CHAPTER II
REVIEW OF LITERATURE

In the area of Self-Help Groups and Microfinance in particular and women empowerment through Microfinance Institutions and SHGs in general, the analytical and in depth studies are existing in plenty in different states and reigns of the country. The structure and modalities of the studies by the institutions concerned and also academicians differ widely in their ambit, direction and emphasis. For a better comprehension of the canvas of studies a Kaleidoscopic review of the existing literature is presented. The review of literature includes the books, reports of expert working groups and also the articles in different reputed journals both national and international.

Dutta and Raman (1978)\(^1\) highlighted that SHGs are characterized by heterogeneity in terms of social and economic indicators. The success of SHGs in terms of high repayment is mostly related to the exploitation of prevailing social ties and cohesion found among women members. Social Cohesiveness among members spring not only from their diverse background of knowledge base, skills, occupation and income levels, but also due to the dynamic incentive system of progressive lending to the groups on the successful completion of loan repayment. However, SHG are heavily dependent on external financial agencies for their lending operations.

Raini (1986)\(^2\) examined the characteristics of women entrepreneur and the factors that motivate them to start a business. About 30 respondents were randomly contacted during their training in entrepreneurial skill in Hyderabad in October 1985. The study reveled that the majority of them were in the age group of 21-30 and were promoted by the desire to do something independently. Among the other factors that motivated the trains to start new enterprise were (a) the desire to keep busy (b)to supplement family income (c) to go in business and technical knowledge to earn money.

Rakia Gupta and Bibin Kumar Gupta (1987)\(^3\) who analyzed the role of Women in Economic Development have revealed that the rural women really contribute more time in income formation activities in comparison with men, but still their socio economic conditions remains pitiful. If population control programmes are
not vigorously pursued, any hope of improvement in the role of women in economic development cannot be ensured.

A study of Seibel & Parhusip (1990)\textsuperscript{4} based on the premise mention that rural micro entrepreneurs are unable to organize themselves they need subsidized credit for increasing their income and are too poor to save.

Half & Stieglitz (1990)\textsuperscript{5} The Indian experience also reveals that the addition of new institutional mechanism to address the issue of rural finance has not helped in improving the situation and in fact created new problems.

Begum (1993)\textsuperscript{6} in a research work, “A study of the problems of women entrepreneurs in Kerala” made an attempt to bring forth the issues concerned with the establishment of small enterprises by women in areas like food processing, readymade garments, handicrafts and marketing of products. She identified that, shortage of capital and equipments, insufficient credit facilities, competition form large units and difficulty in debt repayment are the major problems that women owned enterprises encounter.

Mc Carty and Yaiswarng (1993)\textsuperscript{7} apply two stage analyses where the MFIs have controllable and uncontrollable inputs. To our knowledge this is first such study that applies this two stage method on MFIs.

Shiva Kumar (1995),\textsuperscript{8} in a study of SHGs in Gandhi gram notes that these groups have enabled the poor not only to avail instant financial accommodation without the procedural rigidities associated with the formal banking sector but have also succeed in inculcating the habit of savings among the rural poor.

Hulme and Mosley (1996)\textsuperscript{9} the developing countries experience of Microfinance programme reveal that most of them are viable because of heavy subsidy. The subsidy Dependence Index (SDI) calculated by Hulme and Mosley (1996) for the MFIs in many developing countries varies between 135 per cent for Monosol, Bolivia to 1884 per cent for Mudzi Fund of Malawi.
Yoron. Benjamin & Paprika (1997)\textsuperscript{10} have traced this traditional approach in rural finance lending heavily towards direct interventions to Keynesian influence. Under this approach in addition to the assumptions listed above the key problem areas visualized in rural financial markets included a lack of credit in rural areas, absence of modern technology in agriculture, low saving capacity in rural areas and prevalence of money lenders.

Swarnalatha (1997)\textsuperscript{11} perceived that the process of empowerment of women to run thrift and credit programmes on their own and also to address other developmental issues of the community involves lot of training. Consequently she has come out a handy training manual to all those involved in empowerment of women. The module includes initiation of a new group, support of Self-help group at different stages of development, monitoring and evaluation of group activities and building up of leadership. It was based on the experience of RASS (Rayalaseema Seva Samithi), Thirupathi a renewed voluntary agency of Andhra Pradesh.

The study of Mark Schreiner (1997)\textsuperscript{12} focuses and presents the analysis of performance and sustainability of subsidized Microfinance organizations with reference to the Grameen Bank of Bangladesh. Hishlitiny the significance and the impact of subsidized Microfinance as the lives of the poor, Mark pleaded for the sustainability of subsidized Microfinance organizations for a long run positive impact as women empowerment. It is also reflected that unless the sustainability of Microfinance organization is ensured the Microfinance through SHGs cannot be expected to result in the women empowerment. Therefore he is of the view that the funding agencies should have a periodical self appraisal of the Microfinance institutions. For the analysis of the performance and the sustainability the author suggested various operational ratios.

Mayoux (1997)\textsuperscript{13} has made an attempt to propose frame works and participatory methodologies for integrating empowerment concerns into ongoing program learning. She has identified three paradigms viz., Economic paradigm, poverty alleviation paradigm and the feminist empowerment paradigm.
Murthy and Rao (1997) revealed that the NGO development programmes are relatively more successful to reach the poor and poverty alleviation.

According to Sridharan, Damyanti (1997) the traditional root groups, which are based on the principles of need and collective action, provide self reliance. The SHGs bring out the capacity of women in molding the community in right perspective and explore the initiative of women in taking up entrepreneurial ventures. The SHGs empower women and train them to take active part in the socio-economic progress of the nation and make them sensitized, self-made and self-disciplined. The SHGs have inculcated great confidence in the minds of rural women to succeed in their day-to-day life.

Agarwala et. al., (1997) opined that even worse, a substantial portion of the subsidies canalized through these institutions was captured by people who were not poor and who could have obtained loans in the commercial market.

Johnson and Rogaly (1997) affirmed that MFIs have also brought the poor, particularly poor women, into the formal financial system and enabled them to access credit and accumulate small savings in financial assets, reducing their household poverty.

Quinone (1997) reveals that several of these are not sustainable. Only three are operationally sustainable in covering operating costs with interest income. Only one is financially sustainable in terms of covering loan losses, inflation risks, and operating costs through interest income. None can also cover the cost of funds and become subsidy free. Although resources to fund MFIs may not be a problem, the capacity of MFIs to utilize the resources effectively and provide sustainable services is inadequate. The apex operations as chalked out at Micro Credit Summit, 1997 have not made a significant impact in creating vibrant and sustainable MFIs in the country.

IADB (1997) emphasized that the viability of MFIs is important from an equity perspective because only viable institutions can leverage funds in the market to serve a significant number of clients and contribute to broad based development. Viability and self-sufficiency are fundamental to reach a large number of the poor which in turn are essential to have a significant impact on poverty reduction. More
particularly where resources are limited, without self-sufficient financial institutions, there is little for reaching the numbers of poor firm households that are potential borrowers and depositors.

Lutfun N. Khan Osmani (1998)\textsuperscript{20} examined the impact of credit on women’s relative well-being in grameen banks credit programmes by using three sets of capacity criteria i.e.

1. Degree of autonomy with which women can live their lives.
2. Their ability to control decision making within the family
3. Their relative access to household resources such as food, education, health care ext.

Sridhar Seetaraman (1998)\textsuperscript{21} assessed the socio-economic impact of SHGs through field level data. Study revealed that creation of income-generating activities through loans availed of from banks has made a significant impact on the overall economic status of the group members. Additional employment generated through the groups’ collective functioning has provided scope for increase in the household income.

Stiglitz, (1998)\textsuperscript{22} stated that the relationship between financial development, economic growth and poverty reduction is, in fact, very important for policy goals, particularly in the country like India. This is because both finance development and economic growth have direct and indirect contribution to poverty reduction in the economy. There are number of ways we can justify the same. First with the basis of market failures like information asymmetry and high fixed cost of lending to small borrowers, financial development can enhance the opportunities for the poor to access the formal finance.

