CHAPTER II

REVIEW OF LITERATURE

The chapter reviews the various empirical literatures available on the subject of externalities and common property resources. The literature on the subject is very large and it has been delimited to review some important literature to trace the core issues. On the basis of the identified issues, objectives were drawn to proceed a fresh study in the study region.

A conceptual framework for the study based on the ideas and concepts gathered from the review work of the existing literature of both theoretical and empirical nature will facilitate the planning of the study in a comprehensive manner. It also helps to know the previous research work done in that area and acts as a torch for the new researchers. Better ways are needed to generalize the research findings from laboratory studies to operational settings, from one experimental study to another and from one operational setting to another. The proposed study is new in its subject treatment. However, an attempt is made here to put together some of the closely related research findings in the area.

Shanta and Subramaniam (1985) studied the “Success story of women’s co-operative”, found that the members of Tiruchirapalli Ladies Stationary Goods Manufacturing Cooperative Society Limited earn on an average Rs. 3/- to 5/- per day as wages apart from bonus and profits. The members felt that they can earn some bread for
the family and have cultivated the habit of savings. SHGs enhance the equality of status of women as participants, decision makers and beneficiaries in the democratic, economic social and cultural spheres of life.

Mehta, Salil & Dinakar (1990)\(^2\) Studied the working of Self Help Groups in Maharashtra & Gujarat. SHGs helps to increase the awareness, knowledge and skills of the rural poor and assists them in taking active participation in village activities that contribute to higher family income and provide credit for establishing and developing economic activities.

Desai A.R and Mohiuddin. A (1992)\(^3\) states, Self Help Groups are one of the new innovations in rural lending. He has observed that total lending helps the people to come above the poverty line and he recommended that credit organizations should simplify the procedures and modalities of credit to suit to the education level of the rural women. The credit organizations should develop simple literature in local language for the benefit of rural women.

Anonymous (1995)\(^4\) defined SHG as a homogeneous group of rural poor usually not more than 20-25 individuals, who join on a voluntary basis in order to undertake an economic activity such as thrift and credit or use of a common asset/tools on the basis of equality and mutual trust. Voluntarily formed to save whatever amount they can conveniently save out from their earnings and mutually agree to contribute to a common fund from which to lend to members for products and emergent credit needs.

Puhazendi (1995)\(^5\) studied nineteen Self Help Groups and five bank branches in Karnataka and Tamil Nadu and concluded that the intermediation of Self Help Groups
reduced the time spent by bank personnel in the identification of borrower’s
documentation follow up recoveries effecting 40 percent reduction in the transaction cost
of bank as compared to direct lending to individual borrowers. He gives the concept
about Self Help Groups and their modes of linkages with banks. He says that Self Help
Groups linkage with banks for micro credit has taken to greater heights and he observed
that Self Help Groups formed by the target group to improve their standard of living by
meeting their demands through loans and savings schemes.

Churchill (1995)\textsuperscript{6} undertook a study entitled “Get Ahead Foundation
Programme” to assess the impact of micro-enterprise credit for the small scale
enterprises, on the living conditions of entrepreneurs and their families and on the
benefits to the next generation in the programmes of the Get Ahead Foundation in South
Africa. He points out that micro-credit has a positive impact on the monthly profit but
little impact on job creation.

Pitt and Khandkar (1995)\textsuperscript{7} analyzed the impact of a group-based lending
programme for the poor on the household behaviour in Bangladesh in their study
“Gramma Bank, Bangladesh Rural Advancement Committee RD12”. They find that
credit has a significant impact on boys schooling but not on girls schooling. They also
note that credit to women increases women labour supply and that credit increases
women’s non-land assets and it increases expenditure on food and non-food items. The
study highlights the impact of credit on boys schooling and expenditure on food and non-
food items.
Creve, Ndour and Thiam (1995)\textsuperscript{8} in the study entitled “The Guinea Rural Enterprise Development Project”, analyze the impact of enterprise providing micro-credit on participants, enterprise performance, individual income and family well-being. They have highlighted the micro-credit has a positive impact on enterprise income for repeat borrowers but no impact on assets and employment..

Montgomery, Bhattacharya and Hulme (1996)\textsuperscript{9} in their study “Government Thana Resource Development and Employment Programme (TRDEP)” analyse the impact of the credit programme of income, productivity and poverty in Bangladesh. They find that significant change in household income has led to a decrease in the percentage of expenditure on food, and that the better off among the poor benefit more from credit. To use credit effectively, the household has to reach a minimum economic level.

Brenda Sennott (1996)\textsuperscript{10} the study conducted by entitled “The Successor Otherwise of Rural Financial Mobilization in Less Developed Countries: Effectiveness of Savings club Zimbabwe in Addressing the “Development Needs of the Poor” establish that an effective method of mobilization of savings in rural areas in less developed countries is through small self-sustaining groups based on the grass-root level.

