Chapter- II

Review of Literature

“To argue that banking cannot be done with the poor because they do not have collateral is the same as arguing that men cannot fly because they do not have wings”

- Muhammad Yunus, Nobel Laureate and Founder of Grameena Bank

A brief review of past literature pertaining to the empowerment of women through SHGs is presented in this Chapter. In this century, the terms ‘Women empowerment’, ‘Women welfare’ and ‘Gender justice’ have come into lime light in the socio-economic and political development analysis of both developed and developing nations. The 20th century’s progress towards equality regardless of gender, race, religion, ethnicity or age was propelled by social movements. One of the most significant aspects has been the movement for women’s rights. The reviews are structured and discussed under the following heads:

2.1 Theoretical studies and Empirical studies
2.2 Approaches – Welfare, Sustainable Development
2.3 Role of SHGs in Women Empowerment
2.4 Measurement - Methodological study, Data validation

2.1 Theoretical Studies and Empirical Studies

Asian Banks and NGOs (1992) in eight Asian countries namely, Bangladesh, Pakistan, Sri Lanka, Malaysia, Indonesia, Nepal, India and the Philippines highlights that the NGOS and SHGs have a key role in rendering the poor bankable, though much effort is still needed to make the venture profitable. Commercial banks may be able to contribute to poverty alleviation on a sound commercial basis by providing loan capital needed by the poor for productive activity and income generation. And national and international organisations can supply urgently needed technical assistance, and support for the institutional strengthening of NGO - mediated programs, to enable them to reach out to a larger proportion of those living in absolute poverty in Asia. The studies have demonstrated the scope for increased access by the very poor to credit on a
sound commercial basis given an appropriate environment. It is possible to create commercial sound linkages between the formal finance sector and well managed non-government programmes and SHGs among the poor.

**Moser, Caroline (1993)** says empowerment has mainly two dimensions—building on self-reliance and internal strength of women and ability to determine choices in life. And also describes about two types of choices—practical and strategic and stresses on the latter to have more significance for changes to happen.

**Girija Srinivasan (1996)** opined that SHGs have a beneficial impact on their members. The positive impact of SHGs on the poor by providing them access to resources, economic choices, social strength and control over their own lives, functional literacy and also empowering women in all activities. Further the author also says that SHGs should not be held as a panacea for whatever affects the poor people.

**WHO Report (1997)** concludes that over the years, there is an alarming increase in the incidence of atrocities on women in our society in various forms. The latest statistics on crime in India reported by the Home Ministry's National Crime Records Bureau shows that every seven minute there is a criminal offence of any sort including domestic violence on women. Its been the good thinking and rationality of several of the social activists, leaders, authors, policy makers and people in governance that several movements to voice and fight against this oppression against women have also been ongoing since long.

**Gopalakrishnan (1998)** mentions that SHGs are a mini voluntary agency for self-help at the micro level has focus on the weaker sections particularly women for their social defense. SHGs got a great potential in creating awareness on day to day affairs, promoting saving habits, developing self and community assets, increasing income level improving in social power. SHGs bank linkage has improved their credit worthiness and repaying. This can contribute to economic development, child education, health and sanitation through women. Credit is a powerful tool, bank assistance with able guidance for women to manage their socio-economic, political and managerial need. SHG concept will generate self-confidence, self-security and self-reliance for the poor people.
Kabeer, Naila (1999) has given the most useful interpretation of empowerment as the abilities to make choices, which must be transformative in nature. To be able to make choices and appreciates both the availability of alternatives to choose from as well as these alternatives seen to exist. In this connection presents a useful differentiation between strategic life choices, which are strategic decisions, and the second hand choices, which will simply be related to everyday quality of life.

Annapurna (2000) in her study analyzed the role of women in economic development. The world of women is no longer confined to periphery of household, activities like cooking, caring and tending the family needs. But today women are actively contributing to the promotion of economic development in different capacities, namely, as housewife, mother, labourer, officer, scientist, executive and technocrat. With the spread of education, training and technology, their mobility has been increased and they are coming out of their shells to do different works to raise the living standards of their families.

Manimekalei and Rajeswari (2000) examined the empowerment of women through rural micro enterprises in Tiruchinapalli district of Tamilnadu. The majority of the women are married and engaged in petty business with the rest distributed across processing, production and service units. Most of them had primary education, while a few engaged in production units and services, and the majority of them engaged in petty business are illiterates. The dominant problem reported by them was shortage of capital, because the sample groups received loans only under SHGs through banks. Further, the service units performed better and helped to repay the loan on time, whereas the production units not only failed to generate their own capital but also affected loan repayment.

Muragan and Dharmalingam (2000) opined that empowerment of women through SHGs would lead to benefits not only to the individual women and women groups, but also for the family and community as a whole through collective action for development. Empowering is not just for meeting their economic needs, but also for holistic social development.

Choudhury, R.C., Mohanan,N (2000) mentions about "Micro Credit for Micro Enterprises", SHGs serve as a countervailing power to overcome the stranglehold of moneylenders in the credit market. SHGs as an operating system has infused certain synergy among members to move up in the
socio-economic ladder from a passive onlooker into an active partner/stakeholder in the development spectrum.

In the ultimate analysis, SHGs sow seeds of a self-reliant economy incorporating certain business culture and social values within the community that are essential for economic and social mobility of the poor."

Vishwa Ballabh et al (2001) in their study "Organising for Rural Development" describes various aspects of rural development. While evaluating the performance of women's SHGs functioning in Bidaj they observe that many drawbacks are found in the approach that hinders the progress of the group.

The study reveals that given the wide differences in the needs and capacities among women of different socio-economic categories, creating SHGs for all sections with uniform goals was clearly an ill conceived step. The wrong impression created initially in the minds of the members about obtaining matching grant bases on individual savings seems to have come in the way of ensuring voluntary membership and its continuance. Though the potential benefits of SHGs were explained to the members, there was no concerted effort to create the necessary awareness among the members about the basic principles or norms of SHGs functioning like participatory decision making, need for regular meetings and enforcing joint liability.

Singh, Mani C.H., (2001) in the study "Self-Help Groups: Some Organizational Aspects" explains in brief each and every aspect of SHGs' operational mechanism. He says that, the main objective of the formation of SHG is to strengthen cooperative movement by utilizing the resources available in the area.

Regarding the nature of the group he points out that, members of the group should be from the same economic section; the ideal number of members of the group is 5 to 20; members should contribute regular thrift to form a pool for financing loan to members, repayment of loans should be made within six months; members should frame rules and regulations of the group; there should be regular meeting of the members and all the members should be associated in decision making; all the records of the group including account books should be up-to-date; the group
should issue a pass book to every member regarding credit and loan; the group should observe all norms of the cooperative form of organisation.

