CHAPTER-3
REVIEW OF LITERATURE

3.0 INTRODUCTION:

Entry into the survey of literature of the relevant field enables the researcher to keep pace with the changes in the respective research area. The review is not only a mere collection of thoughts in publication and journals, but it is a launching pad to understand the research gap to bridge the research area in the right perspective.

- In a nutshell, the review of literature leads to
- Conceptual clarification
- Up-to-date knowledge in the respective research field
- Identification of research gap in the field
- Familiarization of appropriate methodology relevant for the study
- A sound knowledge of the process, tools, and measurement techniques adopted by the research scholars
- Develop a research proposal

With this background in mind, the researcher presents a detailed review of works reported in various sources such as research scholars, research institutions, non governmental organization and others on the various dynamics of micro credit extended through various financial institutions, government agencies both in India and Abroad.

3.2 REVIEW OF RELATED LITERATURE - ABROAD

3.2.1 SRI LANKA:

‘Indegenous and Micro Credit and Enterprises Establishment: A Sri Lankan Case Study’

Sarvodaya Economic Enterprises Development Services Ltd (SEEDS) is the rural banking section of Sarvodaya, an NGO, working in
Sri Lanka, aims to assist and empower people economically in rural villages. Sarvodaya Economic Enterprises Division of SEEDS provides credit to the rural poor to establish micro enterprises.

Jane Sear and David Simon in their study (1999) on SEEDS, pointed out that a wide variety of traditional and non-traditional enterprises have been established or expanded in rural areas with credit from SEEDS. Credit recipient enterprises have often substantially improved individual and community wealth, and evidence was found of a limited ‘trickle-down effect’. However local inequalities in the village have usually increased as a result. Attention is also paid to unsuccessful enterprises, which fail to improve the quality of life for loan recipients and the community.

The overall quality of life has improved for most SEEDS loan recipients, as they establish enterprises which make them financially independent. Social consequences include women empowerment and improved self-confidence for successful entrepreneurs.

3.2.2 NEPAL

‘An impact study of rural Self Reliance Fund Credit Programme (RSRF).

An impact study was conducted by Centre for Policy Studies and Rural Development, Kathmandu (2007) on Rural Self Reliance Fund Credit Programme (RSRF) instituted by Nepal Rastra Bank (NRB) in 1991 for poverty reduction pointed out that an overwhelming majority of clients (85 per cent) felt an improvement in their overall socio economic conditions after participation in the RSRF Programme. The clients’ monthly income has also increased varying between Rs.1000 to Rs. 5000. Majority of the clients (92 per cent) used the additional income for meeting household consumption expenditure. Further it is pointed out that
the access to credit has substantially reduced the dependence of the clients on money lenders. A large proportion of clients reported increase in their social awareness such as importance of safe drinking water, use of toilets, vaccination, nutritious food intake etc. Majority of women reported increase in their self confidence in terms of ability to put their own interest in the family issues.

3.2.3 BANGLADESH:

Micro Credit and Women Empowerment

Abdul Hayes, Ruhul Amin and Stan Becker (1998) analysed the relationship between poor women’s participation in micro credit programmes and their empowerment by taking both SHG and non SHG members in rural Bangladesh. The results have shown that the SHG members are ahead of non members in all the three indices of empowerment. Moreover, the non-members within NGO programme areas show a higher level of empowerment on the autonomy and authority indices than do the non member within the comparison areas. Over all, it was found that part of the higher autonomy and authority indices in the NGO programme areas in contrast to the comparison areas is accounted for by the contribution of both NGO credit members and non-members in the NGO programme areas. Being empowered by their new sources of financial income and related group support, women recipients of NGO credits may have asserted their autonomy and authority vis-à-vis their husbands’ restrictions and dominance in related household affairs.

It was further found that education, house type, annual income etc., tend to be positively associated with autonomy and authority indices. Also positively associated is duration of NGO membership and non-agricultural occupations. The NGO loaners are reported to be more confident, assertive, intelligent, self-reliant and conscious of their rights.
It was suggested that the NGO role alone would not be sufficient. The government has to have a large network of credit programme for the rural poor women to increase their economic solvency and enhance their empowerment.

