CHAPTER-II
REVIEW OF LITERATURE

There are many studies have been conducted on empowerment of women in self help groups across the country from time to time. The available and reviewed literature in connection the topic has been given below.

Empowerment dimensions

Empowerment is a multi-dimensional social process that helps people gain control over their own lives communities and in their society, by acting on issues that they define as important. Empowerment occurs within social, psychological, economic spheres and at various levels, such as individual, group and community and challenges our assumptions about status quo, asymmetrical power relationship and social dynamics. Empowering women puts the spotlight on education and employment which are an essential element to sustainable development. (Batliwala, 1994)¹

Social transformation

Empowerment implies expansion of assets and capabilities of people to influence control and hold accountable institution that affects their lives. Empowerment is the process of enabling or authorizing an individual to think, behave, take action and control work in an autonomous way. It is the state of feelings of self-empowered to take control of one’s own destiny. It includes both controls over resources and over ideology. Empowerment can be viewed as a means of creating a social environment in which one can take decisions and make choice either individually or collectively for social transformation. It
strength innate ability by way of acquiring knowledge power and experience. (World Bank Resource Book).²

**Self Help Groups act as managers of credit and finance**

This is a welcome change to have understanding and tolerance towards the members of other religions particularly in a country like India where there is a diversity of religions and castes. (ISTR: 2003). There are certain misconception about the poor people that they need loan at subsidized rate of interest on soft terms, they lack education, skill, capacity to save, credit worthiness and therefore are not bankable. Nevertheless, the experience of several Self Help Groups reveal that rural poor are actually efficient managers of credit and finance. Availability of timely and adequate credit is essential for them to undertake any economic activity rather than credit subsidy (Tiyas Biswas:2003).³

**Social harmony**

The Self Help Groups have created better understanding between the members of the different religious groups as the members of Self Help Groups belong to different religions (Behar and Aiyar, 2003).⁴

**Collective mobilization**

A study conducted by the World Bank in on the Self Help Groups in Tamil Nadu has shown that there has been development of women in the social and economic spheres as well as empowerment all over the State. The Self Help Groups most often are all- women groups, and hence facilitate collective mobilization (Gariyali and Vetrivel, 2004).⁵
Problem solving tool

The women who experience in Self Help Groups have a lot of amicable benefits together with approval about multitude as great as existent amicable problems, great approval as great as picture in the family as great as community, purpose in family preference creation on critical matters, plan as great as foster improved preparation for their children (Kirubakaran:2009)⁶

Social Exclusion and Inclusion

Although extreme poverty and social exclusion tend to go together, some insights in to the latter acting as a barrier to participation in the MRCP (Maharashtra Rural Credit Project) are obtained from the responses of a few Scheduled Caste/ Scheduled Tribes (SC/ST) households in the two control group (i.e., one for individual beneficiaries and another for Self Help Groups). Despite considerable initiative, one Schedule Cast/Schedule Tribes respondent in Kanhewadi lamented that she was not allowed to join the Self Help Groups. Another SC/ST respondent in the same village narrated a similar experience, pointing to the un co-operative attitude of the village community. Despite the above problems, the Self Help Groups functioning democratically and the financial discipline demonstrated by the Self Help Groups is impressive. There is an indication of male dominance in the selection and use of assets although there is no domestic violence. Women are emphatic that their status both within and outside the household had improved. (S. Madheswaran and Amita Dharamadhikary, 2001)⁷

Economic independence

Self Help Groups are working in democratic manner. The upper limit of members in a group is restricted to 20. Among them a member is selected as
an ‘animator’ and two members are selected as the representatives. The animator is selected for the period of two years. The group members meet every week. They discuss about the group savings, rotation of sangha funds, bank loan, repayment of loan, social and community action programmes. From the previous studies related to SHGs, it is clearly understood that the Self Help Groups are tool to promote rural savings and gainful employment. Through this the rural poverty is reduced considerably. Therefore women members are economically independent and their contribution to household income is also increased (A Case study in North Tamil Nadu: 2005). 

**Instrument for empowerment**

Self Help Groups (SHGs) have emerged as the most vital instrument in the process of participatory development and women empowerment. The rural women are the marginalized groups in the society because of socio-economic constraints. They remain backward and lower position of the social hierarchical ladder. They can lift themselves from the morass of poverty and stagnation through micro finance and formation of Self-Help Groups (Sahu and Tripathy, 2005).

**The age-old vicious circle of “income and savings”**

Inherent talent in women with economic empowerment can transform families, consequently the society. It has been established that investing in women offers the most effective means to improve health, nutrition, hygiene and educational standards of families and consequently of the whole of society. The Self Help Groups of women are formed to enable women below poverty line to have an access to micro finance so that they can lift themselves out of poverty with dignity. This way it is possible to bring the
disadvantaged women within the fold of an organizational format. With tiny loans, financial services and technology, the poor women can start self-sustaining businesses to escape poverty. Thus, through Self Help Groups, one can reverse the age-old vicious circle of "low income, low saving & low investment" into virtuous circle of "low income, injection of credit, investment, more income, more savings, more investment, and more income" (The bridge Trust, 2006).  

Acquisition of entrepreneurial skills

Empowerment of women extends beyond economic and social aspects. It includes increased respect from community, participation in social activities and forum of decision making, acquisition of entrepreneurial skills and legal and political empowerment. The study shows that about 20.00% members are able to acquire livestock and poultry (Jaya S Anand, 2004).

Common vehicle of development process

Microfinance has made tremendous strides in India over the years and it has become a household name in view of the multi-pronged benefits reaped/ receivable from microfinance services by the poor in our country. Self Help Groups (SHGs) have become the common vehicle of development process, converging all development programmes. SHG–Bank Linkage Programme launched by National Bank for Agricultural and Rural Development (NABARD) way back in 1992 envisaging synthesis of formal financial system and informal sector has become a movement throughout the country. It is considered as the largest microfinance programme in terms of outreach in the world and many other countries are keen to replicate this model (NABARD-2008-2009).
Enhance socio-economic and political citizenship

Free and fair discussion removes the element of subjectivity from the decision-making process, makes the borrower understand the value of the credit and the importance of payment and accountability to the Self Help Group. Self Help Groups improve the opportunity for investment by the poor simultaneously, the poor will improve their savings potential credit-handling capacity and access to financial institutions inculcate entrepreneurial skill development and urge for investment and also increase the risk taking attitude through Self Help Groups only. The Self Help Groups can be considered as one of the best means to counter social and financial exclusion and enhance economic, political and social citizenship not an end in itself (Rajaram Dasupta, 2001). 13

Participation in decision making process

After joining Self Help Groups women are interested to enhance their skills and awareness. The multiple efforts to increase their skills will help mobilization and it will be helpful in multiple ways. They have started participating in decision making process of the family. The Self Help Group women started communicating in the family and in the society at large (Rjesh, 2009). 14

Reduce inequality and increase self confidence

The Self Help Groups are forming based on a growing institutional concept in terms of resources and management skills of the women members to reduce the inequality and to increase their confidence to get involved in issues and programme in the public and private spheres (Samer K.Datta and M.Raman, 2001). 15
Role of Promoting agencies in Self Help Groups

The basic strengths of Self Help Groups are Self-sustainable system of community organizations free from government. Regular meetings of the members of the group enable long lasting group relationship. These groups are promoted by the Non Governmental Organizations/Banks, etc., and their guidance, training to members of the group, teaching of basic accounting principles, etc., would help better administration of the group. The social cohesion in the group and election/ selection of the group leader in rotation gives a sense of responsibility to each member of the group. Consumption and production among rural households are intertwined credit portfolio covering both consumption and production purposes helps to maintain labour productivity and income generation activities. The sponsoring agency lends at the group level, no collateral securities are required at the individual level and the financial intermediaries have lower transaction costs as they do not lend individually and hence less paper work and the sanction process is simplified. The women groups exclusively dominate the Self Help Groups, their empowerment both in economic and social fronts is one of the great opportunities, particularly for women to participate in the mainstream of development activities. Opportunities for earnings through deposits and higher off-farm income opportunities improve their disposable income. One of the major threats is that the Self Help Groups do not have any legal status. (N.V.Namboodiri and R.L.Shiyai 2001) 16

