CHAPTER – II

REVIEW OF LITERATURE

The objective of this chapter is to know the various dimensions of the topic of the study and to design and frame a suitable methodology for the research. Many schools have made deep study on the subject and analyzed Micro finance related activities with reference to economic and social development aspects of rural and urban masses. Literatures have been collected from the various published Books, Magazines, Articles, Research papers, Reports and Publication of Government/Banks/Institutions, Internet.

The related literature pertaining to the study is arranged in three sections.

2.1 Studies related to Microfinance and Rural Development.

2.2 Studies related to Socio-Economic condition of members of SHGs.

2.3 Studies related to Micro finance activities by Self Help Groups (SHGs) and impact thereon.

2.1 STUDIES RELATED TO MICROFINANCE AND RURAL DEVELOPMENT

Malcol Harper, Emeritus professor of Enterprise Development at Cranfiled University in U.K., in his book “Microfinance”- valuation, Achievements and Challenges has mentioned key writings on microfinance. The book provides a general overview of ‘Microfinance’. He clarifies that institutional microfinance started not as a business, but as a means of alleviating poverty and helping poor people to create sustainable livelihoods for themselves. The pioneers of microfinance in the 1970s and still in the 2000s were and are motivated by a desire to help the poor not to make money. The author makes reference of papers published in 1991 by Jackelen and
Rhyne wherein it is described that microfinance seemed to have squared the circle; this was an intervention that could not only alleviate poverty, but that could and should also pay for itself, be sustainable and even make profits. The author also gives details of transition of microfinance to the financial service era. In this regard he also comments on ‘can microfinance reach the poorest’?

D.M. Nanjundappa’s book on “Area Planning and Rural Development” explain about the concept of Rural Development that it is as old as farming itself and seems to have new been catapulted into the level of “Development Politics” all of a sudden. That is for almost everyone academician, researcher, politician, scientist and what not-rural development has been a hunting ground for testing new hypothesis. He further clarifies that several formulation of the concept of Rural Development have appeared in the literature – to mention 1) Agricultural Development, 2) Rural Development, 3) Village Development, 4) Integrated Rural Development. The book also throws light on these formulations. Rural Development covers village development and multi sector activity that includes agricultural development and that Integrated Rural Development is a linkage of multi sectoral activities. The author further mentions that the primary objective of rural development is the enrichment of the material and social welfare of the rural population including the poor formers, agricultural labourers, artisans petty traders and other weaker sections in rural areas. That is to say economic progress and social progress should go and hand in hand mutually re-enforcing each other so that, there is a transition from the “technocratic strategy of development” to a reformist strategy of development”. The author also pleads for sustainability of rural development which is solely dependent on institutional support by the Banks, where family (group) oriented approach is adopted.
Neelamegam, V., in his book title “Microfinance” writes that the Microfinance approach is a new paradigm into the field of Rural Development with the main objectives – increase the well-being of the poor, provide access to resources and credit, increase self-confidence, self-esteem and credibility of the beneficiaries. The poverty alleviation intervention of the Self Help Groups is in the form of undertaking economic programmes to provide employment; giving microfinance services to the poor. The author of the book has dealt with history and evolution of microfinance, concept of Self Help Groups, Bank linkage programme, performance of Self Help Group Microfinance models and issues, Rural Development and credit aspects, Risks in microfinance and its impact assessments. Even he has dealt with marketing of SHG product and the role of facilitating Agencies. He has also discussed future of Microfinance and reach of microfinance together with road ahead for microfinance.

