has given a general idea of the problems and prospects as well as the challenges faced by them. Women should be encouraged to develop a clear entrepreneurial attitude, skills, knowledge which is a critical element in the promotion of entrepreneurship. The self employment drive through entrepreneurship development is the need of the hour. From the foregoing analysis of the related studies, it is clear that women’s development is an emerging area on the development agenda. “Banking the unbankable” through SHGs is a viable contribution to development planning as it presents an alternative way to development.

The review of the earlier studies and other similar studies enabled the researcher to identify the fact that no comprehensive study has so far been made to assess the growth performance of rural women entrepreneurs in micro-enterprises. The present study seeks to analyze the role of SHGs in Promoting Women Entrepreneurship in Tirunelveli District.