CHAPTER II

REVIEW OF LITERATURE

2.0 Introduction

In the present chapter it is attempted to provide a brief sketch on the available review on the performance of SHG, women empowerment, micro credit to rural women, interlinkages between the micro credit and women empowerment, micro finance and poverty alleviation etc. carried out in the Indian context.

2.1 Review of Related Studies

Creve et al¹ (1995) analysed the impact of enterprise providing micro-credit on participants, enterprise performance, individual income and family well-being. They have concluded that micro-credit has a positive impact on enterprise income for repeat borrowers but no impact on assets and employment. At the household level, there is no overall impact on the household assets except on running water in houses and no impact on children’s education. This study has established that micro-credit has created a positive impact on enterprise income.

A study by Puhazendhi² (1995) entitled “transaction Costs of Lending to the Rural Poor- Non-Governmental Organisation and Self-help Groups of the Poor as Intermediaries for Banks in India” estimate the average transaction cost of lending for the banks per account at 3.68 per cent of the loan amount, if the loan is given directly to the borrower. The inter-mediation of the NGOs and the SHGs help the banks to reduce this transaction cost to an extent ranging between 21 and 41 per cent. The

dynamic nature of reduction in transaction costs, because of inter-mediation, affect a downward shift of the marginal cost curve. This is possible due to the active role played by the NGOs and the SHGs in the identification of borrowers, the follow up for ensuring the end use of the loans and its recovery. This results in significant reduction in time spent by the bank staff on these functions. Among the different models of linkage, the most cost-effective transaction is the instance where banks use the SHGs as financial intermediaries. Similarly, the intermediation of the NGOs and the SHGs contribute to reducing the transaction cost of borrowers by about 85 per cent mainly due to the elimination of expenditure on documentation procedures. Such procedures are not only cumbersome but also time-consuming and costly. The intermediation by the NGOs result in a reduction in opportunity cost to the borrowers in terms of the number of visits and the time spent on the bank premises in negotiating the loans. The intermediation of the NGOs and the SHGs also prove useful in recovery rates.

Wadha\textsuperscript{3} (1995) has analyzed the Indian experience in financing SHG by banks on selective basis. The experience has shown that recoveries in the case of bank loan through SHGs were above 90 per cent, as compared to direct lending where recovery was about 50 per cent. It also observed that the transaction cost of bank loan was reduced by about $1/3^{rd}$ when the lending was done through the SHGs.

Karmakar\textsuperscript{4} (1997) studied the performance of the credit linkage of all the Self-Help Groups, the NGOs and the Banks in Orissa up to March 1995. Eight NGOs, 11 banks and 14 self-help groups were taken as sample for the study from the entire state in the year 1996. Structured questionnaires were used to collect data besides a

\textsuperscript{3} Wadha (1975) “Indian Experience in Financing SHGs by Banks”, Kurukshetra, p.16.

field study consisting of interviews and through non-participated observations at all self-help group levels. One of the findings showed that a few Non-Governmental Organisations started savings and credit programmes to the marine fishing folk through the Self-Help Groups. For lending, they relied mostly on mobilisation of savings. Since the amount of saving is very small, the credit from the savings to the community was inadequate to meet their requirements. Loans were provided for growing crops, blacksmith’s work, making of hill brooms, trading and business. Repayment was 100 per cent among the woman self-help groups. The choice of the members of the Self-Help Group was limited to a few activities only because the amount of micro-credit available was small in the initial years of the linkage programme.

Mehrotra\(^5\) (1997) has made a comparative study of the State Bank’s Performance with Self-help Groups. In his view, the State Bank of India’s financing scheme for Self-Help Groups has been quite encouraging. The branch officials themselves encourage the poor to form Self-Help Groups in a number of centres. They also utilise the services of the Non-Governmental Organisations for the very same purpose. He points out that with the help of the reputed Non-Governmental Organisations in states like Tamil Nadu, Kerala, Karnataka and Andhra Pradesh, good progress has been made possible by the State Bank in the Self-Help Groups schemes. He states that the Self-Help Groups have promptly repaid 80 per cent to 90 per cent of the finance given to small-scale units by the branches. To sum up, the author stresses that the self-help group is a good concept and every effort should be made to ensure its success. He also states that the self-help groups may eventually be the only viable

units of source on account of low transaction cost, high percentage of recovery and mobilisation of rural savings through the informal system.

Moin Qasi (1997) made an attempt to study the reasons for the linkage of members of Self-Help Groups in rural development. According to his findings, a common bond like caste, sub-caste, blood, community, and place of origin or activity linked the members of Self-Help Groups. He stated that woman Self-Help Groups are more effective than those of others and they have more chances for survival. Although social homogeneity is used in establishing these groups, the real objective is for economic factors, the author stated. The author further insisted that while providing support to self-help groups it is necessary to keep in mind the sentiments and emotional values of rural women. The support provided must be sensitive to their feelings, appropriate and timely.