**Girija Srinivasan and Satish, P (2001)** in their study "Networking for Micro Credit Delivery" point out that lending through SHGs and NGOs cost least to the lenders when compared to other institutional finances. Important observations are as follows.

a) The risk cost reduced to between 0.03 and 0.27 per cent in case of lending through SHGs.

b) It is high as 7.88 per cent in normal bank lending.

c) bank linkages with SHGs advantageous to both bank and the borrower

**Titus, Sebastian A.P (2001)** study "Impact of Micro Credit Programs of NGOs on Rural Women", by taking three hundred and thirty sample SHG members from old Tiruchirappalli District suggests that, the government poverty alleviation programs targeted towards the most vulnerable section should continue for the benefit of the poorest of the poor; the Central and the State Governments should enact special Acts regulating micro credit; Tamil Nadu Women's Development Corporation (TWDC) should continue its support to the non-governmental organization for conducting training programs for SHG members while doing away with subsidies; the membership in SHGs should be made broad based; whenever the external loans from NGOs are given to the SHG members in addition to a loan from the groups, it is better to fix different dates for repayment of installments relating to different loans; the interest rate charged on the loans to members should not exceed 24 per cent per annum at any cost; ideally it should be around 18 per cent per annum taking into account the general interest rate reduction in the banks and one important area where NGOs should concentrate is the promotion of micro enterprises by women in the non-farm sector."

**Mosedale, Sarah (2002)** focused on the root of empowerment which means 'Power'. Sarah starts from the basic by presuming that women must be disempowered or without power because then only one can talk about them getting 'empowered'. Study finds empowerment more as an ongoing process rather than an end product and also clarifies that this concept is only relative, i.e., somebody will get empowered relative to others.
Gulati, Ashok and Seema Bathla (2002) in their study "Institutional Credit to Indian Agriculture - Defaults and Policy Options" gives an overall view about the aspects of Bank Self-Help Group linkage. The evaluation of the impact of micro finance programme on members of the SHGs reveals that it benefited poor people in raising their levels of income and has facilitated them to be more self reliant through promotion of productive activities. From the banker's point of view, compared to conventional bank lending in the rural areas, lending through SHGs has helped the banking institutions in achieving high recovery performance through peer pressure and in substantial reduction in the transaction cost to the small borrowers.

NABARD (2002) views that, the corporate mission set by NABARD for making available micro finance services to the very poor envisages coverage of one third of the rural poor of the country, i.e., a population of about 100 million rural poor through five million SHGs by the year 2007-08. NABARD has evolved a well-articulated strategy through state and national level consultations. The strategy comprises:

- Designing and funding suitable training and exposure programme for all stakeholders.
- Providing promotional assistance to partners for promotion and nurturing of SHGs on generally "add-on" basis.
- Encouraging banks to undertake proper quality assessment of SHGs before financing.
- Positioning financing to SHGs as a business proposition for the banks.
- Encouraging cooperatives to take up SHG financing as "cooperatives within cooperatives".
- Widening the range of SHG promoting agencies by integrating SHG approach in social sector development programmes of the development agencies and the Panchayat Raj Institutions (PRls).

Galab S., Chandrasekhara Rao, N (2003) in their study "Women's Self-Help Groups, Poverty Alleviation and Empowerment", explains the characteristics of the three women-based group models of poverty alleviation and women empowerment namely, Co-operative Development Foundation (CDF), Development of Women and Children in Rural Areas (DWCRA) and South Asia
Poverty Alleviation Programme (SAPAP) that are being implemented in Andhra Pradesh. A considerable and balanced impact in all three levels of empowerment - power to (individual), power with (collective) and power within (consciousness) was achieved. In addition to that, women participation in SHGs has improved the access to credit. The credit availed was invested on new economic activities and to strengthen the old ones. This has resulted in increased incomes of the poor and causing a reduction in the intensity of poverty among the poor.


Kabeer, et. al. (2003) feels that education to be an important contributing factor for ensuring women empowerment. Particularly the paid wage labour or contribution of women to the fiscal economy is said to definitely empower her economically which is bound to spill out to other spheres of women's life.

Times News Network, India (2004) points out that insurance companies are catering only to a small fraction of the population, the Insurance Regulatory and Development Authority (IRDA) has decided to introduce new rules to promote insurance. One proposal is to grant a special category micro insurance to SHGs.

To increase the coverage, the IRDA proposes to introduce the concept of a micro insurance product and a micro insurance agent. IRDA has proposed a commission cap of 20 percent of premium for life and 7.5 percent of the premium for non-life products sold by these micro insurance agents.

Nirmala, et. al. (2004) in their study recommended that they should also be provided with institutional support, like training, marketing and information on available latest technology. They should also be strictly made to utilize the Self-Help Groups credits for productive purposes alone. Further, training, relating to the activity chosen should be imparted.

Tamil Selvi and Radha Krishnan (2004) in their study they said that rural women in India suffer from being both economically and socially invisible. Individually poor rural women can overcome economic deprivation. To counter powerlessness and economic deprivation, women need to alter their self-image and
therefore social image. To give rural women visibility and to enable society to come in contact with poor rural women they must get organized into groups. Group approach is setup to disburse credit to rural women in the form of SHGs.

Ganesamurthy, V.S., Radha Krishnan, et., al,(2004) in their study focuses on Lakshmi Vilas Bank Suriyampalayam Branch, Erode suggest certain measures for the effective functioning of the SHGs; regular attendance of members is a must for efficient functioning of SHGs; active participation of members is vital for efficient functioning of SHGs. For mobilisation of rural savings encouragement is needed; economic empowerment of women will be possible if more SHGs are started; ration shop, milk booth can be handed over to SHGs; loan and subsidy amount should be raised; periodical meetings should be arranged; bank services have to be improved and the interest rate should be made known to the SHGs; bank interest rate can be reduced; SHGs can be used to promote small family norms, mobilization of small savings and other social works.

Jha, Keshav Chandra (2006) analyzed ORMAS, an autonomous body under Panchayat Raj Department. Government of Orissa, Bhubaneswar, launched one special SGHY project in Boudh district for improving the livelihood and income generation pattern of rural producers through formation of self-help groups (SHGs). The project in Boudh district is being implemented and monitored by DRDA. A total of 200 SHGs are being promoted in different clusters and are tagged to four key activities. One such key activity is dal processing in which 20 SHGs belonging to various villages in Ramgesh, Tileswar and Dhalpur GPs under Harbhanga block are engaged. This dal is now being sold in the market with a brand name. The Ramgarh experiment is now considered to be one of the success stories in the district.

Gaiha, Raghav and Mani Arul Nandhi (2007) in their study found that most of the members are using loans sanctioned through SHGs for health and education of children and for production-related expenses especially by the disadvantaged. Further, domestic violence was reduced.