Women’s capacity for Savings and Enterprise

The women, who hardly used to be seen at offices but used to get their work done through middlemen and then became victims of social evils, are
now coming to the administration directly for their just rights and to redress their grievances. Moreover this experiment with Self Help Groups has disproved the myth that women do not have capacity for saving and for enterprise. Further it proves that Self Help Groups are successful in North East Indian Even in midst of insurgency (*Aziz Ahamed, 1999*)

**Resistance from inside and outside**

It is observed from the field the initial resistance to SHG formation. The resistance could be broadly classified into two types: one is encountered from within, i.e., from among the members themselves and that faced from outsiders. The promoter and the members faced considerable resistance from the outsiders too, such as husbands, village elders, moneylenders, etc. through the systematic formation it could be overcome (*Satish.P, 2001*)

**Social and consumption needs**

Unless suitable saving-cum-loan products for financing of expenditure on marriage and education are designed, the rhetoric of micro-credit will soon lose its luster as most of the poor will fall back on the mercy of moneylenders for their social and consumption needs. In order to canalize unproductive investments in clothes, utensils, silver and gold items, etc., into productive savings, as also to keep micro enterprises away from the clutches of moneylenders, the designing of suitable saving-cum-loan products is most imperative to begin with on a pilot basis. The success of this pilot product will pave the way for canalizing the large scale unproductive investment of middle income group into productive saving by the commercial banks in forthcoming years. (*C.L.Dadhich, 2001*)
Decision making shift

The observable shift from husband’s decision making to wife’s decision making in the issues related to household after becoming the member of Self Help Groups the women see some changes in their respective families. This kind of change is least noted in decisions related to household purchases (Fernandez, 2001)\textsuperscript{20}

Reached to un-reached

The Self Help Groups (SHGs) are helping more than 17 million women in the rural areas & make them self reliant. The Self Help Groups of rural women consists of members who are the poor, having low saving capacity and who depend on money lenders for meeting their daily needs and social obligations. Self Help Groups are small voluntary associations of poor women, preferably from the same socio-economic background. They come together for the purpose of solving their common problems. The Self Help Groups significantly contribute to the empowerment of the poor women and meant for reaching the un-reached and particularly the poorest among the poor. Women in Self Help Groups have been encouraged by the government as well as NGOs to undertake self employment ventures with locally available resources. Self Help Group is called as a suitable means for the empowerment of women( Social work for mankind,2009). \textsuperscript{21}

Women Entrepreneurship

Out of 100 Self Help Groups 98 groups are only women engaged with micro-enterprises because they are the main key to close the poverty. The basic principles of Self Help Groups are group approach, mutual trust organization of small and manageable group, group cohesiveness, sprit of
thrift demand-based lending, collateral free, women friendly loan, peer group pressure in repayment, skill training capacity building and empowerment (Narayanasamy, 2005).  

Self Help Groups and Decision making power

The experience of micro-credit began in the early 1950s as a social development initiative to alleviate rural poverty created position impact on cash starved poor and women in rural areas. The results of the programmes are increase confidence, sense of self-worth, higher conscious of their rights, greater awareness and exposure to the outside world, greater decision-making with the household and outside activities and improved health and nutrition of family members. (Rosalinda, 2005).

Extent of Autonomy

The role of the facilitator is important in determining the extent of autonomy in any group. Cases, particularly from region revealed that external support is more critical in women’s groups. Poor women being overburdened with work neither have time nor the insight to open their mouths. Also they lack confidence and skills to mobilize initially. An interesting example was found in Hoshangabad district where a member of the Zamindar family initiated the process of Self Help Group formation in his village and is in full control of the group. He is the sole decision-maker while the women members are completely in awe of him. Even their husbands surrender to the leadership of the facilitator as they too lack courage to antagonize him if any such situation arises. Thus, there is hardly any autonomy in decision-making by women of this group. This clearly indicates that for the women to be able to voice their demands and not become puppets in the hands of the external agency,
mutual trust and bonding between members imperative. In cases where women were already working in groups, so that some sort of bonding existed between them were more dynamic and independent. (Mona Khare, 2009). 24

Management information system

Many speakers at the Micro finance India conference talked about the significant and growing gap between surging growth in South India, which contrasts with the stagnation in Eastern, Central and North-Eastern India. Micro-finance on its own is unlikely to be able to address formidable challenges of underdevelopment, poor infrastructure and governance. The Self-Help Group movement is beginning to focus on issues of quality and there were some interesting discussions on embedding social performance monitoring as a part of the regular management information systems (J.A.Sarvaiya, 2009). 25

Role of National Bank for Agriculture And Rural Development (NABARD) in Self Help Group (SHG) and Bank linkage

The current context with over 4,60,000 Self Help Groups credit linked with banks, the Self Help Group-Bank linkage programme of micro finance as emerged as the biggest in the world. But besides banks, the major role played by Non Governmental Organizations in facilitating this transformation cannot be overemphasized. The National Bank for Agriculture and Rural Development (NABARD) which plays a role in promoting and facilitating bank linkage while networking and coordinating the activities of all players in the field has underscored the crucial role play by Non Governmental Organizations as facilitators in purveying bank credit to Self Help Groups. The
story of the three models of this massive programme has been brought out by NABARD. (J.A.Sarvaiya, 2009). 

**Removal of unemployment through SHGs (Self Help Group)**

Both the MYRADA (Mysore Rehabilitation And Development Agency) and PRAWARDA have tried successfully to promote women Self Help Group and micro-credit institutions not only to help them financially; but also to educate them and empower the economically. Both of them have been successful in helping women who are middle and old aged. This point out that there is an economic necessity, which has compelled and motivated the women to take up alternative employment even in their middle and old age. Performance of the SHGs of our sample universe reveals [both in MYRADA and PRAWARDA] that the petty business and processing units have done exceedingly well by achieving to the extent of 77.00% growth followed by other units. In other words, they are of less risky in nature and are able to secure more profit. Further, it must be mentioned that all the women of this sample were to begin with only wage earners and now they have become self- employed and thereby able to earn income, in addition to utilizing their time and skill and above all removed the unemployment. This has led to poverty alleviation of them (M.S.Kallur, 2009).

**Why women Self Help Groups perform better?**

While collecting primary data for this research, the talk with several women heads of Self Help Group on why their Self Help Groups are working better than those formed by men. They blamed inflated egos of men for this. One Self Help Group head told us that she never hesitate to go and collect the savings of members from their home on the date they have to deposit the
installment of the loan taken. Even if a member is unable to pay back her share of the installment, others made up for her and she repays them later. In this way the installment is deposited at time. This is not so in case of men Self Help Groups (D.C.Pathak and S.K. Pant, 2009).  

**Micro-Credit and status of women**

Micro credit enhances the social empowerment of women. Social empowerment means equal status, participation and power of decision making at the household level and also at the community and village level. Social empowerment of women enables them to participate in the decision making process in democratic institutions. The sample of selected 40 groups have accepted the statement that Self Help Groups have resulted in improvement of status of women (S.Benjamin Christopher and J.Karthikeyani, 2009).  

**Participation in social and political activities**

The impact of micro credit can be seen in increased income, improved nutrition, better food intake, better consumption on clothing, better housing, lower child mortality, lower birth rate, higher adoption of family planning practices, better health care, better education for children, empowerment of women, participation in social and political activities etc (Md.Yunus, 2003).  