Nilanjan Sengupta (1998) identified the different forms of community organisations, which involve people’s participation and the role played by them for the empowerment of these organisations. He also discusses social leaning as an empowerment strategy for increasing the participation of people at the grass-root level. According to him, social awareness among the group members has to be created first and then they could move towards economic empowerment. The researcher feels that to ensure the development of skills and consciousness for sustainability of any activity in the long run social and psychological empowerment is a must.

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Nanda\(^8\) (1999) studied the role of linking banks, self-help groups and non-governmental organisations in India. He observes that the model non-governmental organisations which act as facilitators continue to be the most popular, since 42 per cent of the self-help groups are linked with banks by these nongovernmental organisations. The analysis insists further on the need for adopting different strategies and approaches in different regions in India. The strategy for the southern regions should be the consolidation and deepening of the programme and nurturing of emerging Self-Help Group federations. For Eastern, Western and Northern regions it should be the expansion of the SHG programme through identifying and supporting new non-governmental organisations.

Puhazhendhi et.al.\(^9\) (1999) undertook a study on women’s participation and employment among the rural poor through informal groups in MYRADA (Mysore Resettlement and Development Agency). The Primary data were collected from 25 randomly selected credit management groups promoted by the Mysore Resettlement and Area Development Agency. The project areas were Chitradurga District in Karnataka and Erode District in Tamil Nadu. The analysis of the groups in different stages of development show that the share of loan for “non-productive” purposes is reduced from 76 per cent in new groups to 43 per cent in the stabilized groups. But the share of loan for productive purposes has increased from 24 per cent in new groups to 57 per cent in stabilized groups. Forty three per cent of the households state an increase in the net income of about 0.57 times during the post

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formation stage of the groups. The additional employment generated through informal group lending worked out to 172 days per member. The negative factors, which deterred the performance of the groups, are found to be lack of effective leadership, less involvement of non-governmental organisations and consumption-oriented loans.

Karmakar\textsuperscript{10} (1999) examined the existing credit delivery system in India with special reference to the credit needs of the rural poor. He studied the importance of the micro-credit needs for tribal women in rural areas and the micro-enterprises in the non-farm sector in Orissa. The study focuses on the availability, credit requirements and the problems faced by the tribal people in availing of it. It is felt that the setting up of micro-enterprises particularly in the non-farm sector would go a long way in reducing poverty in rural areas. According to him, the micro-credit approach through self-help group would be the only best mechanism to deliver credit to the rural poor.

Jay Anand\textsuperscript{11} (2000) in his study entitled “Micro Finance in Kerala” studied the Community Development Society model in 1993 for the emancipation of the poor women of Alappuzha in Kerala State. It is evident from this survey that those members who have some unit activity earlier could use the micro-credit effectively for expansion/modification and they reaped the maximum benefit. In some cases, the failure of group activity has led to a financial crisis and imbalance for all the members, while it is not complex in individual activities. It is observed that a few women dominated the group.


Lakshmikandan\textsuperscript{12} (2000) stated that most of the membership of the Self-Help Groups consisted of small landholders and agricultural labourers. Out of the 74 Self-Help Groups studied, 57 were women groups and 17 were men groups. The strength varied from ten to twenty and weighed heavily towards the larger figure. The SRESOC organised Self-Help Groups in that district. Among all the Self-Help Groups, only 11 were sanctioned loans successfully from the lead bank of the district, the Bank of Baroda and the amount varied from Rs.20,000/- to Rs.30,000/-. He is of the opinion that facilities for entrepreneurial development are available within the group only at the micro level when compared to the large basic functions like market study, providing resources, general production management and marketing management. The literacy rate of the members of some self-help groups has improved from five per cent to 90 per cent he stated.

Manimekalai et.al.\textsuperscript{13} (2000) analysed the women self help groups formed by the NonGovernmental Organisations in the rural areas of Tiruchirappalli District for the purpose of promoting rural women through self-employment. The Non-Governmental Organisation namely, Society for Education and Village Action and Empowerment (SEVAE) has been working in 362 villages and helping a total of one-lakh women beneficiaries consisting of different avenues of self-employment like petty businesses, processing, production and service units.


In the study entitled “A Study on Women Self-Help Groups in Andhra Pradesh”, by Mohana Rao\(^{14}\) (2000) concluded that SHGs showed a positive impact on the households of the members in respect of building of self-confidence and social development skill and formation and social empowerment of members.

Mohanan\(^ {15}\) (2000) discussed the relevance of micro-credit to women and their empowerment, considering the historical perspective of the involvement of women in the thrift and credit activity and the role of NGOs in the sphere of micro-credit. The rich experience of NGOs in the sphere of credit union and their gross-root level involvement with the poor and their problems is a potential factor that affirms their elevated role in the sphere of micro-credit. The specific task and role of the NGOs in the sphere of micro-credit can be summarised as the formation of self-help groups, nurturing of Self-Help Groups, facilitation role, mobilising resources and formation of people’s organisations.