Ganesamurthy V.S., (2007) in his study stated that majority of the women continues to be confined to micro, small-scale enterprises in spite of efforts made toward economic empowerment of women.
Baby Sarojini (2009) attempted a study on "Women Development- role of Self-Help Groups: An analytical study on women SHG members in East Godavari District of Andhra Pradesh". The objectives of the study are, the process of women participation in SHGs, to understand the factors responsible for facilitating sustainable interest of women to engage themselves with the SHGs, the impact of SHGs movement on socio- Economic aspects pertaining to women, to derive important policy issues pertaining to SHGs movement and to facilitate sustainable development of women.

Bhasin, Kamla (2016) noted that women’s empowerment is not and cannot be separate from the empowerment of nature, empowerment of all the marginalized people and countries. Empowerment of women has to be done at all levels and in all sections if it is to become strong and wide spread and make a difference.

2.2 Approaches – Welfare, Sustainable Development

McKee (1989) emphasized on the integrated approach that is grounded within the overall framework of empowerment and attempts to deal with the structural causes of poverty through micro-finance delivery. It is a comprehensive approach aimed at providing a long term integrated support package, in which loans are combined with social mobilization, participation, training and education, so as to maximize the income, opportunities and empowerment impacts. Such CBFI’s believe in alleviating poverty through financial services to the poor. At the same time other developmental services like those of health, education, etc. are also considered essential.

Hashemi et al., (1996) mentioned about the implication of rural credit programme in terms of mobility, security, ability to make purchases, involvement in major household decision making, political awareness and freedom within family. The major conclusion is that there is an increased access to credit which improves their social mobility, self-worth, voice in household decision making, access to assets and it helps the rural women to achieve empowerment.

Ahmed, Ariz (1999) found that most unique feature of this thrift activity is involvement of all communities he observed that the involvement of women groups not only empowering them but also enabling to shape themselves as social activists by different schemes and in the system.
Shylendra (1999) in his study identified the reasons for the failure of Self-Help Groups. Wrong approach followed in Self-help groups formation by the team, misconceptions about SHGs goals both among the team and the members of SHGs and lack of clarifications about the concept of SHG particularly by the team leading to failure in ensuring conditions necessary for their successful functioning.

Panda (2001) conducted the micro level study in the Mumbai city and other parts of Maharashtra, Karnataka and Goa. Among the major achievements in the field of micro finance is the assistance extended by NMDFC to Annapurna Mahila Mandal. This organization is assisting over 1- lakh women, living in the Mumbai city and other parts of Maharashtra, Karnataka and Goa. The organization is mobilizing women's groups and providing them training as well as financial assistance for participation in food for office and factory goers programme. Under micro finance, assistance has been provided for purchase of equipments like utensils, gas stoves, pressure cookers, tiffen carriers and working capital. The corporation provided over Rs.44 lakh for assisting 900 women beneficiaries in the first phase.

Madheswaran and Dharmadhikary (2001) in their study observed that the triumph of SHGs lending are attributable not only to peer monitoring but to other factors such as lending for non-productive purposes and inculcating saving among group members.

Devasia, Leelamma (2001) in their study on Self-Help Groups felt that women’s empowerment is an attitudinal and motivational one besides financial issue.

Subhindra (2002) studied the changing role of devadasis after they joined DWCRA. He felt that there is a striking change in devadasis once they joined in the Self-Help Groups movement. They become capable of handing a variety of productive activities. They were involved in tailoring work, rehabilitation programme management. They have upgraded skills not only in profession but also in handling issues like to obtaining and repaying loans, maintaining accounts, looking after etc family welfare.

Jain, Devaki (2002) has conducted studies on "changing patterns of rural women’s participation in decision - making". She has found that women's participation in formal political organization has been increasing in rural areas since 1995. The study focused on the state of Karnataka which passed a law in 1986, providing 25 per cent of reserved seats for women in local councils.
Narayanasamy N., Manivel S., and Bhaskar B (2003) in their study "Networking SHGs and Cooperatives - An Analysis of Strengths and Weaknesses" state that SHGs have emerged as alternative development strategy to promote the common interest of the weak and the vulnerable sections of the society. They are considered as informal cooperatives as they possess distinct features of grassroot level cooperatives. The cooperatives and SHGs can forge linkages in order to see that the poor are effectively served and empowered. Such a linkage opens up a great deal of opportunities for both the organisations.

Singh (2003) examined the experience of MYRADA in fostering self-help groups. The mission of MYRADA is building of people's institutions to ensure access and control over resources for sustainable development and self-reliance. MYRADA has over 1006 groups of women which focus on women's rights and access to and control of resources, which they require to ensure a sustainable livelihood.

NABARD, Department of Economic Analysis and Research Report (2003) observes that NABARD's initiatives in micro finance has now turned into a sustainable social movement. The design and content of these innovations have remained dynamic and in tandem with the changing needs of the micro finance sector in the country. These initiatives have attracted the attention of a wide range of stakeholders. A large number of formal and informal agencies have partnered with NABARD in this unique process of socio-economic engineering. The relevance of the micro finance programme was greatly enhanced for all the partners through the core strategy of SHG-bank linkage, which was built around a simple but basic aspect of human nature - the feeling of self-worth. The informal credit delivery strategy developed for the banking system by NABARD in collaboration with non-formal developmental agencies has expanded to become the largest micro finance programme in the world in terms of its outreach, extending banking services to people hitherto unserved by the banking system. This programme has become a main line activity for banks with almost all of them participating in the programme.

NABARD (2004) mentions that the most potent tool against human deprivation is building human capital among the deprived, through sustainable
development initiatives. This principle is related to the SHG - Bank Linkage programme in India, which covers the basic human feeling of self-worth at its core. NABARD, in partnership with select NGOs and banks, developed this strategy to enable the banking system to transcend the confines of an already existing savings and credit delivery mechanism, which was neither cost effective for the banks, nor user-friendly for the very poor segment. The strategy goes far beyond, into the realms of building financial capabilities and self-confidence in the rural poor, through internal savings and lending from the owned funds of the SHGs. The mechanism provides a 'savings and credit history' for the members of the SHG, auguring well at the time of taking loans from the banks. The SHG-Bank linkage programme caught the imagination of not only the financial institutions, but governmental and non-governmental agencies also joined hands with NABARD in its efforts. It is a unique initiative.

Labinviana, Joseph and Eawaran Kanagaraju (2006) in their study stated that the performance of SHGs in tribal development i.e., improvement in social and economic conditions of tribal people depend largely on the member’s participation mediated by the factors of duration of membership groups play a vital role in tribal development of the rural areas of Mizoram. They have reported benefits decreased debt. They have perceived mostly high level of cohesion in their SHGs. The decline of perceived impact of SHGs with increased duration of functioning needs to be reversed through some mechanism to increase participation of members.