‘India Unbound’ – From Independence to the Global information age by Gurucharan Das is a wonderful book on economic analysis/social investigation. It contains lay man friendly discussions of economic theories of poverty. The author narrates the true story of Basrabhai, woman from Mohadi village of Gujarat coast with the support of SEWA (Self Employed Women’s Association) an NGO, became head of her village and fought for the change of her village. SEWAs example demonstrates how the poor can make difference if they organize themselves and spread the message of Self Help, Cooperation and Civic solidarity to the villagers and women groups. In India Unbound the writer offers a ringside view of the economic and social transformation of Nation. It is the revealing story of a nation’s rise from poverty to prosperity and clash of the ideas that occurred along the way. The book also describes the impact of India’s economic policies on its growth during the post-independent India analytically, logically and vividly.
Nani A. Palkhivala in his book, “We the Nation” (The Lost Decades) describes perpetuation of poverty is the twin sister of a burgeoning citizenry, and it is impossible to fulfill the four noble ideals on which constitution was built-liberty, equality, fraternity and justice. He has narrated the role of social service in society i.e. he explains even communication and socialism though totally misguided in their methods, had their roots in compassion for poor and in ideal of just and fair society. Business has four great advantages in field of social service. It can give leadership, can supply organization, can marshal human resources and provide financial support which we find in SHG-Bank linkage programme. The book is worth reading.

“Rural Development and Cooperation” a book by Chandrashekar, T.C., Tara Bai and Choodegowda provide wide knowledge about the Rural Development and Cooperation. Importance of Rural Development, various problems of rural India, poverty eradication problems, rural finance and role of NABARD are discussed and analyzed Role of Gram Panchayats, voluntary agencies in promoting rural development, Banks (Commercial, Regional Rural Banks and Cooperative Banks) and Self Help Groups are discussed in detail. Impressed by apparent success of Bangladesh’s Grameen Bank in reaching the poor, the authors write that NGOs and Government and Banks started Group lending scheme at reasonable interest rates. Government of India initiated a programme called Swarnajayanti Gram Swarozgar Yojana (SGSY) a self-employed programme of Rural Development Department. And that SGSY has been designed to cover all aspects of self-employment such as organization of the poor into Self Help Groups training, credit delivery technology, etc. SGSY programme actually tried to link rural poor to the formal institutions by way of microfinance through Self Help Groups.
2.2 STUDIES RELATED TO SOCIO-ECONOMIC CONDITIONS OF MEMBERS OF SHGs

Mishra, S.K. and Puri, V.K. in their book Economic Environment of Business (2009) explain the rationale for planning, the planning process features and objectives of economic planning in India. According to them in India development plans are formulated and carried out within the framework of the mixed economy. In the 70s fourth and fifth five year plans and sixth five year plan aimed at removal of poverty. The focus of the ninth five year plan was described as growth with Social justice and equity and one of the objectives was priority to Agriculture and Rural Development with a view to generating adequate productive employment and eradication of poverty. Similarly 10th and 11th Five Year Plans aimed at reduction of poverty ratio by 5 percentage points i.e., the focus of 11th Five Year Plan was ‘faster and inclusive growth’ by addressing disparities between rural and urban areas, between rich and poor state and between poor and non poor groups.

“Killing microfinance will help money lenders” an article by Swaminathan Aiyar in ‘Sunday Times of India’ dated October 24th 2010 makes everyone to ponder. The article explains bringing of an ordinance a week back, by Andhra Pradesh Government will temporarily shut down and permanently maims MFIs in the state and threatens to main MFIs across India as equity investors and bankers will be reluctant to such finance sector with such political risks. Andhra Pradesh Government says it is protecting borrowers from coercive recovery by MFIs that reportedly has caused 30 suicides. It is not so hidden agenda is to give the governments own Micro Finance scheme through self help groups. The author also says state alone cannot provide enough inclusive finance, so villagers will be driven back to money lenders. Of the 30 reported suicides, 17 were borrowers from SKS the biggest MFI. SKS says
that none of the 17 was a defaulter or in arrears so their deaths could not be due to microfinance. The author appeals that authorities should look at all possible causes and give a call to MFIs to start harnessing women power.