Khander (1998)\textsuperscript{23} asserted that without exclusively targeting the poor, the Bank Rakyat Indonesia (BRI) has also assisted hundreds of thousands of households in lifting themselves out of absolute poverty over the past decade.

Husain (1998)\textsuperscript{24} observed during late eighties that if subsidies had been removed, Grameen Bank of Bangladesh would have incurred loss. The International
Food Policy Research Institute (IFPRI) supported household surveys in nine Asian and African countries during the 1990s that analyzed formal and informal financial transactions, and it also evaluated the success of innovative approaches at some MFIs. The overall goal was to clarify the conditions under which state investment in microfinance programmes might improve life for poor people more than state investment of the same funds in education, health, nutrition, or infrastructure development.

Elisabeth Rhyne (1998) points out that “only by achieving a high degree of sustainability have microfinance organizations gained access to the funding they need over time to serve significant numbers of their poverty-level clients. Sustainability is but the means to achieve it”. Sustainability is not possible under all circumstances, and we both academics and practitioners-need to sort out when a microfinance institution can be sustainable. And when subsidies may be warranted.

Hollis and Sweetman (1998) observed that there is need to emphasize on the organizational efforts of micro credit institutions to improve their outreach and sustainability.

Gonzalez-Vega (1998), the World Bank Consultative Group to assist the poorest (CGAP) in 1997 also emphasized on the sustainability of MFIs. It recommended that the World Bank’s microfinance strategy focus on borrower countries with appropriate financial sector policies, strong demand, and a commitment to long-term financial sustainability of retail microfinance institutions.

Karmakar (1999), Shylendra (1999) analyzed profoundly the impact of microfinance and services extended by the Self-Help groups to the members as well as the village people.

Dr. G.K. Rao and K. Mangasri (1999) have made an attempt to analyze the empowerment of 60 DWCRA groups of Rangareddy District of Andhra Pradesh. A total of 300 rural women of DWCRA groups and 25 officials from five manuals constituted the sample. Structural characteristics of DWCRA groups indicated that majority of them had 3-4 years of working age, had 15-20 members, low-literacy level and average heterogeneous cast composition. Groups had taken up economic
activities individually, involved in traditional economic activities, worked at different places and marketed their produce independently. The financial assistance received per member was Rs. 1000 to Rs.2000, 50 per cent of the respondents have reported that they received less training and had medium supportive environment.

Rajeswari and Sumangala (1999) explored the problems and prospects in women entrepreneurship and stated that through involvement in income generating activities, the small amount of capital and human skill available with women can be pooled and used for productive purposes. The problems that stood in the way of progress could be solved with the introduction of appropriate systems in practice. It could pave the way for fuller utilisation of capital and mobilization of female potential, they observed.

Kabeer (1999) in an influential paper, suggests that empowerment refers to the process by which those who have been denied the ability to make strategic life choices’ acquire such an ability. Kabeer’s understanding of ‘choice’ comprises three inter related components. Resources, which form the conditions under which choices are made: agency, which is at the heart of the process through which choices are made: and achievement which are the outcomes of choices.

Coleman (1999) conducted a study 445 households in 14 villages in Northeast Thailand, that are supported by two NGOs, Rural Friends Association (RFA) and Foundation for Integrated Agriculture Management (FIAM) and found Microfinance a success in promoting borrower welfare. J. Reynaldo, A. Santos (1999) after identifying the items of the scale was tested for its reliability with Cranach’s Alpha. Cranach Alpha signifies that the items chosen for the study, actually measures it and the items are reliable too.

Narasimhan Sakunthala’s (1999) study emphasizes that for the vast rural India empowering women is an effective alternative strategy. In the process of Women Empowerment the role of Microfinance through SHGs is well emphasized.

Kumaran K.P (1999) has analyzed the concept of SHGs and projected the benefits of SHGs accruing to the rural poor. Apart from meeting the credit needs for emergency or consumption purposes, SHGs are also involved in income generating
programmes. Linking of SHGs with banks has further enhanced availability of micro credit financing to the groups.

Panjaitan-Drioadisuryo and Cloud (1999)\(^{36}\) in a study on Indonesia suggest that when agencies, government and non-government, in a developing country make credit available to low income women, they can reduce the costs of delivery, greatly increase repayment rates, and substantially improve the well-being of poor families. However, researchers and practitioners generally agree that the poorest of the poor are yet to benefit from microfinance programmes in most countries partly because most of the MFIs do not offer products and services that are attractive to this category.

Gurumurthy T.R (2000)\(^{37}\) maintained that microfinance though SHGs is a viable alternative to achieve the objective of rural development and to get community participation in all rural development programmes. Credit needs of the rural women can be fulfilled wholesomely through the SHGs the women led SHGs have successfully demonstrated how to mobilize and manage thrift, appraises credit needs, maintain linkages with the banks and enforce financial self-discipline. SHGs enhance the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic and social cultural spheres of life. They encourage women to take active part in the socio-economic progress of the society.

Menaka Devi (2000)\(^{38}\) concludes that Self-Help Groups were started in Vadamaduari and Vedasandur Blocks in 1995 by Non-Government Organizations. The finding of the report insisted the need of education for autonomy of women in Self-Help Groups (illiteracies level 43.33 per cent) and to have the training programmes in the milieu for its effectiveness.

Rajasekhar (2000)\(^{39}\) a study on Microfinance, poverty alleviation and empowerment of women: A study of two NGOs from Andhra Pradesh and Karnataka examines the economic benefits of the Microfinance Programmers. From his study he concludes that Microfinance Programmers often benefit the non-poor, saving amounts are not high enough to reduce vulnerability and the loan amounts not large enough to alleviate poverty.
Farrington (2000)\textsuperscript{40} identifies a number of accounting variables to reflect the efficiency of the Microfinance institutions. These accounting variables are administrative expense ratio. Number of loans per loan officer and loan officers to total staff, portfolio size, loan size, lending methodology, source of funds and salary structure as the efficiency drivers and hence as the measurements for MFI efficiency.

Paul Mosley and David Hume (2000)\textsuperscript{41} compared the changes in household income from each of thirteen MFIs in seven countries. The study found that all schemes had positive measured effects on income.

Zama Hassan (2000)\textsuperscript{42} examined the extent to which microcredit reduces poverty and vulnerability through a case study of BRAC, in Bangladesh. The data collected from 1072 households found that there are several channels by which microcredit services can reduce vulnerability and also poverty.

Malhotra (2000),\textsuperscript{43} in his study of 174 women beneficiaries in Raibareily of the state Uttar Pradesh, drawn and covered randomly from four formal agencies of credit institutions revealed that less than half a per cent of female population against 3.5 percent of male population in the study area were clients of the banks. Furthermore, only 7.64 per cent of the total number of the cases are financed and only 6.96 per cent of the total quantum of credit extended by RFIs have gone to women. It was observed that 83 percent of loan cases availed by women: male members were primarily responsible for the end user of credit.

Nagayya (2000)\textsuperscript{44} points out that an informal arrangement for credit supply to the poor through SHGs is fast growing as a promising income-generating alternative. He has reviewed the initiative taken at the National level with a view of institutional arrangement to support this programme for alleviation of poverty among the poor, with focus on women. He presented that NABARD and SIDBI are playing a prominent role at various stages of implementation of this programme. There are other National level bodies which are also supporting NGOs/Vos viz Rashtriya Mahila Kosh (RMK) Rashtriya.
Murgan and Dharma lingam (2000) argue 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 through more holistic social development.

ADB (2000) observed that to be viable, rural financial institutions are required to have sufficient margin between lending rates and the cost of funds raised for lending in order to cover non-financial transaction costs.

NABARD (2001) concludes that there has been a positive result in enhancing the standard of living of Self-Help group members in terms of asset value in 560 households from 223 Self-Help groups in 11 states in India.