**Increased Ability to make joint decisions**

Micro finance has increased the decision-making including about business investment. At time, the step forward implied joint decision-making with their husbands instead previously no involvement at all. A decision-making on households matters often has been limited to more traditional,
female stereotype areas of decision-making. But changes will take some time (Baij Nath Singh, 2009). 31

Leadership and confidence

Evidence of political empowerment as an outcome of micro-finance programmes. However, it can provide opportunity to gain leadership experience a confidence. Some organizations include training programmes or have a union and advocacy branch [Self Employed Women Association (SEWA)-India] alongside the credit programmes and these have impacted on political and legal empowerment (Baij Nath Singh, 2009). 32

Support from the neighborhood

After joining the group one woman said, we have learnt how to save and how to be careful with money. We have also changed. We learnt that self-discipline is good. We should not be too hasty in our reactions.” Womenfolk further reiterated the strength of their Self Help Groups (SHGs) “we are not alone, so the readers, shopkeepers, contractors and police cannot treat us naught any more. We help each other and support from the groups in the neighborhood gives us the idea that we are working together, we are learning new ways of strengthening our control over resources and our lives (Kumkum Narain and Mira Mridubhashini, 2009). 33

Self Help Groups (SHGs) and Entrepreneurial activities

Thus, organizing women into groups has been proved to be a good intervention. Membership in a group can initially substitute for the individual women’s lack of “bureaucratic know-how” and her unfamiliarity with public discourse. More importantly it can transform women from the status of
beneficiaries to clients. The Self Help Groups (SHGs) are mostly informal group on rotational basis. The Self Help Groups (SHGs) is considered as a viable organization of the rural poor particularly women for delivering Micro-Credit in order to undertake entrepreneurial activities (T.P. Singh and Prem Lata Kumar, 2009).  

Women participation and Empowerment


Women work force and education

United Nations Development Programme (UNDP) report indicates that while 67% of the world’s work is done by women, only 10% of global income is earning by women and a mere 1% of global property is owned by women. In India, [2001 census] female literacy rate is as low as 54.16 percent as compared to 75.85 percent of men and education remains the catalyst towards empowering women in rural India (Bipin Kumar, 2009).  

Members of Self Help Groups (SHGs) Elected to Panchayat Institutions

An independent study conducted be a group of IRMA (Institute of Rural Management, Anand) students in MYRADA’s Talavadi Project showed that a significant number of Self Help Affinity group members have been elected to the Gram Panchayat. This was the case in previous elections as well as in the latest round of elections that were held early in the year 2000.
Approximately 200 members of Affinity Groups in MYRADA projects have been elected to their respective ‘Gram Panchayats’ in the elections of 2000 (Aloysius Prakash Fernandez, 2001).  

**SHG(Self Help Group) members attending Gramsabha Meetings**

Self help Affinity Group Member’s interaction with the ‘Gram Panchayat’ had increased after joining the group for two reasons: Firstly, many Self Help Affinity Group (SAG) Members were coordinating and implementing infrastructural programmes in the community, which were funded by the Gram Panchayat. This increased the interaction of SAG members with the panchayat. Secondly, a larger number of women were attending Gram Sabha meetings than before. This increase in the number of women attending the meeting may be attributed to both the confidence derived from having a reputed institutional backing and an increase in confidence to interact in ‘fromal settings’. (Aloysius Prakash Fernandez, 2001).

**Self Help Groups (SHGs) and Non-traditional Activities**

Examples that were widely quoted by community members in a few villages as chances in gender roles in their community, were that of women in one village have been trained to drive auto rickshaws, were now playing in the village. Eleven women the same village were trained as drivers of four-wheeler vehicles (one of them is now employed by MYRADA), and several more had been trained by the Karnataka State Road Transport Corporation(KSRTC) as conductors for local buses. Many women has also been trained as masons and could be seen making cement bricks outside their homes. The initiative for this training had come from MYRADA. Self Help Affinity Group (SAG)
members, however, had identified potential trainees. It was clearly evident, that all women who had finally gone for training were from more marginalized households, who were willing to rock the boat of conventionality in order to earn a decent living. However, these examples of women taking up non-traditional vocations were widely discussed in the larger community, as instances of change in gender roles due to the formation of Self Help Affinity (SAGs). *(Aloysius Prakash Fernandez 2001).*

**Increase in self—confidence to sign**

The “social Intermediation Study” provides some insights that on confidence to access mainstream institutions. Many members said that they had learnt to sign after joining the group. Although this might seem like a minor achievement to us, to of Self Help Affinity Group (SAG) members it seemed to be a way of gaining acceptance in the ‘mainstream’ and a source of pride. Many members spoke of how they were previously ashamed to conduct bank transactions, as they had to use thumb impressions in place of signing. Only after learning to sign were they comfortable going to bank. This realization may be attributed to an increased exposure through the group to the requirements of the ‘mainstream’ *(Aloysius Prakash Fernandez, 2001).*

**Confidence to approach a bank**

Many members of the of Self Help Affinity Group (SAG) mentioned that, only after joining the Self Help Affinity Group (SAG), they had gained the confidence of conducting bank transactions on their own, and approaching bank officials for a loan. This increased confidence may be attributed partly to MYRADA’S efforts at promoting bank linkages in all its projects, by providing

Confidence to Speak to Visitors and Government Officials

Many members said that, after joining the Self Help Affinity Group (SAG) they had frequent exposure to visitors. Representatives of Self Help Affinity Group (SAGs) linked to the IMK (Indira Mahila Kendra), had request interaction with public offices, and are now able to speak out and approach Government officials on their own. Here, there was a noticeable difference between SAGs who were linked with Department through the IMK, and those, where there was no IMK. As it is not always possible for Government officials to target individual groups, the forum for SAG- Government Department interaction at an institutional level on a regular basis, has largely been at the federation level or the IMK (Aloysius Prakash Fernandez, 2001).

Learning communication skills

Several members, mentioned about their ability to frame an agenda, talk, argue and hold their own in a meeting or a formal setting, and be attentive to what others are saying. They attributed this, to the skills they had acquired after joining the group. Many also said that, they had learnt the appropriate language for dealing with officials, i.e., using the plural instead of the singular when addressing another person, using ‘mainstream’ language rather than the local dialect when talking to outsiders, etc. These skills may be attributed to an increased exposure to participation in formal settings, and exposure to interacting with visitors and Government officials through the group (Aloysius Prakash Fernandez, 2001).
**Self Managed Networking**

The emergence of a large number of Self Help Groups in the state has replaced the traditional money lenders system. The various savings groups set up in the various district of the state, namely Pudupulakshmi (Nellore), Ananta Mahila Sakti (Anantapur), Podupulakshmi (Krnool), Mahalakshmi (Mahaboobnagar), Podupu Jyothi (Rangareddy), Samabhavana (Nalgonda), Pragati lakshmi (Nizamabad), Grama Lakshmi (Chittoor), Mahila Sakti (East Godavari) and many other savings groups in other districts of the state helped about 2 million poor women to come together on a common platform for improving their economic position. The Non Governmental Organization (NGOs) are also involved in the promotion of Self Help Groups, Mahila Mandals, Chit funds etc., by encouraging the savings Groups. The women members of these groups are usually neighbors, friends and fellow workers. The savings Groups facilitated social interaction and networking among the women, which promoted linkage among various institutions like, Non Governmental Organization (NGOs), Government, Departments, and Banks.


