Chapter-2

Review of Literatures

2.0 Introduction:

Micro-finance has emerged as the alternative credit service and powerful instrument in economic upliftment of poor people. It is a powerful tool of poverty alleviation and social empowerment. Microfinance services encourage poor people, especially women to undertake economic activity, so that their economic and social conditions are improved. It is believed that microfinance services increase the status and decision making power of the women participants. The findings of the impact assessment of SHGs-Bank Linkage Programme carried out in different parts of the country by different researchers confirmed that this programme has a positive and significant impact in income and employment generation, improving savings habit, improving living standards and empowering women in economic, social and political spheres of their lives. Many studies have unearthed that the microfinance programme has improved the socio-economic conditions of participant households than the non-participant households.

The review of research studies is the important task to acquire the knowledge of actual works that have already been done by various researchers in related field. Moreover, it also provides valuable information relating to the benefits and drawbacks of the programme. Some of the studies which are relevant to the present study have been quoted in this chapter.
Puhazhendi and Satyasi (2000) conducted a study to assess the impact of Micro-Finance on the living conditions of the rural people. The study covered 560 household members in 223 SHGs spread over 11 States of the country. The study observed that the living conditions of the SHG members in terms of ownership of assets, savings mobilization, repayment rate, income generation etc. had been improved due to the intervention of the SHG-Bank Linkage Programme. The findings of the study showed that the average value of assets per household increased by 1.72 times during the post-SHG period. The average savings per household increased from Rs 460 in the pre SHG period by 214.0 per cent in the post SHG period. The study also revealed that poverty reduced from 42.0 per cent in the pre SHG period to about 22.0 per cent in the post SHG period. Similarly, employment increased by 17.0 per cent between pre and post SHG period. The study concluded that participation in the SHG had improved the empowerment and self confidence of the members. After joining the SHGs, family violence had been reduced among the member and members could able to solve various problems faced in everyday life.

Puhazhendi and K.C. Badatya (2002) carried out a study on “SHG-Bank Linkage Programme for Rural Poor”, to assess the impact of SHG-Bank Linkage Programme on income level, consumption pattern, employment pattern, savings and borrowing patterns and social status of the SHG member households. The study covered 115 members in 60 SHGs spread over three eastern States in India such as Orissa, Jharkhand and Chhattisgarh. To assess the impact of the SHG-Bank Linkage Programme on socio-economic conditions of the members, pre SHG situation were
compared with the Post SHG situation. The study pointed out that self confidence and decision making power of the SHG members had improved due to the intervention of the Programme. The Programme had succeeded in respect of employment generation, assets creation and promoting savings habit among the SHG members. The study estimated that employment day per household had increased by 34.0 per cent between pre and post SHG situation. The annual savings increased by nearly 96.0 per cent during post-SHG period. The repayment percentage among the member households from all the sources was 94.9 per cent in the post SHG period. The study revealed that decision taking power of member households on economic matters had increased from 39.0 per cent in the pre SHG situation to 74.0 per cent in the post SHG situation. The study further revealed that due to intervention of the Programme about 15.0 per cent member households were able to cross the poverty line during post SHG period. The study regretted that the bankers in many cases did not show good attitude in promoting SHGs. The study suggested for imparting skill based training for improving the quality and skill of the SHG members.

MYRADA (2002) conducted a study on the “Impact of SHGs on the Social/Empowerment Status of Women Members in Southern India”, to study the impact of the linkage programme on social status and empowerment of women members. The primary data had been collected from 190 members of 12 SHGs promoted by four professionally managed NGOs (DHAN, RASS, CHASS and MYRADA) one for each States of Kerala, Tamil Nadu, Karnataka and Andhra Pradesh. Out of the 12 SHGs, 8 groups were three years old (old groups) and 4 groups were less than one year old (new groups). The study considered three aspects
such as economic resources, participation in decision making and general welfare of the family to determine the empowerment of SHG members. The study revealed that about 45.0 per cent of SHG members were illiterate in the new groups and 47.0 per cent in the old groups. The study pointed out that 53.0 per cent of the members in the new groups were non-earning members, whereas in the old groups 66.0 per cent members were either the chief wage earners or contributors to the family earning. The study showed that average share of earning of members in their family income was higher in old groups, i.e. 40.0 per cent as compared to 26.0 per cent in young groups.