Raman\(^ {16}\) (2000) shared his research experience of the Primary Agricultural Co-operative Society of Kerala with Self Help Groups. His study shows that though both the groups avail themselves of the loan for the same purpose, the recovery of loans from the self-help groups is 95 per cent to 100 per cent while it is 60 per cent to 70 per cent from the members of the Primary Agricultural Co-operative Society. The reason cited is that the members of the self-help group are to pay only a 4.5 per cent rate of interest against the usual 9.5 per cent interest after deducting the State


Government incentive of 5 per cent. The low rate of interest and the government incentive make a large difference between the income and profitability of members covered under self-help groups and the others not covered by the self-help groups. The sample study shows that only 10 per cent of the members of the Primary Agricultural Co-operative Society have been brought under the concept of self-help groups. Even among these, only 60-70 per cent is actually benefited by the scheme and the rest are cultivators of crops other than food-grains, fruits and vegetables. He proves in his study that the self-help group concept has not only apparently reduced the poverty but also yields encouraging results. The self-help group concept has created further a positive impact on the functional efficiency of the Primary Agricultural Co-operative Society as well.

Sharma\textsuperscript{17} (2000) studied the role of self-help groups in the development of the tribal people. According to him, self-help groups have a flexibility of approach and working but they have failed to develop a work culture, which is acknowledged by the tribal themselves. He is of the opinion that better coordination is required from the voluntary agencies and the government departments for its better performance.

Sundari and Geetha N\textsuperscript{18} (2000) examined the gender disparity in access to institutional credit. In their opinion, the disparity is gradually narrowing down over a period of time. Hence the empowerment of poor rural women will be possible only if they are trained and imparted skills for a certain employment. According to them, skill training include enterprise development, increased access to credit, new approach to markets and social, economic and political strategies and the like.


Suriakanthi\textsuperscript{19} (2000) analysed the need for literacy of the self-help group members. A random survey of 120 groups shows nearly 95 per cent of the members and 75 per cent of the office bearers are illiterate. The female office-bearers manage to carry on the activities with the help of their husbands and educated wards. They use to narrate the incidents that happen in the meetings to their husband/ward and they prepare the report. Fifty per cent of the groups survey show that only literate members prepare the minutes and accounts on behalf of the office-bearers who are illiterate. It is found that ten per cent of the illiterate members do not even know the amount saved by them. She strongly insists on the necessity of imparting basic education to all Self-Help Groups.

Shashi Rajagopalan\textsuperscript{20} (2001) explored the linkages between micro credit and women's empowerment. The study concluded that at the individual level, the women did appear to have gained very significantly in terms of mobility, self-confidence, widening of interests, access to financial services, building of own savings, competence in public affairs and status at home and in the community.

Gangi Reddy\textsuperscript{21} (2001) conducted a study on planning and implementation of Swarnajayanthi Gram Swarojgar Yojana (SGSY) in the district of Ludhiana from Punjab to identify the inhibiting factors for group approaches in entrepreneurship promotion and management. It was observed that the new approach of SGSY had created a positive impact on various aspects of enterprise promotion.


Prem Singh Dahiya et.al.\textsuperscript{22} (2002) in their study on socio-economic upliftment through self-help groups in Solan District of Himachal Pradesh is found that the SHG movement had a sterling social impact-as, the male members of the SHG households were coerced into giving up alcoholism, a widely prevalent social evil in the area. The SHG households could send their wards to schools and put up pucca residential houses in certain cases through increased family incomes. Micro finance and SHGs hold the beacon of hope for taking the underprivileged and poor sections in the Solan district out of the abysmal morass of poverty.

Richard Meyer\textsuperscript{23} (2002) stated that India was attempting to expand microfinance through its large bank network as the primary way to supply microfinance services. He concluded that the SHG linkage strategy was complex and offering many opportunities for failures, inefficiencies and unproductive rent-seeking behaviour. He opined that the staff of NABARD, the banks, NGOs, and members of the SHGs themselves must all perform their respective tasks effectively if SHG members were to receive the financial services.

Amita Bhide\textsuperscript{24} (2003) initiated a pilot study in the districts of Pune, Yavatmal, Nanded and Chandrapur, which consisted of 358 SHG members drawn from 147 SHGs in the four projects districts. They also represent a cross sectional sample of organizing agencies which include Mahila Arthik Vikas Mahamandal (MAVIM): 60 per cent, NGOs: 22 per cent, Banks 6 per cent, ICDS 34 per cent. One significant


\textsuperscript{24} Amita Bhide (2003), “SHGs Under Rural Credit Programme: Experience From Maharashtra Credit: A Key to Prosperity, A Path to Doom”, IASSI Quarterly, 21(3 & 4).
observation is that all the four groups established in 1996 have a constant savings rate of Rs.20/- per month; it has not increased. Similarly, those formed in 1997 have a constant savings rate of Rs.25/- per month. This indicates that refinance was adequate for the current credit needs; it also reflects the members’ capacities to absorb credit.

