CHAPTER – II
REVIEW OF LITERATURE

2. Introduction

The present study is planned with a view to examine the impact of Stree Shakthi Programme on empowerment of women in educational, economic, social, political, psychological and legal aspects. A broad review of literature is important for any of the research as it provides appropriate information to the benefit of researcher in scheming and examining research work. Since the early 1980s, a large number of studies have examined the several dimensions of micro finance programmes and women empowerment. Many organizations like Action-Aid, UK, CGAP (Consultative Group to Assist the Poorest) and Overseas Development Authority (ODA) have conducted various case studies and organized workshops in various countries. The workshops had looked mainly into the experience of different countries and the impact of micro finance programmes in a cross-cultural perspective. Other sources of information include published and unpublished materials. An attempt is made in this chapter to give a brief account of literature related to micro finance, empowerment of women and Self Help Groups under the following headings.

2.1 Studies on Micro finance and Women Empowerment
2.2 Studies on Characteristics of Self Help Groups
2.3 Studies on Effects of Self Help Groups
2.3.1 Studies on Economic Empowerment
2.3.2 Studies on Educational Empowerment
2.3.3 Studies on Social Empowerment
2.3.4 Studies on Political Empowerment
2.3.5 Studies on Psychological Empowerment
2.3.6 Studies on Legal Empowerment
2.1 Studies on Micro Finance and Women Empowerment

Isabelle and Palier (2005) Microfinance is an effective tool to fight against poverty and also promoting the empowerment of the most marginalized sections of the women population.

Sinha (2005) made a study on “Empowering women: A catalyst in social development”. He stated that Empowerment helps people to gain knowledge through raising awareness and taking decision in order to exercise greater control over their lives. In other words, empowerment simplifies changes and enables a person to do what one wants to do. These changes activate the psychological energy to accomplish one’s goals.

Manimekalai (2005) pointed out in her study entitled “Women and Management” that Empowerment is an essential and a continuing process for realizing the essence of liberation and freedom. Women’s empowerment includes with a personal strengthening and enhancement of life and collective participation in efforts to get equal opportunity and equity among different genders, cultural groups and social classes. It enhances human potential at individual and social levels of expressions.

Indira (2005) carries out a comparative analysis of two microfinance programmes in the district of Mysore (Karnataka) which differ according to their strategy and style of functioning. Both are state-led initiatives with the objective of women's empowerment: Mahila Samakhya (MS) is a quasi-central government programme and Sree Shakti (SS) has been initiated by the DWCDRA (Department of Women and Child Development in Rural Areas).

1 Guérin Isabelle and Jane Palier (ed) (2005), “Microfinance Challenges: Empowerment or Disempowerment of the Poor?” French Institute of Pondicherry, Pondicherry.
3 Manimekalai K (2005), “Women and Management” Third concept, pp.50&51
Whereas MS seeks the goal to create social awareness by SHGs and need space for women empowerment through transformation, SS addresses only the economic needs of the women by inculcating savings and credit groups. Her study shows that the participation of women in local government organizations helps to engender governance at the grassroots level (which is understood as a positive social externality). The results are systematically more positive in the case of the Mahila Samakhya program. She also points out several negative externalities tension between men and women at the household and community level, limited reduction of the dependence on moneylenders, interference by political parties to influence the Anganwadi teachers in the Shri Shakthi program. According to her combination of awareness and raising of micro credit is needed as it will lead to enlightened self interest making members come together and actively participate in Self Help Groups.

Isabelle and Palier (2005)\(^5\) in their book titled Micro Credit, Poverty, and Empowerment emphasizes that linking micro credit with empowerment has established effective programs in alleviating poverty. They have suggested framework for poverty alleviation and empowerment, joining them together to draw their links with micro credit. This framework uses in analysis can serve as a basis for planning micro credit programmes that are more sensitive to poor women. According to them microfinance is often presented as a tool to fight against poverty. It is also a means of promoting the empowerment of the most marginalized sections of the population, especially women.

Lennart (2005)\(^6\) discusses that India has taken numerous initiatives’ to reduce poverty, leading to the progress made over the last decades. But the country still faces major challenges to reduce poverty on a large scale. Millions of rural poor women continued to suffer extreme poverty, greater vulnerability and worse social status than others. Targeting rural poverty, particularly among

\(^{5}\) Guérin Isabelle and Jane Palier (ed) (2005), “Microfinance Challenges: Empowerment or Disempowerment of the Poor?”, French Institute of Pondicherry, Pondicherry

SC, ST and women, will better enable India to reach its full development potential in a sustainable manner.

**Narayan (2005)** Empowerment generally refers to the development of freedom of choice and action to shape one’s life. It implies control over resources and decisions. It is the growth of assets and competencies of poor people to participate in, negotiate with influence, control, and grasp accountable institutions that affect their lives. The local terms associated with empowerment include self-strength, control, self-power, self-reliance, own choice, life of dignity in accordance with one’s values, capacity to fight for one’s rights, independence, own decision-making, being free, awakening, capability, etc.

**Smita (2006)** pointed out that the concept of Self Help Group is the small groups of women formed into a group and these members save money during who require funds to start small businesses or for emergencies. The results of these SHGs are promising and proving an effective method to reduce poverty which makes women to contribute in the Indian economy. It helps to change the lives of many Indian poor women. Group Power has been found to be a patent force in giving collective empowerment and voice to the poor women in rural areas, but has not necessarily empowered them beyond the confines of patriarchy.

**Sumathy and Nagendran (2007)** made a conceptual study on “Women Empowerment- Ethics and Logics”, stated that women manages the busy world today by sharing time with group, appreciation, knowledge and ideas, friendship, kindness and experience. Their success is mainly because of their ability to relax enthusiastically, listen deeply, feel sympathetically, respond carefully, harmonize co-operatively, act authentically and acknowledge generously. These are the things which are the essence of women empowerment.

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Karunakar and Saravanan (2008)\textsuperscript{10} conducted a study entitled “Impact of micro finance on SHGs in Tamilnadu” found that micro finance is familiar as a key system for issues related to poverty alleviation and women empowerment. Access to financial service and the consequent transfer of financial resources to poor women enable them to become economic interventions of change. The women become automatically economic self-reliant, contribute directly to the well-being of their families, play a more active role in decision making and are able to control systematic gender inequalities.