Tejaswini and Veerabhadaiah (1996)\textsuperscript{11} identified the problems faced by rural women in SHG activities. The findings revealed 85 per cent of them facing difficulty in getting a good price for their product, lack of common workplace (83.00%), lack of proper marketing facilities (75.00%), problems in getting loan money released in time (66.00%) and lack of training facilities (50.00%).
RoulS (1996)\textsuperscript{12} defined an SHG as a group where members come together with certain objectives to manage their own funds as an affair by themselves to achieve better control over their resources and to meet their credit needs. An unregistered body of people, preferably the disadvantaged who willingly contribute an agreed sum of money which be lent at a price for a short period fixed by the group itself.

Hemalatha Prasad and Om Prakash (1997)\textsuperscript{13} reported that the type of income generating activities taken up by the women were dairy, forest nursery, sericulture, vegetable cultivation, petty business, chick rearing and egg selling, vegetable growing and selling, selling off season products, fish selling, bread and egg selling, tailoring, bamboo basket making, kirani shop, manihari (ladies make up items like bangles, comb mirror etc.), goat rearing etc. which were carried out as a group activity.

Lalitha and Nagarajan (1998)\textsuperscript{14} in their book “Self Help Groups in rural development” have highlighted the experiments of Self Help Groups in various strategic alliances and partnerships between NGOs, SHGs and Banks that resulted in success and were replicated and multiplied. The diverse agencies like National Organization, Voluntary Agencies, Government Departments, Artisans Enterprises and International Organisations have empowered rural women by conferring job training in production techniques and staff management.

Shylendra (1998)\textsuperscript{15} observed that though the Self Help Groups could be created fairly and easily, overall they failed to make any significant impact on the socioeconomic life of the women members due to the wrong approach followed in the Self Help Group
goals. The members of Self Help Groups lacked clarity about the concept of Self Help Group, particularly by the team.

Datta and Raman (1998)\textsuperscript{16} highlighted that Self Help Groups are characterised by heterogeneity in terms of social and economic indicators. The success of Self Help Groups in terms of high repayment is mostly related to the exploitation of prevailing social ties and cohesion found among women members.

Thomas. P (1998)\textsuperscript{17} defined Self Help Group as a homogenous group of rural poor voluntarily formed to save small amount, out of their earnings which is convenient to all the members and agreed upon by all to form a common corpus fund for the group and to its members for meeting their productive and emergent credit needs. It’s a group of people where members pool their savings and re-lend within the group on an informal basis.

Dat Tran (1998)\textsuperscript{18} in his dissertation “Borrower Transaction Cost Credit Rationing and Segmented Market: A Study in the Rural Credit Market in Vietnam”, has analyzed the role of borrower transaction costs in a credit rationing mechanism, and in the segmentation of the rural credit market. He concludes that the two factors, that is, regulated lending interest rate and the asymmetric information problem, are the causes of high borrower transaction costs of formal credit rationing and segmentation of rural credit market.

Carolyn Barnes and Ericak Cog (1999)\textsuperscript{19} A study entitled “The Impact of Zaimbuko”s Micro-Enterprise Programme in Zimbabwe: Baseline Findings”, identifies the impact of participation in the Zaimbuko programme upon clients and their households
highlight that there is great scope for capturing the clients ability to save if the legal issues can be resolved. The reality of hungry seasons and periodic shortages of working capital are responsible for their poverty, which can be improved with savings and/or insurance products. Easier access to group funds could help women overcome periodic crisis and might prevent some exits.

Malcolm Harper (1999)\textsuperscript{20} expressed the opinion that by providing single, larger loans and relying on the group or NGOs to monitor on the lending of micro loans, the bank transaction charges were reduced, making the whole operation potentially profitable. Self-Help Groups appear to be the new distribution channels for financial services.

Sharada and Navaneeta (1999)\textsuperscript{21} in their book entitled “Women in India: search for identity”, said that in spite of the constitutional provisions for gender equality as well as special privileges for women, women’s equality, particularly in economic and social spheres reminded as a daydream for a long time.

Papalo. T. S and Alakh. N. Sharma (1999)\textsuperscript{22} suggested that restricting of the economy and the structured adjustment policies may increase employment opportunities, but reduces employment society. Hence, it was necessary that women, in general and rural women, in particular should equip themselves through formal and professional education in order to participate in the non-agricultural activities by giving up their dependency on agriculture.

Prasad. U (2000)\textsuperscript{23} reported that in many village community issues like drinking water, roads, electricity and health services were addressed by the women’s groups. The
women involved themselves in working towards child development in addition to income generation programs.

**Puhazhendi (2000)** reported the positive impact of employment generation on 45 per cent of the group members who had undertaken income-generating activities. The additional employment generated through SHG lending worked out to 172 man-days per member. Undertaking supplementary activities such as animal husbandry, poultry *etc.* and nonfarm activities like petty shop, kirani shop, flower vending business *etc.* provided employment to a greater extent. The annual employment available for the group members has increased by 85 per cent during the post group formation when compared to the pre group formation period.