Dharam Ghai in an evaluation of the Grameen Bank found a positive impact on the income of borrower households and on the status of women in these household. Several studies of Grameen bank in 1980s and 1990s suggested that women’s access to credit led to their social and economic empowerment and challenged the generalized domination over and violence against women as it encouraged their rise as independent producers and providers of valuable cash resources to their households, enhanced their self confidence and increased their status in the family.

Noeleen Heyzer’s (1994) overview of five successful credit programmes in Bangladesh, India, Malaysia, Papua New Guinea and Nepal concludes that poor women’s credit worthiness has been established by the experience of these programmes. But this experience has also shown the limitations in the approaches adopted when seen in the use of credit in gender responsive poverty alleviation strategies indicating an urgent need to rethink banking concepts and approaches to create direct access to economic resources by targeting poor women, rather than families and communities. Besides, the alternative credit system also “start with women’s existing economic activities and do not venture to identify new or non-traditional opportunities”. Hence they maintain the traditional sexual division of labour which allocates to women some of the most tedious and poorly rewarded work in the community.

Osmani (1998) examined the relationship between participation of Grameen Bank women borrowers’ in economic activities and their empowerment in intra household decision-making. Using the bargaining
model and bargaining power in allocation of household resources, three
determinants of relative bargaining power and hence allocation of
resources were used. These include (a) breakdown position i.e. how well
each person can do without any cooperation, (b) how clearly a person
perceives his or her own interests and (c) who is perceived to be making
a larger contribution to the overall wealth of the family. It was seen that
access to credit had gone some way towards empowering them by
improving the first two determinants but the perceived self-interest may
not have improved much. Women had also gained greater autonomy in
certain spheres of decision-making (such as freedom to spend money).

She saw two reasons for this incompleteness in empowerment –
(a) ineffectiveness of even a prolonged exposure to income generating
activities to neutralize centuries of cultural conditioning completely. (b)
low absorptive capacity of women in the prevailing cultural conditions
increasingly requiring them to pass the loan on to their households to
make its full use. Increasing diversions of loan was seen for purposes in
which she was no longer directly involved. As the size of the loan
increased, women borrowers found it increasingly difficult to use the
money. So an emerging joint enterprise in which the women provided the
finance and the man provided labour and enterprise. (Osmani: 1998).

3.2.4 AFGHANISTAN:

‘Micro Finance in Afghanistan: a baseline and initial Impact Study’
for Microfinance Investment Support Facility for Afghanistan (MISFA).

An impact study was conducted by Martin Greeley and Mohit
Chaturvedi (2007) to assess the impact of the microfinance in
Afghanistan since its inception in 2003. It has been noticed that the most
of the clients (70 per cent) are from economically weaker sections. The
study revealed that the economic standards of clients has increased after
joining the MISFA programme. Majority of the clients have replied
affirmatively about awareness and increased access to services that would build human capital. 91 percent of the female clients reported that they have immunization cards as against 79 percent of female non clients. One of the important findings of the study was that the religion has not been quoted as reason for drop out from the micro finance programme. Most of the clients (49%) withdrew from the programme on their own.

3.2.5 KENYA:

"An Evaluation of Micro-Finance Programmes in Kenya as Supported through the Dutch Co-Financing Programme With a focus on KWFT’ Kenya”.

Otto Hospes et al (2002) studied the micro finance programme in Kenya with special focus on KWFT. Kenyan Womens Finance Trust (KWFT) is a national private voluntary organization (PVO) that has been actively involved in facilitating credit delivery to rural women since 1984. By using a Grameen Bank or group lending approach, KWFT staff train groups of women to calculate monthly and weekly payments, interest and duration of payment, financial discipline, procedures for working with formal financial institutions. A number of women have reported that their business has increased as a result of the credit available to them. On the other hand, women emphasized that KWFT has helped them to diversify their businesses and to take advantage of seasonal opportunities, herewith securing income throughout the year. The education level of women seems to be very significant in influencing the level of profitability of enterprises as they access more KWFT loans. Though impact of KWFT credit at the enterprise level is quite impressive, improved living conditions for the household as the key positive experience, not business expansion and the creation of employment. Women are primarily very much concerned and directed at improving household living conditions.
They consider their businesses and KWFT loans as means to cope with events affecting the insecurity of the household (heavy school fee demands, ill health of the client or a member of the household and death in the family) that were ranked as most severe by KWFT clients. The impact at the level of the household has boosted the self-confidence and image of women. (www.gdrc.org).