Verma (2008)\textsuperscript{11} in his article concludes that microfinance is estimated to play an important role in poverty alleviation and rural women development. Microfinance in recent years become one of the more premising ways to use score development funds to achieve the objectives of poverty alleviation further he stated that certain microfinance programs have gained importance in the development field and beyond. The ultimate aim is to attain social and economic empowerment. These microfinance institutions have had a major impact on improving the standard of living of millions of poor people as well as in promoting their economic growth. Thus microfinance has become one of the most effective intermediations for economic empowerment of the poor.

Nabiha Sayed (2009)\textsuperscript{12} analyses the basic structure of Grameen Bank’s group-lending model through an examination of its general beliefs, eligibility requirements, and services offered. In understanding this methodology, the author turns to adjustments made by Grameen Bank’s international replications. The study focuses on the Kashif Foundation, one of the most successful microcredit institutions in Pakistan, and both the environmental differences as well as the subsequent institutional changes in the reproduction process. After clarifying the discriminations of each model, the concepts of "success" and

\textsuperscript{11} Verma, Renu (2008), ”Microfinance and Empowerment of Rural Women”, Kurukshetra, Pp.3-5.
"empowerment" are critically examined to understand the aims of different replicating models. The study concludes with a view of success as something more than mere market dissemination, as well as endorsements for how business strategies such as marketing and branding can be useful in attractive outreach.

**Sangeeta (2009)**<sup>13</sup> in her study exposes that micro finance has to associate with other activities for reducing poverty. End results are better when micro finance is combined with an overall development programme. She comments that when micro finance is part of a programme which has a broader objective of developing livelihood activities; it positively reinforces empowerment of women. She concludes her paper with a note that micro finance activity is an integrated approach which aims at comprehensive growth and constructing incomes of vast majority and achieved through equality of opportunity in terms of all the aspects.

**Rao and Jitendra (2009)**<sup>14</sup> in his article – “Rural women empowerment through microfinance", concluded that small credit and savings loan can make good business sense between the rural poor women. It has been pointed that women in particular stand to gain a more knowledge and sources from microfinance because it provides them independent means of generating income, wealth and becoming self-reliant in a society but it does not offer them much more scope for entrepreneurship.

**Chandrashekhar (2009)**<sup>15</sup> A study on South Asian Poverty Alleviation Programme (ASAP) in the state of Andhra Pradesh in India have faith in and functions on the three dimensions of women empowerment i.e. power to, power with and power within. The power to dimension of empowerment designed the

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power of women to control their lives. This contains power to persist, control over their labour, and access to family labour, access to control over resources, liberty to move and interact with each, admittance to leadership positions, control over reproduction and control over body. The power with approach indicates the collective power of women members to negotiate their gender, caste, class and other welfares of different institutions of the market, the state and the community. This includes collective interventions in the institution of family, community, market institutions and the state, including statutory local bodies. Power within indicates the strategic gender awareness – at the individual level that the ability of the women to challenge gender related attitudes and social norms in their own personal lives.

Sylvie Bossoutrot (2010)\(^{16}\) says, in her study, in Russia, micro finance has emerged as an instrument to give support to start self-employment and small-scale entrepreneurship mainly in trade and services, which developed in response to the transition and collapse of large state-owned enterprises of the early 1990s. While micro finance in the developing world emerged to report the needs of largely illiterate and semiskilled workforces, in Russia as in neighboring transition countries, it has been emerged as a transmission to support a well-educated class of new poor who turned to self-employment out of requirement.

Rajendra and Raya (2010)\(^{17}\) he has reported that the micro finance through SHG has brought higher psychological and social empowerment than economic empowerment. The study reveals that there is a definite improvement of managerial skills, psychological wellbeing and social empowerment among rural women as a result of participating in SHG linkage programme in Tamil Nadu.


Sriram (2010) critically examines microfinance movement in India. He says it has become a fairy account turned into dreadful. According to him it was inevitable that the commercial model of microfinance in India, with its discreet and standardized model of lending, would grow into a bubble and run into trouble. Many microfinance commercial organizations have entered into market in seeking of profits and are competing to lend to the poor. In the process they have put the "understanding" of the needs of the poor aside and have started chasing targets and numbers. For these institutions, the poor are not seen as human beings having individual identities and needs. Instead they are seen as data points that add up in their profit statements. The anxiety for growth is dictated by the fact that the investors in the market-based models are impatient and look for high returns and then exit.

Chandrashekhar and Shrinivasan (2010) in their study state that micro finance can be a powerful instrument that initiates a cyclical process of growth and development. Microfinance activity improved access of rural poor to financial services both savings and credit. Increased access signifies overcoming isolation of rural women in terms of their access to financial services and denial of credit due to absence of collateral.

Rautela et al., (2011) in their study - "Microfinance - A New mantra for rural development", concluded that microfinance is a powerful for poverty alleviation and development. In order to declare microfinance success in India, not only do millions of more people need to be reached but those services must have a transformational impact on their lives. For that considerable work and continuous efforts are needed to diversity the service of funding for microfinance to attract more foreign investments for well-established microfinance institutions (MFIs), to use all the possible channels to serve more rural and urban poor, to

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develop its staff as more productive and professional to make it more poverty-focused and profitable. Microfinance services can not only solve their own poverty, but can also serve as a complementary tool within a broader strategy to reduce poverty. In reality, poor people need access to many more financial services than just micro-credit, including a range of micro savings and insurance products these services can protect poor people from the impact of unforeseen crisis and emergencies in their household or micro-business, from falling yet further into debt and enable poor household to plan and manage their limited resource more effectively to meet their basic needs. The powerful push behind this huge and increasing support for microfinance indicated that national economic and social impacts are significant and its needs to be examined more closely.

Emerlson Moses (2011)\textsuperscript{21} in his research paper of economics reported that Jawaharlal Nehru said "you can tell the condition of the nation by looking at the status of women", empowerment of women has emerged as an important issues in our country. In India the further reported that nearly half of the population consists of women. In India their work participation rate is less than half that of men. The role of women in the development of nation is very important nowadays. SHG helps the women in uplifting their living conditions and also encompass the social, economic, educational level to improve their empowerment level. The component of empowerment of women are access to economic resources, participation in economic decision making, opportunities for self-development, participation in socio-political decision making, scope for skill development and impact on general welfare of the family and community.