**Suriakanthi (2000)** in a study conducted in Gandhigram of Dindigul district of Tamil Nadu and reported from her survey of 120 SHGs found that 95 per cent of the members and 75 per cent of the office bearers were illiterate as they were not from the economically affluent families. In 50 percent of the group surveyed, literate members write the minutes and accounts. In case of illiterates or office bearers, they knew how much they had saved as a group and 10 per cent of them said that they did not know.

**Bhatia and Bhatia (2000)** through a few case studies highlighted that recovery of Self Help Groups was higher than other credit extended to borrowers. Moreover, the involvements of Self Help Groups had helped the bank branches in recovery of old dues. They observed that there had been perceptible changes in the living standards of the Self Help Group members, in terms of ownership of assets, increase in savings and borrowing capacity, income generating activities and income levels as well.
Manimekalai (2000)\textsuperscript{27} maintains that Self Help Groups enhance the equality of status of women as participants, decision makers and beneficiaries in the democratic, economic, social and cultural spheres of life. They encourage women to take active part in the socioeconomic progress of the society. NGOs are doing well particularly through the self help formation motivating the women in saving and thrift and also making them fully involved in economically productive activities through micro credit and finance.

Murugan and Dharmalingam (2000)\textsuperscript{28} in their article, “Self Help Groups new women’s movement in Tamil Nadu” state that Self Help Groups are characterized by small size, bank identical interest, social heritage, common occupation, homogeneity, entity, needs and problems, flexible and responsive, group solidarity through self help awareness, social and economic empowerment.

Nagayya (2000)\textsuperscript{29} maintains that an informal arrangement for credit supply to the poor through Self Help Groups is fast emerging as a promising tool for promoting income generating enterprises. The NABARD and SIDBI are playing a prominent role in various stages of implementation of this program.

Abdulla (2000)\textsuperscript{30} concluded in his study on “Tribal Custom that helps Rural Development” that many of the SHG members, with their popularity, are occupying important positions in gram Panchayats, cooperatives and other social organizations. They are also dealing with socioeconomic problems such as prohibition of alcohol, child marriages and dowry in the community.

Kashyap. A (2001)\textsuperscript{31} A Self Help Group is a group of 10-20 women who come together voluntarily around a common objective. These groups are a part of the micro-
level financing which primarily focuses on providing access to bank credit to the neglected, underprivileged and the deprived sections of the society. SHGs have been recognized as a useful tool to help the poor and as an alternative mechanism to meet the urgent credit needs of poor through thrift.

**Barbara and Mahanta (2001)** in their paper observed that Self Help Groups have helped to set up a number of micro enterprises for income generation. Rastriya Gramin Vikas Nidhi’s credit and saving program in Assam has been successful as it focus is exclusively on the rural poor.

**Barik and Vanna (2001)** in their article promoting Self Help Groups as subsystem of credit co-operatives state that Self Help Groups can be developed as a subsystem to primary agricultural co-operative societies at the village level. They have also discussed that Self Help Groups are largely linked with commercial banks in the rural areas. The linkage with the co-operative credit system is proverbially poor.

**Dayanandan (2001)** suggested in his research studies as the group matures in size, a shift from consumption to production loan should be given due attention by the members of the group and by the self help promoting institutions. Entrepreneurship development programme should be conducted for Self Help Groups beneficiaries in areas having effective linkages. Self Help Groups are a permanent system of rural lending in the country.

**Manimekalai and Rajeshwari (2001)** in their paper highlighted that the provision of micro finance by the NGOs to women Self Help Groups has helped the groups to achieve a measure of economic and social empowerment. It has developed a
sense of leadership, organizational skills, management of a business, right of acquiring finance, identifying raw materials, market and suitable diversification and modernization.

Pankagnaithani (2001)\(^{36}\) viewed that micro financing has developed that self employment activities in rural areas over the last twenty years. Micro financing means making provisions for smaller working capital loans to the self employed for self employment seeking essential programmes like basic education and infrastructure development to the suffering. They may be true to some extent, as target beneficiaries in most of the micro finance project are women.

Satish (2001)\(^{37}\) in his paper raised certain issues related to the functioning of Self Help Groups. The process of Self Help Groups formation has to be systematic whether a bank or NGOs forms it. He attempted to evaluate the Self Help Groups as institutional arrangement could positively contribute to the economic and social empowerment of rural poor and the impact of the latter was more pronounced than on the former. He emphasized that Self Help Groups experiment has to be spread throughout rural India.