George Owuor et al (2001) in their presentation in the Seventh Eastern and Southern Africa Regional Maize conference held during 11-15 februrary 2001, mentioned the role of SHG in promoting improved input and its relation with maize production in Kenya. The study showed that group credit has a positive and significant impact on the use of improved inputs such as improved maize seed and fertilizer and that yields from borrowers are significantly higher than non borrowers. The study also shows that self help groups with sound finances are very important financial institutions for small scale farmers. They successfully tap the meager financial resources and help to build funds, which meet credit demands among poor rural farmers.

In another study evaluating 13 women’s group enterprises in Kenya’s Coast Province it is observed that there is little basis for the naive assumption that income generation will enhance women’s independence and status. Women’s increased income does not itself improve women’s bargaining position, especially within poor households. The generation and control of income has a positive effect on women’s self-confidence. But it is only a first step in the attainment of women’s status and power, and in many cases it may be a project triggered reversible effect. The gap between the earnings and resulting power of women and men is too great to be affected by small changes in women’s income. But in the long run expanding income earning opportunities for poor women may increase their self confidence which, combined with
other changes, can result in women’s increased status and power within the household and, perhaps, in lower fertility rates.

3.2.6 NIGERIA:


Nnenna Christiana Irobi (2008) in his thesis analyzed the importance of microfinance in improving the socio economic status of women through a case study of Obazu Progressive Women Association, Nigeria. Microfinance, which is one of the tools used in poverty alleviation, has been in practice since time immemorial. In Nigeria it is traditionally rooted, while providing credit and financial services to the poor or low-income earners. There are people with self-help groups, rotating savings and associations with several activities aiding members. Microfinance however, is being implemented to overcome the failure of formal banking industry at offering small loans for the poor to enable them to perform some income generating activity.

Microfinance intervention has a positive impact on alleviation of poverty among the women. Interestingly, study found that most women in this association experienced increased income and therefore improved their economic status, political and social conditions after receiving the loans. (http://ex-epsilon.slu.se/archive/00002849).

3.3 REVIEW OF RELATED LITERATURE - STUDIES IN INDIA

3.3.1 Muhammed Hussain Bhatti [1999] found that the improvement of women's economic situation is the basic determinant of their empowerment. Women are being extended extension, advice and the financial assistance to generate income in farm and off farm sectors.
3.3.2 Ahmad (1999) in his study in Assam found that women are coming to the administration directly for their rights and to address their grievances boldly. It proved that Self Help Groups are successful in North East India even in the midst of insurgency.

3.3.3 Puhazhendhi (2000) analyzed the functioning of SHG's, its performance, sustainability, empowerment of women, economic impact on the members, future potentials etc. He observed that SHG's in Tamil Nadu are performing well towards social change and transformation. The emerging trends are leading to positive direction of empowerment of members and promotion of micro finance.

3.3.4 Saundarja Borbora and Ratul Mahanta [2001] analysed the impact of micro financing through SHGs taking the case of Rashtriya Gramin Vikas Nidhi in Assam and found that 80 percent of the SHG members were from poor families, in the age group of 8 to 50 years.

3.3.5 Kamal Vatta and Parminder Singh [2001] evaluated the impact of SHG on the income of the members in Punjab. They observed that SHGs belong to the BPL households generated 70 percent of the savings and the remaining by APL households.

3.3.6 Manimekalai and Rajeswari [2001] studied the impact of SHG in creating women entrepreneurship in rural areas of Tamil Nadu. They found that the SHGs have helped to initiate micro enterprises including farm and non-farm activities, trading and service units.

3.3.7 Lakshmanan [2001] in his study in Tamil Nadu observed that the savings of SHGs increased. The groups obtained revolving fund; there is transparency in administration, members are engaged in production of mats with the sufficient encouragement and support of the husbands.