Sriram (2012)\textsuperscript{22} Indian Micro finance has become of age from the early steps taken in the later part of the decade 1990s. While the root of micro finance is usually traced to the establishment of the Shri Mahila Sewa Sahakari Bank


(popularly known as Sewa Bank) in 1974, the growth picked up only in this century. Mysore Resettlement and Development Agency (MYRADA) were seen as one of the early innovators of the concept of Self Help Groups (SHG). It was only National Bank of Agriculture and Rural Development (NABARD) which saw the merits in this model of micro finance that it was accepted as a predominant model of achieving financial inclusion by government agencies.

Hasan Jamil (2012)\textsuperscript{23} analyses Microfinance in Jordan which was started in the mid of 1990s, and is characterized by the presence of both market-oriented and subsidized credit providers. The Achievement of Market friendly Initiatives and Results Program (AMIR) plays a foremost role in supporting a sustainable microfinance environment. AMIR program has provided funding, technical assistance, advocacy, and engaged in wider economic development activities as well as possible. The approved budget for the program over the years exceeded $70 million, with over $10 million specifically allocated to micro entrepreneur support. Other bilateral and multilateral organizations have been active participate in this sector, including IFAD (International Fund for Agriculture Development) that has also provided funding for NGOs and government providers for agricultural loans.

Laxmi (2013)\textsuperscript{24} the majority of Micro Finance Institutions (MFIs) lend only to women because as it is believed that women are destitute both socially and economically. It could be possible that women are chosen for these loans because of their non-migratory behavior or for they being perceived as more family oriented and responsible compared to their male counterparts. Additionally, since micro finance requires attendance in weekly meetings, institutions trust women more than men as they are likely to be more disciplined. Then the question arises that if these are the reason for selecting women for loan disbursements, it is even more important to ask if providing loans to the poor


women is resulting in women empowerment as suggested and followed by several MFIs in their mission statements.

2.2 Studies on Meaning and Characteristics of Self Help Groups

Abhaskumar Jha (2000)\textsuperscript{25} in his study entitled “Lending to the poor: Designs for credit” and stated that SHG is a small economically homogeneous affinity group of the rural poor voluntarily coming together to save small amounts regularly, which are deposited in a common fund to meet members’ emergency needs and to provide collateral free loans decided by the group.

Jha (2001)\textsuperscript{26} microfinance provides credit access to poor without collateral obligations. It encourages savings and promotes income-generating activities. Loans have provided depends on all market rates of interest and peer pressure is used in repayment. It is carried out through self-help groups, where poor come together in the range of 10-20 by weekly, fortnightly and monthly meetings through their savings and loaning. It is hoped that through such interventions yet uncovered groups are covered with credit and savings to get empowerment.

Archana Sinha (2002)\textsuperscript{27} revealed that SHGs collect small amount of money as deposits from their members and lend to the poor needy members for production and consumption purposes and also for subsistence needs. She stated that groups generate a common fund where each member contributes their savings on a regular interval basis. Groups meet periodically to discuss their transactions, loans are decided by consent. Loans cover a variety of purpose including traditional and non-traditional also. Loan amounts are small and for short duration, loan procedure is very simple and fertile, defaults are negligible and groups are mobilizing savings from their members and are effectively rotating the same among their members.


Rao (2002)\textsuperscript{28} examined empowerment of farm women through dairy cooperation in Andhara Pradesh and stated that to meet the needs of the members, self-help promoting institutions collect the deposits from their members and provided to the wanted members for production and also for subsistence purposes. SHG itself with the help of NGO make assessment of individual credit needs of its members and submits to the bank for sanction of collective loans in its name. NGO helps the SHG in procuring raw material and also marketing of their produced products. SHG collectively ensure repayment of bank loans at regular interval. Entire loan amount has been disbursed to SHGs is refinanced by NABARD to the financing bank.

Lalitha (2004)\textsuperscript{29} observed from her study entitled “Women thrift and credit groups-Breaking the barriers at the grass roots” that the basic principles of the SHGs are group approach, mutual trust, organization of small and manageable groups, group cohesiveness, spirit of thrift, demand based lending, collateral free, women friendly loan, peer group pressure in repayment, skill training, capacity building and empowerment.

Reddy (2005)\textsuperscript{30} in his work, "self-help groups : A key stone of microfinance in India, analyze that microfinance has evolved over the past quarter century across India into various operating forms and to varying degree of soccer. One such form of micro finance has been the development of the self-help groups movement based on the concept of "Self Help", small groups of women have formed into groups and operate a saving first business model whereby the members savings are used to fund loans. The results from these self-help groups (SHGs) are promising and have become a focus of inters examination as it is proving to be an effective method of poverty reduction.


Stepen and Seilan (2005)\textsuperscript{31} pointed out in their study “SHGs and Microfinance creating linkages with banks” that SHG is a voluntary association of poor people, preferably from the same socio-economic background. They come together for the purpose of solving their common problems through self-help and mutual help. The concept aims at empowering women and thus uplifting their families above the poverty line.

J.B. More (2008)\textsuperscript{32} in his article - SHG - The way of eradication of poverty interpret that India is a country of villages. Hence the beginning of the development of India should be started from the rural impeach. Though India is developing towards mighty power 25 percent of people of the country are below poverty line. In the same way, women are efficient in rural area and they are busy on household only. Some of them are doing full work, looking after the cattle and cleaning etc. The rural women have the limitations due to the different reasons such as less education, lack of technical and skill based knowledge and man dominated culture that's why they could not participated in the development of the rural area. Swarnjayanti Gram Swarozgar Yojana (SGSY) was started on 15th April 1999 by the Govt. of India, in which self-help groups were established to participate in rural development. This programmes, persons of the same thoughts i.e. minimum 10 and maximum 20 come together and form the self-help groups, enthusiastically to work for self-employment and eradicate their poverty, self-help group movement was started in Maharashtra to increase income of families which are below the poverty line, to solve the finance problem of the women in rural area to have develop rural area by taking the functional support of women.