Nair, Leena (2016) noted that with the Sustainable Development Goals (SDGs) in place, it would be critical in realizing the objectives of a truly inclusive, equitable, people-centered and transformative post 2015 development agenda with a gender perspective. The study noted that women’s empowerment is a complex issue and will only be achieved when an improvement in the condition of women in terms of health, education, security and safety including financial security is achieved.
2.3 Role of SHGs in Women Empowerment

Hemalatha Prasad (1995) in her study identified certain common factors, for success of Self Help Groups, like homogeneity of the group in terms of caste occupation and locality made the group more cohesive, assured and regular income from the scheme. Effective and dynamic leadership, awareness about the repayment procedures and consequences of the non-repayment influenced their repayment behavior the study identified that systematic planning for skill training, raw material supply, quality control and marketing support from officials were the key factors for the effective management of the programme.

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

Rao, Surekha and Padmaja (1998) study reveals about women who are participating actively in the group as well as saving the money. The study was conducted in a voluntary organization which promotes savings among members. The group consists of 10-15 members. Here most of the women have started self-employment ventures like milk business, tailoring shop, small tea canteen from loan taken from the groups. The study explains about the socio-economic aspects, income, expenditure and savings of the respondents. About 86 per cent of members utilize savings from SHGs. So most of the women expressed that the programme staff are kind enough and the co-operate very well to run their groups. Here the groups are working well and the members work satisfied about being members of the groups.

Karmakar, K.G. (1998) in his study "SHGs in Orissa: Some Conceptual Issues", briefly analyzed the SHGs functioning in Orissa. He views that, SHGs in Orissa have been able to provide rudimentary banking services which are cost-effective and ensure almost 100 per cent repayment performance. The empowerment
opportunities for rural women to take up income generation activities to assist in their family incomes, has been a powerful incentive.

Both banks and NGOs are yet to see this as an alternative channel for rural credit delivery in Orissa, in spite of the extensive efforts made for popularizing the scheme. The success stories of a large number of rural women who have formed SHGs have given a spur to the movement and banks to explore the possibility of linking up more SHGs. A review of the SHG - bank linkage models reveals certain conceptual problems which need to be sorted out at various operational levels, if the programme is to be replicated all over the country.

**NABARD Report (1999)** points out various Self Help Promoting Institutions' (SHPis) experiments in promoting SHGs. Two independent studies on the Cauvery Grameena Bank's (CGB) experiment conducted by NABARD and Indian Institute of Management (IIM) Bangalore shows that, SHGs promoted by the bank are strong and marching on a right track as bank considers the SHG Linkage as a business project and takes it an opportunity for expanding its good clientele base in rural areas.

Importance of a good and reputed NGO in the neighborhood for promoting SHGs and training of bank staff for effective functioning of SHGs are emphasized

**Singh, Surjit (2000)** in his study "Micro Finance for poor in Rajasthan" by selecting 32 SHGs from Alwar, Udaipur, Jodhpur, Hanumangarh and Kota districts of Rajasthan and found out the following points. a) loans availed by women are spent on family needs where as men on economic activities yielding income. b) Saving capacity is more in male exclusive groups. c) there are three models of SHGs promotion- i) promoted by NGOs, ii) independently formed, iii) promoted by banks. d) groups promoted by NGOs are more dependent and groups organized by banks are more independent. e) good procedure of account keeping, maintenance of ledgers, regularity in meetings are observed. Decisions on loan disbursals are collectively done and all members abide by the decision taken.

SHGs formation has paved the way for empowerment of the poor in rural Rajasthan. The role of SHGs in the credit delivery is very important. It is serving dual purpose of bringing the poor together for self-support and enhancing their capacities to raise family incomes.
Kumaran, K.P. (2001) examined the important features of informal SHGs and their role in the socio-economic development of the rural poor. SHGs have demonstrated that they are very effective instruments for the socio-economic development of poor. His study examines the silent features, emergence and linkages of SHGs with other organizations, with the efforts of governmental and non-governmental agencies. SHGs try to sustain themselves with the limited internal resources generated by their members. His study mentions about banking rules and regulation which is streamlined to have better access of institutional credit to the poor. An integrated development of rural poor is the only possible, if Panchayati Raj institutions are linked with SHGs.

Kulkarni, Vijay D. (2001) says that "Empowerment of Women through Self-Help Groups" identifies that SHGs are an effective tool for the empowerment of women in the real sense. The viability, sustainability and empowerment depends to a large extent on the grassroots process rather than conceptually sound rationale. Women can be empowered not by an external agency but by themselves, through capacity building, to take up challenges and to question all types of exclusion and exploitation. Thus formation of SHGs is not the end in itself but the means to facilitate the process of empowerment."

Yelue and Sahool (2002) conducted a study on SHG and tribal women empowerment in Nanded District of Maharashtra. The study was carried out in five SHGs, comprising 20 members each, belonging to Dhangur, Wangani and Golla tribal communities in Nanded, Loha and Kandhar blocks. Most of the SHG members were involved in economic activities like goat-keeping, rearing poultry, collecting forest products, maintaining live-stock. The study found an increased awareness among the SHG women on literacy and continuing education, sanitation and health care, more freedom in mobility inside and outside village, financial and service support for self-employment, adoption of small family norm etc. Some of them have started working as Sanghatika and Saha Sanghatika which showed their leadership qualities, improvement in communication skill and building self-confidence.

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

**Gurulingaiah (2002)** his study "Role of NGO Empowerment of Tribal Women Karnataka" notes that the non-governmental organization organizes the SHGs for women as a means to address their felt needs and enable them to participate in planning and implementation of their own developmental programs. Women through these SHGs work on a range of issues such as health, nutrition, agriculture, forestry and social awareness besides income generation activities and seeking micro credit. The NGOs conduct social and health awareness campaigns to eliminate superstitious customs, attitude and thinking related to poverty and child birth which are blocking the progress of tribal women.

**Boraian (2003)** made an attempt to assess the process of empowerment of women through SHGs, promoted by eight NGOs, which received funds from a donor agency in Andhra Pradesh and Tamilnadu. The study observed that cash flow to the group and their families had increased, members had greater access to credit and their urgent as well as other needs were met with ease. The gatherings of women in SHG meeting are not merely meant for collection of savings, distribution of credit, and recovery of loan. It is much beyond all these; Self-Help Groups serve as a forum for human resource and social relations development too. This increased their exposure, awareness and knowledge about the external world. SHGs were seen to contribute to their overall personality development too. Alcoholism among the husbands is treated as their arch rival by the members of SHGs. The groups take active part in the proceedings of the Gram Sabha. An impact study of an NGO in Andhra Pradesh observed that it was men who wielded control over the resources of villages and other services. On the other hand, the SHG villages witnessed the curtailment of male monopoly. It is concluded that there is a steady reversal from subservience to self- dependence, from secondary citizenship to partnership, resulting in greater equity and gender balance.