The study observed that SHG had positively influenced on the share in the family income of older groups than in the new one. The study further revealed that the financial position of 89.0 per cent of members of old groups and 71.0 per cent in the new groups had improved after joining the groups. The study found that the control over own lives of the members had improved in the case of older groups and members had a better role in making decision than before. But political sphere of life of SHG members was same as before. SHG had changed the confidence level of members of old groups that enabled them to deal with other people and institutions.

The study concluded that the members of older groups were more conscious about their health, technically more skilled and financially more secured as compared to young groups. The study suggested that group leaders should focus only on married women to reduce migration of members.

APMAS (2003) conducted a study on SHG-Bank Linkage to assess the impact of linkage programme. The study covered 400 bank linked SHGs that were selected randomly from eight districts of Andhra Pradesh. The study showed that the average
savings per SHG was Rs. 23,000 and average loan size was Rs.31,000. In case of availing loans, the older groups had got the preference and among the credit linked groups, 50.0 per cent felt that size of the loans was adequate. The study revealed that the leaders had a dominant role on loan and about 30.0 per cent of the group loans grabbed by them. The study observed that the repayment performance was high as most of the groups utilized bank loan in stated purposes. The repayment performance was better and it was accounted for 88.0 percent among the SHGs. The study pointed out that the linkage programme was more significant in terms of income, education, health and others aspects. The linkage programme had reduced dependence of members on moneylenders and increased the expenditure on consumption. More than 70.0 per cent of the SHG members relieved from the grip of the money lenders and 80.0 per cent of the members could able to spend much more on children’s education and health. The linkage programme had significantly influenced on confidence level, self-reliance, decision making ability and leadership quality of the SHG members. Moreover the linkage programme had also improved education level of SHG members and increased their ability to negotiate with others. The study pointed out certain issues such as adequacy of loan size, timeliness of credit and rating of SHG before linked with banks, which required proper attention.

NABARD (2004) studied on “SHG-Bank Linkage programme in KBK Region in Orissa” to evaluate the programme in various aspects of group functioning, bank linkage and socio-economic impact at the household level. The study covered 997 members of 80 SHGs in the Kalahandi district under KBK region in Orissa. The SHGs who had completed at least two years of age were selected for the study. Out of
the 80 sample SHGs, 16 were promoted by bank, 46 by NGOs and 18 by Anganawadi Workers of Mission Sakti Movement under Social Welfare Department of State Government. The study revealed that the SHGs enabled members to move out from the boundaries of the kitchen. After joining the SHGs, borrowing, investment and earning capacity of the members had improved. The SHG enabled the members to speak to stranger with more confidence or attend and address a gathering of members at meeting. The study observed that the members of older groups got courage to fight for social changes, especially against alcoholism, dowry, cleanliness of village roads and ponds. About 26.0 per cent of the members had got the ability to write and read after joining the groups. The linkage programme had improved consumption pattern of 75.0 per cent of members and also increased additional income of 83.0 per cent of SHG members. The study pointed out that generating of around 38 thousand person days of additional employment per year could be possible, if members make proper investment. The study concluded that the SHG-Bank Linkage Programme had improved all round development of rural poor especially women participants.