3.3.8 Tilekar, Naikade, Deshmukh and Patil [2001] in their study of SHG in Maharastra found that there has been an increase in the savings and
credit performance. The SHGs lend loan with simple procedure at 5 percent rate of interest per month.

3.3.9 Anjugam and Alagumani [2001] in their study in Madurai district of Tamil Nadu assessed the economic, social and institutional impact of SHGs. They observed that the major purpose of loan extended was to pay off the loan from moneylenders.

3.3.10 Rayavarapa Ramakrishna [2001] in his study found that there was diversity in the relative significance of various institutions in the linkage. At the national level, RRBs, are the major partners [66 percent] followed by commercial banks and, the co-operative banks played the minimum role. Further it was observed that as compared to IRDP, the SHG members fared better in terms of economic and social empowerment.

3.3.11 Sharma K.C. [2001] concluded that the outreach of formal sector is 30 percent to 40 percent for general population and it is 10 percent to 20 percent for the poor households. The SHGs have contributed to increase the outreach with gender orientation as 85 percent of the SHGs linked with banks formed by women.

3.3.12 Jairath M.S. [2001] analysed the growth and development of SHGs in Rajasthan taking two categories, viz, resource poor tribal and resource better of non-tribal. It was arrived that the average membership, rate of interest, size of borrowings were higher in the former, but the average amount of saving was higher with the latter.

3.3.13 Singh D.K. [2001] conducted a study in Uttar Pradesh comparing the pre and post SHG situations of women SHGs. He found that the average value of assets increased by 46 percent and the annual income per household by 28 percent between pre and post SHG periods.

3.3.14 Ramana Rao D.V.V. [2001] analysed the experiences of microcredit movement through self-help groups and found that the groups
mobilized by the co-operative banks have mobilized more savings than that of groups sponsored by the NGO organizations.

3.3.15 Kallur M.S. [2001] analysed the impact of SHG supported by NGO namely MYRADA on women empowerment in Karnataka. He found that the loans were taken for productive purposes, interest charged were high to cover the expenses of the group, the recovery rate was higher compared to formal credit and income generation is small.

3.3.16 Raghavendra T.S. [2001] studied three SHGs run by forward, SC/ST and backward communities in Karnataka to assess the performance. He found member of SHGs no longer borrow for moneylenders. He suggested that with vision participation and motivation, forward community SHGs could sustain in changing farm based activities into market based.

3.3.17 Ponnarasi and Saravanan [2001] brought out case studies of five SHGs in Cuddalore district of Tamil Nadu. Of the five groups, one has got the “Best SHG Award" for it has lent more than twice that of other groups, extended 90 percent of the loan for productive purposes and also availed a large loan of Rs. one lakh which was absent with other groups. They concluded that the SHGs have influenced greatly to the well being of the villagers.

3.3.18 Rekha R. Gaonkar [2001] studied the impact of SHGs on women in Goa and observed that individual loans were mostly for productive purposes with cent percent recovery. Monthly interest rate charged is high with 24 percent to 36 percent but it goes to group fund. SHGs made a lasting impact on the lives of the poor and the quality of life is improved on the family in terms of increase in income, savings, consumption expenditure, gaining self-confidence, productive use of free time, getting opportunity to improve hidden talents. It has contributed to address
poverty and unemployment and able to bring social transformation through economic development and social change.

3.3.19 Nedumaran, Palanisami and Swaminathan [2001] in a study conducted in Tamil Nadu on the impact of SHGs found that more than 60 percent of the SHG members were SC/STs. Nearly half of them registered high performance. The average loan availed is positively associated with age. Net income received increased by 33 percent over pre SHG situations. Social conditions also have improved and SHGs have contributed for the overall improvement.

3.3.20 Awasthi, Deepak Rathi and Vimla Sahu [2001] in their study in Madhya Pradesh on the impact of SHGs on economic status of women observed that the SHG women were engaged in Mahua, mushroom cultivation, amachur, papad making, pisciculture, nursery etc. With the group loan at 2 percent to 4 percent interest per month, they realized an increase in income and employment. SHGs have made a positive impact on creating leadership, improving literacy, consciousness about health and hygiene and skill formation among the group members. However they suffered from lack of motivation, infrastructure, forward and backward linkages, insufficient loan, inadequate provision of marketing and inputs, lack of systematic monitoring and follow up etc.