Sharma (2001)\(^{38}\) maintains that through Self Help Groups-women empowerment is taking place. Their participation in the economic activities and decision making at the household and society level is increasing and making the process of rural development participatory, democratic, sustainable and independent of subsidy. Thus macro financing through Self Help Groups is contributing to the development of rural people in a meaningful manner.

Snehalatha (2001)\(^{39}\) expressed, Self Help Groups can address a wide range of problems of alcoholism in provision of micro credit. The Self Help Groups have been
formed and developed as a means through which people share the social, economic and physical problem with each other. She added that Self Help Group can be defined as a supportive, educational, usually change oriented mutual aid group that addresses a problem of life or condition commonly shared by all members.

**Vijay (2001)** described in his article “Empowerment of women through Self Help Groups”, the difference between women who have become part of Self Help Groups and those who are not members of the Self Help Groups from the same village. Empowerment has taken place across caste and class. It has also helped to some extent to go beyond caste, politics and brought them together as women.

**Swati (2001)** from their study in a tribal district of Madhya Pradesh, India rural that, besides reducing the pressure on the forests (which was the main objective of initiating SHG by the Forest Department), SHG was able to start and run a nursery on their own. It provided them opportunities not only for experimental learning of many nursery management skills but also about leadership and group functioning.

**Kulshreshta and Gupta (2001)** reported that poor people learned the importance of SHGs from exchange of information from neighbors and guidance given by local NGO's which motivated them to join SHG. Later, they realized the importance of group strength rather than individual efforts, which motivated them to take up development activities.

**Rein Dekker (2001)** in his study “Transaction for the Cash Economy: the Design, Description and Analysis of a Micro Finance Programme in Indigenous San Communities in Western Botswana” explores whether a culturally sensitive and
participatory development programme in the form of micro credit and savings could contribute to the increase of individual and community assets as well as to improve the ability of San participants to handle the demand of cash economy, thereby increasing their social and economic self-sufficiency.

**Range. P. S, Sindhu. M. S and Harjit Singh (2002)** in the study conducted in Fatehgarh Sahib district of Punjab reported that, 70 per cent of the respondents of the SHGs were in the younger age group of 25 to 45 years, 18 percent were in 45 to 55 years, 6 per cent were between 55 to 65 years and 4 per cent were of less than 25 years. Only one respondent was of more than 65 years of age. This analysis showed that young women are more energetic and can take responsibility of additional work in the household. Therefore, they preferred to become members of the Self Help Groups.

**Banerjee. G. D (2002)** in his study conducted in Tamil Nadu reported that members in the age group of above 40 years participated actively in the group activities. Groups which were more than 3 years old had 42 per cent of the members of age above 40 years. On the other hand increased participation of members below 40 years was observed among newly formed groups. In case of repayment performance on loans, about 50 per cent of the group had charged 2-3 per cent per month. In 20 per cent of the groups, the interest fixed was 1.5 per cent per month, which indicated the level of maturity and skills of the group members in fixing their own rates of interest without causing much burden to the members.

**Bharat (2002)** presents in his article, women Self Help Groups that almost all women are from poor families, mostly from dalit and backward class. Poor people
realized the importance of community participation as well as to claim their rights in various services related to their economic and social well being which indirectly made them to organize into Self Help Groups. While the increase in income is important, it is not that the only aspects of these Self Help Groups which is emphasized. The long term goals of Self Help Groups are that loans should be returned promptly.

**Hilariasoundari (2002)**\(^{47}\) states that establishing gender as a goal requires a precondition of reducing poverty, promoting sustainable development and building good governance. The Self Help Groups movement, joint ventures of government and non governmental agencies, can pave way for emancipation of dalit women. A new dawn of equality in the lives of dalit women is the true freedom in India.

**Lalitha and Nagarajan (2002)**\(^{48}\) in their study, “Self Help Groups in rural development”, reveal that the Self Help Groups in rural development didn’t pretend that credit scheme alone would transform poverty into affluence but brought out the fact that credit for the poor women was financially viable and that the poor are not always to be considered as a high credit risk group.

**Prem, Pandey and Anshumankarol (2002)**\(^{49}\) in their article, “Socioeconomic upliftment through Self Help Groups in Solan district of Himachal Pradesh”, describe the success of the efficiency of micro finance interventions. They also pointed out that various parameters are used to measure the maturing of the household, participation and frequency of meeting, regularity of savings, repayment of loans and group participation in a financial transaction.
Rajeswari (2002)\textsuperscript{50} explains that though it has been an only program to alleviate poverty, Self Help Groups has done well in different parts of the country. The thrust of policies should be to encourage the supervisor of the Self Help Groups. The government of India must provide further concession to bring more dynamic rural women entrepreneur to strengthen the India’s industrial base through the participation of Self Help Group women entrepreneur.