Kumar, B (2005) studied on the “Impact of Micro Finance through SHG-Bank Linkage Programme in Athmallick Block in Orissa”. For the study primary data were collected from 140 members of 27 SHGs who had completed at least one year. For comparative analysis, out of total, 8 SHGs with 40 members formed by local NGO-cum- MFIs having no linkage with the banks were selected. All the selected linkage and non-linkage SHGs were women groups and about 74 per cent of the members reported to be within the official category of below poverty line (BPL). The study
pointed out that the SHG members acquired knowledge and awareness after becoming members of SHG and that had constituted the foundation for the achievement of other impact. The study revealed that the Programme had a substantial impact on savings and income level of the SHG members. The average savings of SHG members had increased in accordance with the age of the groups. The overall income increased from Rs. 6,400 to Rs. 11,400 between the first and the third years of existence of an SHG. Like the income, the average annual savings had also increased from Rs.1,510 to Rs.2,360. The study stated that group approach had encouraged members to invest funds in income generating activities and thereby helped the members to cross the poverty line. The study showed that about 43.0 per cent of the members in the old groups (3 years and more) were able to cross the poverty line. The study further revealed that the progress of non-linkage groups was also satisfactory as MFI worked hard for its survival by improving the knowledge and awareness of the members and regular counseling. The study observed that SHG had improved women’s empowerment and decision taking ability in respect of purchasing household goods. The SHG had enabled the members to talk with strangers freely. The study suggested for requirement of intervention of the promotional agencies in the areas of skill development and training, awareness building and continuous counseling for the sustainability of the programme.

Sambangi, D (2006) conducted a study to analyze psychological, social and economical benefits accrued by women after joining the SHGs and explore the merits of SHG as strategy and approach to empower women in India. The study based on the data, collected from 100 respondents of 20 SHGs who had completed five years in
three villages of Vellore Panchayat Union of Vellore district. The study revealed that members of SHGs had accrued various psychological, social and economical benefits including self awareness, high self esteem, self confidence and courage, understanding about own rights, power of self determination, power to face challenges of daily life, great relief from mental stress and anxiety due to group moral support and comfort. The study pointed out that 82.0 per cent of the members had developed a high level of self esteem, 69.0 per cent had obtained enough self confidence and courage and 89.0 per cent had understood about their own rights and responsibilities. The study observed that after joining the SHGs, more than 60.0 per cent of members were able to release from the debt trap, about 71.0 per cent had attained economic independence and 69.0 per cent were able to contribute for children education and health care needs of the family. The study further revealed that 78.0 per cent of the members had felt economically strong to meet unexpected financial challenges with the help of savings. The study concluded that 38.0 per cent of the members had got the ability to accumulate economic assets including house, land, jewels and other valuable things.

Jerinabi, U (2006) conducted a study on “Micro credit Management by Women’s Self Help Group”, to analyze the impact of the micro-credit on SHG members in Coimbatore district of Tamil Nadu. The study covered 358 members of 20 SHGs in Coimbatore Corporation (urban) and 357 members of 20 SHGs in Karamadai Panchayat Union (rural). The study assessed the economic impact of the micro-enterprises on income, assets position and employment of the SHG members. The study revealed that among the sample SHG members, 121 in urban areas and 133 in
rural areas had undertaken micro enterprises for income generation. The findings of the study showed that the average household income of micro entrepreneurs had increased by 53.62 per cent as 31.4 per cent of the micro entrepreneurs in urban areas and 34.58 per cent in rural areas had made their investment in the project ranging from Rs. 1001- Rs.2000. The incremental income of the SHG members in the urban areas was relatively high as compared to members of rural areas. The study pointed out that during post credit period about 17.0 per cent of the poor members were able to cross the poverty line. The study observed that the average value of the assets of the SHG members had increased by 311.96 per cent and the average employment per household had increased by 45.56 man days, indicating 28.37 per cent increase in the post credit period. The study further revealed that the repayment behavior of the members was not satisfactory as only 4.33 per cent of the members had repaid their loans on time and 78.26 per cent had repaid more than 50.0 per cent of the loan. The study stated that apart from the economic changes, social changes also emerged in the project areas since women members had gained more confidence and power through the micro credit programme. The study concluded that the micro credit system had improved the social status of the women members as it empowered them economically and politically.