**Training to Self Help Groups Members**

It is observed that about 60.00% of the sample beneficiaries were undergone training given by the Rural and Urban Development Self-Employment Training Institute (RUDSET) located in Vetapalem. This Institute is the major source to impart training in this locality on variety of activities. Broadly this institute imparts training on handicrafts, home crafts (phenol, cleaning power, washing power, liquid blue, meals leaf plates etc.,) Agarbathi, dress designing and embroidery, electrical and electronic technology,
automobile mechanism, beautician cum health care, plastic and rubber technology, printing technology etc. In addition to this training, about 30.00% percent of the sample beneficiaries in Vetapalem mandal and 10 percent in Chirala mandal had undergone training imparted (K. Sreelakshmamma, 2008).45

Political empowerment with (DWCRA) groups

Regarding the political contacts of the sample beneficiaries with the leaders of different political parties, it is found that during the field survey about 35 percent of the sample respondents have close contacts/relations with the party leaders of their area. About 40 percent of the total respondents are approached by the leaders of various political parties for their support and cooperation in various elections. It is observed that the priority is given to the Development of Women and Children in Rural Areas (DWCRA) members in the selection of candidates for contesting various local bodies elections. Out of the total, 14 sample respondents have contested for different offices in these elections. Of them five members were elected as the ward members of the Village panchayats. Considerable number of the women have become politically active after joining the DWCRA groups and are taking active part in various activities. (K.Sreelakshmamma,2008) 46

The Mahalir Thittam (MT) Project

The Mahalir Thittam is an unusual long term partnership in development among 3 agencies the State Government, Non-Governmental Organizations(NGOs) and Financing Institutions. The Endeavour is to combine the wide reach and resources available to the state, with the finesse, commitment and quality work of the Non Governmental Organizations,
together with necessary credit from commercial banks, Government of India (GOI) organizations, local area banks and other funding sources. The ultimate objectives of the project are the empowerment of women in rural Tamil Nadu. This empowerment of women would lead to benefits at two levels- one, direct benefits to the individual women and women’s groups, and two development benefits for families and community as a whole. *(Working Manual, Tamil Nadu Women's Development Project, 1998)*

**Self Help Groups (SHG) Meetings and discussions**

The group must meet every week for savings and repayment collections and every fortnight for discussing all other matters in addition to savings and repayment. In certain cases, the meetings can be once in 10 days for both savings and repayment and other matters, instead of weekly and fortnightly. In no case must group meetings be held less frequently than one in 10 days. Group meetings need to be conducted with a certain discipline in relation to regularity, time and items to be discussed. Further, there needs to be a specific agenda, or set of items to be discussed in each meeting. Certain items such as savings, rotation of group funds, bank loan and repayments, social and community action programmes, must be discussed in every meeting without fail *(Working Manual, Tamil Nadu Women's Development Project, 1998)*.

**Role model and change agent for the Self Help Groups (SHG) and community**

The animator will be from the local village and must necessarily be a resident of the village. The animator should preferably be literate and must possess certain leadership qualities. She must be in a position to take on the role of a trainer for the group members in certain aspects of their daily life and
group functioning based on the training that would be given to her. In short, she
must be a role model and a change agent for the groups and for the village as a whole. *(Working Manual, Tamil Nadu Women’s Development Project, 1998)*

**Documentation in Self Help Groups (SHGs)**

The self Help Groups may open bank accounts in any bank of their choice depending upon their convenience and proximity. The following books and registers have to be maintained in every Self Help Groups (SHG). Namely attendance register, minutes book, savings ledger, loan ledger, general ledger and cash book, individual pass book, and subscription register. The books and registers will have to be maintained and updated on a regular basis for which the primary responsibility will rest with the animator. *(Working Manual, Tamil Nadu Women’s Development Project, 1998)*

**Changing attitudes of officials and among men towards the Self Help Groups (SHG) members**

The skepticism of the officials has given way to appreciation for the efforts of the Self Help Groups (SHG) members. They now appreciate the Self Help Groups (SHGs) for their efforts in saving regularly, selecting proper beneficiaries for different enterprises, the excellent recovery made by them, the regular conduct of meetings etc., The different activities successfully carried out by the Self Help Groups (SHGs) resulted in the change of attitudes among the men folk of the Self Help Groups (SHG) members. The men who had thought and treated the women with disdain regarding the capacity of women to development activities for the village have now become a changed
lot. They show more respect and treat the women equally. (Report on the state level workshop, Tamil Nadu Women’s Development Project, 1997) 

Grading of Self Help Groups

There are over 4000 groups formed under the International Fund For Agricultural Development Project (IFAD). One of the most important objectives is the formation of strong, cohesive, self-help groups. Such groups would facilitate other objectives to be achieved. These groups are crucial to sustainability and continued flow of benefits to the beneficiaries. However, all groups are not equal in their strength, cohesiveness, or in their performance. Additional inputs are required to enable weaker groups to improve, and reasonably good groups to become stronger. The Tamil Nadu Corporation for Development of Women (TNCDW) had entrusted the task of grading of groups to the Operations Research Group during December 1996. The Operational Research Group (ORG) made a presentation to the participants in the workshop. This was further fine tuned and clear categorization was done, the groups are graded A, B, C, and D based on the points scored (Report on the state level workshop, Tamil Nadu Women’s Development Project, 1997).

Self Help Group (SHG) movement and its impact on policy making

Starting in the 80’s thanks to the path-breaking efforts of a few Non Governmental Organizations, state Government like Tamil Nadu, banks like Indian Bank and NABARD, the SHG movement has taken firm roots in many parts of the country. Many other varied models of micro lending to the poor has of course been in vogue in many parts of the country even earlier. All these experiments, including the Tamil Nadu Government’s Tamil Nadu
Women Development Project (TNWDP) experiment, have resulted in the Government of India placing great importance and faith in the Self Help Group model time and again through its Budget and policy measures (Credit Guidelines for SHGs, 2000, TNCDW Ltd.).

**Self Help Group (SHGs) performance Appraisal**

This process is called Credit Rating. This mostly concentrates on organizational and financial performance indicators for case of measurement and relevance. On the other hand, the overall performance as measured against the project objectives has to include indicators of social and economic empowerment, besides capacity and capabilities. This is measured with the help of 38 indicators and is an annual exercise. This called SHG Grading, to distinguish it from Credit Rating, which is in fact a subset of SHG Annual Grading. SHG annual grading is a participatory exercise to sensitize SHGs to areas of its overall strengths and weaknesses (Credit Guidelines for SHGs, TNCDW Ltd, 2000).

**Entrepreneurship Development Training**

Activity based skill training would be given to Self Help Group (SHG) members. Duration would be differing from activity to activity. There would be both pre-asset creation and post-asset creation training. Subsequently, after 1-2 years of asset creation, there would be refresher training for members. The focus would be on business management, exposure to activity, market issues and accounting standards. A band of 90 Entrepreneurship Development trainers have been trained to facilitate micro enterprise development with help of Entrepreneurship Development Institute of India (Credit Guidelines for SHGs, TNCDW Ltd. 2000).
Model effect of International Fund for Agriculture Development (IFAD) project

Considering the meritorious features of this unique project, similar projects with IFAD (International Fund for Agricultural Development) funding have been launched in other states. This project has also become the role-model for emergence of lot of Self Help Groups in both IFAD and non IFAD districts of Tamil Nadu, on their own. Tamil Nadu women Development Project has been the main source of inspiration for formation of thousands of groups by Arivoli iyakkam, Tamil Nadu Women Agriculture Project (TANWA), Banks, Tamil Nadu Integrated Nutrition Project (TNINP), and Non Governmental Organizations. A gender impact assessment study made as part of the International Fund for Agriculture Development (IFAD) completion Evaluation Mission indicates substantial improvement in women’s access and control to resources, increased mobility, increased self-confidence, increased voice of women in household and community decision making (Mahalir Thittam working Manual, TNCDW Ltd, 2000). 56

Women in action

Results of the empowerment focus are already visible. Gramma Sabha on January 26th, 2000, district collectors had sent written invitations to Self Help Group (SHGs) in most districts and the Project Implementation Unit (PIU) had given PIU-address-stamped postcards. Reports indicate that Self Help Group (SHG) women (many wearing uniform sarees of the same color) had large numbers (often reducing male presence to a minority) and also voiced their requirements. Many requests were acceded to. Thousands of postcard reports have been received from Self Help Group (SHGs) at PIUs.
Democratic Participation in rural areas is not a myth anymore. We are now requesting Self Help Group (SHG) women to take their husbands also along with them for the next Graama Sabha. (Mahalir Thittam working Manual, TNCDW Ltd, 2000).  