Shanmugam (2002)\textsuperscript{51} states that in a recent study which covered 560 Self Help Group member households from 223 Self Help Groups spread over 11 states positive results have been achieved through changes in the living standards of the Self Help Group members in terms of ownership of assets, increase in savings and borrowing capacity, income generating activity and income levels. Self Help Groups improve the standard of living in urban areas and Self Help Groups promote employment opportunities in rural areas. The savings of urban Self Help Groups are three times more than rural Self Help Groups.

Sudharani (2002)\textsuperscript{52} reported that as far as the main occupation of the head of the household was concerned, 54 percent of them were non-agricultural workers, 18 percent were agricultural workers, and eight per cent each were workers in the dairy farming and employees in public/private/co-operative sector. The rest 12 percent of them were self-employed mainly doing the business of grocery shops. Out of 50 respondents, 44 of them had subsidiary occupation also. Among these 44, 75 percent of them reported doing dairy farming as subsidiary occupation, followed by tailoring (about 11%), 9 percent were working as anganwadi workers and the rest 5 per cent were training rural women in stitching.
Chiranjeevalu (2003)\textsuperscript{53} in his article “Empowering women through Self Help Groups” highlights that networks with other marketing enterprises of Self Help Groups women in neighboring districts will be established. The project proved that women have developed abundant self confidence and self esteem Self Help Group. Further he observed that from the groups in the interior villages, the scheduled tribes have not been benefited to the extent of the exterior villages’ beneficiaries.

Dwasakanath (2003)\textsuperscript{54} in his article “Rural credit and women’s Self Help Groups – AndraPradesh” states that this movement has developed thrift as a habit among the rural poor women and paved the way for decision making powerful women in the family. It has also created a marked awareness among the women’s groups about socioeconomic and political conditions prevailing in and around the district.

Gurulingaiah (2003)\textsuperscript{55} in his article, “Self Help Groups and Women Empowerment in Karnataka” highlights that Self Help Groups of women in India have been identified as an effective strategy for the empowerment of tribal women in rural areas as well as women in urban areas. Women through these Self Help Groups work on a range of issues such as health.

Jalihal and Shivamurthy (2003)\textsuperscript{56} in their work entitled “Pragmatic rural development for poverty alleviation – a pioneering paradigm”, notified that the Self Help Group approach leads to a change in neglected or sarcastic attitude to a respectful attitude towards rural poor women by all the members of their families and villages. The poor women attend night meetings of their Self Help Groups after completing their family
responsibilities and discuss their problems and possible ways for their economic and social improvement.

Joschathukulam (2003) reveals that Self Help Groups not only provide a means of survival for poor women, but also serve as a nascent institution for the building up of women’s specific social capital, which can serve a long term sustainability function in poverty alleviations. Apart from increasing women’s networks and fostering trust, Self Help Groups enable them to acquire skills in conflict management and participate in gram sabha.

Mohamad Abdullah (2003) states, women were portrayed in the society as a mother, labour, child care taker, household manager etc., but never as an entrepreneur. The micro credit programmes widely encouraged among Self Help Groups in rural areas must be extended to these micro entrepreneurs of urban area also. Rural women are creating a silent revolution and if the trend continues, the rural economy will get a big boost.

Omraj (2003) in “Role of NGOs in fostering Self Help Groups” states that most of the Self Help Groups have come up due to the dynamic leadership of certain individuals within a group of through the catalytic role played by the NGOs in developing such groups one such NGO is the MYRADA. MYRADA has over 1000 groups of women with the focus on women’s rights and livelihood.

Puyalvannan (2003) has made an attempt to examine the status of Self Help Groups in both Trichy and Pudukkottai Districts of Tamil Nadu. Results have shown that women are credit worthy and responsible users of credit. Repayment is as high as 98% in
both the Districts studied. The author made recommendations for involvement of co-operatives in promoting Self Help Groups. 

Rajamohan (2003)\(^6\) in “Activities of Self Help Groups Virudhunagar District – A study” has explained that according to a recent survey 18 lakh families out of 41 lakh families that are below the poverty line in the state of Tamil Nadu had been covered by the Self Help Groups. He also indicated that the programme was launched in 1998 and the total savings with 1.06 lakh Self Help Groups where Rs.150 Crores.

Raghuvendra (2003)\(^6\) in “Self Help Groups links banking challenges of training – Role played by national centre” presents that major challenge faced by NABARD, SIDBI and banks in meeting the training needs of various players in the programme such as Self Help Group members, functions of NGO, government and banks should be exposed to different types and levels of training and awareness programme.

Rangarajan (2003)\(^6\) in his study, “Role of Self Help Groups in rural poverty alleviation” stresses that the Self Help Groups are playing a crucial role of harmonizing the societies and strengthening the rural economy. However they must avail themselves of training programmes and should manufacture diversified quality products.