3.3.21 Sale, Pagire and Shinde [2001] in a case study of SHG in Maharaustra found that the SHG group loan was lent to income earning activities such as sheep and goat rearing, poultry, meeting medical and educational expenses. The revolving fund assistance improved their scale of operations and the repayment of 100 percent. SHGs have inculcated a habit of thrift and fulfilled the needs on priority basis. Expansion of such operations would improve a lot of rural poor households.
3.3.22 Binodini Sethi and Atibundhi [2001] in their study in Orissa found that the average group size was 14 and 82 percent of the SHGs were formed by women. There has been an uneven growth of SHGs in all the regions. Only 28 percent of the women were able to receive credit support from banks and the quantum of credit support was in the ratio of Rs. 650 for Rs.177 saving. They suggested that more number of groups should be linked with the banks so that their credit support would be strengthened. Besides, intensive training and skill development may be offered to make the members independent and self-reliant.

3.3.23 A study conducted by Athavale, Sharma and Mishra [2001] in Madhya Pradesh under the leadership of Anganwardi worker, on the working of a particular SHG called Yoshoda Mahila Samithi has helped the members to practice thrift and accessing the loan. The repayment was 100 percent. The loan was used for productive purposes of either buying fishnets of boats or for agriculture. Reading the success of this group, eight more groups were formed of them two were by male. All the nine SHGs joined hands in bringing lift irrigation, for this purpose 2 km long pipeline was already laid. The scheme is expected to help in improving the methods of agriculture and to grow vegetables and fruits thereby stopping their migration to other places in search of wage labour.

3.3.24 Jothy, and Sundar, (2002) in their study of evaluating the programme of Tamil Nadu Mahalir thittam found that SHG women are currently involved in economic activities such as production and marketing of agarbathis, candle and soap making, ready made garments, pickles, appalam, vathal, fur toys, bags, palm leaf products, dhotis, herbal products, fancy sea shell, ornaments, eatables, coir mats and other coir products, mattresses, chappals, leather goods etc. In addition, the SHG women monitor the normal functioning of the ration shops, maintain vigil to prevent brewing of illicit group, help the aged, deserted and windows to obtain loan.
3.3.25 Nagayya (2000) concluded that an informal arrangement for credit supply to the poor through SHG's is fast emerging as a promising tool for promoting income-generating enterprises. He has reviewed the initiatives taken at the national level with a view of institutional arrangements to support this programme for alleviation of poverty among the poor, with focus on women. He found that NABARD and SIDBI are playing a prominent role at various stages of implementation of this programme. There are other national level bodies also supporting NGO's/VA/s, viz. Rastriya Mahila Kosh (RMK), Rashtriya Gramin Vikas Nidhi (RGVN) etc. He called for an imperative need to enlarge the coverage of SHG's in advance.

3.3.26 Gurumoorthy, T.S. (2000) said that SHG is a viable alternative to achieve the objectives of rural development and increased community participation in all rural development programmes. SHG is a viable organizational setup to disburse micro credit to the rural women for the purpose of making them entrepreneurs and encouraging them to enter into entrepreneurial activities. Credit needs of the rural women can be fulfilled wholesomely through the SHG's. The women led SHG's have successfully demonstrated how to mobilize and manage thrift, appraise credit needs, maintain linkages with the banks and enforce financial self discipline. SHG's enhance the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic and social and cultural spheres of life. They encourage women to take active part in the socio-economic progress of the society.

3.3.27 Bhatia and Bhatia (2000) in their study found that recovery from SHG's is higher than credit extended to other borrowers. Moreover, involvement of SHG's had helped the bank branches in recovery of old dues. They observed that there has been perceptible change in the living standards of the SHG members, in terms of ownership of assets,
increase in savings and borrowing capacity, income generating activities and income levels as well.

3.3.28 Dasgupta Rajaram [2001] observed that the informal credit in the form of group approach has effected few benefits such as savings mobilized by the poor, access to the required amount of credit, matching the demand and supply of credit structure and opening of new market for financial Institutions, reduction in transaction cost for both the lenders and borrowers, tremendous improvement recovery, heralding a new realization of subsidy-less and corruption less credit and remarkable empowerment of the women.