Women in mobility  
Increased mobility of women in villages through visits to new places like banks, Non Governmental Organization (NGO) campus, Collectors office, Self Help Group (SHG) exhibitions & conferences is yet another indicator of empowerment. IVDP(Integrated Village Development Project) an Non Governmental Organization (NGO) has arranged over 1000 cycle loans to Self Help Group (SHGs). We recommend that if cycle is bought in a poor household, it should be a “ladies” cycle, so that both men and women in the household can use it (MahalirThittam Working Manual , TNCDW Ltd, 2000).  

The Empowerment and Advancement of Women  
The empowerment and advancement of women, including the right to freedom of thought conscience, religion and belief, thus contributing to the moral, ethical, spiritual and intellectual needs of women, individually or in community with others and thereby guaranteeing them the possibility of realizing their full potential in society and shaping their lives in accordance with their own aspirations. Women’s empowerment and their full participation on the basis of equality in all spheres of society, including participation in the decision-making process and access to power, are fundamental for the achievement of equality, development and peace. (MahalirThittam Working Manual , TNCDW Ltd, 2000).
Microfinance is the key for women’s empowerment

Microfinance services lead to women’s empowerment by positively influencing women’s decision-making power and enhancing their overall socio-economic status. As such, micro finance has the potential to make a significant contribution to gender equality and promote sustainable livelihoods and better working conditions for women. Women’s empowerment through micro finance is key promoting the International Labour Organization’s (ILOs) Decent Work Agenda, which acknowledge the central role of work in people’s lives as a means for achieving equitable, inclusive and sustainable development. By increasing women’s access to financial services, micro finance ultimately contributes to ILO core values of greater gender equality and nondiscrimination. (Small change, Big Changes: Women and Microfinance, www.ilo.org/gender) 60

Micro finance promoting gender equality and decent work

Lazia 50 years old and 6 children once worked in the quarries of Mtongani in Tanzania. Through an International Labour Organization (ILO) supported project, Promoting Gender Equality and Decent Work throughout all stages of life, Lazia joined a women’s cooperative to help build a mushroom and hen house enterprise as an alternative to stone breakage. The International Labour Organization (ILO) project helped identify new economic activities and launch micro enterprises while training poor women in business management and marketing. Women gained new skills from the training to increase their access to sustainable livelihood opportunities. The socio-economic empowerment of Lazia and other working mothers also led to direct improvements in overall family welfare, including a reduction in child labour,
increased school attendance and improved protection against illness and sudden shocks. By opening up the schooling and training activities to girls and young women, the project helped break the generational transmission and feminization of poverty. Moreover, through microfinance, women previously excluded from the financial sector gained access to credit and effectively learned how to borrow, profit from, and repay loans (Small change, Big Changes: Women and Microfinance, www.ilo.org/gender).  

Groups to strengthen women’s networks

MFI (Micro Finance Institution) women’s groups should be utilized to promote and strengthen women’s network and not merely as a means of lowering programme costs. Women’s groups are useful vehicle for non-financial service delivery, such as literacy and health programmes. Groups also encourage linkages between women and other active community associations and the larger civil society network as a whole (Small change, Big Changes: Women and Microfinance, www.ilo.org/gender).

Reaching gender equality

A process of developing negotiating skills from the bottom up to redress unequal power relations and produce new development paradigms. To successfully empower women, both gender and empowerment concerns should be integrated into every service provision area. Moreover, they should be incorporated in the economic, political and social spheres as well as at the individual, household and community levels in order to overcome gender inequality (Hainad,F. and Verschuur.C,2001).
Economic Empowerment through Credit

The three recognized models of microfinance programmes: 1. Financial self-sustainability: This is the most popular model and used by donor agencies such as the United States Agency for International Development (USAID), the World Bank and the United Nations. It provides microfinance services to a large number of poor women, specifically targeting small entrepreneurs by setting interest rates to cover costs, enabling separate accounting from other interventions, expanding programmes to obtain economies of scale and decreasing costs of delivery through the use of groups. 2. Poverty alleviation: This model focuses on small savings and loan provisions to aid in consumption and production. 3. Feminist empowerment: This model is based on examples of some of the earliest microfinance programmes in Bangladesh and India, focusing on gender equality and women’s human rights through microfinance, and empowering women economically and socially (Mayoux, 2000). 64

Addressing the Feminization of Poverty

There is a need to build capacity in implementation and accountability. UNIFEM’s (United Nations Development Fund for Women) strategic results framework has the objectives of reducing poverty among women, ending violence against women, reducing the rate of HIV infection among women and girls and creating gender equality in democratic governance. This will be achieved by building national capacity and ownership and activating the use of human rights instruments, national plans, data/statistics, media and communications. The projected outcomes are strengthening of policies and laws, increased capacity of mainstream institutions, increased capacity of
gender equality network and a reversal of discriminatory attitudes and practices (Anjali Kaur, 2005).

Social institutions and women’s autonomy

Social institutions as highly influential in shaping a woman’s autonomy, these institutions should provide comprehensive, direct and context-specific strategies to empower women. These strategies include creating gender consciousness, enabling women to mobilize community resources and public services, providing support to the challenges of traditional norms and providing access to vocational and life skills to increase women’s access to and control over economic resources (Jejeebhoy, 2000).

Enhancing decision-making within the household

A study of rural microfinance projects in Bangladesh revealed that improving women’s access and control over resources can potentially alleviate their health problems and enhance their decision-making within the household. The study indicates that participation in economic activities is more valuable for empowering a women than household income or socio-economic status (Nanda, 1999).

Group savings programmes as catalyst of empowering women

The importance of group savings programmes and cooperatives play a catalyst role for empowering women. These programmes not only allow impoverished women to interact with one another and for further multifaceted development (Rogers and Youssef, 1988).
Nutrition and Education can increase income

The Self Help Group members create an exchange of ideas and information, increasing women’s ability to earn a greater income and allowing for more flexible work nutrition and education can only be sustained with an increase in household income and greater control by women over financial resources (Hashemi, 2004).  

The Gender Development Index and Gender Empowerment Measure

The United Nations Development Programme’s (UNDP) 1995 Human Development Report introduced the Gender-related Development Index (GDI), which reflects gender disparities in basic human capabilities, and the Gender Empowerment Measure (GEM), which measures progress towards gender equity in economic and political power. The GDI measures gender disparities in approximately 144 countries in the areas of life expectancy at birth, education—measured by the adult literacy rate combined with the primary, secondary and tertiary gross enrolment ratio—and the estimated earned income. These areas of measurement refer to the ‘gendered gap’ that exists between men and women in their access to economic and social resources and services due to women’s disadvantaged position in society (Buvinic, 1996). The GDI estimates have shown that even though gender disparities have decreased over the years, there is still no country in which women have complete equality with men. Even the highest-ranking country, Norway, has a GDI value of 0.95 out of 1.00 (UNDP, 2003) the GEM measures empowerment through three factors: (1) economic participation and decision-making power, (2) political decision making and power, and (3) power over economic resources (Anjali Kaur, 2005).
Increase women’s control of assets

The Grameen Bank offers large, longer-term loans to buy housing, land. Housing sites and land must be registered in women’s names, both as security for the loan to increase women’s control of assets. This gives women more security, improves repayment rates, and also decreases divorce and abandonment of women. (Linda Mayoux and Maria Harti, 2009). ⁷¹