Namboordiri and Shayne (2001) portraits that the microcredit system through SHGs is potential not only for financial depending in the rural areas but also for the empowerment of women in particular.

Planning Commission (2001) pointed out that microenterprise are an important source of income and employment for a significant proportion of the rural poor: Microenterprise sub sector accounts for 16 percent of employment of all main workers. The relationship between microenterprises and poverty reduction is coming up for serious consideration among the policy makers and developmental programme implementers.

Zaman (2001) stated that Self-Help Groups intermediated by Microcredit have been shown to have positive effect on women, with some of these impacts being ripple effects. They have played valuable roles in reducing the vulnerability of the poor, through asset creation, income and consumption smoothing, provision of emergency assistance, and empowering and emboldening women by giving them control over assets and increased self-esteem and knowledge.

Gariyali (2001) identified various elements of empowerment in their book “Women own the Self-Help movement of Tamilnadu”. Some common elements of change occurred in all SHG members. They learned to save their small incomes and
expenditures. They could borrow small amounts from their own saving from their SHG. Especially these women could slowly stop borrowing form the local money lenders at exorbitant rates of interest, typically 120 per cent (this borrowing system is locally Ballad Kathu vatti (usury). This was a great and significant relief for the whole family as a substantive part of their incomes had direct credit linkages with banks which borrowed money from them and lend to the members enabling them to become involved in economic activities. These members bought buffaloes, cows and goats and set up shop. SHG animator’s representative and members attended training, programmes developed outside, contacts in government offices and the members were thus able to benefit form various Government programmes. From being confined at home woman were able know little about the outside world.

Awasthi Rathi (2001)\textsuperscript{52} demonstrates that SHGs have a positive impact on creating leadership qualities and improving literacy awareness of health and hygiene mailers and skill formation among group members. However the authors found SHGs members experienced a variety of problems, including lack of motivation in background and forward linkages inadequate infrastructure unsufficient loans, inadequate provision for marketing and availability of inputs and lack of systematic monitoring and follow up of activities. Thus there is demonstratable need to evaluate the SHGs annually to assess the progress of different income and employment generating programmes.

G.Sreeday and N.P Kumarishushama (2001)\textsuperscript{53} undertook a study to identify the group characteristics of Self-Help group characteristics of different SHG’s. The study was conducted in Thiruvantapuram District of Kerala adopting an research design. Six SHG’s three each from Kerala Horticulture Development Programme (KHDP) and Intensive vegetable development programme (IVDP) - both involved in vegetable production were selected for the study. Ten group characteristics were measured using the schedule developed for the purpose. Group co-operation, group cohesion, group leadership, transparency and accountability were measured on a three point continuum. The study revealed that majority of the respondents of KHDP were in the high category for the variables such as group cohesion, group interaction, group leadership, interdependence of members, team spirit and group co-operation while for the variables-need satisfaction, accountability and equity, majority of the respondents
were in the medium category. Both the groups did not significantly differ with respect to variables such as group interaction, transparency, and interdependence of members, accountability and group co-operation.

Puhazhendhi and Satysai (2001)\(^{54}\) in their paper attempted to evaluate the performance of SHG’s with special reference to social and economic empowerment. Primary data collected with the help of structured questionnaire form 560 sample households in 223 SHGs functioning in 11 states representing four different regions across the country formed the basis of the study. The findings of the study revealed that the SHGs as institutional arrangements could positively contribute to the economic and social empowerment of rural poor and the impact on the later was more pronounced than on the former. Though there was no specific pattern in the performance of SHGs among different regions. The southern region could edge out other regions. The SHG-Bank linkage programmer has been found more popular in the southern region and its progress in other regions is quite low, thus signifying an uneven achievement among the regions. Older groups had relatively more positive features like better performance than younger groups.

Satish (2001)\(^{55}\) in his paper raised certain issues related to the functioning of SHGs. Adequate care should be taken to ensure homogeneity of socio-economic status of the members, while forming SHGs. The process of SHG formation had to be systematic whether a Bank or an NGO forms it. He emphasized that SHG’s experiment has to be spread throughout rural India rather than being concentrated in a few pockets of the country. NGOs are more suited for forming and nurturing of the SHGs, and therefore, it is essential to strengthen them and their resources so that they should increasingly undertake this work.

C.L.Dadhich (2001)\(^{56}\) made an indepth study of the Oriental Bank Grameen Project (OBGP) in Dehradun District of Uttar Pradesh. The study indicated that as a result of participation in the OPGP, a large number of women SHG members had taken up subsidiary occupation. The project had succeeded not just in increasing income but also empowering the women. Their involvement in family decision had enhanced.
Hassan and Tufted (2001)\textsuperscript{57} using a paramedic approach (stochastic frontier analysis or SFA) found that Grameen Bank’s branches staffed by the female employees operated more efficiently than their counterparts staffed by the male employees.

Leon (2001)\textsuperscript{58} reported that productivity of resources, governance, and business environment were the contributing factors for the cost-efficiency of the Peruvian municipal banks. Paramedic approach includes stochastic frontier approach, flexible profit function etc and non-parametric approach includes data envelopment analysis (DEA analysis). We add to the literature by applying DEA on MFIs where profit maximization may not be the vital interest to policy makers and regulations.

Albert Park and Chongqing Ran (2001)\textsuperscript{59} examined the impact of microfinance on household welfare by using data from 449 household in China. The study reported increase in consumptions by about 97 percent of the sample, indicating that credit access could help increase the ability of households to smooth consumption khan incomes are variable.

Saundariya Borbora and Ratul Mahanta (2001)\textsuperscript{60} assessed the role of SHGs in inculcating saving habits among the poor and the contributions of the program in the social and economic empowerment of the poor. 80 percent of the benefits could also expand their income generating activates.

World Bank (2001)\textsuperscript{61} clarified that a sound financial system encourages the poor to access finance, particularly by credit and insurance risk services, and thereby, strengthening the productive sustainable livelihoods.

World Bank (2001)\textsuperscript{62} further felt that the World over including India, women are the disadvantaged and neglected lot. They have a limited presence in economic activities and are hardly considered in the formulation and implementation of any developmental scheme / programme. India has 37 per cent of the world’s population earning less than $1 a day, or which 60 per cent are women.

Dasgupta (2001)\textsuperscript{63} in his paper on informal journey through Self-Help Groups observed that micro-financing through informal group approach has affected quite a
few benefits viz (a) saving mobilized by the poor; (b) access to the required amount of appropriate credit by the poor; (c) matching the demand and supply of credit structure and opening new market for financial institutions; (d) reduction in transaction cost for both lenders and borrowers; (e) tremendous improvement in recovery; (f) heralding a new realization of subsidy less and corruption less credit and, (g) remarkable empowerment of poor women. Author considered that SHGs should be considered as one of the best means for the betterment of people.

Barbarism and Mahatma (2001) in their study discussed that the SHG’s have helped to set up a number of micro-enterprises for income generation. Rashtriya Garmin Vikas Nidhi’s credit and saving programme in Assam has been found successful as its focus exclusively on the rural poor. It adopted a credit delivery system designed especially for them with the support of a specially trained staff and supportive policy with no political intervention at any stage in the implementation of the programme.

The study of Dr. Chandra Prasad (2001) analyses the economic empowerment of women through SHGs in the District of West Godavari in Andhra Pradesh covering three villages with sample of 144 respondents selected from 20 SHGs. There are no complicated models and tools used but with simple percentages and averages the study focused on the economic improvement of women after joining SHG’s. The cove observation of the study include that the income of the women has increased after joining SHGs, so that the monthly household expenditure also has revised considerably. But savings are found to increase at a slow rate because the incremented expenditure is higher. The members are suggested to change their spending for pleasant consumption. The study assessed that the good practice of the women SHGs in the study area is repayment of the loan in time. Around 75 per cent of one Deters (SHG beneficiaries) paid their monthly dues with in one time and even some members (96 per cent) paid their due in advance though a few members do not pay in time, that is found not effecting the further credit of SHGs. Since the repayment of loan is regular and with in the time. It is concluded that the economic activities of SHGs are successful in developing women empowerment and rural areas.
Puhazendi V. and Satya Sai (2001)\(^6\) point out in their study, that the involvement of the rural poor in SHG significantly contributed to their Social empowerment in terms of improvement in their confidence, their treatment within the family, communication skills and other behavioural changes. More so, the empirical finding of the study revealed that the SHGs as institutional arrangement could positively contribute to the economic and social empowerment of rural poor and the impact on the latter was more pronounced than in the former.