3.3.29 Puhazhendhi, V and Satyasai, K.J.S. (2001) in their paper entitled performance of SHG's with special reference to social and economic empowerment in 11 states. The findings of the study revealed that the SHG's as institutional arrangement could positively contribute to the economic and social empowerment of rural poor and the impact on the later was more pronounced than on the former. Though there was no specific pattern in the performance of SHG's among different regions, the southern region could edge out other regions. The SHG's programme has been found more popular in the southern region and its progress in other regions is quite low, thus signifying an uneven achievement among the regions. Older groups had relatively more positive features like better performance than younger groups.

3.3.30 A study conducted by NABARD [2002] in 11 States of India elucidated that there has been a positive result in enhancing the standard of living of SHG members in case of asset ownership. Savings and borrowing capacity, income generating activity and income levels. The average value of asset including livestock and consumer durable has increased considerably. The housing condition of the people is improved, from the mud walls to thatched roofs to brick walls and tiled roofs. Almost all members developed saving habit in the post SHG.
3.3.31 Mishra, R.K. [2002] examined the success of micro credit intervention in India and compared it with Orissa. It is found that the repayment by the members to SHGs was around 98percent and SHGs to banks was over 95percent. SHGs in several categories including women, joint farmers groups, social forestry groups etc were formed.

3.3.32 Rajasekar, D. [2003] analyzed the impact of the economic programmes of SHARE, a NGO in Tamil Nadu on poverty reduction. The economic programmes have contributed to saving and income increase for the women. However the member group was not found to be significantly different from the comparison group in terms of control over income and decision-making.

3.3.33 Sridhar Seetharaman (2002-2003) conducted study on the Performance of SHGs and DWCRA Implemented by Government and Non-Government Organizations. He found that the participation of women in SHGs made a significant impact on their social and economic empowerment. The women members were able to increase the income level manifold and contribute to the development of their family. In the process, many women members expressed that they were participating in the financial decision of the family. The group dynamism helped the women to pressurize the authorities in laying roads, providing electric connections, drainage, making the teachers stay in the village itself, digging of bore-wells and community halls.

3.3.34 Dhanunjay Rao, T. (2003) conducted study on “Lessons on Empowering Tribal Women” concluded that as a whole, the existence of the constraint of the political empowerment due to poverty, caste and institutional constraints – the elements of bloody politics, the existence of women disparities, gender inequality, male dominant society, supercilious tendency of the upper class people, exploitation, women torture, existing social evils and taboos, constraints of the unjust – structures of the society have been rooted out in a well defined manner, while the vistas of
opportunities for women were opened from all sources. Now the emergence of the tribal women leadership is an exemplary symbol of the renaissance and reformation in each tribal village. This would ultimately lead to the overall growth and development of the tribal villages.

3.3.35 Sabyasachi Das (2003) conducted study entitled Self Help Groups and Micro Credit: Synergic Integration. He found that the Micro credit – SHGs model has got tremendous attention in recent years. Micro credit is an alternative source of credit for the poor who earlier were considered as non-bankable. This system not only provides credit, most important input for development, to the poorer section of the society, but also aimed for their capacity building. It has also been observed that group lending has distinct advantage in the form of excellent recovery rate and improvement in income level. The phenomenal growth of SHGs indicates that the weaker sections of the society are also capable to sharpen their micro-entrepreneurial skills with the help of their own savings additional bank credit, as needed. At this point, micro credit – SHGs integration could be the way out for overall rural development vis-à-vis poverty alleviation.

3.3.36 Yadappanavar, A.V. (2002-2003) In his study Process of empowering Rural Women Under Swashakti Project found that because of the impact of training programme, women’s visit to government departments and banks has increased. Because of regular attendance in the weekly meetings at the village and cluster level, women’s capacity to take a community decision has also been enhanced. The various issues that were discussed during the weekly meeting of SHG members were malfunctioning of school, absence of streetlights and poor drinking water facility. Because of the impact of Rural Entrepreneurship Development Training Institute (RUDSETI), in Chitradurga district the SHG members of Kasavanhalli village started tamarind process unit in 2002.
3.3.37 Mallikarjuna. I, (2004) conducted study entitled Effectiveness of Women Self Help Groups in Micro Enterprises development in Rajasthan and Tamil Nadu. The study was sponsored by National commission for women, Government of India, New Delhi. He found that marketing system is weak. Marketing should be brought on the Agenda of every NGO.