Chiranjeevulu\(^{25}\) (2003) studied the micro enterprises started by self-help groups in Warangal district (Andhra Pradesh). The micro-enterprises belong to chilly processing units. Srujana Mahilabhivridhi Upadi Mutually Aided Co-operative Society was formed with a membership of 514 women. Each group raised a share capital of Rs.15,000. The group members belonged to backward classes, scheduled castes and scheduled tribes. The researcher states that the conversion of consumption based self-help groups into entrepreneurship-oriented self-help groups led to employment generation and empowerment of women.

Ritu et.al.\(^{26}\) (2003) examined the functioning of Self-Help Groups in Kanpur Dehat District. Twenty five women from Self-Help Groups were selected as sample for the study. Ten woman members from each self-help group and ten non-members from the same village were selected as respondents, to study the impact of the self-help groups on their socio-economic status. The results show that there is relationship between the self-help groups and the socio-economic status of women.

Mohanan\(^{27}\) (2004) in his study concluded that the linkages between the cooperative societies and SHGs will open up a new pattern of relationship between formal and informal segments in the micro enterprises in the coir sector and pave way for more fruitful linkages in the field of technology adoption and market expansion.


Vasudeva Rao\textsuperscript{28} (2004) revealed that the “group approach” has brought about changes in the lives of the once passive women of the rural areas. This would go a long way in bringing the tribals into the mainstream.

Arul Kamaraj\textsuperscript{29} (2005) in his study titled, “Self Help Groups–New Mantra for Empowerment”, says that the self help groups undertake entrepreneurial activities at smaller level with minimum capital requirements. In future, the inbuilt strength of the Self-Help Groups will pave the way to undertake mega projects, like projects performed by joint stock companies, public sector enterprise and the like the SHGs have power to create a socio-economic revolution in the rural areas India.

Mahendra Varman\textsuperscript{30} (2005) in his study on impact of self-help groups on formal banking habits revealed that microfinance SHGs in India were classified under informal organizations, intentionally or unintentionally help formal banks by increasing the number of accounts by inculcating banking habits in rural people, especially the women. On the other hand, it has been found that banking habits are a positive function of the years of experience of microfinance programmes through SHGs in that particular area. The analysis also reveals that being a member in SHGs and, more importantly, having leadership experience in SHGs greatly influences the bank account holding. Leadership experience in SHGs would improve an individual’s banking habits much more than simply membership. If the leadership position of each SHG was systematically rotated over appropriate time, such that each one in the


group has a leadership experience, people will have more exposure to formal banking systems.

Soundarapandian\textsuperscript{31} (2006) attempted to analyse the growth of the SHGs and the role of microfinance in developing the rural entrepreneurship. The study suggests that though there is a positive growth rate of the SHGs in states get in terms of growth of the SHGs there is wide variation among states. Linkages of banks with the SHGs are found impossible for this variation.

Amarjeet Kour\textsuperscript{32} (2008) in his study on self help group and rural development found that respondents were not motivated properly for poverty alleviation and rural development through SHGs. It was also found that the concept of SHGs was very successful in many parts of India like Hyderabad, Tamil Nadu etc. where people, government and NGOs have come forward with true motivation and interest.

Tangirala\textsuperscript{33} (2008) revealed that the cooperatives were playing a tremendous role in the economic development of its members and in alleviation of poverty in the country. In the advent of the SHGs, the cooperative has got another tool in its toolbox to quicken the process of developing the members financially. For the purpose of economic development, the cooperatives have to form the SHGs with the help of the members, increase their competencies and capabilities.

Kumararaja\textsuperscript{34} (2009) analysed the performance of self help group in Tamil Nadu. Further, he revealed that micro finance, through SHGs has reached millions of


households. Therefore, a timely and regular check will make the micro credit through SHGs to become a healthy progress of overall development of the rural women.

Mohanty\textsuperscript{35} (2009) in his article on SHG movement-an emerging social innovation of micro financing in Orissa revealed that saving, which is as crucial as loans for the economically active rural poor, remain completely untapped as organized retail banking does not reach them. This is a good opportunity for the public sector banks to boost the SHG movement to enable the villages to absorb the benefits of globalization.

Nagayya et.al.\textsuperscript{36} (2009) reviewed the recent trends in the SHG-bank linkage programme at national and state level, with special reference to Andhra Pradesh in detail, and certain aspects of the other three southern states Tamil Nadu, Karnataka, and Kerala. Sustainability, growth and diversification of activities to enter higher value added areas for SHGs are to be given utmost attention by strengthening Federations and MFIs. The groups need support in term of credit plus services such as counseling services, expansion, technological up gradation/ modernization, common services, marketing linkages, etc. training and capacity building, sharing of best management practices, and exposure visits provide a healthy environment for SHGs.