Kamble and Sonar (2006)\textsuperscript{33} in his work, "The Role of SHGs in Women Empowerment study on selected SHGs promoted by voluntary organization in

Gulbarga District of Karnataka” studies that the role of socio-economic empowerment of women. The socio-economic conditions of the SHG women are increasing to a significant level irrespective of different backgrounds. Earlier they used to be home and not exposed to the society and were part of the system. Now they can come out and approach the government machinery, conduct meeting, to signature and more importantly have a good amount of money in their hand. SHGs are mostly focused from financial aspects rather social one this trend is more in the SHGs promoted under government programme. The fact that self-help groups, are increasingly attracting younger generation, this generation not only needs social and economic empowerment but also assertive capacity, freedom from outrages and a new self-image to claim themselves as fully human.

IIPO Economic Intelligence Unit (2010)\textsuperscript{34} in its studied "self-help groups (SHG): means of women empowerment", conclude that growth of SHGs are essential for the member as they ensure better standards of living and their by the individual, family and social empowerment. Hence the social empowerment by the SHG members is moderate. Empowering women is pre-requisite for creating a good nation whom has been empowered, society with stability assumed. It is essential as their thoughts and their value system lead the development of a good family, good society and ultimately a good nation. In spite of various constitutional safeguards and legislative measures as well as numbers of programmes and policies initiated by the government for the betterment of women but no significant development yet to be took place in the socio economic empowerment of women.

Bhuvaneshwaran (2006)\textsuperscript{35} observed from his research on “Role of NGOs in Self Help Groups” he has found that SHGs are self-managed groups of poor men and women primarily came into existence to mobilize financial resources through own savings and revolve the same to meet the personal and


family credit needs to these members. His study concluded that each SHGs has a unique system of organizing and managing its own finance and operate as an independent family business, self-employment institution.

**Gangaiah and Vasudevulu (2006)**\(^{36}\) conducted a case study entitled “Impact of Self Help Groups on income and Employment” and found that SHG is an informal association of women, who have voluntarily come together for the business of saving and credit and to enhance the member’s financial security as primary focus and other common interests of members such as area development, self, health and social awareness, motivation, leadership, training and associating in other social intermediation programmes for the benefit of the entire community.

**Chiranjeevi (2003)**\(^{37}\) conducted a study on empowering women through SHG and found that mobilization of thrift improving saving habit among members had developed self-discipline. In the opinion of ninety percent of the respondents it had empowered women and the saving of the groups had helped for their economic prosperity. He concluded that women have developed abundant self-confidence and self-esteem through SHGs movement. Not only economic poverty but also social and gender issues can be tackled effectively through this process.

**Sarangi (2003)**\(^{38}\) stated from his research on “Self Help Groups” that women led SHGs in many parts of the country have achieved success in bringing the women to the majority of decision making. SHGs have also an available organized setup to disburse micro credit to the rural women and encourage them to enter into entrepreneurial activities. Women lead self-help groups in village of Purushottampur block of Ganjam district of Orissa state have successfully

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demonstrated how to mobilize and manage thrift and savings, appraise credit
needs, maintain linkage with the banks and enforce financial self-discipline.

**Muralidaran and Kamaraj (2004)** made a conceptual study entitled
“Empowerment of Rural women through SHGs” and depicted that SHG can be
defined as supportive, educational, usually change oriented mutual aid group that
addresses a life problems or condition commonly shared by all members. SHG is
a viable organized set up to disburse micro credit to the rural women for the
purpose of making them enterprising women and encouraging them to enter into
entrepreneurial activities. SHG help members to fulfill their credit needs. It has
successfully demonstrated how to mobilize and manage thrift, appraise credit
needs, maintain linkage with the banks and enforces financial self-discipline.

**SunderRaj (2004)** described in his study on “SHGs and Women’s
Empowerment” that Self-help groups are the self-managed groups of women
who have come together to promote savings among themselves as well as pool
savings for activities benefiting either individuals or communities economically.
It primarily deals with economic resources, which in turn empower people
through the values of equality, participation in family as well as group decision
making, accountability and transparency in maintain group etc.,

**Somasekhar and Bapuji (2005)** who have conducted a study on “the
Empowerment of Women through SHGs: the Case study of DWCRA in Andhra
Pradesh”, argue that SHGs have proved themselves to be a better source of credit
to the poor women for diverse purposes. They are formed as micro-credit
network for promoting the socio-economic betterment of women in capacity
building, micro entrepreneurship, and collective participation with the ultimate
aim of empowering the poor women in different spheres of lives. According to

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41 Somasekhar, K. & M.Bapuji (2005), “Empowerment of women through SHGs: The case of
DWCRA in AP” (ed.) C.Narasimha Rao, Rural Development In India-A Multi- Disciplinary
Analysis, New Delhi: Serials Publications.
them, the participation of rural poor women in SHGs has not only enabled these women to meet their credit needs, but also resulted in general awareness, capacity building, self-confidence and courage which can be translated into empowerment. They also point out that the SHGs have improved the socio-economic conditions of the women to a large extent. As a result they have gained control over their labour and economic resources, reproductive choice, freedom to move and interact with others, improvement in leadership quality, etc.

**Ramachandran and Seilan (2005)**\(^{42}\) depicted from their study on “Socio-economic Empowerment and Self-help Groups” that the SHGs provide credit and also empower women socially and economically. They encourage women to participate in decision making in the household, community and local democratic sector and prepare women to take up leadership positions in their family, group and society.

**Karunakar and Saravanan (2008)**\(^{43}\) studied about “Impact of micro finance on SHGs in Tamil nadu” and observed that the phenomenal growth of SHGs indicates that weaker sections of the society are also capable to sharpen their micro entrepreneurial skills with the help of their own savings and additional bank credit as and when they needed. In the most parts of the nation SHGs have achieved success in bringing the women in mainstream of decision making. SHGs are also viable organized setup to disburse micro credit to the needy entrepreneur women and encouraging their promotion of poverty alleviation activities.