**Kausalya Santhanam (2004)** in the study article "Advantage Women" points out that SHGs are transforming the face of Tamil Nadu and strengthening the
fabric of gender equity. Promotion of Leadership qualities developed through the SHG meetings has contributed 2,500 women presidents/members of rural and urban local bodies in the state.

Nirmala, V., Sham Bhat, K., and Buvaneswari, P (2004) in study SHGs for Poverty Alleviation in Pondicherry examine the determinants of earnings of rural women under SHG scheme in Pondicherry. It also surveys the benefits and problems experienced by them under the scheme. The findings showed majority of the respondents are engaged in non-farm activities, which were largely traditional and less remunerative in nature. The regression results revealed that nature of occupation, higher asset possession, and larger credit amount significantly reduced the respondent’s monthly earnings, while higher income of husband significantly raised it. The main benefits of SHGs were increased participation in social service and organized action, having received new skills or training and better access to credit facilities. Whereas, the major problems encountered by them in conducting their production activities were loans not received on time, difficulty in getting raw materials and labour and marketing problems.

Authors recommend that the respondents should be encouraged to venture into more diversified and remunerative activities which would raise their earnings and thus their savings too. They should also be strictly made to utilise the SHG credits for productive purposes alone. Further, training relating to the activity chosen by them should be imparted. Above all, the authors suggest that effective implementation of the scheme is necessary for poverty alleviation and empowerment of the rural poor women.

Chandramani (2005) in the study on self-help groups for empowerment of rural women revealed that women’s development is directly related to national development. The effective management and development of interest, skills, and other potentialities are of paramount importance. It could be well ascertained that women’s development could be achieved by empowerment which thereby enables women to be the agents of social change organizational behaviour is the key to women’s empowerment. Women’s organizations and groups provide them a platform to discuss helplessness in their own society. Involvement of women is essential in all stages of economic and social activities.
Rao, Sambasiva and Indira Kumari (2005) primarily focused on the impact of women Self-Help Groups on the social and economic empowerment of rural women in Andhra Pradesh. The primary data in the selected mandals of Krishna District is analysed. The study highlighted the positive influence of women Self-Help Groups on incremental income of the poor families and their increased awareness and participation levels. The study also delineated the factors and reasons which are impinging on the healthy growth of the movement.

Suguna (2006) conducted a study on “Empowerment of Rural Women through Self-Help Groups-An in-depth study of Self-Help Groups in Chittoor district of Andhra Pradesh”. A total sample of 300 beneficiaries had been selected for the study. The objectives of the study are to analyze the role of Self-Help Groups in the social, Economic and political empowerment of women, to assess the extent of awareness regarding the governmental programme, nature of participation of women in SHGs, and to examine and evaluate the specific problems of the beneficiaries with regard to saving, revolving fund productivity, marketing.

Sharma, Vikrant., Preeti Sharma (2014) observed that empowerment of women is a process in which the existing norms and culture are challenged by women to effectively promote their well being. Self Help Groups (SHGs) has impacted significantly on the women who participated in it, both in social and economical aspects. The study noted that women participation in Self Help Groups have obviously created tremendous impact upon the life pattern and style of poor women. They come together for the purpose of solving their common problems through self-help and mutual help. The results of the study revealed that the SHGs have had greater impact on economic, social and political aspects of the beneficiaries.

Jamal, Nagina et al (2015) observed that in recent times, women empowerment is a key challenge for communities in the world. For this challenge, various efforts have been made by public/private/non-governmental sectors. The study noted that Self-help groups (SHGs) have reportedly been contributing significantly to women empowerment in several countries including Pakistan. The present study is a case study of quantitative impact analysis of SHGs, A case study conducted in Gujranwala district, province of Punjab, Pakistan. Descriptive statistics demonstrate the significance of the SHGs while analysis shows that they have been contributing to improvement of women’s economic, social and psychological conditions in the district.
Saravanan, M (2016) noted that the Self Help Groups (SHGs) has impacted significantly on the women who participated in it for their empowerment. The SHGs have had greater impact on both economic and social aspects of the beneficiaries.

2.4 Measurement - Methodological study, Data validation

Rama Lakshmi (1998) found that the DWCRA groups take up traditional income generating activities like dairy, agriculture related activities like sericulture. Silk worm rearing and silk weaning, grafting of fruit plants, managing orchards, fish rearing, prawn processing crop production on leased lands managing tractors, litters and other agricultural equipment, sheep and goat rearing, small business, vending of agricultural production – flowers, fruits, vegetables, artisan activities like pottery, toy making, leather work, bakery products and she concluded that DWCRA groups evolve from consumption phase to income generation phase on a lower scale to income generation phase on a higher scale.

Vijayanthi, K.N., (2000) study "Women's Empowerment Through Self-Help Groups: A Participatory Approach" found that the level of awareness increased regarding the importance of environmental sanitation followed by awareness of activities of the "Control of Diarrhoeal Diseases through Water and Sanitation (COD WATSAN)" project. Awareness on diarrhoea control and management using home made fluids and awareness about child health also increased. Women became free from the clutches of moneylenders due to increased awareness. Decision making power of the women was measured based on 31 items. Under the project, women are sensitised about their existing situation, which has hindered their development. Group members ensured sustainability of groups and their activities through training the members on procedures and planning future plan of actions.

Rayavarapu and Ramakrishna (2001) evaluated the role of SHGs in meeting the credit needs of the rural poor in Andra Pradesh. The study found that there was wide diversity in the regional spread of the programme. when compared with IRDP beneficiaries, the SHG members scored better in respect of social empowerment and economic progress.

Puhazhendhi and Satyasai (2002) mentioned about the evaluation of Pre-SHG and Post-SHG groups. The average economic and social empowerment index was 40 during Pre-SHG situation and where it was increase to 65 during Post-SHG
situation. Thus the author finally indicated the impact of SHG was relatively pronounced on the social aspects than on the economic aspects.

Punithavathy Pandian and Eswaran, R (2002) in their article "Empowerment of Women Through Micro-Credit" by taking a sample of 100 women members from 191 SHGs, which are functioning in Sedapatti area of Madurai District, Tamil Nadu. The study observes that micro-credit has resulted in significant increase in income of women and it helps them in getting equal access and control over resources at the household level. SHGs helps the members to develop their capacity in areas of health, education, environment, legal rights, improving functional literacy and numeracy, better communication skills and better leadership skills.

The SHG members are socially empowered which can be observed through their equal status participation and power of decision making at the household level and also at the community and village level and participation in the decision making process in democratic institutions.