Sarangi, Niranjan (2007) studied the impact of three programme such as government promoted SGSY, SHG-Bank Linkage Programme particularly the SHGs Model-II and World Bank promoted SWASHAKTI SHG Programme on rural poor households of Betul and Sehore district in Madhya Pradesh. The study covered 180 members of 45 SHGs spread over two districts of three Programmes. The data had
been collected through multistage random sampling method. Non SHG participants were also selected at the ratio of 2:1 for the study to compare the impact of the programmes. The study revealed that there was a positive impact of these programmes on the income level of member respondents. The study showed that the income of the member households of non-farm activities was much higher than their counterparts. The study pointed out that intervention of PRADAN in promoting allied activities among the member households had changed their attitude towards non-farming activities. The study observed that the consumption pattern including clothing and footwear of member households was higher than the non-members. The study further revealed that the share of non-farm earning had increased with the increase in land holdings. The study concluded that though the programmes were designed for the poor households, the member households having high per capita income were also benefited by the Programme.

Gaiha, Raghav and Nandhi, Mani Arul (2007) carried out a study on “Micro Finance, Self Help Groups and Empowerment in Maharashtra”, to assess the benefits of micro finance through SHG and some key dimensions of women’s empowerment such as expansion of freedom of choice and action to shape their own lives. The data had been collected from the 72 participants of SHG and 25 non participants through interview in selected villages in Pune district. Moreover, for the study, five officials at the district and block levels were also interviewed to overview of the role of micro-finance in rural development and poverty alleviation. The study revealed that the repayment rate of poor members was higher as compared to non poor members, though their loan size was lower than non poor members. The study
observed that earning of the poor members was significant and most of them had got the ability to save money for future unforeseen expenditure including children education, family health and purchasing physical assets. The study stated that a large majority of members had gained self-confidence, greater respect within the family and were able to participate in decision making process in the household matters. The study concluded that all these developments had reduced domestic violence of the SHG members.

Bhatia, N (2007) studied on “Revisiting Bank Linked SHGs in Rajasthan”, to assess the various parameters related to SHGs such as the existence of SHG, membership, group meeting, leadership, savings mobilization, lending operation and repayment behaviour. The study was based on both primary as well as secondary data. The primary data were collected from 44 SHGs, 2 bank branches, 65 SHG members and 5 NGOs in seven districts of Rajasthan. In respect of existence of SHG, the study pointed out that among the SHGs having linkage with banks, 48.0 per cent were still in existence at the time of study, but the membership of SHGs had declined over a period of time. The study revealed that 91.0 per cent of the SHGs convened meeting at a regular interval with the attendance over 75.0 per cent. The study stated that group leaders were more articulate, possessed higher education and had more exposure to the outside world and a few group leaders had participated in fairs, workshops etc. conducted by NGOs or NABARD. The study observed that SHGs had improved savings habit among the members. About 90.0 per cent of the members made regular savings. The study showed that the average deposit of per member was Rs 8,609. The study further revealed that 55.0 per cent of existed SHGs had got loans
on three or more occasions, while 10.0 per cent had got only one dose from the banks. With regard to the utilization of loan, the study stated that 91.0 per cent of the members had utilized loans for productive purposes and most of them preferred dairy activity for income generation. The study concluded that repayment record of bank’s promoted SHGs was much better than the SHGs promoted by NGOs.

Rangappa, K. B, Renuka Bai, Renuka and Ali, Sandesh (2007) studied on “SHG-Bank Linkage Programme and Financial Inclusion”, to assess the impact of the Programme on financial inclusion. The study computed institutional and non-institutional sources of borrowing separately for the households “without SHG” and “with SHG”. The study based on primary data that were collected from 240 rural households in Davangere district of Karnataka of which 140 were “with SHG” and 100 were “without SHG” households. The study showed that the borrowing percentage of institutional sources was higher among the households “with SHG” compared to the households “without SHG” in all the farm size, where difference was more observed among the landless and marginal farm size groups. The study revealed that the SHG-Bank Linkage Programme had reduced the dependence of household “with SHG” on non-institutional credit and increased institutional credit in all the farm size. The study observed that the savings of households “with SHG” in the formal institutions was 100.0 per cent in all the farm size, whereas for households “without SHG” it ranged from zero percent to 50.0 per cent depending on farm size. The study pointed out that SHG-Bank Linkage Programme had increased the percentage of household reaching the medium and high degree of financial inclusion. Among the landless and marginal farm size, no households reached the high degree
of financial inclusion, while 62.5 per cent of large farmers were able to reach the high
degree of financial inclusion.