Krupp and Suran (2002)\(^6\) observe that the design features of the programmers emphasis that these do not envisage market related interest rates based on the premise that sub-market interest rates could spell dorm: distort the use and direction of credit

Afrane (2002)\(^6\) observes that thought the positive economic impact of the programme is transferred to enhance social status of the clients in terms of enhanced public respect, self-esteem, participation in common services and empowerment of women, on the negative side, the projects have also increased work load of the clients and worsening of family relations due to higher pressure or repayment.

Susy Cheston and Lisa Kuhn (2002)\(^6\) in their on Microfinance institution in Ghana examines how and when women are empowered. Their finding was that Microfinance institutions have contributed to women’s empowerment which increased self confidence and self esteem. They found that women’s financial contribution helped them earn greater respect from their husband and their children and avoid family quarrel for money.

S.K.Kauhal (2002)\(^7\) made a study to address issues related to the performance of Self-Helps groups. The main objective of the study was to find out the relationship between socio economic characteristics and groups process. The study carried out in Moradabad District of Uttar Pradesh. A total of 160 respondents form selected SHGs constitute the sample of the study by random sampling method. The descriptive research design was used. The finding of the study shows that the group process had a positive significant relationship with education, participation, maintenance function, interpersonal trust and group cohesiveness. Economic empowerment was found to have a positive relationship with education, family occupation annual income task function, maintenance faction, interpersonal trust and group cohesiveness. Women’s
participation in SHGs enables them to discover inner strength, gain self confidence, social and economic empowerment and capacity building.

Thothy K and Sunder I (2002) in their study of analyzing the impact of Mealier Thittam of Tamil Nadu state observe the SHGs women are currently involved in economic avidities such a production and marketing of Agarbathis, Candle and Soap, Readymade garments, Pickles, Papped, Vathal, Fur Toys, Palm Leaf Products, Ornaments Eatables, Cultivation of Sea weed Seeds, Coir Mats and other Coir products Mattresses, Chapples, Leather goods, Sanitary Napkins etc. In addition the SHG women monitor the normal and proper functioning of the ration shops, maintain vigil to prevent brewing of illicit group, help the aged, deserted and widows to obtain loan.

Puhazhendi and K.C.Badatya in their (2002) study observed that there was a positive impact on the savings. Asset formation, employment and incremental income of the SHG members. Furthermore the assertiveness of members in particular women members had also improved.

According to Puhazhendi & Badatya (2002) there are SHGs which have been formed but bank account has not received credit facilities from the bank yet. To study the penetration of microfinance at the grass root level, fourteen factors have been selected by reviewing, “A Hand Book on forming Self-Help Groups (SHGs) (NABARD 2007), SHG-Bank linkage programme for Rural poor-an Impact Assessment”.

ADB (2002), considering that 90 percent of the poor in the world are estimated to have no access to credit yet, emphasizes the need for more microfinance institutions in the market becomes obvious and if small organization shows more entrepreneurship then we must ask how they can be supported. In addition, it is the small and local organization that has the potential of servicing those clients that are often left out by microfinance-the ultra poor. Institutions too often either do not prioritize or do not successfully reach this group. Reason include the high costs of servicing the poorest people (since the very poor are not the most attractive clients for standard financial services), which collides with the increasing pressure of becoming financially self-sustainable. The ultra poor struggle with the most basic problems of
food security and health and their primary concern is survival. It is not obvious how providing simple loans to this group can end the circle of poverty they are trapped in. A much more integrated approach, one that has the overall goal of stabilizing a regular source of income is needed: this can include financial services but more often starts with much more resource intensive activities, such as training and food assistance. The importance of offering such quality and flexible services is widely recognized as the means to respond to the wide variety of the poor’s needs and many microfinance institutions started to diversify their portfolio of products and services offered. Since studies (see for example Murdoch, 1998) show that the ultra-poor are still left out, the questions arises whether institutions operating on a large scale are flexible enough to give the very poor the specialized attention they need, since this does not only demand time but also precise knowledge of the environment-something which small and localized institutions can offer.

Bhatia and Bhatia (2002) through cases highlighted that recovery of SHGs is higher than other credit extended to borrowers. Moreover, involvement of SHGs had helped the bank branches in recovery of old dues. They observed that there have been perceptible changes in the living standards of the SHGs members, in terms of ownership of assets, increase savings and borrowing and borrowing capacity, income generating activities and income level as well.


Jayanthi Gayari (2002) enquired into the role and contribution of SHGs in income generation and poverty elevations in Kanyakumari District of Tamilnadu. The Study is comprehensive in articulating different dimenstions of SHGs in their formation, operations, Loan delivery and constraints in programme implementation. The study is well desimed with basic objective of going into the impact of SHGs in empowering rural women. The main conclusions of the study consist of the following.
A. Monitoring the utilization of the SHG loans is a prerequisite for achieving the desire results.

B. The Bureaucratic hassles need be overcome in the loan delivery mechanism.

C. The SHG member beneficiaries should observe Self regulation in utilizing the loans for the purpose intended.

Lalitha. N. et.al., (2002)\textsuperscript{89} presented a wide canvas of the potential of the SHGs as empowering organizations and instruments for rural development. The study observes as the rural India is stricken with poverty, Economic Empowerment of women and weaker sections through Microfinance institutions and agencies like SHGs are expected to play and build different levels of empowerment at cross, state resins, caste groups, and income levels. The author finds that the SHGs have given not only economic empowerment but last greater mobility and visibility to rural women. It is suggested that the NGOs and the Govt. agencies should strive to promote a desired level of participation of rural women in the SHG movement.

Karmakar R (2002),\textsuperscript{90} who reviewed SHG programme in Orissa is of the opinion that the empowerment opportunities through SHG for rural women and the chance for them to take up IGPs and assist in their family incomes has been a powerful incentive. However, 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 has 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.

Chavan and Ramkumar (2002)\textsuperscript{91} made the empirical analysis for many MFIs in developing countries reveal that the financial viability of microcredit institutions has been fragile in nature.

Fisher et.al., (2002)\textsuperscript{92} came out stating that the Challenge is to mainstream good practice in microfinance operations and increase the outreach to the poor on a sustainable basis. The agencies agree that (i) greater focus is essential on policy
framework and building retail institutions that can provide a wide range of services, not just credit; and (ii) the trend toward commercialization must be supported. Their experience also indicates the importance of integrating microfinance operations with the broader financial system to sustain the outreach. There is also a consensus among funding agencies that their role needs to be essentially catalytic.

According to HDR (2003)\textsuperscript{93} Women produce on an average more than half of all the food that is grown. Up to 80 per cent in Africa, 60 percent in Asia, between 30 to 40 per cent in Latin America and Western countries, but unfortunately, own only 2 per cent of the land, receive only one per cent of all agricultural credit, only 5 per cent of all agricultural extension resources are directed to women, represent two third of all illiterate people and the number of rural women living in poverty has doubled since 1970.