Micro-Credit provides the access to finance to the rural poor, without the burden of collateral through SHGs which has empowered the women folk economically and socially. Though the credit provided is micro in nature, it has produced macro changes in the lives of the women who received it.

Jalan, Bimal (2003) states on "Monetary and Credit Policy for the year 2003-04" views that micro credit institutions and SHGs have been recognised as important vehicles for generation of income and delivery of credit to self-employed persons. The Reserve Bank has been emphasizing on flow of bank credit to micro-enterprises in rural and semi-urban initiated in this regard and banks were advised to provide maximum support to SHGs. Further, in order to put in place a more vibrant micro-finance delivery environment, RBI had a wide-ranging interface with a cross-section of micro-finance providers. Pursuant to these interactions, four informal groups have been set up by RBI to look into various issues relating to: (i) structure and sustainability, (ii) funding; (iii) regulations and (iv) capacity building for micro finance delivery.

Bhagat, Rasheeda (2004) observes that Kalanjiam Foundation, a subsidiary of the Madurai-based OHAN (Development for Humane Action) Foundation, that has, through the micro finance route, transformed the lives of 2.1 lakh women in the villages of Tamil Nadu, Andhra Pradesh,
Karnataka and Pondicherry and has just entered the States of Rajasthan, Madhya Pradesh and Orissa.

It also reveals that micro finance as an instrument and not an end toward this goal. OHAN's primary focus is to make the community manage its own resources. The SHGs are called as Kalanjiams, which is the Tamil word for an earthen pot and denotes prosperity. There has been a sea change in the attitude of men towards women's groups and micro finance. The focus of OHAN from the beginning has been working with the poorest of the poor, and in this group women are more vulnerable. In the water conservation programmes, OHAN work with men groups. In families where there is alcohol addiction, Kalanjiam helps with de-addiction programmes. 80,000 of the 2.1 lakh Kalanjiam members are covered under both life and health insurance.

Shastri, R.V (2004) mentions that, although funding through the Self Help Group network is growing in India, there is a distinct regional disparity being witnessed. South India accounted for bulk of the SHG led financing system. South India accounts for 78 percent of the SHGs in operation and had credit exposure of over Rs.3,000 crore. Lending through the SHG route assumed significance as formal channel of lending only accounted for 40 percent of the credit flow into the rural hinterland.

The Hindu (2007) the success stories of many SHGs operating in the districts of Andhra Pradesh. A study conducted in the Guntur district of Andhra Pradesh indicated that 26, 086 self-help groups were organized in the district with the total membership of 2,80,860 lakh women. Out of them, 10,122 groups were absorbed in to DWCRA; they could save up to Rs.9 crore. Both group leader and members were provided with training in education, health, and family-welfare. They were also imparted training to produce items, which are in demand in the district.

Nair, Ajai (2008) in the study "Sustainability of Micro finance Self-Help Groups in India: Would Federating Help" points out that, the financial viability of SHG banking has not been clear. SHG federations attempt to provide financial viability and sustainability to SHG banking. The study explores the merits of federating and finds that SHG federations create economies of scale, reduce promotional and transaction costs, enable provision of value added services and increase empowerment of the poor.
Banerjee, Tanomyee (2009) in his study found that women income have been increased after joining SHGs. This resulted in increase in food as well as non-food expenditure and also resulted in increased monthly savings.

Bhatt, Ela R (2016) noted in her study that women are the key to rebuilding a community. After focusing on women’s economic empowerment she found that in every women there lies a worker, a provider, a caretaker, an educator, a networker and essentially a creator and preserver.

Jain, Devaki (2016) observes that data collection needs to be improved dramatically. Data collection systems have tended to see man as the principal bread winner of every household and women as supplementary bread winners or only dependents. Most standard employment questionnaires, and specifically the Indian questionnaire denotes the activity of each member of the households in a format such that domestic activities traps the female and excludes her, even if she is engaged in part time productive work.

2.5 The Concept of Micro Finance

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 to credit for self-employment. These often include savings, training, networking and peer support.

Micro-credit has been defined by the Reserve Bank of India as the “provision of thrift, credit and other financial services to the poor in rural and semi urban areas to enable them to raise their standards of living” several NGOs had taken up micro-credit as a central strategy.

NABARD in India suggested a working definition as “provision of thrift, credit and other financial services and products of very small amounts to the poor to enable them to raise their income and improve their living standards”. Fuelled by the world bank-sponsored micro-credit summits, the credibility of micro-credit has grown to the point where it is being hailed as the ultimate answer to remove poverty and underdevelopment. To its proponents, micro-credit has everything - participation, flexibility, community ownership and, best of all, women's empowerment. It is a band-aid solution to poverty,
an easy way of side-stepping structural issues and making the poor responsible for finding solutions to their own problems”.

Microfinance services are provided by three types of source.

- Formal institution, such as rural banks and cooperatives;
- Semiformal institution, such as non-government organization; and
- Informal source such as money lenders and shopkeepers.

Institutional microfinance is defined to include microfinance services provided by both formal and semiformal institutions. Microfinance institutions are defined as institution whose major business is the provision of microfinance services.

2.6 Self Help Groups

In India several microfinance institutions have been promoted for providing microfinance to the poor under various poverty alleviation programmes. Cooperative institutions, Regional Rural Banks and the rural branches of commercial banks have been providing credit to the poor through several schemes under the directives of the Government of India. Integrated Rural Development Programme (IRDP) has been the most comprehensive programme intended for improving the standard of living of the poor.

The above subsidized IRDP implemented through banking institutions, has not provided financial services to the poor in an effective, efficient and sustainable manner. This is because of several demerits in the planning process and implementation involving lengthy procedures for loan disbursements, high transaction costs and lack of supervision and monitoring. The new experiment in microfinance is a breakthrough which is able to demonstrate that it is possible for financial institutions to provide financial services to the poor in an effective, efficient and sustainable manner through Self-Help Groups.
2.6.1 Concept of SHG

The origin of SHGs goes back to early 1980’s. An experimental attempt was made in Bangladesh by Dr. Muhammad Yunas, former Professor of Economics, Chittagang University. He encouraged landless and marginalized women to undertake small trade with little loan given from his own asset at the beginning stage. This effort was turned into a grand success with a renovated approach to motivate the rural poor and disadvantaged women to inculcate banking habits through small savings and credit activities. At present it has attracted a global attention as “Bangladesh Grameen bank”.

The salient features of Bangladesh Grameen bank are as follows:

a. Provides credit to the poorest of the poor in rural Bangladesh without any collateral security.

b. Founded in Jobra, Bangladesh, in 1976. In 1983 it was transformed into a formal bank under a special law and is owned by the poor borrowers of the bank who are mostly women.

c. Borrowers from Grameen Bank own 94 percent of the equity/shares of the bank, the remaining 6 percent is owned by the government.

d. Repayment responsibility solely rest on the individual borrower. There is no form of joined liability. Groups members are not responsible for repayment of any defaulting member.