Appu, P.S. in his article the “Deprivation and Disparities” published in ‘The Hindu’ dated November 5th 2010, writes that efforts made during the last 6 decade (during 10 five year plan and Annual plans) have resulted in the modernisation of a stagnant economy and India’s emergence as a major industrial power. This period also witnessed remarkable progress in agricultural production. But the author states India has failed in its efforts to alleviate poverty and create a more equal society and that as per the Arjun Sengupta Committee Report some 77% of Indians live on less than Rs. 20 a day (BPL). According to the Global hunger index compiled by the International Food Policy Research Institute, India ranks 67 among 88 developing countries. In the course of economic growth the disparities have widened and that India introduced effective measures to abolish extreme forms of disparities.

The author makes mention of Five Year Plans and objectives to reduce poverty (Garibi Hatao). The efforts to reduce poverty NREGA (MGNREGA), Right to Education Act and the proposed Right to Food legislation (and that some glaring inadequacies in these schemes are rectified) are properly implemented the poor will get considerable relief. The author further says if the laws are suitably modified and efficiently implemented, it may become possible to make a dent on India’s abysmal poverty.
Alok Roy a former professor of Economics IIM Calcutta in his article the ‘The Micro Credit Miracle’ treated as a critical evaluation writes that the Grameen has helped rural families in Bangladesh breakaway from the poverty trap and live a life of dignity. The author makes it clear that the euphoria over the award of Nobel to Muhammad Yunus is over. It is time to have a sober look at the microcredit movement pioneered by him. He has narrated the Major distinguishing features of the Grameen Bank microcredit model: first unlike Banks the Grameen Bank provides small loans to poor people without collecting collateral. It usually provides loans to small groups (usually groups of five people) who collaterally stand guarantee for the repayment of the loan. Secondly the loans are usually given to rural women as they are considered more responsible. Thirdly the micro credit is not any aid or charity. Fourth the help from Grameen Bank apart from microcredit it provides training to rural women in various business ventures like poultry, dairy, weaving, selling vegetables, etc. Fifth the bank has been innovative to seize upon new opportunities. Grameen Bank has distributed mobile phones to one poor family in the village who would use it as public call office (PCO) and even in the case of beggars interest free loans were provided by the Grameen Bank for selling consumer articles door to door. The credit for this miracle goes to Yunus.

‘The Practical Lawyers’ February 2011, in its mega –issue containing several articles, has published an article ‘micro financing and India’: an analysis of which contains many phases of micro finance. The writer Shiva Priyamvada (cite as: 2011 PL February S-25) has elaborated the definition, the concept and development of microfinance in India. He has explained ongoing debate in the microfinance sector on a profit oriented approach of MFIs. He as analyzed “microfinance sector and women” as follows: both men and women of the poor sections of the society face difficulties in
establishing an additional Enterprise. The problem is graver when it comes to women, because of the barriers they require to face even if they want to bring a simple change in their lifestyle, viz. socio-cultural attitudes lack of education, legal barriers and personal difficulties. Despite this for women microfinance has emerged as an instrumental strategy for economic survival. Around the world not only in India women have always actively participated in their local economies. The author also makes mention of The India Microfinance Regulation Bill 2010. He says one of the reasons microfinance institutions deal largely with women is because they typically lack social and economic assets owned otherwise by men (with a view to promote gender equality). He has also explained microfinance has been able to reach a considerable segment of this population largely because of the SHG Bank linkage programme of NABARD and support from Government.

Another article titled “Microfinance is now big business” by Neil Mac Farquhar in Deccan Herald daily newspaper dated 31st August 2012 comments that the microfinance industry with over 60 billion in assets has unquestionably outgrown its charitable roots (the article is originally published in the New York Times). The author says that in recent years the idea of giving small loans to poor people has become the darling of the developing world and is hailed as the long elusive formula to propel even the most destitute into better lives. The author further comments that there is a debate over whether micro loans actually lift people out of poverty as the promoters often claim. The recent conclusion of some researchers is that not every poor person is an entrepreneur waiting to be discovered but that the loans do help cushion some of the worst blows of poverty. The microfinance industry is pushing for greater transparency among its members. The article also warns high interest rates
Self Help Groups and there is a necessity of drawing a line between genuine and abuse.