Groups in India”, to accumulate information on the Impact of the SHG-Bank
Linkage Programme on poverty, vulnerability and social development. The study was
carried out in five States in India such as Orissa, Andhra Pradesh, Tamil Nadu, Uttar
Pradesh and Madhya Pradesh. The study was based on the survey which involved a
household-level survey, quantitative survey of the SHGs, Focus Group Discussions
and interviews. For the study, about 1000 households were surveyed and the SHG
members were compared with the non-members to find out the actual impact of the
Programme. The study found that confidence level, communication skills etc. were
better for the SHG members as compared to the non SHG members. The study
revealed that self confidence of members and their ability to meet financial crisis had
improved after joining the SHG. About 88.0 per cent of the SHG members reported
an increase in self confidence and about 87.0 per cent of the member households
reported about the ability to meet financial crisis in the family after joining the SHG.
Almost 60.0 per cent of the SHG members improved their decision taking ability in
terms of purchasing raw materials and fixing the price of the products. The SHG had
greatly improved the ability of the member households to interact with the
government and bank officials. The study pointed out that the involvement of NGOs
in linking SHG is very much important to make a positive impact on women
empowerment. The study found that SHG had improved the awareness of the
members in respect of family planning and health, children’s education, buying and
selling of properties etc. The study suggested for imparting proper training, extension of education and creating awareness for achieving a real and more lasting empowerment.

Devi, K. Sita, Ponnarasi, T and Tamilselvi, G (2008), Studied on “Impact of Microfinance Programme”, to assess the socio-economic status, living condition and employment of rural poor women. The study assessed the socio-economic status of the respondents for both in pre and post SHG situation. To compare the impact with and without situations data had also been collected from non-SHG members. As a whole, the study comprised of 216 members of 54 SHGs and 216 non-members of 4 Development Blocks in Cuddalore district of Tamil Nadu. In the study, collected data were post stratified into two categories i.e. Category I and category II. Category I consisted of SHGs that had completed at least three years of age and Category II consisted of SHGs who had completed more than three years of their existence. The study revealed that SHG registered a positive and significant impact on the economic life of the SHG members. The study further revealed that the members of the older groups experienced a much more positive and significant improve in the economic status as compared to the members of the younger groups. The study found that employment was increased by 18.88 per cent in category-I and 25.48 per cent in category- II in the post SHG situation. The study pointed out that after joining the SHG, per capita income of the members had increased by 23.88 per cent and 29.33 per cent in category-I and category-II respectively and that helped them to improve their consumption expenditure. The savings and assets holding pattern of the members had been increased after joining the groups. The study further revealed that
the repayment behaviour of members to all agencies was significant in the post-SHG situation. With regards to social impact, the study pointed out that members had got the ability to interact and communicate with others confidently and solved their financial and social problems independently after joining the groups. The study concluded that the SHGs had succeeded in pushing back rural poverty.

**NCAER** (2008) carried out a study in Assam, Andhra Pradesh, Karnataka, Madhya Pradesh, Maharashtra and Orissa, to assess the impact and sustainability of SHG-Bank Linkage Programme on the socio-economic conditions of the individual members and their households in the pre and post SHG scenarios. The study adopted multistage sample design for selecting SHGs and members of SHGs. The study covered a total of 4,791 respondent members of 961 SHGs of these six States comprising of 100 SHGs from each district and two districts from each State. The study revealed that the SHG-Bank Linkage Programme had a significant impact both on financial as well as empowerment aspect. The study pointed out that the level of income, asset accumulation, employment generation, consumption expenditure for food and non-food, expenditure on education and health etc of the SHG members had been significantly improved during the post SHG period. The growth percentage of these variables was 6.1 per cent, 60.0 per cent, 28.0 per cent, 5.1 per cent, 5.4 per cent, 5.6 per cent and 5.5 per cent per year respectively between pre and post SHG period. The study further revealed that the repayment behaviour of the member respondents was also very good as 96.4 per cent of member respondents had made regular repayment of their loans. The important finding of the study was that the share of households living below the poverty line had decreased from 58.3 per cent to
33.0 per cent during post-SHG period. The study pointed out that self-confidence, financial ability, communication skill, decision making capacity etc. of the member respondents had improved due to the intervention of the SHG-Bank Linkage Programme. The study concluded that SHGs had performed better not only as provider of financial services in terms of augmenting savings, lending and ensuring loan recovery, but also in terms of awareness creation and empowerment.