Boraian, M.P (2003)\textsuperscript{94} attempts 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 Tamil Nadu. The study observed that cash flow in the group and their families has increased, members have greater access to credit and their emergency as well as other needs have been 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 enhanced their exposure, awareness and knowledge about the external world. SHGs contribute to their overall personality development too. Alcoholism among the husbands is treated as their arch rivalry the SHGs. The groups take active part in the proceedings of the Gram Sabah. An impact study of an NGO in Andhra Pradesh observes, in the control village resources and services are mainly male dominated whereas villages show a curtailment of male monopoly and a shift towards joint decisions, joint ownership show a curtailment of male monopoly and a shift towards joint decisions, joint ownership and control. It is concluded that there is a steady reversal from subservience to self-dependence, and secondary citizenship to partnership resulting in greater equity and gender balance.
Chatterjee. S (2003)\textsuperscript{95} carried out a study on SHGs in Jampur in Uttar Pradesh. The study brought out some of the important issues of implementation of SGSY in the district. The main objective of SGSY is to bring the assisted poor families above the poverty line by providing them income-generating assets through a mix of bank credit and government subsidy. It covers all aspects of self-help employment of the rural poor mainly by organizing them through SHGs and their capacity building. A major shift of the SHSY from the erstwhile programme is its emphasis on social mobilization of the poor. Social mobilization enables the poor to build their own organizations viz. SHGs. This study reveals that due to banking rules and regulations poor are suffering. There should be flexibility in banking rule. Banks should strengthen adequate manpower.

Sarangi. P (2003)\textsuperscript{96} states that women-led SHGs in many parts of the country have achieved success in bringing the women to the mainstream of decision making. SHG is also a viable set up to disburse micro credit to the rural women and encourage them to enter into entrepreneurial activities. The women-led SHGs in the village of Purushothampur block of Ganjam District of Orissa state have successfully demonstrated how to mobilize and manage thrift, appraise credit needs, maintain linkage with the banks and enforce financial self-discipline. SHGs in this block are extending a helping hand to the district administration in different rural development projects ranging from construction of roads to sanitation programmes.

Puyalvannan. P (2003)\textsuperscript{97} made an attempt to examine the status of SHGs in Trichy and Pudukottai Districts of Tamil Nadu. The study mainly focuses on micro-credit innovations and the role played by NGOs and the century old cooperative organizations in the state of Tamil Nadu in forming and linking SHGs with them. The study reveals that women are credit-worthy and responsible users of credit. Repayment is as high as 98 per cent in both the districts. The author recommends that cooperatives should involve in promoting SHGs. The process of credit linkage with banks is too long and procedural delays must be avoided. Freedom to link SHGs directly as done by NGOs with commercial banks in a short span of time, should be followed by cooperatives. Since one loan is not sufficient, production and consumption loans have to be granted simultaneously, and a network of peer groups can act as a positive influence.
Rama Krishna R and Krishna Murthy B.Ch (2003) analyze the role of SHGs in empowering rural poor in Pravda village of Visakhapatnam. The study reveals that SHG concept was successful to some extent in achieving social empowerment, economic progress through improving access to institutional credit. The results obtained from the study also corroborate the theory of peer monitoring but to other factors such as rotation of savings by group members, lending for consumption. SHGs have a positive impact on beneficiaries especially women in participation in the development programmes, ability to meet government officials, awareness of property rights, improving decision making, improving marketing, communication skills, building self-confidence and positive impact on the living standards of beneficiaries.

Singh, O (2003) examined the experience of MYRADA in fostering Self-Help groups. The rural poor, with the intermediation of voluntary organizations join together for self-help to secure better economic growth. This has resulted in the formation of a large number of SHGs in the country, which mobilize savings and recycle the resources generated among members. Most SHGs have come up due to the dynamic leadership of certain individuals within a group or through the catalytic role played by the NGOs in developing such groups. One such NGO is MYRADA whose mission is building of people’s institution 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.

In the view of Zeller and Meyer (2003) meeting all the costs and delivering products and services at affordable price on a permanent basis is the crux of success in any financial institution and so also for the institutions engaged in micro financing. “A financial institution is considered to be sustainable if it can cover all risks and transaction costs, loan loses, and cost of capital through interest and other earnings without external subsides. Based on these criteria, none of the rural, formal financial institutions in India can be considered sustainable. Most of the Institutions are plagued with huge arrears and incur high transaction costs in providing financial services, Loan losses and transaction costs are invariably higher than earnings, such that they require constant refinancing and recapitalization by the apex institutions”.

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Das (2003)\textsuperscript{101} observed that the basic objective of SHGs is to develop a saving capacity among the poorest sections of society which in turn reduces dependence on financial institutions and develops self reliance. Women why are disproportionately the focus of microcredit programmes, become as a result of the involvement in credit and enterprises more disciplined credit worthy and more concerned about their family’s development.

Weiss & Montgomery (2004)\textsuperscript{102} observe that high recovery rates may be due to intense group pressure and do not reflect capacity to repay.

Thangamani and Sitara Balan (2004)\textsuperscript{103} examined “Should Women Become Entrepreneurs” it is stated that Woman constitutes almost half of the total population in the world. But their representation in gainful employment is comparatively low. In traditional societies, they were confined to the four walls to participate in all sorts of activities. Women have been performing well in different spheres of activities like academic, politics, administration, social work and so on. Women are generally presumed to be weak, passive, dependent and people oriented.

Medha (2004)\textsuperscript{104} in his article, “Expert committee on Rural Credit”, observe that the rural financial institutions were not accessible to the poorest of the poor, including women.

DFID (2004)\textsuperscript{105} is of the view that the financial sector also enables the poor to draw down accumulated savings or borrow money to start micro-enterprises. This eventually leads to wider access to finance employment and income, and thus, contributes poverty reduction.

According to Honahan, (2004)\textsuperscript{106} in most of the cases, finance focuses its positive effects on poverty reduction. On the negative side, if the financial development leads to growing income inequality, it increases the volume of poverty in the economy.

C.K Renukarya (2004)\textsuperscript{107} conducted research on Integrated quantitative analysis to assess the performance of SHGs in India. The paper develops three Quantitative techniques in an integrated way to quantitatively measure the
performance of SHGs in India”. Discriminate Functional Analysis, which can be effectively measure the performing and poorly performing SHGs, on the basis if their performance. The procedure estimates coefficient of the linear discriminate function that is similar to the right side of the multiple liner Regression equation. 2. Stepwise Liner Regression Analysis: the model identifies important. 3. Principle component analysis and factor analysis. The above methodology is tested effectively in 44 SHGs of Dakshinan Kannda, Kolar and Gulbarga Distract of Karnataka state in India. It is found that the methodology can be used with great facility to SHGs all over the world, in general and SHGs in developing countries in particular.

Jonathan Makuwira (2004) studied on partnerships between Non-Governmental Organizations (NGOs) and Government in Basic Education in Malawi. The factors like social, political and economic environment currently prevailing in Malawi as a result of the introduction of the multi-party political system in 1994 has necessitated reform in various sectors of social development. Area highlighted in the study is partnership building. With a focus on poverty alleviation, the document states that the major role of the state is to provide a conductive environment for the implementation of poverty alleviation programmes, the success of which is dependent on a strong partnership with NGOs, donors and the private sector.

Hemalatha Prasad et al, (2004) argues that SHGs need better infrastructure support not only in the form of market complexes, work sheds, good roads, better transport but also in the form of better backward and forward linkages and institutional support wherever possible. Broadly SHGs are following five channels of market viz., local markets, institutional arrangements, exhibitions/meals, distributors/vendors/traders and wholesaler and retailers. In view of the increased competition in Liberalization, Privatization and Globalization (LPG) era skill up-grade on in non-farm sector will prepare SHGs for better competition and boost the marketing prospects. She further highlights that the technology interventions are practically non-existent in the current working environment of SHGs and technology action plan is essential for the SHP is operating in the field.
Rao D.V (2004) studied the all round development achieved by the SHG/DWCRA women groups in Andhra Pradesh. The study observed that the increase in the level of awareness levels after joining the groups about sending the girl child to school, for a period of five years is evident. Data indicate that more women are sending heir girl children to school than in the past. After joining the groups there is an increase in the number of women adopting small family norm. The increased role of women in the decision-making process of their daughter’s marriage reflects their enhanced articulation. Increasingly more women are playing important roles in the domestic activities. Through proper guidance women are now able to solve their own problems like drinking water, privacy through low cost sanitation, horticulture through check dams, school for the girl children, road to their village etc. Varying levels of participation by women in the study region reflected the degree of social development coupled with economic independence. The study recommended that more of economically and socially disadvantaged women should be encouraged to form groups.