Sarmah Gunindranath and Das Digant Kumar in their research article ‘Micro Finance Self Help Groups and Socio-Economic development of rural people – a case study” is a useful literature for all students, scholars and economists. The study is done by the authors with special reference the Lakhimpur district of Assam. The article is published in Asian journal of research in Business Economics and Management (2012) the article pleads that the development of a nation is very much dependent on the development of rural people. Today the real problem faced by every developing country like India is ‘poverty’. The term ‘poverty’ is a term with which many developing countries are suffering and amongst poor the most disadvantaged group are the women. Microfinance to SHGs may be considered as a vital tool to meeting the financial requirements of poor section of the society in rural areas. This research paper has clarified that an analysis of the role of microfinance and Self Help Groups for the socio-economic development of the rural people. The authors say that in Lakhimpur district of Assam there is a real change in the lives of poor people and rays of steady happiness are visible in their eyes.

An article by Omkar Kakade “These women no longer feel the pinch ” in the “spectrum” Deccan Herald dated May 18, 2004 is worth to mention here with the instance from the lives of several women. The author shows how Self Help Groups in Bidar district have achieved economic confidence. Self Help Groups in Bidar district have proved to be the route to self-dependency and a slow, but steady change is seen in villages of Bidar district.
The author says Bidar district stands first when it comes to activities of SHGs. Bidar DCC Bank has played an important role in the achievement of the district. Stories of 1) Shantabai of Fatimpur, 2) Story of Banashankari SHG, six km from main road connecting Humanabad taluk and Hyderabad who took up a loan of Rs. 1,50,000/- for the purpose of dairy farming, 3) Mayadevi Sindanakeri who took a loan of just Rs. 5000/- to purchase a tailoring machine and 4) Members of Model Mangala Sangha (1994) (belong to SC members) who took small loans from sangha and Bank and with the help from SGSY organization, have taken up dairy farming goat rearing, grocery and provisions stores and other occupations, are just best examples of successful SHG movement. Then there has been drastic changes in their lifestyle and they are out of the vicious circle of poverty. Similarly Chandbi Alisaba of Bibi Faatima SHG of Mudhol village in Aurud taluk and Tarabai of Chowdeshwari Mahila SHG say; the SHGs have given them new life and owe the happiness in their families to SHGs, Bidar DCC Bank and NABARD’s training.

Murlidhar A Lokhande, in his research paper titled Micro financing through Women Self Help Groups and its Socio-Economic Impact – A case study of Konkan Region of Maharashtra, Published in ‘Arth Prabhand’ – a journal of Economics and Management writes that Microfinance programmes have been receiving a worldwide attention for the potential to generate income and employment with sole intention of alleviating poverty. The author focused on the real contribution of microfinance activities by SHGs. In the article he mentions – Under Grameen Bank Projects (Bangladesh) poor women have been working as village Telephone Ladies to facilitate communication in rural areas. The bank has provided micro loans to 90,000 beggars for micro trading. Dr. Mohammad Yunus opines that all the men and women have seeds of entrepreneurship and it is needed to give proper space to flourish them.
He further says that in Konkan region, average monthly income of women before joining SHG was Rs. 1327.92 and average monthly income after joining SHG is Rs. 3283.75. This is really a dramatic economic change. The author also observes that there was a good progress in regard to social empowerment (social activities – attending meetings, anti-dowry and anti-alcoholism campaigns, arranging group marriages). Many SHG members i.e. 14.28% got elected to Zilla Parishads and Panchayats.