### 2.3 Studies on Effects of Self Help Group

**Venkatesh and Kala (2000)**\(^{44}\) in his work Self-help groups: A Tool to boost up women Empowerment - The self-help group model has been identified

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\(^{42}\) Dr. T.Ramachandran and A.Seilan (2005), “Socio-economic Empowerment and Self-help Groups” Social Welfare, Vol 52, No.6, Pp. 3-4


as a potential pathway to alleviating poverty. The number of poor women and men who are enrolling in SHGs all over rural India has been increasing remarkably. They are not only active in thrift and credit management but are also taking up their activities, such as natural resource management and development, literacy, knowledge management, health and nutritional security etc. SHGs lay the foundation for self-reliance through building up of institutions, which have the capacity to generate employment opportunities and economic growth for the rural poor.

Archana Gupta (2001) explored that SHGs as an innovative tool in financing the poor and found that small savings by rural women can generate the require resources which can aid the people away from the exploitation of money lenders. She reported that SHGs performs a number of functions such as enabling members to become self-dependent and self-reliant, providing forum for members for discussing their socio-economic problems, developing decision making ability and leadership qualities between members and equipping them with the basic skill required for understanding monetary as well as bank transaction. She concluded that SHGs aim at providing awareness among the poor about the ongoing socio-economic development programmes. The poor should know how best to use existing government programmes and also the legal provisions meant for the disadvantaged sections of the rural communities.

Bairagi and Ghorpade (2008) in his paper "Self-help group - A Microfinance: Emerging horizon", stated that the microfinance is the important source of rural poor and enriching mechanism to their socio-economic development. SHG is one of the important agencies providing microfinance to the poorest in the society. The objectives of SHG are not only to provide finance to poor but also to promote the habit of saving to build mutual confidence and improve communication among the people living at same places or villages.

Formation of SHG will encourage the rural and urban poor to uplift their socio-economic development. There should be a positive role of NGO and strict regulation about administration of SHG. Thus systemic management of SHG will help to remove poverty of rural women.

**Giresh Moha et al., (2009)**\(^{47}\) in his paper, “Women's self-help groups and microfinance”, studied that the formed SHG helped the rural womenfolk in improving their socio-economic status as well as awareness and independent nature. It was more crucial for women of tribal communities for nourishment of their family. The biggest concern was that the groups are more of credit management nature and the meetings were mostly limited to collection of monthly saving and discussion of loans. It is essentials to guide the other family members of the women members about importance of SHG and microfinance so that they support the group. Excess dependency on office bearers or NGO worker needs to be curbed and every member should be made about their responsibilities and duties within the group. Absence in meetings and delay in submission of monthly savings and repayment of loan can be best attached by building suitable peer and group pressure if bank loan is provided at right time. Other activities done at right time and ensuring that the women members become more self-dependent leads to sustainability of the groups and can ensure the alleviation of rural poverty in the longer run.

### 2.3.1 Studies on Economic Empowerment

**Manimekalai and Rajeswari (2000)**\(^ {48}\) in their study "Empowerment of women through self-help groups", analysed women self-help group formed by the non-Governmental organizations in the rural area of Tiruchirappali District for the purpose of promoting rural women through self-employment. The Non-Government Organization namely, Society for Education and Village Action and Empowerment (SEVAE) has been working in 362 villages and

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helping a total of one lakh women beneficiaries consisting of different avenues of self-employment like petty businesses, family business processing, production and marketing of product and services.

**Punithavathy and Eswaran (2002)** conducted research on “Empowerment of women through micro-credit” and stated that economic empowerment is the preliminary aspect of women development. The economic empowerment means greater access to financial resources inside and outside the household, reducing vulnerability of poor women to crisis situations like famine, flood, riots death and accidents in the family and significant increase in women’s own income. Economic empowerment gives power to retain income and provides equal access to control over other sources of the household level. Financial self-reliance of women both in household and in the external environment lead to make women as empowered in other spheres. Micro-credit has resulted in equal access and control over resources at the household level.

**Gurumoorthy (2002)** in his work "SHGs Economic Empowerment through self-reliance", studied the micro credit funding agencies and the amount sanctioned by them out of the 27000 self-help groups in Tamil Nadu, 54000 are linked with banks and the banks advance credit to them to the extent of Rs. 9 crores. In this view, self-help groups have the power to create a socio economic revolution in the rural area of the country. In this opinion, members of self-help groups must be prepared to undertake entrepreneurial activities at a smaller level with minimum capital requirements.

**Nashi (2004)** conducted a study on Stree Shakti programmes launched by the Women and Child Welfare Department of the state of Karnataka in October 2000. This study reveals that the Stree Shakti programme for women

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provided economic strength and most of them have a voice in their homes, their work place and the community. As women become major economic contributors or equal to men in economic terms, their own men folk, and society at large, change their attitudes towards them and are forced to involve them in the decision-making process. According to him, in most parts of Belgaum district, the men in the villages are extremely supportive to the work taken up by their women folk. The best thing about the Stree Shakti programme is that it is a ‘win-win’ situation for everybody involved – the Karnataka government, the rural women, and NGOs as it builds a self-sustaining cycle of growth for all the parties concerned.

Debotosh Sinha (2005)\(^{52}\) observed in his study on “Empowering Women: A catalyst in Social development” that education is one of the important indicators of women empowerment. The fact is that women though largely absent from the formal workplace and hence from official labour statistics are nevertheless heavily engaged in subsistence agricultural and informal sector of economy. There is a constant effort to put women’s income in bracket in order to consolidate the position that women are only reproducers and not producers. This idea needs to be changed. Women’s economic right is definitely an important indicator for enhancement of their status. So, women’s labour needs to be recognized. Education, more employment avenues, political awareness would all lead to women’s economic emancipation.

Raghav Gaiha (2006)\(^{53}\) assessed the benefit of micro finance through SHG and examined that savings mobilization through SHGs was highly effective in a context of exposure of rural households to a range of idiosyncratic and covariant risks, and ineffectiveness of informal social networks in protecting them against such risks. More significantly, using different methods and data sources, various dimensions of empowerment were confirmed. Some of the


mechanisms involved in it were identified and assessed. In conclusion, to confine impact assessment of microfinance to conventional economic criteria of rates of return, and financial sustainability of MFIs would not be just narrow but misleading as well. The benefits through women’s empowerment are substantial and reinforce the case for microfinance through SHGs on both equity and efficiency considerations.