Credit and savings promote healthy atmosphere

Some organizations involved in the Credit and Savings Household Enterprise (CASHE) project in India decided to pilot a loan product for adolescent girls. The loan available for both parents, enables the girls to purchase a productive asset to help them earn an income, delay marriage, bring the asset to their in-laws’ house when they do marry, and reduce the dowry required (Linda Mayoux and Maria Harti, 2009). ⁷²

Linking women’s groups to health insurance

During organizational training with the Learning for Empowerment Against Poverty (LEAP) women’s centers, health insurance was identified as a key need. The Sudan Ministry of Health runs a heavily subsidized health insurance programme that salaried people access through their employers. Poor people cannot participate in the programme, because access by an individual has to be arranged and a large yearly payment is required. Learning for Empowerment Against Poverty (LEAP) staff, together with representatives of the women’s centers, established an agreement with the Health Insurance Department under which the women’s centers provide the institutional channel for the yearly payment, and individuals repay the centres in smaller monthly installments (Linda Mayoux and Maria Harti, 2009). ⁷³
Financial Literacy for women

Self-Employed Women’s Association (SEWA) India, training uses visual methods to explain its products and how to choose among them for various purposes. The training covers an introduction to financial planning, daily money management practices, planning for future events, borrowing and loan management, insurance and risk management and making a financial plan (http://coady.stfx.ca). 74

Collective action for domestic violence

In the microfinance programmes of the Community Development Centre (CODEC) in Bangladesh and the Cameroon Gatsby Trust (CGT), men and women from single-sex groups, which then from part of mixed-sex federations. The organizational gender policy supports women’s equal representation in leadership at the federation level. The separate discussion space for women has meant that issues such as domestic violence or unjust divorce can raised. Women’s group leaders then present these cases for discussion at the mixed meetings (www.genfinance.info). 75

Internal learning system for women

In a methodology developed by Helzi Noponen in a number of microfinance programmes in India-Dhan foundation, SEWA, Handloom Weavers’ Development Society, Activists for Social Alternative (ASA) and Professional Assistance for Development Action (PRADAN)- individuals and groups keep diaries based on simple questionnaires with symbols designed through a participatory process. These have had a strong catalytic effect in increasing women’s confidence and motivation to improve their situation, especially regarding the problems domestic violence and male alcoholism.
Key information recorded in the diaries is aggregated into a system for the ongoing monitoring and evaluation of programme impact (Noponen, 2003).  

**Illiteracy no longer needs to be a barrier to using Technology**

A number of Non Governmental Organizations (NGOs) have developed other innovation to women's groups at the forefront of citizenship development in rural areas. In India, Hand in Hand, Swayam Shikshan Prayog and ANANDI developed rural information centers to help women obtain information from the Internet and as a resource for the Self Help Groups (SHGs) to generate income. Illiteracy no longer needs to be a barrier to using such facilities: software and technology can now make much information accessible through voice transmission, video and other formats. When managed by women’s Self Help Groups (SHGs) or cluster organizations, the centers often provide effective services to the community (Linda Mayoux and Maria Harti, 2009).

**Collective cultivation through women Groups**

In a village called Banguruguda, Orissa of India, a local politician claimed ownership of 42.2 acres of barren council land assigned to women because he had been cultivating the land. The women promptly agreed to relinquish and asked the Government to assign them another piece of cultivate land in the vicinity. When the local council election came, the politician, who previously had always won, lost his seat. The women had voted against him “all women are landless” became a compelling slogan and mobilizing issue among women and established women’s groups as powerful force in the area. Lobbying by landless women resulted in Government
allocation of more than 4,230 acres in 54 villages for collective cultivation (www.ifad.org).  

**Political mobilization – Grameen Bank**

By promoting discussions in microfinance groups, Grameen Bank ensured 100 percent participation of its members in the 1991 election. The entire Grameen Centre- adults, children and infants- assembled together in the centre house and proceeded to the election site together, before anybody else had a chance to arrive. This increased the visibility of Grammen women as a voting block to be taken into consideration by politicians, rather than ignored. In 1997 they did the same, but included the women neighbors of Grameen members. Women’s participation in that election was higher than that on men. In those local elections, more than 4000 Grameen borrowers were elected, and 38 were elected heads of local Government (Mohammad Yunus, 2005).

**Political education networking**

A particularly innovative strategy of ANANDI is to facilitate area networking through events or melas (fairs), which bring together representatives of their Self Help Groups (SHGs). The first mela, on rights and panchayat (local councils) was held for three days in December 1999 in Rajkot. The 16 collaborating organizations brought together over 600 women leaders from 211 mandals Self Help Groups (SHGs) and organizers from Non Governmental Organizations. Melas have proved an extremely powerful means of stimulating discussion, mutual learning and collective action among women. They have been used for leadership training, for raising awareness of the political process, and for bringing attention to other issues such as food.
security, ethnic diversity and culture. The focus in 2008 was on value chain development and economic advocacy \cite{Dand,2003}.

Right to Information Act and empowerment of women.

India’s Rights to information Act gives citizens the right to access information to take part in the democratic system, including basic information about the political system, fundamental citizen rights, and the powers and responsibilities of elected representatives and officials in Government departments. To help poor and illiterate people obtain this information, Hand in Hand Non Governmental Organization (NGO) opened citizen’s centers in several councils in Kancheepuram of Tamil Nadu. Of the 3,629 center members in 2006, 41 percent were women belong to Self Help Group (SHGs). Each citizens’ center is run by an instructor, who is trained in the various services offered. All services cost a small fee to cover maintenance costs and the instructor's salary \cite{www.hihseed.org}.

Evidence of empowerment

Although the process of empowerment varies from culture to culture, several types of changes are considered to be relevant in a wide range of cultures. Some of these changes include increased participation in decision making, more equitable status of women on the family and community, increased political power and rights, and increased self-esteem. Although most microfinance institutions can share anecdotal evidence of empowerment, very few have studied the effects of their programs on empowerment. The information and evidence that are available give us a mixed picture, showing successes as well as some limitations \cite{Susy Cheston and Lisa Kuhn, 2002}.\footnote{Susy Cheston and Lisa Kuhn, 2002}
Self Decision making in purchases

The Centre for Self-Help Development (CSD) reported that women were able to make small purchases and of necessary items like groceries independently. But larger purchases and personal purchases, like jewelry, always required the consent of the husband, representing incomplete progress toward empowerment in this area (Shrestha Milan, 1998).  

Income Generation Activities and Empowerment

In her study of the small Enterprise Development Program (SEDP) in Bangladesh, Naila Kabeer found that although empowerment and well-being benefits substantially increased when women controlled their loans and used them for their own income-generating activities just the act of bringing financial resources to the household in the form of credit was enough to secure at least some benefits for the majority of women in her study (Kabeer, 1998).  

Cultural structures and empowerment

Several studies to the importance of social and cultural structures in determining an individual’s level of empowerment or social value. For example, a study shows that “structural variables making up gender relations in different parts of India are far more important in determining the extent to which the girl child is valued within the family than the individual characteristics of their parents. Other studies show that structural characteristics are more important in determining the social value or empowerment of an individual than any of the individual’s actions (Kabeer, 1999).  

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Empowered women can take steps to address social issues

Discussion of social issues affecting women’s lives and communities can lead to greater awareness of the causes of the problems they face and allow them to take more effective action to address the problems that are holding them back. Discussion of women’s rights, community problems, politics, and common family problems can foster a sense of solidarity that can empower both as individuals and as a group to address their problems. With some support, groups of economically empowered women can take steps to address the cultural and legal barriers that limit their social and political empowerment. It was found that as a result of the discussions of social and legal issues held in lending centers, women have greater knowledge of their civil and legal rights and are more aware of their position and the choices they can make. They have increased knowledge of how relevant institutions can help them when they need legal assistance, and this knowledge has allowed more women to resist domestic violence and alcoholism and demand fair minimum wages (Shrestha Milan, 1998).  