Tanmoyee Banerjee\textsuperscript{37} (2009) observed the economic impact of SHGs. The author found that, from low- income group more people have shifted to high-income levels. This has reduced the inequality in the distribution of family monthly income.


The rate of school dropouts has significantly lowered in the families of group members than the families who do not belong to self-help groups. The results showed that there has been some positive impact of SGSY programme as a poverty alleviation programme.

Chandrashekar et.al.\(^\text{38}\)(2009) pointed out that in India, economic reforms with a human face have been accepted as the guiding principle of sustainable development. Keeping the poor at center stage, the policies need to be reoriented so as to develop and optimize the potential of such a large segment of the population and enable them to contribute in the growth process significantly in terms of output, income, employment and consumption.

Dinesh Raghuwanshi\(^\text{39}\) (2010) revealed that the Government of India has initiated number of subsidy linked rural development programmes and involves formal financial institutions in the implementation of these programmes. After the pioneering efforts of the last ten years, the microfinance scene in India has reached a take-off point.

Gautam Patikar et.al.\(^\text{40}\) (2010) overviewed the scenario of micro finance in India. He pointed out that micro finance in India is still in its nascent stage. By reaching the un-reached rural poor in the rural areas, micro finance innovations are yielding results and giving hope to the million of poor through providing credit.


Komala Alyanna et.al.\textsuperscript{41}(2010) studied SHGs as an instrument for women empowerment in Mysore district. SHG’s have been playing a vital role in the empowerment of women. A large number of SHG members are being trained for undertaking various productive activities like making agarbathi, candle making etc which makes them to be economically independent. This SHG has been important in empowering women in Mysore district.

Lakshmi\textsuperscript{42}(2010) stated that the SHG bank linkage programme has made enormous contribution to empowerment in the rural areas of Tamil Nadu through SHGs. This will lead to a gradual improvement in the quality of life of rural poor women and will enable them to identify activities for economic betterment.

Laxman & Bahir\textsuperscript{43} (2010) in their article on performance evaluation of SHGs in India, find that Andhra Pradesh, Karnataka, Tamil Nadu and Uttar Pradesh lead the country in SHGs. The Grameen Bank in Bangladesh promoted by Dr.Mohammad Yunus, a Nobel Peace Prize Laureate should be emulated to alleviate poverty.

Muthukumaran\textsuperscript{44} (2010) observed that the success of a SHG depends solely on how well-knit is the group, what are the qualities of the SHGs which do not perform well may be studied so that the pre-requisites for success could be prescribed. Yet another scope for further research lies in carrying a comparative study of groups between two blocks or two districts.


Parameswara Gupta et al.\textsuperscript{45}(2010) critically analysed the impact of microfinance and observed that microfinance could serve as a strategy to bring in the elusive financial inclusion (access). Special programmes clearly addressing core poor as in the case of Bangladesh, wherein well known institutions like BRAC and ASA have initiated special support to the core poor may solve the problem. Fortunately commercial banks have made up their mind and their entry into this field may strengthen the cause.

Rajeswari\textsuperscript{46} (2010) studied the socio-economic status of women and she stated that empowerment of women is that process of controlling power and strengthening the vitality of the three broad categories of empowerment viz., economic, social and political, the first is the key and may lead to other kinds. India has a long way to go before Indian women are able to hold a pride of place in the society and in the functioning of the nation.

Raya and Rajendran\textsuperscript{47} (2010) analysed the role of micro-finance for rural women in Vellore District and found micro finance activities improved the knowledge and awareness on balanced food and nutrition to a considerable level. Schemes of the study reported a significant relationship between the loan amount and improvements in awareness and capacity building and the conclusion is that the higher the loan amount the higher the capacity building of rural women.


Satya Sundaram\textsuperscript{48} (2010) revealed that members prefer smaller groups to bigger ones in order to minimize conflicts. There is need for coordinating the efforts of the developmental agencies including the NGO’s at the grassroots level.

Surender et.al\textsuperscript{49} (2010) examined the impact of Self-Help Groups on employment generation. It is clear from the study that Self Help Groups have the capability of generating employment.

Vidhya\textsuperscript{50} (2010) observed that the Tamil Nadu government has taken a series of steps to improve the women’s development through the Mahalir Thittam. It makes the women to think independently and helps to enrich their knowledge in each and every social upliftment as Pandit Jawaharlal Nehru dream.