Reddy (2008)\(^{54}\) conducted an empirical study on Poverty reduction and Women Empowerment: Role of SHG federations in Urban areas in Hyderabad and concluded that efforts under the promotion of the SHG urban movement have worked to improve the lives of poor women by enhancing their ability to bargain, manage their own institutions independently and gain access to better livelihood opportunities. This in turn, has increased their financial security and in so doing, has enabled many women to come out of poverty creating stability not only in their own lives but also for those within their communities. However in overall, the SHG movement is attempting to reduce poverty levels in urban areas by relies on three major principles like self-help, mutual benefit and self-reliance.

Supriya (2008)\(^{55}\) conducted a study on “Impact of Lending to Women on Household Vulnerability and Women’s Empowerment: Evidence from India” and found that impact evaluation studies routinely find that lending to women benefits their households. However, this may not empower women concerned. This seemingly inconsistent conclusion found by her study with respect to a lending program in rural India. She investigates this result by examining a combination of loan-use data and borrower-testimonials. She found that loans procured by women are distributed into enhancing household’s assets and incomes. It conclude that woman’s lack of co-ownership of family’s productive assets results shows her disempowerment. If empowering women is


a crucial objective, then the male-controlled grasp on productive assets must be challenged.

**Ranjula and Varghese (2009)**\(^56\) evaluated the effect of Self-help Group participation on a long-term impact parameter, namely, asset creation. Indian Self-help Groups (SHGs) are unique in its nature and are mainly NGO formed microfinance groups but later funded by commercial banks and other banks. The results reveal that longer membership in SHGs positively impacts asset creation, robust to various asset specifications. With longer participation in SHGs, members move away from pure agriculture as an income source toward other sources such as livestock income. Training by NGOs positively impacts asset creation but the type of SHG linkage has no effect.

### 2.3.2 Studies on Educational Empowerment

**Lakshmikandan (2000)**\(^57\), in his study titled "Self-help groups in the life of Rural poor - A case study", stated that most of the membership of the self-help groups consisted of small landholders and agricultural labourers out of the 74 self-help studied, 57 were women groups and 17 were men groups. The strength varied from ten to twenty and weighed heavily towards the larger figure. Among all the self-help groups, only 11 were sanctioned loans successfully from the lead bank and the amount varied from Rs. 20,000 to Rs. 30,000. He is of the opinion that facilities for entrepreneurial development are available within the group only at the micro level not at macro level when compared to the large basic functions like market study, providing resources, general production management and marketing management. The literacy rate of the member of some self-help groups has improved from 5 percent to 90 percent he stated.

**Ramanujam and Thenmozhi (2006)**\(^58\) stated that Education is a major source of power for women and they should be given proper education which


develops the personality of women exposing them to the word of books, peers, teachers and public at large. It is being increasingly felt that empowerment of women will enable a greater degree of self-confidence, a sense of individuality and competence to resist discrimination forced by the male dominated society.

Srivastava (2006) explored a study on Community mobilization, Gender equality and resource mobilization in adult education that despite an overall improvement in the educational situation of girls and women in India, there are considerable gender inequalities in education are found. In the last decade, the Government of India introduced the campaign approach to tackle the problem of widespread illiteracy among women and other socio-economically disadvantaged groups in collaboration with the wider support of civil society. This paper attempts to understand the efforts of Bharat Gyan Vigyan Samiti (BGVS), a voluntary organization supported by the People's Science Movement, for women's empowerment through its innovative approach to large-scale community mobilization and organization at the grassroots. It shows both the potential and limitations of the BGVS in sustaining the process of empowerment among poor and vulnerable women in the state-sponsored literacy campaigns and challenges in linking literacy with livelihoods issues, development and democracy in the context of limited state support and resources.

Rao (2007) his study revealed that the socio-economic and demographic background of women is needed to be developed, in order to improve their family standards. To improve the family standards, more enrollments of girls in schools must be ensured. This will improve their educational background. Efforts should be made by the municipalites and the NGOs to control the school drop-outs among the girls.

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Matheswaran (2008) explored in his study “Women Empowerment for Sustainable Development through Self-help Group Movement in Tamilnadu” that the emergence of self-help group to seek economic independence for every woman is a wanted change and everyone has been given assistance and guidance. Self-help group is bound to make not only a sea change in empowering women but also tap the previous unused powers of women for development of the society as a whole. Education for women is necessary for an understanding and control over social, economic and political force and also to improve their quality of life. Education helps women to know themselves and their children and understand the society as a whole. Based on his discussion, he concluded that education particularly distance education is an enabling factor for women’s empowerment and their sustainable development.

2.3.3 Studies on Social Empowerment

Puhazhendhi and Satyasai (2000) assessed the living conditions of SHG members after they were linked to banks. The study covered 560 members household of 223 SHGs from 11 states. These states covered the central, southern, northern, western and eastern region of the country. The findings may smooth that the social impact of the post SHG period was such that there was an increase in self-worth, communication, awareness of social evils this was tested by asking questions about the abuse of women in films and it was seems small decrease in family violence.

Soundari and Sudhir (2000) in their work ‘Self Help Groups for Sustainable Rural Development: A Case Study of SHGs in Dindigul District of Tamil Nadu’, reveals that SHGs ensure ‘we-feeling’ among the members achieving the group cohesiveness and accord a social identity to the Dalit

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women. According to them, membership in the SHGs enables the women for collective bargaining while keeping up their dignity and also to become agents of social change and economic development of the community through decentralized means of empowerment. They suggest that specific efforts should be made to promote SHGs for rural Dalit women at the grassroots level. The training given to them will bring out vibrant changes in the lives of rural Dalit women.

Kushwaha and Srivastava (2003) in the study "Social- Economic Impact through self-help groups", examined the functioning of self-help groups in Kanpur Dehat District, Twenty five women from self-help Groups were selected as sample for the study. Ten women members from each self-help groups and ten nonmembers from the same village were selected as respondents, to study the impact of the self-help groups on their socio-economic status. The results show that there is relationship between the self-help groups and the socio-economic status of women.

Bala and Monga (2004) conducted a study in that they observed that education facilitates a woman to have employment and she proves her ability to have a better way in household decision making. These are the two prerequisites to improve the quality of life of women in family and society.