Shivaramakrishnana (2003)\(^6\) has disclosed in his article, “Poverty alleviation through Self Help Groups”, that the poverty level had been reduced from 56.44% of the India’s population in 1973-74 to 37.27% in 1993-94. The ninth five year plan (FYP) document envisages reducing rural poverty in the country from a level of 30.55 % (208 Million) during 1996 to 9.64% (73 Million) by 2006 and further to 4.31 % (35 Million)
by 2001. The author has also mentioned that the organization of the total poor into Self Help Groups is one of the ways to reduce the poverty.

Villi (2003)\textsuperscript{65} in her article, “Self Help Groups - Micro Enterprises (some issues, challenges and alternatives)” said that the rural micro enterprises play a vital role increase like promoting, generating revenues for rural employment, utilization of local rural resources, skill development, promotion of rural entrepreneur, mitigating regional imbalances, reducing rural urban disparity, arresting migrating of rural labour to urban centre and creating capital assets in the rural areas itself.

Vasudeva Rao (2003)\textsuperscript{66} pointed at that one-third of the members had not even taken loans on their own savings, while another 1/3rd had taken only once during the last one year. Only 10 per cent of them were reported to have taken loans thrice in the same reference period. The majority of them had taken loans for their own occupational development, whereas only a few of them had taken for health, education and marriage purposes. The amounts taken were also varying with the purpose.

Raghavendra (2003)\textsuperscript{67} revealed that the total number of SHGs which were credit linked with the country reached a phenomenal figure of 4.61 lakh by March 2002. Almost 90 per cent of them were linked to banks were exclusive women's groups and periodic studies have revealed that repayment of loans by SHGs to banks has been consistently over 95 per cent.

Das, S (2003)\textsuperscript{68} reported that mere financial support would not be useful in rural development in the long run. He stated that group approach concept given by NGOs made people to organize into SHGs in different parts of the country in order to improve
their quality of life. Formation of Self Help Groups is a viable alteration to achieve the objectives of rural development and to get community participation in all rural development programmes.

**Rimjhim Mousumi Das (2004)** stated that in countries like India 33 per cent of the people were considered as poorest of the poor, their credit for income generating activities alone defeated the purpose of poverty eradication. Expecting income generating activities without providing support for their food and cloth was unrealistic. So, in countries like India and Bangladesh loan for consumption purpose has been inevitable one.

**Purushotham (2004)** reported that rural micro enterprises in the sub-sector had grown in importance during the last two decades, policy makers and administrators cannot ignore its capacity to provide viable and sustainable avenues of self-employment for the members of SHGs. Yet across a broad range of settings, the field evidence suggests that with appropriate market support strategies, the members of SHGs could be effectively assisted to identify and build micro enterprises as a source of their employment and income.

**Raghuprasad. K, Uma Mahesh and Mohan (2004)** in a study conducted in Shimoga district reported that the groups were socially active as they voluntarily involved in general cleaning of the village, eradication of alcohol centers, encouraging primary education, celebration of festivals etc. But, these groups have not yet taken up any profitable enterprises. However, it is an exception with three of the SHGs, which have
taken up dairy, preparation of areca leaf plates and preparation of home made products, as income generating activities.

Tripathy (2004)\textsuperscript{72} revealed that the success of the economic activities taken up by the self employed persons largely influenced the poor people. The poor people were motivated by the decision making process and broader financial base of the groups in their village. They were expressed by the assets created by the group members and realized that the group approach through SHGs is the only means to achieve desired goals.

Kala (2004)\textsuperscript{73} in her article, “Economic Empowerment of women through Self Help Groups” conclude that effective intervention through process oriented empowerment programmes for women had been found to be successful in improving their status in the family and society, while giving a feeling of self worth and esteem. Women - friendly personal policies would be drawn up to encourage women to participate effectively in the development process.

Kumar (2004)\textsuperscript{74} “Empowerment of Women – Capital Building and Skill Formation” says that this strategy helps the self supporting and enables the vulnerable women to compete with others in the arena of the job market. The concept of Self Help Groups is the brainchild of the national bank for agricultural and rural development.

Public Opinion Survey (2004)\textsuperscript{75} - it reveals two major problems were saved by Self Help Groups. They are (alleviated) finding an economic activity that will yield a rate of profit necessary to lower the interest rate on the loan marketing of the produce. If the goods produced by the rural poor are sold at a right time with profitable price, then the
poor will be able to improve their savings potential, credit handling capacity and access to financial institutions, inculcate the entrepreneurship skill, develop an urge for investment and also risk taking attitude through Self Help Groups.

Purushotham (2004)\textsuperscript{76} in his article, “Marketing support to the Self Help Groups” says that most of the Self Help Group members are living in regions of high poverty, low levels of agricultural surpluses, scanty resources and underdeveloped infrastructure and find it difficult to identify and promote viable micro enterprises.

Selvachandran (2004)\textsuperscript{77} in his article, “Micro finance through Self Help” states that the proper promotion of micro finance and banking services to Self Help Groups would help to drive away poverty from our country. The Self Help Groups, bank linkage was a boon to the poor and for bank media to reach a number of processes in the economic development.