Sunder I. and AShokan R. (2004) analyses the performance of cooperative banks in financing women self-help groups in India. It was observed that the cooperative banks in the southern region have covered more than a half of SHGs under the cooperative banks in Karnataka occupy the first position with respect to coverage of women SHGs in their credit plan, followed by Tamil Nadu, Andhra Pradesh and Kerala. Cooperative banks in the eastern region occupy the second place. Cooperative banks in the northern region take third position. Performance of cooperative banks in Himachal Pradesh is quite encouraging as they have covered relatively more number of SHGs and also made credit provision than the cooperative banks in Rajasthan and Punjab States. Cooperative banks in western and central region occupy the fifth place in their performance. The cooperative banks in the north-eastern region are placed last in order. There are wide variations with respect to the performance of cooperative banks in financing women development programmes. It is suggested that the performance of cooperative banks is quite discouraging in the central region with respect to financing women development programmes. These banks have to cover more number of SHGs and also they should enhance the amount of credit per group. Some cooperative banks have covered less number of women SHGs in their credit linkage. Hence, they should identify potential groups and make
them their customers. There is a need for balanced credit allocation in all cooperative banks with a view to removing the problem of regional variation in their performance.

Krishna raj et. al. (2005)\textsuperscript{112} focused on the growth and rural poverty. The Microfinance and Self-Help Groups have been highlighted as the instruments of economic welfare and growth.

Hilvoet (2005)\textsuperscript{113} states that microenterprise loans given to women not only increase their income earning abilities but also help them gain power and status in the household, market and community

Mosedale (2005)\textsuperscript{114} observes that though significant achievement are seen in terms of better household division of labour, improvement in women’s perspective better say in household, better decision-making power at home and in community and better control over their productive and reproductive lives, the overemphasis on self-empowerment in terms of development of agency has also led to less attention been given for changing social structure in favour of gender equity or engaging, other institutions like local governing bodies to bring out sustainable change.

The Hindu November 21, (2005)\textsuperscript{115} emphasized that SHG-Bank linkage is a model of financial services delivery that has grown as an important component of development intervention advocated by powerful donor agencies such as the World Bank. USAID, IFAD&UNDP

Kalpana (2005)\textsuperscript{116} considered the micro credit as panacea vision for structural problems of poverty and underdevelopment.

The study of Rajsekharan and Madheswaran (2005)\textsuperscript{117} in Karnataka and Andhra Pradesh found that the economic benefits’ of the microfinance are region specific. Their findings revealed that the microfinance enables them to generate income through micro credit in a manner that supplements their family income generating activities

Stephen (2005)\textsuperscript{118} highlighted that NGOs can play a decisive role as an effective delivery mechanism in rural development. They have innate advantage to involve people an ensure their participation.
Mosedale (2005)\textsuperscript{119} identifies four generally agreed dimensions of empowerment: (i) Three is a precondition of disempowerment, (ii) Empowerment cannot be bestowed: at best an external agent can facilitate process for it to happen, (iii) It is about capacity to make decisions and carry them out: and (iv) It is about capacity to make decisions and carry them out: and (iv) It is a process rather than a product,

Emil Mathew (2005)\textsuperscript{120} analyzes the Microfinance programme’s Income generating activities initiated both by NGOs and Government organizations of Waynad district of Kerala.

Sukhwinder Singh Arora (2005)\textsuperscript{121} points out those saving services are needed by many more customers and as frequently as access to phone services. Many poor households value access to saving but lack safe, secure and accessible saving services for the short, medium and long terms. In the past, many banks sent collectors to gather these savings but problems with monitoring, inability to tackle misappropriation and the rising aspiration of collectors to become permanent staff of public sector banks killed a useful service.

NABARD (2005), NABARD (2006)\textsuperscript{122} stressed the progress of SHG-Bank Linkage in India and examined the status of Microfinance in India. These documents highlighted that there is some difference between the SHGs formed and the SHGs linked with the banks and SHGs credit linkage.

Naila Kabeer (2005)\textsuperscript{123} examined the impact of microfinance and concluded that a variety of basic needs are being met and it also promotes improvement in standards of living. As far as women’s empowerment concerned, the evidence reported is positive and there are exceptions and variation in the nature and strength of impact by context and by organization.

Frances Sinha (2005)\textsuperscript{124} examined the impact of microfinance services on client’s dependence on informal sources of credit. The study found a lower incidence of borrowing form informal sources and the percentage of households borrowed at high interest rates is comparatively lower.
Thakrar (2006)\textsuperscript{125} focuses in her study on intrahousehold conflicts. Microfinance has the potential to create when microfinance project may lead to higher intrahousehold tensions when women start encroaching men’s economic spaces such as overtaking their economic roles or excluding from empowerment process or challenging the patriarchal norms.

Revathi and Sumathi (2006)\textsuperscript{126} conducted a study to analyze the working of SHGs in Trichy district of Kerala. They found women empowerment through the SHGs has increased their annual saving and enable them to play an active role in getting loans.

Rajeev Roy (2006)\textsuperscript{127} in his “Mass Customization- an Entrepreneurial Marketing Opportunity” has analyzed the objective of mass customization is to deliver goods and services, which meet individual customer’s needs with near mass production efficiency. He has concluded empirical research in mass customization is dominated by case studies small samples, but with the growing implementation of mass customization, enough data will be available to embark upon research using reasonable large samples.

Sreedharan (2006)\textsuperscript{128} in his study “Microenterprises under Self-Help Groups”, taking three districts in Kerala, made an attempt to analyze the pattern and working of micro enterprises under kudumbasree and the problems faced by them. He identified that micro entrepreneurs possess a moderate level of social empowerment, but a low level of economic empowerment. The major problems faced by women micro entrepreneurs were identified as, lack of finance problems in marketing of products and socio personal constraints. The study concluded that the kudumbasree mission works as one of the most effective scheme for uplifting rural masses especially women micro entrepreneurs of Kerala and the need for a well maintained system for the welfare of the rural population was emphasized. After going through the relevant literature to the topic, it is observed that no research study has been made to assess entrepreneurial competence of women in Kerala through the working of SHGs organized by non government organizations. Many of them pointed out that SHG movement works as an effective tool in helping poor women to alleviate poverty, to improve their socio economic condition and to empower them. The present study is an attempt to analyze the benefits that members of SHG achieved through the system to
assess the extent to which they acquire competence to undertake income generating activities.

Usha Thorat Deputy Governor, RBI in her speech (2006)\textsuperscript{129} on “Financial Inclusion and Information Technology” has said that no universally accepted definition of financial inclusion is available. Financial inclusion has generally been defined in terms of exclusion from the financial system. Broadly, financial exclusion is construed as the inability to access necessary financial services in an appropriate form due to problems associated with access, conditions necessary financial services in an appropriate form due to problems associated with access, conditions, prices, marketing or self exclusion. She opined that SHG-Bank linkage paves the way for effective financial inclusion.

Wendt and Eichfeld (2006)\textsuperscript{130} considered microfinance, a phenomenon that developed out of a 1976 field trip to a poor village in Southeastern Bangladesh by Muhammed Younus, a young Bangladeshi economist from Chittagong University. He came up on women named Sufia Beegum making bamboo stools. She had to borrow the raw materials from a trader, who dictated the price he paid for the product, leaving her with just a few pennies of profit. Faced with this micro-level example of the depressing cycle of poverty, Younus began experimenting with ways to make small loans available to the poorest of the poor and gave a total of less than $27 from his own pocket to 42 individual basket weavers. Finding not only that they survived with so little help, but also his capital ignited the spark of personal initiative, enterprise and hope that enabled them to lift themselves out of poverty. Thus he founded Grameen Bank in 1983, Which has grown significantly and stands as a model for development in the present time.