Mohamed (2004) in his article - Self Help group for the success of women entrepreneurs stated that as UNO Secretary General, Kofi Annan, has stated “Gender equality is more than a goal in itself. It is a precondition for meeting the challenge of reducing poverty, promoting sustainable development and building good governess." This recognition is currently missing in India. Transforming the prevailing social discrimination against women must become

the top priority and must happen concurrently with increased direct action to rapidly improve the social and economic status of women.

Venkata and Venkataramana (2005)\textsuperscript{67} conducted a study on Empowerment of women through SHG: They concluded that women had greater accessibility to the financial resources that were mainly invested in agricultural operations and for health care of the family members. Now they have their own source for credit and are able to borrow at the moment they are among the weaker sections, the SHG has become the main source of credit. This has injected positive change in their socio-economic behavior and status in the village.

Atin and Bratin (2008)\textsuperscript{68} in their study entitled “Self-Help Group Promise for Women Empowerment” revealed that majority of the women SHGs have been able to achieve consciousness about the function of local self-government, politics, health awareness and child health care. These women are also gradually taking decision independently in their household affairs, economic matters, child education and health and family welfare. They concluded that SHG women are not only participating in capacity building but also utilizing their acquired capabilities to improve their quality of life in a holistic manner.

Thelma (2009)\textsuperscript{69} conducted with a case study from Narathiwat, a predominantly Muslim province in southern Thailand, which provides some useful insights into the potential of community based self-help groups run by women. This paper demonstrates the multiple aspects of self-help groups developing in a phased process, starting with economic enhancement, leading to empowerment at the individual level, and then moving on to collective action at the community level. However, these initiatives will not be able to bring about

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social transformation in the aggregate unless issues of control and ownership of the production process, linkages with a broader market and greater decision-making at the political level are tackled. Initiatives at the community level can be a useful tool to empower women, forging gender equality from the grass-roots to the national level. However, these initiatives have to incorporate strategies and measures that empower the poor, especially poor women, and enable them to participate in the development and transformation of society if poverty is to be truly alleviated.

2.3.4 Studies on Political Empowerment

Sundari and Geetha (2000)\(^\text{70}\) in his study "poverty credit and micro-enterprises", examine the gender discrepancy in access to institutional credit. In their opinion, the discrepancy is gradually narrowing down over a period of time. Hence empowerment of poor rural women will be possible only if they are trained and imparted skills for a certain employment. According to them, skill training includes enterprise development, increased access to credit, new approach to markets and social economic and political strategies and the like.

Thanikodi A. and Sugirth M. (2004)\(^\text{71}\) studied that Empowerment of women means to explode mental, moral and physical power of women on social and spiritual level. So that fullest potential of women can be utilized. Unless we equip women with confidence and power the future of our nation remains weak. Unless women are brought into the mainstream of politics with enough representation in the decision-making bodies of our country, women’s emancipation is not possible. Women should be given a chance to participate in the decision-making in all spheres of society such as private, political, economic and culture.


Rosemary Thorp (2005)\textsuperscript{72} explored that Group formation has great potential to empower and raise the incomes of poor people. However, the chronically poor are disadvantaged in group formation, and this may form a significant part of the vicious circle and dynamics of chronic poverty. These disadvantages include a lack of assets, isolation, and low levels of access to political institutions. Successful groups formed among the poor often exclude the even poorer, particularly those associated with market functions. It is the political function of groups that is of primary importance in helping to overcome marginalization and social exclusion experienced by the poorest.

Sumathy and Nagendran (2007)\textsuperscript{73} stated that our former Prime Minister Mrs. Indira Gandhi believed on the statement “opportunity dances with those who are ready on the dance floor” and also believed in the philosophy “Live well, learn plenty, Laugh often and Love much”. Margaret Thatcher is another lady who lived on the Principle “Learn to live the present usefully; productively and happily” We have Queen Elizabeth; Benazir Bhutto in the field of politics and these women really had tremendous courage and patience to manage things effectively and efficiently.

Smriti Rao (2008)\textsuperscript{74} conducted a case study of a liberalization program with an emphasis on women’s empowerment. Based on the state budget data and fieldwork data from two villages, this paper investigates the content of this policy regime to argue that women’s empowerment policies were ultimately constrained by the policy context of liberalization. The state lowered shares of expenditure upon social reproduction and the substantive content of women’s empowerment policy was reduced to a thrift and micro-credit program. Fieldwork data indicate, the latter lacks administrative support and relies upon the expenditure of time and resources by participants themselves, re-emphasizing

\textsuperscript{72} Rosemary Thorp, Frances Stewart and Amrik Heyer (2005), “When and How Far is Group Formation a Route Out of Chronic Poverty?”, World Development, Vol. 33, Iss. 6, Pp. 907-920.


class and caste inequalities among women and undermining the broader project of empowerment.

Ismail et al., (2011)\textsuperscript{75} "Gender empowerment measure in political achievement in selected developed and developing countries", says that Gender Empowerment Measure (GEM) is an assessment about inequalities between men's and women's opportunities in a country. The concept of empowerment can be explored through three interrelated dimensions: agency, resources and achievements. Agency refers to processes by which choices and abilities are made, resources are the medium through which agency is exercised and achievements are the outcomes of agency. Specifically, this paper examined that an indicator of GEM specifically in the achievements in politics based on data from selected developed and developing countries. There are variations in the achievement indicator in terms of percentage of female parliamentarians in the two groups of countries. The study stated that women should contribute inevitably towards constructive solutions to improve the participation of women in politics and public function.

2.3.5 Studies on Psychological Empowerment

Tendon (2001)\textsuperscript{76} says that self-help group focus on change and change-oriented skill, to help women to achieve insight, empowerment, and finding a new way of life. This strategy has made the rural women to discover their strength, self-confidence, social and economic ability and capacity.

Kokila (2001)\textsuperscript{77} observed that the SHG consists of women from homogeneous occupational background even from neighborhood, which helps them mutually trust each other. This has facilitated the women to learn to work collectively towards set agenda and work in a democratic manner. The SHG


functions with the principle of “contribute according to your ability and take according to your needs”.