Shanthi and Dhanalakshmi (2004)\textsuperscript{78} in their article, “Case study of women’s empowerment through Self Help Groups in Gobichettipalayam Block – Erode District” state that empowerment is an active, multidimensional process which enables women to realize their final potential and powers in all spheres of life of women’s empowerment process status with economic empowerment.

M.B. Pierre Chue, Ruth Dickson, M.D. Michael Sanderson, and Austin Mardon (2004)\textsuperscript{79} in their study, “The Impact of Self Help Groups on People with Schizophrenic”, analyze that Consumer initiated and controlled Self Help Groups could be an effective community support to people with schizophrenia. Despite the fact it is widely acknowledged that consumer initiatives should be part of any modern healthcare
reform strategy, there have been a few systematic assessments of the impact of Self Help Groups and certainly no evaluation of Self Help Groups for people with schizophrenia. Without professional involvement, most Self Help Groups collapse soon after starting.

Amalmandal (2005) in “Swaranjayanti Gram Swarozgar Yojana (SGSY) and Self Help Group: an Assessment” says that Self Help Group is inherently a weak group, as it is Voluntary and Autonomous organization. It is advised that there should be monitoring and intermediary, at least until the group takes up economic activity. Welfare equity, antipoverty, efficiency and empowerment of women would make them active players in the society.

Aravazhi and Selvanathan (2005) in their article “Self Help Group – A new beginning in women entrepreneurial development” argued that the poor status of Indian women in villages could be transformed with the help of Self Help Groups. As the success rate was high in many places in India, the Self Help Groups were the real pathfinders in the life of rural Indian women.

Asokan and Sudha (2005) pointed out that many studies revealed that Self Help Groups contribute significantly to the overall development of women. The women's development depends upon the success of Self Help Groups. To understand the level of success of Self Help Groups the present study empirically analysis economic status of total women Self Help Groups in Nagapattinam District of Tamil Nadu. Self Help Groups are successful to some extent in the study area in respect of economic process and social development.
Ayilla (2005) remarks, Self Help Groups have laid the seeds for economic and social empowerment of women. If the Self Help Group programmes are conscientiously implemented, they can become a rural power in bringing out the creative and produce potential and rural women. In short, the Self Help Groups are to be viewed as agents of change in rural areas for the empowerment of rural women.

Famitha (2005) in her article, “A study in marketing the products of women Self Help Groups with special reference to Dindugal District” states that the various departments of state and central government should produce the products which are demanded and manufactured by women Self Help Groups. Technology up gradation training with arguments of a marketing nature both of internal and international level should be arranged by the state government.

Franktesoriero (2005) reports in, “Strengthening communities through women’s Self Help Groups in South India”. When considered within the constructs of empowerment, capability poverty, citizenship and participation in the democratic process, such Self Help Group outcomes, and the community development process, that accompanies their work, can be seen to make a modest but significant contribution to broader transformations of oppressive structures.

Gadekar (2005) indicates in his article, “Women empowerment through Manila Self Help Group Industrial Society Limited” that more than 80 percent of the co-operatives are dominated by men. To change this scenario, the concept of Self Help Groups seems to have gained much importance. He states that with the increase in Self Help Groups, the marketing of Self Help Group products and to bring women folk under
the fold of co-operation, a society is to be formed and registered. The membership is restricted to the members of Self Help Groups only. Society will facilitate the marketing of their products and make them earn more income. Perhaps better marketing opportunities build confidence among the women folk.

Kamaraju (2005)\textsuperscript{87} in his work, “Self Help Groups Emerging rural enterprise” conclude that Self Help Groups should function as a non political and non controversial one. He also added that there was a sign of relief and smile in the faces of members of Self Help Groups and it should be extended to all peoples in the villages.

Karthikeyan (2005)\textsuperscript{88} in a press release on “Awareness credit on Social responsibilities and Rural development” states that the savings by Self Help Groups in the Erode District is Rs. 25 crores in various Banks. 10105 Self Help Groups with 146, 954 women’s members function in the District. Of them 6856 Self Help Groups are in rural areas. 63271 of the women members belong to SC and ST. Once Self Help Groups are formed, the members are made aware of social responsibilities and rural development.

Radhakrishna (2005)\textsuperscript{89} in “Women’s groups herald a wind of change in rural Uttarakhand” states that the villagers have realized that the meaning of development is not merely construction of stone foot paths but their overall empowerment which enables them to fight for their cause and entitlement.

Ramachandran and Selvarani (2005)\textsuperscript{90} in their article, “Problems and Prospects of women entrepreneurship in rural areas” opine that women constitute around half of the total world population. Women are willing to take up business and contribute to the nation’s growth. Women entrepreneurs must be mold properly with entrepreneurial traits.
and skills to meet changing trends and challenging global markets and be competent enough to sustain and strive in the local economic area.