Ferozea et al\textsuperscript{51} (2011) evolved as a mechanism for social inclusion of the rural poor. This paper has identified the factors that influence the repayment performance of the SHGs in India, by conducting a study on a sample of 120 SHG members from 60 dairy SHGs and 60 non-members selected from the state of Haryana. Results of Tobit regression have shown that peer monitoring, group size and female percentage have positive influence, whereas homogeneity and loan amount have negative influence on the repayment performance of the SHGs. The study has concluded that if the essence of self-help and cooperation is fostered and monitored properly, the poor can also repay.


Lalitha and Prasad\textsuperscript{52} (2011) conducted a study in Guntur District that has 57 mandals under its control. One among them is Guntur revenue division having 19 mandals under control. Guntur District is one of the richest areas in coastal belt of Andhra having more investigated lands and particulars Indira Kranthi Padham is implemented in Guntur District. In Guntur Revenue Division, Guntur Rural, Gorantla & Pedakakani Mandals were selected for the study. They are around 27 SHGs functioning in each mandal under district. In this study, it was evident that most of the SHG women have been involved only in the micro credit savings. They were not properly facilitated through conducting periodical meetings, training programmes and awareness camps for their improvement. Their active participation in economic activities was very much limited to the lack of adequate approach by the NGOs. Though the women have formed groups they have poor decision making capacity for their self development.

Makesh and Minimo\textsuperscript{53} (2012) explained the empowerment of these members is intended to be achieved through the conduct of commercial activities, which would render them with employment and income. The effectiveness of these group activities in imparting social, economic, financial, political or personal empowerment has also been subject of studies. The different methods in which these groups can be formed, the extent of commercial activities conducted, and the age of members may create different backdrops to the process of empowerment. The present study is an attempt to reveal the significance of these parameters.


Sanjay (2012) attempted to explore on the much debated question about the role of SHG as a financial intermediary for enhancing women empowerment. A primary sample study has been carried out to capture the realistic experiences and observations from the beneficiaries of SHG (under SGSY) of Nagaon Districts of Assam and most particularly in the Lumding Development Block, Dhalpukuri Development Block and Udali Development Block. The micro finance related loan ailment and its productive utilization found to be causing significant differences in women empowerment levels, analyzed through different statistical tools (parametric and non-parametric test) from the data so far collected from the sample study. The empirical findings of the study suggest that SHG-Bank Linkage of micro finance programme has a profound influence on the economic status, decision making power, knowledge and self worthiness of women participants of SHG linkage programme in Assam.

Sahu and Suresh (2012) assessed the role of Self-Help Groups in empowerment of women of Rural Pondicherry. It was a community based qualitative study. Focus Group Discussions (FGD) was conducted among six SHG groups (one each) selected on feasibility basis. The SHG members’ perception of improvement in different pre determined domains were assessed. The key responses were ‘increased participation in household decision making’, ‘gaining respect in family’, ‘increased savings’, ‘meeting family expenses’, ‘improved political knowledge’, ‘independence’, ‘confidence’ etc. They said to have gained respect and trust in society and were able to plan for the future of their families. The author concluded that Self Help Groups


played very important role in women empowerment and should be promoted for economic development of the country.

Shambharkar, Jadhav and Mankar (2012) entitled a study on the impact of self help groups on empowerment of women member was carried out during 2010-11 in two Panchayat Samitis namely, Akola and Patur of Akola district in Vidarbha region of Maharashtra on the basis of maximum number of Self Help Groups. The study revealed that, after joining SHG, majority of respondents were involved in banking transaction, promoting thrift activity of members (78.57 percent) and (70.71 percent) respectively. It was also observed that 90 percent respondents were in high level category of psychological empowerment followed by 63.57 per cent were observed in medium level category of cultural empowerment and 21.43 per cent of the respondents were high empowerment regarding cultural empowerment. Majority of the respondent (70.00 percent) were in medium level of category of social empowerment and 21.43 per cent of the respondent were high empowerment regarding social empowerment. Little more than half (51.43 percent) of respondents were included in medium level category of economic empowerment and more than one third (39.29%) of the respondent were in high empowerment regarding economic empowerment. After joining SHG more than half (55.01 percent) of the respondents were highly empowered and 35.00 per cent were medium empowerment regarding political empowerment. Distribution of overall impact of self help group on empowerment revealed that, more than three fifth (61.43 percent) of respondents were medium empowered followed by 37.86 per cent high empowered and 00.71 per cent

were in low empowerment category of overall impact on empowerment. Not a single respondent was underpowered after joining SHG.

Pradeep and Sanjay\(^{57}\) (2012) examined Microfinance is a powerful instrument for poverty eradication in developing economies like India. Micro finance initiatives like the SHG-Bank linkage programme, MFI – Bank Linkage model etc., in India has been increasingly promoted for their positive impact on women empowerment. As a part of the secondary data collection various research papers, articles, reviews, conference proceedings and websites were referred. Also mini delphi study was done. As a part of the primary data collection, a sample (random) of 100 women respondents were selected out of 20 SHG’s operating in the district of Bijapur. The data was collected during the period July 2011 to December 2011. Bijapur is a district head quarter located in the state of Karnataka in southern India. The district comprises of 5 blocks (talukas) with population of around 18.07 lakh according to the census 2001. Farming and agriculture related business is the main occupation for many people of the district. The analyzed findings prove that the intervention of micro finance through SHG-Bank Linkage Programme has positive impact on women empowerment in Bijapur district Karnataka.