3.3.38 Kumaran, K.P. (2003-2004) conducted study entitled Study of social capital and collective actions in self help groups. He found that more than half of the entrepreneurs do not receive any regular monthly income from the activity initiated by them. Although the return is very meagre, the group members, mostly entrepreneurs felt that by becoming a member their economic status has improved.

3.3.39 Purushotham, P. (2003-2004) in his study entitled Capacity building of SHGs to take up self employment activities under SGSY observed that the income generating activities promoted under SGSY by the members of SHGs are subject to difficulties which include a) Lack of raw material, b) Absence of credit facilities, c) Inadequate training, d) Unskilled manpower and e) Lack of market. It is observed that the SHG members under SGSY are vulnerable to other problems which include lack of knowledge, illiteracy, poverty and support etc.

3.3.40 Hemalatha Prasad (2004-2005) in her study entitled Nation-wide Study on Social Mobilistaion, Employment and Empowerment of Women through SHGs. She concluded that Empowerment is measured by the degree of economic independence, decision making at household level, decision making within the group and self perception. These individual factors influence the overall level of empowerment.

   Overall, group members in sample districts of Andhra Pradesh, Assam, Kerala, Mizoram, Tamil Nadu and West Bengal are relatively more empowered compared to other States.
- In all these States, their role in decision-making at household level is much lower when compared to decision making in the collective groups. This is quite understandable as the women are in a better position to take decisions collectively than at the household level.

- Caste does not seem to be a determining factor in the empowerment process. Rather the individual potential, aptitude and providing enabling environment contribute positively to the process. In this context, the SHPIs have a vital role to play.

The level of empowerment is relatively better among non-SGSY members, when compared to SGSY members. This is due to effective participation and mobility among group members.

3.3.41 Burra Neera, et al. (2005) in her edited volume on Micro Credit, Poverty and Empowerment have highlighted the SHG based micro finance and their impact on women empowerment in India. They are of the view that collective strategies beyond micro credit to increase the empowerment of poor women enhance their exchange outcomes viz-a-viz the family, state, markets and community, and expand socio-cultural and political spaces are required for poverty reduction and women's empowerment.

3.3.42 Gangaiah Nagaraja and Vasudevulu Naidu (2006) conducted study entitled Impact of self help groups on income and employment : A case study. They concluded that the micro-finance provided by SHGS is productive enough and had a favourable effect on employment and income generation. It is also observed that the credit extended to rural women also had quality-improving effect on the families of sample respondents, because majority of the women beneficiaries utilized the income generated either for investing or improving the educational and health requirements. These expenditures, as we know, resulted in qualitative improvement of human resources.
3.3.43 Singh and Pandey (2007) in their study on Empowerment of Scheduled Caste Women have highlighted the impact of micro finance on socio-economic empowerment of Scheduled Caste women in Uttar Pradesh and Uttaranchal. They are of the view that SHG based micro finance is an instrument for overall economic empowerment of rural poor women.

3.3.44 Joseph Lalrinliana and Easwaran Kanagaraj (2007) conducted Study on SHGs and Tribal Development in Mizoram. They concluded that the performance of SHGs in tribal development i.e. improvement in social and economic conditions of the tribal people depend largely on the member’s participation and cohesion. Yet this positive effect is found to be mediated by the factors of duration of membership and stage of the group. But it is certain that self help groups play a vital role in tribal development of the rural areas of Mizoram. The members perceived it had positive impact on their social status in the community, neighbourhood, church and even at home. They have reported benefits through SHG by way of increased income, saving and decreased debt. They have perceived mostly high level of cohesion in their SHGs. The matter of serious concern here is negative effect of duration of the group on cohesion. As the participation has direct impact of SHGs on the tribal development, it cannot be further accelerated without increasing the level of participation of members. The decline of perceived impact of SHGs with increased duration of functioning needs to be reversed through some mechanism to increase participation of members.