Alexander Kutinov, Professor and specialist in the theory of political economy (1986) writes economic planning is a key instrument in implementing the advantages of the socialist economy and the successes of socio economic development largely depend on correct planning, and vigorous involvement of work collectives. He has brought out in the book the principles of planning – the five year planning is the main form of planning, economic and social development. It provides the basis for organizing the economic activity of the various industries, associations and enterprises. He explains how the five-year period is drawn up on the basis of draft guidelines for the country’s economic and social development, control figures for the five-year period are set. The Union Ministers and union of ministers of the Union Republics put these figures before the enterprises and organizations. In accordance with the control figures each enterprise/organization, computers, a draft five-year plan of its own. On the basis of these drafts the ministries and committees of ministers compile draft five year plans for each sector and republic. A draft state five-year plan for the country’s economic and social development in put before the government. Once the five year plan is adopted by a session of the supreme Soviet, the highest organ of the state power, it becomes a law whose fulfillment is binding.
2.3 STUDIES RELATED TO MICROFINANCE ACTIVITIES OF SELF HELP GROUPS AND IMPACT THEREON

Mishra, R.K. in a paper titled “Self Help Groups and Microcredit Movement in Orissa” writes that SHGs are organised as visible alternative to achieve the objectives of rural development. Thrift and credit are the entry points of activity of SHGs. He has closely observed the success of microcredit interventions in India vis-à-vis Orissa, the trends in growth of self help groups, linkage of microfinance with group formation and implications and appropriates policy measures for strengthening of microfinance activities. He explains that the failure of formal credit institutions in meeting the requirements of rural credit has been the major reason for SHG Bank Linkage programme launched by NABARD in 1992. The success of the above program can be realised by the fact that by January 2001 bank credit over Rs. 300 crores was provided to 1,94,000 SHGs covering 33 lakhs rural poor households (85% of the SHGs were women groups). The repayment by the members of SHGs was around 98% and SHGs to banks was over 95%. In Orissa which has the highest that is 47.2% population below poverty line compared to 36% of all India were deprived of any type of financial assistance. With approach in financial services program, Bank linkage programme was taken up and the performance was very successful. He writes that during 1999 to 2000 the number of SHGs linked was 4039. This program gradually has an effect especially on tribal people of Orissa to lead a community oriented Lifestyle only with making them free of debt.

Chandrashekar, T.C., Tara Bai and Choodegowda in another book titled ‘Karnataka Economy’ have dealt with rural poverty and unemployment in Karnataka – the causes, incidence the relevance of Tendulkar and C. Rangarajan reports, regional imbalance, Dr. Nanjundappa Committee Report, Self Help Group
Movement, etc. are discussed in detail. The authors state that the poor themselves can create a poverty-free world and group credit can create self employment instantaneously. The authors also explained the role of NABARD, Government and banks in detail.

Chintala, G.R. (2014) in his article “Digitisation of SHGs for a success of Microfinance in India” thoroughly discussed SHG Bank Linkage programme as a potential platform for poverty alleviation in India and that SHG-BLP requires maintenance of a strong transparent and up to date information system of SHGS on both financial and nonfinancial parameters which would generate various returns and reports for information of its stakeholders. Digitization can make the information easier to preserve access analyse and generate various reports and share it. The author observes that SHG-BPL deemed as world’s largest microfinance program is the outcome of concerted efforts of various stakeholders under the guidance of NABARD and RBI. He has also warned that success of SHG-BPL is not evenly spread across the country and that nonperforming assets (NPAs) of SHG A/Cs is also a great concern. Therefore he pleads for Digitization of SHG database through ‘Eshakthi’- NABARD pilot project was kicked off by an announcement by Raghuraman Rajan, the then Governor of RBI during National Microfinance Conclave held on 13th November 2014. He has also discussed challenges in the process and the way ahead.

In a book review in “Cooperative Perspective” a journal of cooperative management editor Chetan Kalbagh writes that the book “Women in Agriculture and Rural Development” contain articles papers and other case material an various issues. Publication of a report on the status of women by the government of India in 1974, also called ‘Towards Equality’. The report recognised the need of the Hour that is a specific component for women in all plan exercises. The sole reason was potential of
women and capability under different situations. The book under review contains compilation of many articles, papers and case studies. The first segment in the book covers papers on struggle of rural women (existence). The second segment of the book deals with various aspects related to education and economic efforts made to enhance the economic and social conditions of women. In the article the author strongly recommend for vocationalisation of Secondary Education. Analyzing the role of women in rural development the author has identified the crucial role played by women in agricultural production operations, storage and processing of food though they face several handicaps.