Sanjay Kanti Das\(^{58}\) (2012) expected that have an important bearing on women’s empowerment micro finance and SHGs are effective in reducing poverty, empowering women, creating awareness and ensure sustainability of environment which finally results in sustainable development of the nation. To avert such a


situation, growth with quality has became the paramount agenda of today among different stakeholders, as there is an over reaching concern about sustainability of the SHG movement in India. Self-help groups have been instrumental in empowerment by enabling women to work together in collective agency. An effort is made in this paper to make a comparative analysis on the quality and performance of the SHGs and the impact of SHGs on women members in Barak Valley of Assam (Cachar, Karimganj and Hailakandi districts). It is observed that due to fast growing of the SHG-bank linkage programme in the state, the quality of SHG has come under stress. Some of the factors affecting the quality of SHGs are the target oriented approach of the government in preparing group, inadequate incentive to NGOs for nurturing their groups etc.

Pratibha59 (2012) involved ability to get what one wants and to influence others on our concerns. Economic empowerment results in the women’s ability to influence or take decision, increased self-confidence, better status and role in household etc. In India, microfinance has emerged as a powerful instrument with the SHG-Bank Linkage Program for the upliftment of women. The SHGs have paved the way for economic independence of rural women. This was the most cost-effective instrument to meet the financial needs of the poor women and also helped in strengthening collective self help capacities of women, leading to their empowerment. The rapid progress of SHG formation in India has turned into an empowerment movement of women across the country. This paper puts forward how the formation and development of SHGs received a greater focus in the empowerment of women in India. This paper seeks to focus on the growth of number of SHGs, and its impact on

various aspects of empowerment of women. This paper also put efforts to suggest certain measures to enhance the empowerment of women.

Sreedhar\textsuperscript{60} (2012) explained the SHG-bank linkages are a benchmark in women’s empowerment and socio-economic development of women at the village level. SHGs contributed significantly to the development of women entrepreneurs and also for overall development of the economy. Poverty alleviation has always been the first concern of the policy makers in India. Because more than about 24 percent of population is below the poverty line. To promote balanced development and reduce the inequalities, the concept of Micro Finance has been recognized as comprehensive and viable approach in recent times. The Government and the policy makers have recently evolved the bank – SHGs linkage programme to eradicate poverty and increase income of the poor people. Women are very important segment in development at local to global levels. Economic independence and education of women will go a long way in attaining self-reliance for women. Real change will come when women are treated on par with men and give a equal opportunities. When that happens, India will be able to harness its women power and emerge as a rasped.

Madhusudan Ghosh\textsuperscript{61} (2012) reviewed the progress of SHG-Bank linkage programme at the national and regional levels, and examines its impact on the socio-economic conditions of SHG member households. The programme has grown at a tremendous pace during last two decades and emerged as the most prominent means of delivering micro-finance services in India. Though the regional spread of the


programme is highly skewed with highest concentration in the southern region, it has started picking up pace in other regions. The average annual net income, assets and savings of SHG member households increased significantly in the post-SHG situation. The average amount of loans and the regularity in repayment of loans increased, and the dependence on moneylenders decreased remarkably. The percentage of loans used for productive purposes and employment per household increased, the incidence of poverty among SHG members declined, and the social empowerment of women improved significantly.

Murlidhar\footnote{Murlidhar A and Lokhande (2012) “Micro Financing through Women Self-help Groups and Its Socio-economic Impact- a Case Study of Konkan Region of Maharashtra”, Journal of Economics and Management, 1(9):16-26.} (2012) focused to find out whether micro finance really contributed to the socioeconomic empowerment of group members? To what extent, micro financing through women groups benefited the members? Out of 350 Women groups promoted by Sadbhav Foundation (33 groups), Raigarh district, Manav Sadhan Vikas (25 groups), Kudal, Sindhudurga district and Matru Mandir (19 groups), Ratnagiri district (Maharashtra State, India) 77 (22 per cent) were selected. Two members from each group (i.e.154 members) were selected deliberately. After joining the groups, the monthly average income and savings of the respondents had shown increase by 133.73 per cent and 76.27 per cent respectively. The confidence level of the respondents had increased to a great extent. They had reported active participation in socio economic activities. Overall personality index had shown growth of 59.01 per cent. It was inferred that micro financing through women self help groups had brought a positive change in the lives of the members. The study concluded that poor, discriminated and underprivileged women if join the groups, can come out of poverty.
Uma Narang⁶³ (2012) explained the concept of Self Help Group has its roots in rural areas and it has been mooted along the rural and semi urban women to improve their living conditions. Though it is applicable to men in our country, but it has been more successful only among women and they can start economic activities through SHG movement. Empowerment provides a greater access to knowledge and resources, more autonomy in decision making, greater ability to plan lives, more control over the circumstances which influence lives, and freedom from customs, beliefs and practices. Thus, empowerment of women is not just a goal in itself, but key to all global development goals. Empowerment is an active multidimensional process to enable women to realize their identity and power in all spheres of life. This paper examined the women empowerment through SHGs and also explains the current position of women empowerment in India.