**Gupta (2001)**\(^78\) reported that a typical tribal women’s SHGs performs a number of functions such as enabling members to become self-dependent and self-reliant, providing a forum for members for discussing their socio-economic problems, developing decision making capacity and leadership qualities among members and equipping women with the basic skill required for understanding monetary transactions.

**Awasthi (2002)**\(^79\) explored the working and impact of self-help groups on economic status of women in watershed areas of Madhya Pradesh and pointed out that the SHG members suffered from lack of motivation, backward and forward linkages, inadequate provision for marketing and availability of inputs, lack of systematic monitoring and follow-up of the activities.

**Almelu (2005)**\(^80\) conducted a study on “Group formation-Modalities and objectives” SHG lays the foundation for self-reliance through building an institution, which has the capacity to continue development activities and empower people. It creates confidence, awareness and information sharing attitude in a collective manner.

**Manoharan and Girija (2005)**\(^81\) in their article, "Microfinance - The New Development paradigm for poverty eradication and women empowerment", state that experience has shown that many of poverty alleviation programmes through organized credit channels have not achieved the required success. Hence to bridge the gap between the demand & supply of funds in the lower rungs of rural economy, the microfinance schemes of NABARD have a

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made a smooth foray into the role played by microfinance in eradicating poverty and empowering women to manage mental health.

**Gupta and Namita (2006)** stated that SHGs are considered as one of the most significant tools to adopt participatory approach for the economic empowerment of women. It is an important institution for improving the life of women on various social components. It acts as the forum for members to provide space and support to each other. It enables its members to learn to cooperate and work in a group environment.

**2.3.6 Studies on Legal Empowerment**

**Hackmann (2012)** in her studies ‘Legal empowerment of the poor and its relation to pro-poor growth’. She has mentioned that the poor can be given legal awareness about their rights as a labourer and other rights through the SHGs. She also tells that in Bangladesh, self-help workers groups have also made a positive contribution to workers access to legal services and to creating a demand for the states justice services. A combined systematic, long-term and multi-level investment in raising awareness and providing training is needed to change the mindset of the stakeholders involved, workers and employers alike.

**Rosa Enn (2012)** conducted a field study on “Indigenous empowerment through collective learning”, in Taiwan. The need of this study was to focus on an indigenous community that lives in the periphery of Taiwan. The Dao on Orchid Island have faced serious abuse of their human rights in terms of ecological exploitation, legal and environmental injustice. The study highlights the legal empowerment of the indigenous group through collective learning. In this regard the importance is to be given at both local and international levels is emphasized. He found that in spite of the democratization to protect indigenous

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83 Hackmann (2012), “Legal Empowerment of the Poor and its Relation to Pro-Poor Growth” OECD
peoples’ rights and dignity, the issue of self-determination and dependency on financial compensation still remains unsolved. A variety of interviews formal and informal conversations been made by data collection in 2007, 2008, and 201. The outcomes of this study highlight that the need to investigate the dynamic between modern technologies and the fight of vulnerable minorities in multicultural and democratic countries. Collective learning, solidarity, and presence at national and international levels are essential to improve empowerment to gain justice and respect of human rights.

Sivachithappa (2013) conducted a case study on Impact of Micro Finance on Income Generation and Livelihood of Members of Self Help Groups in Mandya District, they stated that the traditional Indian society functioned mainly on the basis of self-help and mutual aid. However, in recent years, they have been emerging as a major strategy for the promotion of informal credit to the poor. Self-help groups are expected to make a significant contribution to poverty alleviation and empower the members in economic, educational, social, psychological, political and legal spheres. These programmes are also expected to become increasingly self-reliant and independent of donor funds. The objectives of the self-help groups are to promote strong and independent women groups who exert control over their own development and that of the community. The women would be equipped with managerial and technical skills through enhanced participation in all aspects of women empowerment activities.

Muntean (2013) stated in his paper on "Wind beneath my wings: policies promoting high-growth oriented women entrepreneurs" found that three institutional and cultural factors influence the decision calculus of women to found and expand enterprises, legal and social status, institutional presence, economic and legal empowerment. Women definitely have the necessary support

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exploit market opportunities and translate their ideas, creativity and skills into high potential, high growth ventures. Improving access to guarantee by strengthening the legal and property rights of women, increasing the representation of women in banking, business, government and academia, and providing greater economic empowerment of all women produces more productive entrepreneurial activity and prosperity for the entire population.

**Malin Tillmar (2016)** has stated in his study on “Gendering of commercial justice experience of self-employed women in urban Tanzania” that women’s entrepreneurship is often seen as the solution of both economic growth and gender equality. In his paper he aimed to focus on the gendering of commercial justice, to explore the experiences of urban women entrepreneurs. He found that with formal legal rights, the informal institutions imply that the marital status of the women, and the attitude of their husbands, is the overarching determinants for the commercial justice perceived as available to them. The gender bias is also reproduced in everyday business life, special measures should be necessary to target the gender equality and importance be given of Alternative Dispute Resolution initiatives, affordable to women small and medium enterprise-owners.

The above literature study focused on policies and government role in micro finance and women empowerment. Some studies related to financial inclusion and micro finance and some of the studies focused on women empowerment through micro finance. Some studies showed the improvement in living standards and some studies interpret the opposite, that activities like microfinance did nothing to reduce the poverty. Women groups have proved that they would indeed bring about a sea change in the mindset of the very conservative and traditional bound illiterate to achieve the objectives of rural development. SHG is decided to be one of the effective means of empowerment of women and their development. Therefore, there is need to evaluate the

efficiency of microfinance and financial inclusion in poverty reduction through Stree Shakthi Programme in Karnataka district.

2.4 Research Gap

As per the review and concepts there are plenty of works available in the field of financial inclusion and Women Empowerment. Many studies also proved that financial inclusion helps to develop the empowerment process in economic and social aspects. In Karnataka, there are many schemes available for the development of women and children, among which one of the popular scheme is Stree Shakthi Programme. Most of the research studies are focused only on economical empowerment of women through Stree Shakthi Programme, and there is less focus on other empowerment aspects. The same thing has been considered as the research gap and an attempt is made by the researcher in studying educational, political, legal and psychological empowerment in addition with economical and social empowerment.