The total number of borrowers is 8.8 million of that 96.51 percent are women. It covers 81,392 villages. Balance of deposit of members stood at 118792 million BDT and cumulative loan disbursement at 1230183 million BDT (Bangla Desh Taka).

Self-Help Groups have emerged as a popular method of working with people in the recent years. This movement stems from the people's desire to meet their needs and determine their own destinies through the principle of “by the people, for the people and of the people”.

2.6.2 Emergence of Self-Help Groups in India

Principle of self-help should be the approach towards poverty alleviation. Others should help the poor to help themselves. It is felt that individual effort is too inadequate to improve their fate. This brings about the necessity for organizing them in a group by which they get the benefit of collective perception, collective decision-making and collective implementation of
programmes for common benefits. In India microfinance is not an entirely new activity. Banking institutions have been providing microfinance under various poverty eradication programmes. Co-operative institutions, the regional rural banks and the rural branches of commercial banks have been assisting the rural poor through credit under various development schemes.

There is a wide gap between the demand side and supply side with regard to the financing of poor by the formal credit structure in India. On the demand side perspective from the poor (micro finance), there is need for comprehensive banking services over and above credit. Thrift and access are equally important. Poor need credit at door steps. Credit needs are smaller, emergent, frequent and an amalgamation of consumption and productive purpose; poor women, if empowered can significantly contribute to family welfare. Whereas on the supply side perspective, policy makers and bureaucrats version is totally different like credit alone is the need of the poor; poor cannot save; only economically viable units can be supported; poor cannot repay consumption loans; poor cannot afford higher interest rates; cannot reach villages; woman is not the head of the family and she cannot manage credit properly.

This yawning gap between demand side and supply side stressed the urgent need for the emergence of Self Help Group Approach in India. An organized effort for the growth of SHG approach in India has emerged owing to the initiatives of NABARD since 1992 onwards with the sincere efforts of the NGOs in particular and the support of the government in general.

A Self-Help Group (SHG) is a small, economically homogeneous and cohesive group of rural poor voluntarily coming together.

Non-Governmental Organisation (NGO’s), social workers, health workers, village level workers, informal associations of local people, development oriented government departments, banks, bank personnel and other individuals (in their personal capacities) Farmers’ clubs under the Vikas Volunteer Vahini (VVV) programme of National Bank for Agriculture and Rural Development (NABARD) and other development institutions help in the formation of SHGs.

2.6.3 Self-Help Group Activity among the Community

As the first step the thrift and credit revolution through SHGs formation takes place, only a systematic and scientific approach could ensure the
sustainability of these institutions. It is very important that the NGOs or banks or community, while promoting the groups, carefully select the village and identify the poor who are to be brought together for group formation. The NGO or bank should also facilitate the emergence of group goals and objectives from within the group. The groups formed with the genuine purpose of self-help in the wake of felt needs have much better chances of success.

The Following factors have identified for having substantial impact on formation and sustainability of SHGs.

i. Felt need for group formation and identification with the objective of group formation.

ii. Some sort of ‘homogeneity’ among group members.

iii. Feeling of ‘solidarity’ among group members.

iv. Existence and evolution of byelaws/rules and regulations and their enforcement by members themselves.

v. ‘Participation’ of all members and democracy in group functioning.

vi. Quality of ‘leadership’ and procedure of selecting leaders.

vii. Substantial private net ‘benefits’ from collective action vis-à-vis individual action.

viii. ‘Transparency’ in operations and functioning of groups.

2.6.4 Target Population

Before fixing the target groups, there is a need to identify the groups by carrying out a survey with people's participation, their income, expenditure and various types of cash drains. Based on the survey, the target population may broadly comprise the following groups or sub groups.

People who are considered as socially ostracized such as;

1. Scheduled caste people  
2. Indigenous people
3. Refugees  
4. Displaced people

People who are considered economically downtrodden such as:

1. Agricultural labourers  
2. Marginal and small farmers
3. Non-farm wage earners  
4. Women
5. Unemployed  
6. Migrants

Any other disadvantageously placed groups like rickshaw pullers, coolies, poor fishermen, petty traders, porters and craftsmen.
2.6.5 Group Mobilization

The field workers of the NGO visit the village where more number of poor women live and collect the statistics regarding the poorest among the poor. These women are asked to gather at a particular place and the advantages of SHG is explained to them. To help in group formation and management, the person having serving mentality, writing abilities and who is trustworthy is chosen as an animator (leader/chief functionary) by the group. The person who is considered as poor on the basis of income, educational qualification, employment and property is given preference in membership. If more number of women are there in a village then groups with 20 members are formed. If there is only 10 members in that village, then groups with 10 members can be formed. Groups should not be formed with the objective of receiving government grants or bank loans. If so these groups will not function well. The groups formed with the genuine purpose of self-help will only succeed. After the formation of the group, the members select a name by which the group can be identified.

2.6.6 Nature of the Group

a) Members of the group should be from the same economic section.

b) The ideal number of members of the groups is 5 to 20.

c) Members should contribute regular thrift to form a pool for financing loan to the members. Repayment of loans should be made within 6 (six) months.

d) Members should frame rules and regulations of the group.

e) There should be regular meeting of the members and all the members should be associated in decision making.

f) All the records of the group including account books should be up-to-date.

g) The group should issue a pass book to every member regarding credit and loan.

h) The group should observe all norms of the cooperative form of the SHG depends on household resources such as, human capital and their physical capital. It develops the habit of thrift among the members.
The promoters give training and technical guidance to the groups so as to function efficiently. The members are given loans, they participate in community action and make investments in income generating activities which in turn will result in increased employment, income, saving and empowerment.

2.6.7 The SHG-Bank Linkage

The SHG-Bank linkage programme has its origins in a GTZ-sponsored project in Indonesia. Launched in 1992 in India, early results achieved by SHGs promoted by NGOs such as MYRADA, promoted NABARD to offer refinance to banks for collateral free loans to groups, progressively up to four times the level of the group’s savings/deposits. SHGs thus “linked” became micro-banks able to access funds from the formal banking system. The linkage permitted the reduction of transaction costs of banks through the externalization of costs of servicing individual loans and also ensuring their repayment through the peer pressure mechanism.

SHG-banking is a programme that helps to promote financial transaction between the formal rural banking system in India comprising of public and private sector commercial banks, regional rural banks and cooperative banks and the informal Self-Help Groups. SHGs usually start by making voluntary thrift on a regular-mostly fortnightly or monthly basis (contractual savings). They use this pooled resource (as quasi-equity) together with the external bank loan to provide interest-bearing loans to their members. Such loan provides additional liquidity or purchasing power for use in any of the borrower’s production, investment, or consumption activities.