APMAS (2009) carried out a study on “Quality and Sustainability of SHGs in Assam”, in four districts of Assam such as Kokrajhar, Sonitpur, Sibsagar and Cachar to find out the quality and sustainability of SHGs promoted by SHPIs, the issues or challenges in strengthening SHG movement and capacity building needs of SHGs and their promoters. The study was based on the primary data collected from 109 SHGs of the selected districts and 50 key stakeholders representing banks, blocks, district officers, State level institutions, NGOs and key informers. The selected SHGs consisted of three types such as women groups, men groups and mixed groups and among them only 2 groups achieved the grade “A”, 67 groups achieved grade “B” and 40 groups achieved “C” grade. The study revealed that the quality of women groups was substantially high compared to men and mixed groups and quality was high in the groups of 5 years and above. Moreover, the quality of SHGs having accounts with the NGO-MFI was higher than SHGs having accounts with commercial banks. The study pointed out that SHG had improved savings habit, increased income, decreased family debts and reduced dependence on money lenders. Over 80.0 per cent of SHGs experienced increase in savings habit, credit availability, increase income and increase in easy access to formal credit and about 75.0 per cent
of SHGs experienced a decline in family debts, interest burden and dependence on money lenders. The study further revealed that over 50.0 per cent of SHGs were able to increase expenditure on food, education and health. The leadership of women and their interaction with the government officials had improved after joining the SHG. The study observed that the leadership quality and interaction ability of group members had improved by 86.0 per cent and 82.0 per cent respectively. The study suggested for setting up a “task force” for strengthening the SHG movement in Assam.

Sahu, Gagan Bihari (2010) conducted a study on “SHG-Bank Linkage in North West India: Experiences and Challenges in Financial Access and Poverty Alleviation”, to analyze the performance of SHG on savings, credit, linkage process, leadership issue and contribution of SHG in economic matters of the members etc. The study was carried out in Himachal Pradesh, Rajasthan, Madhya Pradesh and Gujarat. The study covered 1000 members of 200 SHGs having completed at least five years of age. The study pointed out that micro finance was not only the provider of small and timely credit to the poor members without collateral but also an instrument of improving the savings habit among the poor members. The study showed that about 75.0 per cent of members were able to make regular savings after joining the SHGs. With regard to the group meetings, selection of leaders and rules of the group, the study showed that about 87.0 per cent of groups conducted meeting on monthly basis, about 88.0 per cent of group leaders were selected by group members and about 88.0 per cent of groups followed written rules and regulations. The study observed that repayment performance was satisfactory among the members, who had
taken loan for productive purpose. Only 20.3 per cent members had taken loan for productive purpose. The study further revealed that the SHG movement had increased the degree of financial inclusion and reduced the dependency on money lenders as well as increased the durable assets among the SHG members. The study concluded that magnitude of poverty could be reduced by providing finance to poor individuals at a lower rate of interest. The study suggested for requirement of exclusive models/products for very poor households and credit plus for micro enterprise.

Dhavamani, P (2010), conducted a study on “Empowerment of women through SHG in Sattur Taluk of Virudhunagar District” to assess the role of SHG on empowerment of women. The study was based on both primary and secondary data. The primary data were collected from the members of 120 SHGs promoted by three NGOs in the study areas. The study revealed that members’ income, savings, loans etc. had been increased after joining the groups. SHGs had improved the savings habit of the members and thereby helped them to escape from the clutches of moneylenders. The study observed that the repayment behavior of the SHGs to the lender banks was significant and that was more than 90.0 per cent. The study further revealed that the group members had taken loans for various purposes such as children’s education, start new businesses, meet the marriage expenses, maintain household’s expenditures, redeem old debts and meet the festival expenses. The study pointed out that SHG had improved the leadership quality, decision making power, social awareness and social status of women members positively. The study concluded that besides giving importance on entrepreneurial development and women empowerment, SHGs should confer more interest for all round development of the beneficiaries and their villages.
as a whole. SHGs should involve in delivering non-credit services such as literacy development, improving awareness in health and environmental issues.