Experience in Decision Making and Leadership

One of the positive contributions that group-based lending methodologies make to women’s empowerment is the opportunity for women to gain experience in making decisions and leading and influencing others. As Essma Ben Hamida of ENDA Interarabe in Tunisia puts it, “Participation in the micro-credit programme constitutes an apprenticeship of democracy through the self-managed solidarity groups which elect their president and treasurer: in many mixed groups, a woman has been elected as president, an
astounding development in a still male-dominated society” (Ben Hamida, Essma, 2000).  

Experience in Leadership and Public Speaking

When women join Self Help Groups (SHG) programs, many have had little opportunity to voice their opinions or participate in decision making. Some will have had little experience even formulating an opinion that can be expressed since they have had little opportunity to do so. A Synthesis study done by Jennefer, Sebstad and Monique Cohen found that “group provide a means for women to know and be known by other women; a forum for learning leadership and public speaking skills; and a basis for development of trust, friendship, and financial assistance” (Sebstad, Jennefer and Monique Cohen, 2001).  

Women build a base for Social change

Microfinance is an effective means or entry point for empowering women. By putting financial resources in the hands of women, microfinance institutions help level the playing field and promote gender equality. The empowerments of women at the individual levels the playing field and promote gender equality. The empowerment of women at the individual level helps build a base for social change. Movements to empower women as a group increase opportunities available to individual women, and economic empowerment can increase women’s status in their families and societies (Dheepa T. and G. Barani, 2010).
Empowerment through Enterprise Management

The most pertaining issue worthy of discussion is how to bring about poverty reduction and women’s small enterprise management. There are successful women’s groups in Gambia in the sector of horticulture, livestock, such as sheep fattening and poultry management and cohesive women’s group and build their capacity, decision making and allow them to manage their own organizations in a fairly, equitably, socially and economically in a resounding sustainable approach. Furthermore, the support of women empowerment can be possible if they are well organized and own their institutions as they have the greatest potentials to meet the needs of the poor women appropriately and effectively and to manage their own resources (Saikou E.Sanyang and Wen-Chi Hung, 2008).  

Women’s Groups Creating Responsible positions in the households & community

In the Gambia, there is greater participation of women’s groups for poverty alleviation and rural development programs, is highly improving their living conditions and creating responsible positions in the households and wider community. The majority of the women are engaged in small income generating and self employment in agriculture and non-agricultural activities with low prospect for growth. The development agencies deem it necessary to provide ample opportunities to promote entrepreneurial skill among women’s groups. The potential opportunities are income generating activities, credit facilities, skill training and market outlets all would pave way for poverty reduction in the rural community of Gambia. (Saikou E.Sanyang and Wen-Chi Hung, 2008).
Credit linkage to SHGs in Tamil Nadu

Bank credit is one of the most critical inputs for empowering Self Help Groups (SHGs) and to reduce rural indebtedness. Banks normally extend cash credit of Rs.10,000 to Rs.30,000 to Self Help Groups (SHGs) along with Revolving Fund (RF) subsidy of Rs.10,000 provided by Government. But the quantum of credit extended by banks to SHGs was not adequate to meet the credit requirements of all the Self Help Groups (SHG) members. Therefore Government have taken special efforts to increase the quantum of credit to SHGs and ensure credit is made available to Self Help Groups (SHGs) in multiple doses. Due to the efforts taken by Government, banks in the State have started providing minimum of Rs.50,000 as first linkage and minimum of Rs.1 lakh and Rs.1.5 lakh as second and third linkages respectively. From the inception of Mahalir Thittam, Self Help Groups (SHGs) have been assisted with the cumulative credit linkage of Rs.1,765.24 crores only up to March 2006. But during the last four years alone, credit linkage to Self Help Groups (SHGs) has touched Rs.6,364.37 crores due to the positive interventions made by the Government and the whole hearted co-operation received from the Banks in the State. During 2010-11, the focus of Mahalir Thittam would be on increasing credit linkages to Self Help Groups (SHGs), particularly repeat loans and a credit target of Rs.3,000 crores has been fixed for the year 2010-11 (http://www.tamilnадuwomen.org/index.php) 92

Revolving Fund for financial management

Revolving Fund is provided to (SHGs) to augment their group corpus and create credit discipline by enhancing their financial management skills. Proper utilization of revolving fund will help in making SHGs creditworthy and
access Bank loans. Self Help Groups become eligible for Revolving Fund (RF) after passing the first credit rating which is undertaken 6 months after the date of formation of the Self Help Groups. It is aimed at augmenting the group corpus and makes them credit worthy to access Bank loan. After passing the first credit rating, Self Help Groups in rural areas are provided with Revolving Fund subsidy of Rs.10,000/- under schemes like SGSY. But RF subsidy was not available to Self Help Groups in urban areas which restricted their access to credit from banks. Prior to 2006-07, there was no scheme to provide RF subsidy to urban SHGs. The Government announced a new scheme to provide RF subsidy to urban Self Help Groups in 2006-07. During the last 4 years Rs. 87.93 crores have been provided as RF subsidy to 87,939 urban Self Help Groups in the State. Similarly during the last four years 1,93,944 rural Self Help Groups have been provided RF subsidy of Rs. 10,000/- each with the total amount of Rs 193.94 crores. As such during the four years from 2006-07 to 2009-10, Revolving Fund (RF) subsidy of Rs. 281.88 crores along with the Bank credit of Rs. 1,164.23 crores have been disbursed to a total of 2,81,883 Self Help Groups. With the enhanced allocation of (RF) subsidy by the Government, the waiting time of the Self Help Groups to receive Revolving Fund (RF) after the credit rating which used to vary from 6 months to 4 years has been reduced to almost zero. During 2010-11, another 65,000 Self Help Groups will be provided Revolving Fund (RF) subsidy.

(http://www.tamilnaduwomen.org/index.php) 93

The Self-Help Groups have learning experience

Impressed by the remarkable success of women Self-Help Groups in Andhra Pradesh, the World Bank said that the model could be replicated in
other States in India and in other countries the former Presidents of USA, Bill Clinton, and George Bush, the Micro SoftWizard Bill Gates and important political leaders of country have visited the State and held discussions with the women Self-Help Groups. To quote Paul D. Woolfitz “this is a great learning experience. We can tell others about the model. I have visited places in Africa, and Indonesia, but I found the Self-Help Group movement in Andhra Pradesh to be the biggest one”. *(Anuppalle, r. reddy,2008)*

**Subsidy money and self Help Groups**

Every time you visit such families, please tell them that you are not distributing or promising any subsidy money under any scheme. This is very important to avoid misunderstanding at later stages *(www.nabard.org.)*

**Self Help Group (SHGs) Sustainability Process**

MYRADA (Mysore Rehabilitation And Development Agency) expects withdrawal to be visible 15 months after the groups exhibit the features listed at the end of Phase II, which is about 15 to 20 months after the groups are identified. As the groups take on the major role in organizational maintenance, the interventions gradually withdraw. To begin with, the interventions reduce their attendance at weekly group meetings. Next the groups begin to pay for those maintenance services which they require. For example, a group would pay one person for writing the Minutes and for keeping accounts. MYRADA(Mysore Rehabilitation And Development Agency) would still have to provide the services of its accountants for an annual audit, towards which service the group should be asked to contribute until it is capable of hiring these services on its own. The Non Governmental Organization also responds to requests to intervene in the event of a crisis situation which the

Women are critical for Development

In his book "The Fortune at the bottom of the Pyramid", Prof. C.K. Prahlad comments, "A well-understood but poorly articulated reality of development is the role of women. Women are central to the entire development process. There are also at the vanguard of social transformation. For example, Grameen bank's success is based on lending only to women. The entrepreneurs who were able to use the micro finance made available were women. The grameen phone ‘ladies’ are the entrepreneurs" (Prahalad, C.K, 2005).  