The objectives of the SHG-bank linkage programme are:

1. To evolve supplementary credit strategies for meeting the credit needs of the poor by combining the flexibility, sensitivity and responsiveness of the informal credit system with the strength of technical and administrative capabilities and financial resource of the formal financial institutions.
2. To build mutual trust and confidence between the bankers and the rural poor.
3. To encourage banking activity, both on the thrift and credit sides, in a segment of the population that the formal financial institution usually find difficult to reach.
Different Models of Linkage

The three models of credit linkages of SHGs with banks are:

Model I: SHGs Formed and Financed by Banks.

In this model, banks themselves take up the work of forming and nurturing the group opening their savings accounts and providing them bank loans.

Model II: SHGs Formed by NGOs and Formal Agencies, but Directly Financed by Banks.

Here NGOs and formal agencies in the field of microfinance act only as facilitators in organizing, forming and nurturing of groups and train them in thrift and credit management. Banks give loans directly to these SHGs.

Model III: SHGs Financed by Banks Using NGOs and Other Agencies as Financial Intermediaries.

Here the NGOs take on the additional role of financial intermediation and are given bulk loan assistance which in turn is used for on-lending to the SHGs.

2.6.8 Interventions of Institutions Providing Micro-Credit

The institutions which are promoting, supporting and financing microfinance programmes in India are the NABARD and Rashtriya Mahila Kosh (RMK) and Small Industrial Development Bank of India (SIDBI).

a) National Bank for Agriculture and Rural Development (NABARD)

NABARD launched the bank-self-help group linkage programme on pilot basis in 1992. The bank linkage programme promoted by NABARD is oriented to reach the unreached, improve the quality of life of rural poor by high deposit, credit mobilization and recovery of loans. The loan amount is tied up with the savings of the members of SHGs for lending within the group in an informal manner.
Role of NABARD in Micro finance programme and policies is explained in the above chart. NABARD has been playing a vital and complementary role in providing financial services to the poor and also bank and non-bank services. NABARD is also involving institutions to take up the empowerment task, motivating partners, maintaining coordination with partners, giving technical support, Credit support and influencing Training and capacity building Coordination with partners.

The Bank has set up in head office Micro-Credit Innovations Department (MCID) in June 1998 with Micro- Credit Innovation Cells (MCIC) at all the regional offices of the national bank to meet the emerging challenges.

The national bank provides hundred per cent refinance to banks at an interest rate of 6.5 per cent per annum. Other support activities like capacity building of NGOs, SHGs, federation of NGOs or SHGs and other related institutions and training of bank staff by extending financial and faculty support. The national bank has developed Revolving Fund Assistance to finance SHGs, small NGOs, individuals and credit unions based on prescribed guidelines.

b) Rashtriya Mahila Kosh

The National Credit Fund for Women or Rashtriya Mahila Kosh (RMK) was constituted in March 1993 by the Government of India (GOI) and is registered as a society under the Societies Registration Act, 1860. The RMK aims to provide funds to NGOs forming SHGs for on-lending, purpose with the objective of improving the facilities of credit to women, which could be used as an instrument of socio-economic change and development.

The RMK was established with an initial corpus of Rs.310 million, contributed by the Department of Women and Child Welfare, Ministry of Human Resource Development, GOI and it was raised to Rupees 100 crores in 2009-10. As at the end of 2014-15, the cumulative sanctions and disbursements of the RMK stood at Rs 360.24 crores and Rs 302.38 crores respectively. Since from the establishment the institution has benefited 7,35,239 women.
b) Small Industrial Development Bank of India (SIDBI)

The Small Industrial Development Bank of India (SIDBI) was established in 1990 to serve as the principal financial institution for promotion and development of industry in the small scale sector.

The micro-credit scheme (MCS) was launched in 1994 for financially assisting the rural poor especially women through NGOs for taking up income generating activities at the micro-level. The rate of interstices 9 percent per annum and loan amount not exceeding 25000 Rs. Per member. Thrift and credit are encouraged.

SIDBI Foundation for Micro-Credit

Started in 1988 is rendering its services to raise the standard of living of the poor with focus on women by meeting their genuine needs. SIDBI extends financial support to NGOs for training interventions in the area of book keeping, accounts maintenance, selection of income generating activities and credit management.

2.6.9 Role of NGOs

The crucial role of NGOs is explained below in micro finance programme.

- Play a crucial role in formulation, linkage and stabilization of SHGs;
- Support services for village survey, identification of members, motivation to form groups;
- Capacity building intermediary for training of SHG members on book keeping, account maintenances and credit management.
- Guidance for taking of income generating activities.
- Facilitate democratic and transparent working.
- Facilitate working of SHGs on right track.
2.7 Research Gap

The survey of related studies on Women's empowerment through Self Help Groups and impact of SHG on empowerment of women are available, but most of the available studies are on SHG and its types, trends and concentrated on savings and credit impact of SHGs.

From the foregoing analysis, deprived status of women in India can be observed. Further, the need for empowerment of women is also observed. Women empowerment enables the development of the nation on the whole. There are several mechanisms for the empowerment of women. Government has provided certain safeguards and facilities through Constitution and enactment of various Acts for the uplift of the women. Non-governmental organizations are also striving for the empowerment of women. Self Help Groups approach is the programme that enables self-motivation of the poor women.

So many studies have been conducted so far to evaluate the impact of the Self Help Groups on the empowerment of women. It may be found from those studies that limited progress has been made in the empowerment of women and that there is a long way to go to remove long-held male dominated practices, attitudes, values, traditions and social, political and economic systems. Although the government has started so many developmental programmes for the empowerment of women, yet they have not achieved total emancipation.

The policies and programmes of the Government of India to assert women’s identity in social, economic and political scenario are not equally distributed in various parts of the country. There is a notable rural-urban disparity in the status of women. The educational, health and economic status or urban women in India is considerably better than that of their rural counterpart. There is a need to conduct a study to examine whether the impact of SHG on women empowerment is equally distributed in all the rural areas as there have been no studies specifically in this context so far. Thus, there is a gap in the earlier studies in this context. Therefore, the present study is taken up with the objective of filling that gap by assessing the impact of Self Help groups among different villages of Mandya district.

There are few studies on impact of SHGs on Women's empowerment are available in general and in particular few studies are available with respect to Economic Empowerment of Women through SHGs. It is hence suggested that a
detailed study has to be taken up on this subject with special focus on Mandya District.

2.8 Conclusion

After reviewing the literature, empirical data of different studies, it can be concluded that a contextual study for different time period will come out with new paradigm. Hence this study has been taken up.

The following gaps have been addressed in this study.

- Do SHG per se empower women?
- If so, what is underlying mechanism?
- Why SHGs focus on access to financial services?
- Can SHGs be a development intervention through community engagement?