3.3.45 A few success stories were recorded by National Minorities Development and Finance Corporation (NMDFC) in the year 2007 with regard to the successful beneficiaries who availed economic assistance under various schemes of NMDFC through different State Channelising Agencies (SCAS) across the country. Most of the beneficiaries accessed micro credit from NMDFC for starting new income generating activities.
and few of them were strengthen their existing income generating activity. Of the total successful beneficiaries majority were skilled wage workers and possessing experience. Majority of them financially strong at present, improved their standard of living, regular payment of loan to finance corporation and banks, providing employment to other etc.

3.3.46 Awadhesh Kumar Singh (2008) In his study entitled Empowering Rural Women Through Micro financing found that the impact of SHGs on women’s empowerment has been seen in increased mobility, recognition in family, community and interaction with outsiders, access to health, immunization, and medical services and increased participation in decision making and development process.

3.3.47 Chinnadurai, R. (2006-2008) in his study entitled Pro-Poor Strategy for micro-credit delivery system – A study in Tamil Nadu, Karnataka and Orissa. He found that all the respondents from the unorganized sources of credit unaniomously agreed that the processing and sanction of loan irrespective of quantum, took only a few days. Whereas, in the organized sector, a majority of respondents opined that the processing and sanctioning of loan had taken one month or more time and in some cases it went up to three months. Fifty four per cent respondents viewed positively towards payment of commission to intermediaries or bank staff for loan sanctioning. Reasons for irregular repayment in the organized sector were due to lack of encouragement, lack of skills and lack of further investment. The lending sources of organized credit after sanctioning the loan, were not taking any further follow up action for improvement or encouragement of the entrepreneurs. But from the unorganized sources, at least for recovery of loan, they often met the borrowers and induced them to repay and also gave the needed suggestions to improve their livelihood activities. Seventy nine per cent expressed that the loan really helped them, especially in developing their own business.
3.3.48 Hemalatha Prasad, Rizwana and Yadappanavar (2003-2004) conducted study entitled Credit Support to SGSY: Problems and Perceptions of Key Stakeholders. They found that even though there are more of rural branches working only few are actively extending credit support to the SHGs. Bankers perceived delay between sanction and disbursement of loans to SHGs due to submission of applications, delay in receiving subsidy from DRDA, and in grading, etc.

3.4 OVER VIEW

The researcher has reviewed research works on socio economic empowerment of the SHG members who have availed the micro credit facilities through various institutions. Economic Empowerment through micro credit programmes has been studied by various scholars such as Osmani (1998), Martin Greeley and Mohit Chaturve (2002), Otto Hopes (2007), M.H.Bhatti (1999), Manimekhalai and Rajeswari (2001), Ramakrishna, R. (2001), Singh, D.K. (2001) Rekha R Gaonkar (2001). It demonstrate that SHG's are playing a vital role in extending micro-finance to the rural poor. The functioning of SHG's has been based on participatory mechanism and therefore the impacts of SHG's on its members in terms of empowerment, accessibility to credit, socio-economic change etc. has been found positive. Though there are a number of studies which are related to functioning and micro-finance but only a few studies, to cite some of the scholars are Abdul Hayes, Rahul Amin, and Stan Becker (1998), Schuler and Hashmi (1994 and 1995), Nnenna Christiana Irobi (2008), Ahmad (1999), Puhazhendhi (2000), Nedumaran (2001), Gurumoorthy (2000) and others, have been taken so far to assess the impact of Women Self Help Groups on the socio-economic empowerment.

No study has been undertaken to assess the role of education in empowerment of women self help group. In this context, the present
study is considered as an important study to assess the impact of Women Self Help Groups on its members in terms of socio-economic empowerment through education. To fill this gap, the researcher has chosen “Educational Empowerment of women’s Self help Group – a Micro Credit analysis” as a topic for his research study. The study findings may be useful for policy implementors and smooth functioning of SHG's. More benefits of SHG's may be obtained through proper functioning of these groups and extending of micro-finance to develop and promote micro-enterprises.

Having chosen the topic, the researcher proceeds to draw a suitable research design adopted for the study and the analysis made thereon.