Capacity building for organizing the people

Microfinance has emerged as one of the most effective mechanisms for enabling economically underprivileged people throughout the world to access affordable financial services. Iran is exploring various approaches to address this challenge. Community or member-based microfinance institutions is one of them. An excursion to India allowed visitors from the State Welfare Organization of Iran to examine the features of one the largest microfinance initiatives in the world that is also community based and member-driven. “MYRADA” (Mysore Rehabilitation And Development Agency) s meaningful motto, which says, ‘It is not enough to teach the people to fish when they cannot reach the river’, shows its understanding of the effective components of empowerment. Empowerment is a process during which training and capacity building should organize for people, community and legislation authorities as well. If the process of capacity building is organized
just for people and the community, without considering the necessary policies for removing the fundamental and structural barriers that poor people encounter, it may lead to a process of impoverishment instead of empowerment” (IFAD News Letter, 2010).

Self Help Group (SHGs) and industrial links

Hosur: A few Self-Help Groups (SHGs) in Hosur will soon be the "time- keepers" of the nation. Sixteen self-help groups (SHGs) attached to MYRADA (Mysore Rehabilitation And Development Agency) an Non Governmental Organization, have entered into a tie-up with Titan Industries Limited (TIL), Hosur, for assembly of metal watchstraps (bracelets) and Tanishq jewellery. A group of women have formed an organization called MEADOW and they are its owners and managers. According to M.C. Shivarudrappa, project director, Myrada, "Management of Enterprises and Development of Women (MEADOW) with a total of 250 women is involved in a range of works, including bracelet link assembly, final assembly, inspection and packing of bracelets and table clocks, silver and gold rope making, precious stone fixing, strapping of watches and clasp fixing of bracelets" (Prasad S, 2006).

Self Confidence and hidden talents

The Self-Help Groups (SHGs) have made a lasting impact on the lives of the women particularly in the rural areas of Goa. Their quality of life has improved a lot. There is an increase in their income, savings and consumption expenditure. This shows an improvement in their standard of living. The women have gained self-confidence. They got an opportunity to improve their hidden talents after joining the Self-Help Groups (SHGs). They can speak freely in front of large groups of people. They got recognition in the family and
society. Self-Help Groups (SHGs) have also given women a greater role in household decision making (Rekha R. Gaonkar, 2004).

**Co operatives and Women Empowerment**

Women empowerment.” The phrase has become a buzzword in development circles and has in itself become a powerful phrase. But away from the discussion tables of development and gender experts, what gives reality to the concept of women empowerment are the “small” success stories of women in the communities, co-operatives and other enterprises where many women are found to be actively involved, breaking free from the shackles of poverty and tradition imposed by a patriarchal society that have gripped them for so long. These are the women who know how it is to be looked down upon for supposedly not having the skills and the right to participate in economic activities that could improve the lives of their children and families. (Asian Women in Co-operative Development forum (AWCF), 2003).

**Financial intermediation and Self Help Group movement**

In India, Self Help Groups (SHGs) represent a unique approach to financial intermediation. The approach combines access to low-cost financial services with a process of self management and development for the women who join as members of a Self-Help Groups. Self-Help Groups numbers have grown rapidly since 2000, across India first in the more developed south, now too in the north. The Self-Help Group ‘bank-linkage’ programme is the flagship microfinance programme of the National Bank for Agriculture and Rural Development (NABARD) which has actively supported the development of this programme since the early 1990s. For some time, NABARD’s website
announced more than 400 women join the Self-Help Groups movement in India every hour; an Non Governmental Organization joins our microfinance programme (Frances Sinha, 2010).  

Socio–economic revolution and Self Help Groups

Today, over 2,90,500 women from some of the most deprived areas of Uttar Pradesh can proudly claim to have engineered a socio-economic revolution that has impacted the lives of thousands of rural poor. These agents of change are members of Community Institutions of the Poor (Self Help Groups and their federations), driven and managed by the poor themselves which have helped disadvantaged communities unleash their potential for progress. The catalyst in this powerful transformation has been the Rajiv Gandhi Mahila Vikas Pariyojna (RGMVP), the Rajiv Gandhi Charitable Trust's flagship programme for rural development. Since 2002, when it was initiated, RGMVP has worked relentlessly to build a scalable institutional framework that continues to give a voice and freedom from social and economic oppression to a growing number of poor while serving as a conduit for them to gain access to a wide range of development initiatives (http://www.rgmvp.org).  

Participatory Method to improve the livelihoods

WEP (Women’s Empowerment Programme), Nepal delivers training in literacy and financial literacy, and business and village banking services, in addition to its savings-and-credit services. The related manuals, based appreciative enquiry and participatory methods, have enabled women to improve their livelihoods. (Ashe and Parrott(2001): Mayoux(2008)
Net working of women’s movement

A study in Maharastra has brought our to light the need for a social movement for empowering women. The study states that women’s movements should be treated at par with environmental movements and peace movements. The movement should not be confined to poor women, simply around class-based sustainability of the economic justice and redistribution. Women should be collective in existence and approach, which provided them a powerful voice in the decision-making. At higher level through networking of women’s organizations, greater number of women can avail resources, which are hitherto forbidden. The advantages of the networking are listed in the study and the need for social movement organization is stressed as a panacea for the poor women’s needs (Sangeetha Purushothaman, 1998)\textsuperscript{106}

Non Governmental Organizations (NGOs) and women’s entrepreneurial skills

Women are assisting in income generating activities in number of ways by Non Governmental Organizations. It is observed that many Non Governmental Organization have special entrepreneurial development programmes to help women entrepreneurial motivation and business acumen which include having informal meetings, identifying group members, facilitating group formation and setting up group norms, coordinating the process of saving mobilization, trade selection, the initial preparation, mobilizing resources, helping in maintaining records, etc (Suma Jain, 2000)\textsuperscript{107}
Theory of the present study

There are obviously four perspectives in sociology as evolutionary perspective, interactionist perspective, functionalist perspective, and conflict perspective. Each perspective has viewed the society from their own methodological framework, ideas and thought provoking in nature. The present study may be fitting into the perspectives of functionalism, it has been heavily borrowed from biological science, especially the extension of many analogies between society and organism. Functionalism is simply a view of society a self regulating system of interrelated elements with structural social relationship and observed regularities. It is a sociological perspective which seeks to explain a social element in terms of its consequences for different element as well as for the system as whole. As per these view points, the Self Help Groups as a structured by joining the members make a group consist of different element. Each member is being treated as element and they are working for whole system. The contribution of the members to maintain the entire Self Help Group depending up on their involvement as attending the meetings, providing their ideas, adopting other member’s view, adjustment between the members for sustaining the Self Help Groups. Although the functionalism manifests itself in a variety of approaches, there is one common element: ‘an interlink in relating one part of a social system to another part of the whole’. Self Help Group also is a by-product of existing society to bring out the best from the women though they represent different socio-economic strata.
Robert K. Merton who belongs to functionalism says that the two different types of functions manifest functions are those objective consequences contributing to the adjustment or adaptation of the system which are intended and recognizes by participants in the system. The Self Help Groups expect much from the members for contributions by getting the loans for various purposes from the Self Help Group’s pooled amount and the grants received from formal agencies like, Governances and banking sectors and repay the interest for obtained amount and make the finance a significant one which is useful for them a crises periods. As Merton thinks the Self Help Groups recognize the members and their activities as manifest functions.

The next function latent functions of Merton relatively being those which are neither intended nor recognized. It says some of the members of Self Help Groups might have joined because of someone else and may be involved in group activities without contributing much. These functions can be considered as the latent functions. In this backdrop the present study follows the functionalist idea given by R.K.Merton.

The reviewed literatures have given emphasis to empowerment of women with the support of Self Help Groups. To understand the prevailing scenario the Krishangiri district of Tamil Nadu has been chosen for the research and the derail given in the next chapter.