Microfinance through Self Help Group Formation by Ganga and Jain, D.K. (2009) throws light on functioning of SHGs. The study reveals that the SHGs are catalytic element for an effective poverty reduction of the members belonging to the groups. Savings, credit, regular recovery and even insurance facilities improved the socio-economic promotion of the women members of SHGs. The members took interest in improving their micro Enterprises that enhance their income generating capacity. Many voluntary organisation are behind the growth of SHGs the authors explain in the article.

Choudari Appa Rao (2012) in his Article “Women Micro Enterprises” (during a case study of SHGs) published in Southern Economist, observed on data collected in two coastal districts of Andhra Pradesh (1) Srikakulam and (2) Visakhapatnam district observed that there are significant changes/improvement in all the aspects. e.g. studies show that 52% in Srikakulam and 61% in Visakhapatnam in respect of literacy level, 63% in Srikakulam, 69% in Visakhapatnam are living in Kutcha houses and in Srikakulam 10% in Visakhapatnam and 47% in Srikakulam are living in pucca houses. However more changes/improvement is observed in Srikakulam district.
Neelamegum, V. in his book ‘Microfinance’ summarised activities of self help group in achieving the objectives of groups. The objective is to provide economic opportunities to the economically disadvantaged groups to establish micro Enterprises through regular and small savings in their groups and thereby their socio economic status. SHGs undertake the following objectives. (1) Savings: Out of whatever income they (members) earn (to cultivate habit of saving). (2) Loaning and Repayment: Providing credit to the needy members of the group and that member shall repay with interest so that other needy members also avail benefits. (3) Maintenance of books of accounts/record: The groups are to maintain all the accounts and books up to date to ensure into confidence and transparency. (4) Member oriented Action Programme: This activity is conceived and implemented as per the demand of their members. The program on social and economic such as education and additional income generation labour intensive activities construction work policy business, etc. (5) License and Linkages: With financial institutions/Government and NGOs to avail financial assistance. (6) Training and capacity building activities: Self help groups need constant support guidance technology from promoters development Agencies for sustenance. The author also suggests various income generating activities for the self help group members such as agricultural related petty business, bricks making, poultry, piggery, sheep rearing, dairy, garment shop, beauty salon etc. The author has suggested to diversity business and upscaling activities as SHGs may not survive on just one or two activities.

microfinance initiatives towards the sustainable development. Progress and Perspectives of SHGs in Karnataka presents in brief the efforts of the NABARD regional office during 2003-04 in upscaling the SHG Bank Linkage programme in Karnataka, support to partner Agencies. In the book some 16 success stories of SHGs are there which inspire one and all. Karnataka significantly contributes to the success of SHG bank linkage programme booklet also contains eight success stories of SHGs.

Ghousia Khatoon, Vatsala, G. and Raghavendra, H.A. in their book “Microfinance” (2016) said the book is useful for research purpose to the students as well as professionals. The book contains unifying concept of Finance, Financial Institutions, Facilities of microfinance institutions Self Help Groups, Funding agencies of the these SHGs activities of SHGs savings, credit, marketing and insurance, Role of SHGs in financial and social inclusion, Self Help Promotion, Institutions, etc. The authors explain three models of self help groups in India Model–I is SHGs formed by NGOs and linked to Bank Model–II is NGOs form and perform financial intermediation role availing Model–II SHGs after loans from Bank Model–III is Bank SHGs Association. Authors also explain that of these three model SHG Bank linkage Model–I stated as action research project in 1989 and upon the findings of action research project NABARD geared generate up SHGs Bank linkage in 1992 and now this program has grown exponentially over the years. As on 2011, 74.62 lakh SHGs are linked to different banks and of these 65% have direct credit link. Out of 74.62 lakh SHGs 60.98 lakh SHGs were women SHGs.