Ramakrishna (2005)\(^{91}\) highlights in his work, “online payments facilities to give boost to Self Help Groups” that the online payment facilities for product manufactured by rural Self Help Groups in the state will soon become a reality. Both the state and district level bodies have marketing products made by the Self Help Groups. A novel marketing strategy adopted by them is ‘Intra Sales’, where another meets requirements of one set of groups are met by another. They have set up 225 village’s shops and 28 District marketing complexes.

Selvanathan and Aravazhi (2005)\(^{92}\) in Self Help Group – A new beginning in women entrepreneurial development” states that the contribution of women in the present day business and commercial world is significant. It is true the poor status of Indian women in villages can be transformed with the help of Self Help Groups. As the success rate is high at many places in India the Self Help Groups are the real pathfinders in the life of rural Indian women.

Sivakumar (2005)\(^{93}\) stated that women were treated as a weaker sex from time immemorial and as such, several lights were denied to them. The Self Help Groups were formed with the support of the government, 8 percent of the Self Help Groups were formed with the support of NGO agencies and member started the remaining 40 percent of Self Help Groups voluntarily.

Subhashini (2005)\(^{94}\) explains in her paper, “Effective marketing strategies for women Self Help Groups” that the Self Help Groups should be careful in terms of
partitioning their products relative to other competitive products and makers. It has to decide on the product and price vice-versa its cost of production return and the price at which its competitors are selling the product, credit time, marketing infrastructure available etc., she has also specified that Self Help Groups must focus on improving the quality of their product.

Usharani (2005)\textsuperscript{95} in her thesis, “Marketing Strategies and Financial viability of Self Help Groups – A study in Erode District, Tamil Nadu” states that the marketing strategies taken by the Self Help Groups are highly inadequate as the Self Help Group members are moderately satisfied with the subsidy, maintenance of accounts, performance of NGO and governmental schemes.

Velusureshkumar (2005)\textsuperscript{96} states, “Women's empowerment success through Self Help Group” hints that Indian has tremendous growth of Self Help Groups in different forms in different regions. In the southern region, the movement of Self Help Groups has shown good results in AndraPradesh and Tamil Nadu. Presently in Tamil Nadu, the movement covers 1.79 lakhs Self Help Groups with 29.84 lakh women members saving of Rs. 531.96 crores. The poor status of Indian women in the villages can be transformed with the help of Self Help Groups.

Kumar (2006)\textsuperscript{97} in “Empowerment of Women” explains that women are a welcome step but what needs to be tackled in the basic perception of society that gives rise to aberration. Today in all sectors of the economy women concerns have been flagged. However the challenge lies in converting these into reality. If India is to march
into the new millennium as a perceptive nation women must grow and have a positive self image.

**Jerinabi (2007)** in his detailed study “Problems and Challenges Faced by the Self Help Groups” found that group conflict, inadequate bank linkage programme, poor managerial efficiency, poor marketing linkages, lack of community support were some of the major problems of Self Help Groups. She added that the schemes must be channelized to the right groups in the right perspective.

**Ranjula Bali Swain and Adel Varghese (2008)** in their working paper ”Does Self Help Group Participation Lead to Asset Creation?” expressed that in early 1992, the SHG movement faced slow progress up to 1999. Since then, the program has mushroomed growing to financing 687,000 SHGs in 2006-2007 alone compared to 198,000 SHGs in 2001-02. The cumulative number of SHGs has grown to roughly three million by March 2007 reaching out to more than forty million families. As with micro finance (or more generally with credit), the spread of SHGs has been spatially varied.

**Chidambaram (2009)** in the paper “Sale of Products Produced and Marketed by the Self Help Groups” points out that the Mahalir Thittam department has identified about half a dozen trades in Erode District. “Our aim is to bring together groups working on ready-made garments, foot mats, carpet, rug, jute products and sericulture to create a common infrastructure and organize procurement”. As part of the effort to help the group’s market products, the department was also engaged in talks with garment manufacturers and retails for orders for groups to execute. A study was needed to carry out on problems the groups face in marketing their products.
CONCLUDING REMARKS

Based on the above reviews, it can be concluded that SHGs are supportive, educational, usually change oriented mutual aid groups that address a life problem or condition commonly shared by all members, its purpose may be a personal or social change or both. Studies reveal that certain elements become crucial or critical for the successful formation and functioning of the groups. These include voluntary nature of the group, small size and homogeneity of membership, transparent and participative decision-making and brisk use of funds for micro-enterprise creation. A regular meeting of the members fosters meaningful relationship between them and issues other than thrift and credit, issues on gender and social problems also get a platform for discussion. Through non-governmental organization, government agencies and banks, a vast number of SHGs have been established in recent years. 85 percent of the members are women. In India, they proved to be the better.