Manju and Shanmugam⁶⁴ (2013) analysed the economic empowerment of women through micro finance and evaluates the performance of micro finance in India. This study purely based on secondary data and this paper has used simple mathematical and econometrics models like mean, co-efficient of variation, annual growth rate, one way ANOVA model to interpret. The period of the study is from 2000-2001 to 2010-2011. NABARD has been providing loan facilities to SHGs through SHG-Bank Linkage programs with the help of RBI through three banks like, Commercial Banks, Regional Rural Banks and Cooperative Banks. This paper has concluded that, Commercial Banks have dominant role in providing loan facility to SHGs as well as Region-wise through SHG-Bank Linkage Programs in India. But


unfortunately, majority of SHG members are using loans to unproductive purpose this leads to indebtedness. So, the members should use loans to productive purpose, in order to empower the economic condition.

Umamaheswari et al\textsuperscript{65} (2013) analysed the changes in the social condition SHGs, to measure the impact of the SHGs on the social condition of the members, and to analyze the attitude of the members of the SHGs towards social impact. The study is descriptive nature. Only primary data has been made used off for the purpose of analysis. Primary data have been collected through a field survey. The sample size of the study is 120 respondents. The researcher has used stratified random sampling. The questionnaire has used to collect the data from respondents. The sample area is Mettur Taluk in Salem District, Tamil Nadu. The Discriminated Analysis has used to analysis the collected data. In short, the study would be highly useful to researchers, planners and policy makers in overcoming the problems of women and in formulating strategies for the social development and empowerment women through SHGs in Tamil Nadu in general and particularly in Mettur Taluk in Salem District.

Raji\textsuperscript{66} (2013) explored empowerment of women is crucial for the development of the country. Bringing women into the main stream of development is a major concern for the Government of India. That is why the year 2001 has been declared as the “Year of women Empowerment” Women’s empowerment is critical to the socio economic progress of the community and bringing women into the main stream of national development has, therefore, been a major concern of the government. The


Ministry of Rural Development has special components for women in its programmes and funds are “women component” to ensure flow of adequate resources for the same. One of the major schemes implemented by the Ministry of Rural Development having women’s component is the SGSY.

Jaya Varthan et al\(^6\) (2013) analysed the impact of self help group (SHG) on empowerment of SHG members and non-members involved in livestock rearing in Tiruvannamalai District of Tamil Nad. Data pertaining to the objective of the study was collected from 120 sample respondents using a pre-tested interview schedule. The women livestock farmers from SHG members and non-members in the study area were asked to give scores based on their perception for each empowerment indicator that primarily came under four major categories viz., social, economical, psychological and technological and the cumulative empowerment score for SHG members and non-members was found to be 4068 and 2241. In order to analyze the determinants influencing empowerment of women members multiple linear regression analysis was carried out by keeping the cumulative empowerment score of respondents as dependent variable. The results revealed that membership in SHG, education of the women farmer, livestock holding, risk orientation and information seeking behaviour had a positive and a highly significant relationship on the cumulative empowerment score of respondents. The findings clearly exposed the impact of the self help group programme on empowerment of SHG women members who do livestock rearing activities.

Maroti and Srihari\textsuperscript{68} (2013) explained the self help group is functioning very effective dimension role at creating rural livelihood at sustain, the savings and group activities are eliminating poverty and creating the effective social functions by participating women at village level committees as a member at each and every village level committees. The self help group members are very active part of an economical status, through Banks and Mandal Samakya (Mandal level function organization to educate and give the loans) they are getting the loan, and loan amount is utilizing for purposeful fields and at their children education, economic activity. In this village 90 percent of eligible women are member in any one of self help group and they are all participating at meetings and reimburse the loan amount to the bank in time, by it they are getting governmental scheme benefits and through the self help groups the women educating at all aspects of social functions and also creating the awareness at prevent malpractices and making better social adjustment. And it creates self-reliance, self-esteem, self-production, joint responsibility, self-determination by mobilizing internal indigenous resources of the person the group.

2.2 Conclusion

In this chapter, the researcher discussed about the empirical evidences which are related to the socio-economic impact of SHGs on women empowerment and also the performance of SHGs. Based on the literature review, the framed objectives have been analysed with the help of statistical tools in the following chapter.