Kalpana (2006)\textsuperscript{131} attempts to trace the paradigm shift away from an earlier conviction in the presumed ability of Microfinance to function as a silver bullet that lifts poor households above the poverty line through a virtuous cycle of ‘more income’ more credit, more investment’, towards a more cautious approach emphasizing the protection as opposes to the promotional dimension of Microfinance.

The action research by Jerinabi (2006)\textsuperscript{132} involved the promotion of 20 SHGs each in the Coimbatore Corporation Slums (Urban Area) and Karamdai Panchayat
Union (Rural Area) and studying the impact of the groups on its members. The impact analysis based on the responses of 254 members, 12 from the urban SHGs and 133 from the rural SHGs who had set up micro enterprises found that SHG members were involved in a variety of economic activities such as dairy farming, goat and sheep rearing, detergent making, popularity, tailoring, lundry, catering, cottage industries, sale of vegetables and fruits etc. The study indicated a favorable impact on poverty alleviation and employment, with 15.36 per cent of the genuinely poor households having actually crossed the poverty line.

Gutierrez-Nieto, Serano-Cinaca and Molinero (2006)\textsuperscript{133} applied data envelopment analyses (DEA) to measure the efficiency of 30 Latin American MFIs and then explored the multivariate analyses of the DEA results. They developed 21 specifications using two inputs and three outputs. They identified an NGO (W-Popayan), and a non-bank financial institution (Findesa) as the most efficient among the group of 18 MFIs.

Todeschi (2006)\textsuperscript{134} felt that micro-credit organizations can indeed be sustainable, even financially successful, in very poor countries for long periods of time, and that the key to such success is getting the organizational structure right.

Christavell’s (2007)\textsuperscript{135} Study emphasizes the role of Microfinance in women empowerment through capacity building the study high lets that there is need to evolve an in formal micro financing through formal financial institutions. The massive growth of microfinance as paved the way for immediate financial accessibility and extend facilities especially in empowering rural women by providing educations training financial help and so on

World Bank (2007)\textsuperscript{136} conducted a research on the performance of SHG members and the service extend to the group members, in which it states that there is a considerable improvement on the SHG members family such as improvement on children’s education and nutrition, housing stock, empowerment and social capital in the developing countries. Another study conducted at Philippines underlines that there is a positive and marginally significant improvement on the per capital income of the Self-Help group members.
Robert Edwin Chester (2007) analyzed entrepreneurism is the life blood of any economy. An entrepreneur is one who takes initiative for and establishes an economic activity or enterprise. Micro entrepreneurs are the owners of small business. Types of microenterprises run by women are bookbinding, clothing business, tailoring, fancy item, selling or snacks, vegetable vending like some other related enterprise. As per the survey women micro entrepreneurs facing the problems like lack of financial, marketing knowledge, management experience, under utilization of capital, dependence on own funds, lack of skilled labours, competition. Finally the author has concluded micro entrepreneurs have good potential and will to establish and manage business enterprise of their own. The contribution of micro entrepreneurs to our economy cannot be ignored.

Soumya Gaddam (2007) made a Conceptual Analysis of Factors influencing Entrepreneurship Behaviours and Actions Considering the fact that implications of entrepreneurship for a country are paramount, it is important to bring the field into prominence. Entrepreneurship for a country is paramount, it is important to bring the field into prominence. Entrepreneurial behavior is affected by economic, social, psychological, environmental, demographic, and cultural factors. The study brings to light, through a simple analytical model, the relationship and influence of six major factors, Building on the logic of the model, this study also attempts to serve as a basis for future research which could criticize the ongoing discussion on newer factors and their underlying variables which could have major implications for entrepreneurial behavior under different context

Prof. Jayadevappa (2007) analyzed the three different models in SHG-Bank linkage. Her finding was that Karnataka state continuously ranked among the top three states in the country in terms of SHG-Bank linkage. The Karnataka Government encouraging. SHG-Bank linkage process supporting NGOs, CBs, RRBs and Cooperatives.

Gadenne, Vasudevan (2007) studied loan usage by members of 34 and 35 SHGs in the Chitradurga District of Karnataka and the Kancheepuram District of Tamil Nadu respectively. The study indicated that SHGs had not just improved members
access to credit but in doing so had served as a means towards investment in income generating activities or human capital as well as a mechanism of consumption smoothing and asset building.

Bhaskara Rao (2007)\textsuperscript{141} in a report which was submitted to Indira Kranthi Patham (IKP), titled “Women empowerment through SHGs, a study of Nizamabad District, Andhra Pradesh”, analyses the increase in different set of empowerment indicators, viz. awareness, access to resources to and control over resources, decision making, mobility, political participation and social concern which vary from normal to average. In few cases like mobility especially to banks and shops outside the village, the improvement is significant. Another positive features what he observe is that the increase in empowerment indicators is significantly higher in SC and ST communities vis-à-vis other communities. With in SHG programme also, at least a part of present improvement could be a result of various measures initiated in SHG program in the past.

Mishra (2007)\textsuperscript{142} focused having a bearing on the central aspect whether all clients were saving regular amounts of money at monthly/bimonthly interval building up the group saving. Internal loaning of group funds was very high resulting in significant waiting time for members as measured interested in borrowing. Social awareness index of group members as measured on liker scale showed a definite positive trend after joining the group reliance on moneylenders for credit eliminated or decreased in case of approx 2/3\textsuperscript{rd} of clients. No specific benchmarks for group membership leading to inadequate poverty targeting. Only 6per cent clients had taken up any economic activity post group formation – Marginal increase in real term income level after joining the group formation Marginal increase in real term income level after joining the group. Bank credit to group often is a result of bankers’ zeal to achieve targets rather than based on group often a result of bankers Zeal to achieve targets rather than based on group demand Bank credit as well as loans used overwhelmingly for consumption purpose. Group members not willing to borrow to take up economic activity on account of credit risk and absence of skills prompt repayment a factor of group pressure and sourced out of reduced consumption, extra work and borrowing form other sources. High rates of interest in internal lending
among group forming agency and accepted as being better than even higher rates of informal sector.

Khandewal (2007)\textsuperscript{143} microfinance comprises a major intervention for financial inclusion and socio-economic transformation of the underprivileged. Large-scale microfinance intervention through SHGs can vividly transform and empower the underprivileged, particularly in rural areas. Moreover, consistent with the profile of microfinance, focus must be on women. Women are poorer and more disadvantage than men. UNDPs 1995 Human Development Report found that 70 per cent of the 1.3 billion people living on less than $1 a day are women.

Dr. K.C. Leelavathi et.al. (2007)\textsuperscript{144} studied different dismissing of strengthening the performance of SHGs and assessing the impact of training on the performance of SHG members. It is felt through the study that SHG is one of the important media for the development of saving habit among poor. The modern elements of social, political and economic contents allow and motivate women to take up economically gainful work but the traditional elements inhibit education and employment of women. It is suggested that as capacity building of SHGs is a prerequisite of sustainable development. The success of SHG largely depends as building their capacities which will in turn serve as instruments for sustainable development. More over true development is achieved only when the community plans and takes into account the roles and the potential a great scope for convergence of the programme activities. The SHGs would help in opportunities for its present and future stakeholders. The SHGs formed under various programme provide improving the quality of life of women in rural and urban settings.

Yerram Raju, Savita Sankar et.al., (2008)\textsuperscript{145} Analyzed the microfinance development structural issues and also the dimensions of the microfinance bill

Alain de Crombrugghe, Michel Tenikue and Julie Sureda (2008)\textsuperscript{146} have conducted a study on “performance analysis for a sample of Microfinance Institutions in India”. They have used regression analysis to study the determinates of self-sustainability of a sample of Microfinance Institutions in India. These institutions stand out by their ability and willingness to report financial and operational data to Sa Dan, a Know-how sharing organization. They investigate particularly three aspects of
sustainability: cost coverage by revenues, repayment of loans and cost-control. Their results suggest that the challenge of covering costs on small and partly unsecured loans can indeed be met, without necessarily increasing the size of the loans or raising the monitoring cost. The analysis suggests other ways to improve the financial results, like a better targeting of the interest rate: policy or increasing the number of borrowers per field officer especially in collective delivery models.