Status of Microfinance in India 2008-09 publication of NABARD present the consolidated data obtained from the bank along with style suitable analysis of the various trends and progress under microfinance sector in respect of two models: (i) SHG Bank linkage model and (ii) MFI-Bank Linkage Model. In the document
region wise, State wise, agency wise, Bank wise, and also for SHGs under SGSY and exclusive women SHG have been covered. Impact of SHG Bank Linkage Programme (SBLP) on the lives of the poor people has been narrated based on the major national level study on “impact and sustainability” of SHG Bank linkage programme conducted by National Council of Applied Economic Research (NCAER). Socio economic political impact as well as a challenge issues facing the SHG bank linkage programme was studied by NCAER important findings of the study or as follows.

1) Net home for income between Pre-SHG and post-SHG registered significant growth per year at 6.1%.

2) Average loan amount for home hold grew at annual rate of 20.5% between Pre-SHG and post-SHG periods.

3) Repayment of loans was 96.4%.

4) About 92% of households reported that social empowerment of women increased after joining SHGs.

That is to say the SHG bank linkage programme has transformed the all stakeholders in their approach towards development of poor the booklet records.

Mishra, M.P. (2010) in an article titled “Micro Financing for Sustainable Development” the Grameen Bank Model (in the magazine Ecosensorium) writes that microfinance is the best tool to fight poverty as most of the rural poor lack access to banking and related services. According to Adams and his coworkers (1984), the objective of microfinance is to create a world in which as many poor and near poor households as possible have permanent access to adequate financial services including not just credit but also savings insurance and fund transfer and it has been observed that if committed for social development, NGOs can support societies in sustainable development by providing finances accessibility to the poor by organizing Self
Help Groups. The article also explains how NABARD that was stated in 1982 (12-7-1982) introduced SHG Bank linkage programme with NGO such as MYRADA in Karnataka, SHARE in Andhra Pradesh, RDO (Rural Development Organisation) in Manipur PREM (People’s Rights and Enforcement Movement) in Orissa and Andhra Pradesh, PRADAN in Rajasthan and ADITHI in Bihar.

“Our philosophy is not too beg but create self Reliance” the title head line in Times of India daily is all about excerpts of the interview with Nileema Mishra the 2011 Raman Magsagsay award (31.07.2011). The interview is by Madhavi Rajyadhykshe. Nileema then 39 years old received the supporting award for her work for women through micro financing and self help groups. Ever since she was 13 she had made up her mind to work for the village (Bahadarpur in Jalagaon). After her master’s degree in Pune she decided to continue social activities in her village, she said, we (she, her guru and her friends) realised that most issues were associated with money or lack of money especially with women. She then decided to devise a system that would provide finance. For that they started out very small bachat gats (SHGs) of women by guiding them. In 2000 Bhagini Nivedita Grameen Vigyan Niketan for women welfare and for mobilizing credit was registered by them. She experienced the initial sense of satisfaction, when a group around 14 women opened their joint bank account with their savings. When these women started going home with money, they thought that ‘Idea’ could work. They started home based Enterprises like making quilts. With income there came a greater say in decision making at their home. As such the organisation has 20,000 SHGs and 2000 beneficiary members. Still Nileema says: we are only facilitators in the process-just guiding them. Really great works by Nileema and a real success story, Yashogatha.
Mahanty, B.B. (2005) in his article Bidar “DCCB-PACS Model” has elaborated SHG Bank linkage in India with special reference to Bidar. He says the Pilot project of SHG bank linkage was started by NABARD in 1992 in Association with MYRADA. The Project objective was to facilitate access of the poor to formal credit Institutions thereby taking ‘banking’ to the unreached sections of the society through Self Help Groups and that by 31\textsuperscript{st} March 2015, at all India level, over 16 lakh SHGs covering 242.15 lakh poor families have been credit linked by banks with cumulative loan components of Rs. 6898 crore and this has taken India to the number one position in the world. The share of cooperative banks was just proportion 12\% by then. The Bidar DCCB initiative was the first major breakthrough in the Cooperative sector in taking steps for formation of groups and linkage. He further says by 2005 among all the states Karnataka has the maximum number of SHGs linked in the Cooperative sector. As against all India level of 12\% of cooperatives in SHG-BLP, the share in Karnataka was 28\%. The author has given A to Z information of cooperative credit structure SHG Bank Linkage policy decision to cover all poor families in the district upgrading SHG cell to Micro Credit Division (MCD) in head office of Bidar DCC Bank, monitoring system, setting up of SAHARDA (Sahakara Rural Development Academy) for training purpose. In conclusion the author clarified that the Bidar DCCB-PACS model has been the effective model to include poor in business and development activities. Credit can be provided to the poor not as a charity but on commercial lines. Mahanty, B.B. who was chief general manager in the NABARD Regional Office at Bangalore (2006) his forward note says: booklet contains intervention and innovations made by NABARD in Karnataka that made significant contribution to the success of SHG bank linkage programme in the field of microfinance together with innovations.
Financing Self Help Groups - a reference handbook brought out by NABARD Bangalore (2000) is more than ready reckoner. Publication mentions (i) Corporate mission of NABARD (ii) NABARD’s microfinance vision, iii) NABARD microfinance mission.