Mitalisen (2008), in his study on Assessing social performance of Microfinance Institutions in India has opined that financial sustainability does not ensure the automatic fulfillment of social rating methodology developed by MCRIL. The world’s leading Microfinance rating agency. He has Recommend some guidelines to enable them to implement social reporting in their organizations and institutionalize social performance management.

Krishnan (2008) focused on the impact of Microfinance on the empowerment of women in Kerala through an in-depth examination of the Community Based Organization supported by an NGO and the State Poverty Eradication Mission. The study convincingly proved that Microfinance has been deep rooted in the State and it has strong hold in empowerment of women.

Anushree Sinha (2008) in a GTZ-NABARD commissioned study assessed the impact and sustainability of SHG-Bank Linkage programme on the socio-economic conditions of the individual members and their households in a pre-SHG and post-SHG scenario, The study covered a total of 960 SHG in six states viz. Andhra Pradesh, Maharashtra, Orissa, Uttarpradesh, Karnataka and Assam. The study reveals that the SHG-Bank linkage programme has significantly improved the access of the rural households to financial services, Beside there has also been a positive impact on the socio-economic conditions and women’s empowerment.

Muhammad Yunus (2008) argued that despite the success of his experiment with only $27 distributed to 42 poor house holds in Bangladesh, poverty eradiation is not fast enough across the globe due to regulatory inadequacy of other factors.

Crabb. P (2008) studied the relationship between the success of microfinance institutions and the degree of economic freedom in their host countries.
Many microfinance institutions were currently not self-sustaining and research suggested that the economic environment in which the institution operated was an important factor in the ability of the institution to reach this goal, furthering its mission of outreach to the poor. The sustainability of the micro-lending institutions was analyzed using a large cross-section of institutions and countries. The results showed that microfinance institutions operate primarily in countries with a relatively low degree of overall economic freedom and that various economic policy factors were important to sustainability.

Keith Hmieleski and Andrew Corbett (2008) studied the pro-activity for improvisation as predictor of entrepreneurial intentions. This study examines the relationship between improvisation and entrepreneurial intentions. The study conducted 430 college students, entrepreneurial intentions are found to be significantly associated with measures of personality, motivation, cognitive style, social models, and improvisation. The strongest relationship is found between entrepreneurial intentions and importation,

Sudarsana Reddy. G and Pandering V.Patti (2008) explained that Microfinance innovations are yielding results and giving hope to the rural poor through providing credit there is a need to evolve and infernal credit systems with assistance from formal financial institutions.


Nigel Biggar (2009), in his article “Measuring poverty outreach: how two different Microfinance institutions used the progress Out of Poverty Index”, demonstrates how two Grameen Foundation partners, operating in very different context, have been able to reach a large scale of very poor clients and maintain profitability. The author illustrates here how MFIs can demonstrate their poverty outreach using the PPI and a standard definition of poverty. He demonstrates the mainstream MFIs are able to reach the large share of very poor clients and to do so sustainably. Finally the article concludes with that the PPI data analysis provides MFIs in multiple settings, help achieve social goals in the critical ways: targeting the
poor and very poor and shaping the kinds of products and services that the best meet the specific needs of the targeted groups.

The study of Reddappa Reddy et. al., (2009) projected SHGs as a tool for urban poverty eradication. It is opined that the SHGs are the important vehicles for social and economic transformation. They are the instruments for encouraging the economic opportunities for urban poor. The study is confirmed to the Tirupathi urban areas in Chittoor District of Andhra Pradesh. It is absolutely empirical based as a simple random sample of 5per cent of total SHGs and 3per cent of total members. It is emphatically stated that the desired fruits can be ripped only through the working of Self-Help Groups in a Democratic manner and viable linkage of SHGs and banks. The study concludes that as Self-Help microcredit schemes are often landed as one of the most effective mechanism to reach the poor measures must be taken to ensure that the poor are not excluded. In addition the linkage between different approaches towards development, poverty reduction and empowerment must be considered. It is not enough to address the economic indicators of poverty other determinants of human poverty interims of health and education require attention. Likewise, social poverty which manifests in the presence of evils like caste, dowry and alcohol to needs be corrected.

Sudarshan Reddy et. al., (2009) analyzed the role of Microfinance in rural development Bangalore Rural District of Karnataka. The study ventilated the impact of Microfinance through Self-Help Groups in empowering the development of rural lives. In the process of the study the information of SHG groups, the differently involves in setting loans from banks. The operation of SHGs and the repayment behaviors of SHG members have been investigated with primary database and application of statistical tools for analysis. It is concluded that Micro Financing would be the solution for any nation to fulfill the basic rights of the people of the nation making them to access to all those facilities given as per the constitutional rights. Microfinance would be a tool for eliminating poverty and to improve the status of the people, so that they can be assets for the nation. There should be proper information to disseminate among all the people so that every one could reap the benefits of Micro Financing.
Gurmeet Singh (2009)\textsuperscript{158} emphasizes the significance of Microfinances an innovation in the rural credit system. In the context of the credit sap and need for social security as a fundamental human right the author as a appreciated the role played by Microfinance Institutions in collaboration with the Government NGOs., social etc., in poverty alleviation, Employment generations improvement of health and status, empowerment of women and human development the status and increasing savings of SHGS with the Banks, it is brought to the fore that the spread of the SHG bank linkage programmer in different regions remain of un even due to various factors like proactive role of state government presence of well performing NGOs, socio cultural factors etc. the role played by Microfinance in sayings that the role of Microfinance institution is applauded sayings that the role of microfinance institution is significant in rural development and poverty Erachcatio.

Dr. B.K. Mohentni (2009)\textsuperscript{159} studied the SHG movement as and emerging social innovations of micro financing in the back drop of Orissa as against India. The study also focused and the regional spread of physical and financial progress of SHGs. The study inter alia, came out the recommendations the there is need to build and strong efficient Microfinance intuitions, there is need for financial infra structure to support Microfinance and there is need to regulated the interest rates.

Muralidhar lokhand (2009)\textsuperscript{160} Stated that microfinance programme as a significant role played to play in Indian economy for boosting micro entrepreneurial activities for creating productive assets coupled with employment generation. A study analyzed the objective of the microfinance programme and the progress of Self-Help groups Bank linakage programme in the country. It is concluded that the banks under respective NGos, should nourish and developed the SHGs by providing financial assistance organizing skill based training progremmas in rural as well as semi urban areas.

Jitendra Ahirao’s (2009)\textsuperscript{161} Stated micro credit as a tool for socio economic development It is a financial innovations and the extent ion of very small loans to the entrepreneurs and to others living in poverty who are not considerate bankable A many Other things the role of NABARD and Self-Help groups is emphasized in empowerment of women and development of entrepreneurhip a many rural women. The study is absolutely a theoretical exposition.
Rao’s study (2010),\textsuperscript{162} though empirical, is primary in its observations. It is observed that the SHGs provide the poor women the access to economic resources and thus enable the women to spend them on productive and consumption needs. It is further found that SHGs of not just a financing system but for social and economic change especially for women. The groups change the women from housekeepers to organizer, manager and decision maker. Women learn skill and ability from group activities. It is suggested to have strong marketing network and capacity building for the women to manage community projects.

The study of vyas (2010)\textsuperscript{163} presents an analysis of the criterion of selections for micro loans of consumers in relation to available options like commercial banks NGOs and co-operatives. The survey was administered to a convenience sample of 100 individuals living in district of Gujarat. The study which is based on the primary data found that the micro loans consumers are quite aware regarding the rate of interest disbursal duration flexibility of collateral flexibility in procedure and end customer friendliness’ of the micro loan provider organization.
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