Corporate mission of NABARD promote sustainable and equitable agriculture and rural prosperity through effective credit support related services institutional development and other innovative initiatives.

NABARD’s microfinance vision: Empowerment of rural poor by improving their access to the formal Credit System through various microfinance innovations in a cost effective and sustainable manner.

NABARD’s microfinance Mission: To extend financial services to one third of India’s unreached, under several rural poor numbering nearly 100 million through 1 million SHGs with focus on women during a 10 years period through various microfinance interventions. This book contains important topics that are very useful to bankers Financial Institutions, research scholars, academician.

Abdul A.P.J. Kalam (2002) distinguished scientist and our beloved president of India in his book ‘Ignited Minds’ – unleashing the power within India- takes up different issues and themes that stuck him on his pilgrimage around the country, as he met thousands of school children, teachers, scientists and saints in the course of 2 years. The book is a true patriots’ self help guide. He says: for the society to prosper there are two important needs, i.e. wealth (income) generation and cherishing in the value system of the people. According to Dr. Kalam development is a security-centric phenomenon from poverty to food security, social security and thereafter national security. Agriculture, power, education and health care and information technology are the areas if properly integrated that would lead to food, economic, social and
national security. The key to success lies in connectivity of these areas. A single flower makes no garland. In this book Dr. Kalam mentions a student answered ‘Poverty is our enemy’ to a question ‘Who is our enemy’? The poverty is the root cause of our problems and should be the object of our fight not our own. Infact poverty is our first enemy.

Bibek Debroy, Professor, Center for Policy Research in his article “Killing Microfinance” also raised the government’s heavy-handed regulation of microfinance which will kill it and bring back moneylenders. He says among many bills stuck in the legislative process is – The Micro Finance institutions (Development and Regulation) Bill 2011. Financial inclusion has meant credit for an estimated 450 million unbanked people (as well as under banked). It is stated that around 600000 villages with population less than 2000 are not covered by financial inclusion. A limited NABARD sponsored SHG-Bank Linkage programme covers 4.5 million SHGs. Most MFIs in Andhra are regulated by Micro Finance Institution (Regulation of Money lending) Act 2010 which stipulates registrations of MFIs, maintenance of records, books, penalties on coercion methods of recovery, etc. The author has also, in the article, warned about the threats to the microfinance section and that Unbanked/Under banked ones will continue to go to money lenders. The author reminds one to read and re-read Kautilya’s “Arthashastra” Book-III Chapter 11: An interest rate of 16% was thought ‘just’ and 60% commercial, but below 60% there was no case of intervention.