Anjugam (2011) Studied on the “Impact of SHG-Bank Linkage Programme on financial inclusion- Rural Household Study in Tamil Nadu” with the specific objective of analyzing the Programme on promotion of financial inclusion in rural areas in terms of access to banks, savings, borrowing and insurance by SHG members and non-members and analyzing the gender equity in financial inclusion among SHG members and non-member households. The study covered 120 respondents, which included 60 SHG members and 60 non-member households. To assess the impact analysis was separately done for households “with SHG” and “without SHG”. The study revealed that access to savings in financial institutions was significantly high among women (i.e. 45.0 per cent) than men (i.e. 15.0 per cent) in case of SHG member households, whereas it was the reverse in case of non-member households. The study observed that nearly 48.0 per cent of member households took steps for getting the benefits of life insurance schemes, whereas only 37.0 per cent of non member households took this facility. The study pointed out that the percentage of life insurance holders was high among the landless households compared to farming households and the percentage of health insurance holders was high among the member households than the non-member households. The study further revealed that the percentage of households reaching the medium degree of financial inclusion was relatively high among the member households as compared to non member households in landless and small farm size groups and no households belong to the marginal and small farm size categories were able to reach the higher degree of
financial inclusion. The study concluded that SHG-Bank Linkage Programme had increased the flow of institutional credit to landless and marginal farm households and discouraged non institutional borrowings.

**Aruna, M & Jyothirmayi, Rema** (2011) conducted a study on “The Role of Microfinance in Women Empowerment-A Study on the SHG Bank Linkage Programme in Hyderabad, the State capital of Andhra Pradesh”, to find out the role of micro-finance in women empowerment. For the study primary data were collected from the beneficiaries of Micro State Branch of Hyderabad, a unique initiative of Indian Bank. To assess the role of micro-finance and its influence on the women empowerment, equal numbers of borrowing and non-borrowing SHG members were selected. The study revealed that the income of 40.0 per cent of sample members had increased significantly after participation in SHG and a fair percentage of members were able to find out new sources of income. The study pointed out that the micro finance through SHG had a positive and significant impact on the income and savings of the SHG members. However, the impact was not significant on asset creation. Only 23.0 per cent of sample members experienced in increase assets after joining the SHG. The SHG-Bank Linkage Programme had significantly improved the decision taking ability, knowledge and self-worthiness of women members. The study concluded that despite of various bottlenecks, micro-finance had positively influenced in improving women empowerment.

**Mehta, S.K, Mishra, H.G and Shing, A** (2011) studied on the “Role of Self Help Groups in Socio-Economic changes of Vulnerable Poor of Jammu Region”. The objective of the study was to assess the impact of the micro-finance programme on
social as well as economic status of the members during the pre and post SHGs situations. The study covered 162 members of 10 SHGs promoted by Gramudyog Hastakala Kendra (GHK) in Kathna district of Jammu Region (GHK). The study stated that the impact of the micro-finance programme was significant and positive in changing the socio-economic conditions of the SHG members. The study revealed that the communication skill and confidence level of the SHG members had increased by 48.0 per cent and 45.6 per cent respectively in the post SHG situation and they were able to talk with others freely. The study further revealed that about 80.0 per cent of the members were able to save money with banks and post office and monthly savings of members had increased up to Rs. 2,000 in the post SHG period. The study pointed out that assets value of the members had increased by 70.0 per cent in the post SHG period. The study concluded that the contribution of SHG in changing the socio-economic life of the members was significant.

2.1 Conclusion:

After reviewing the above studies, it is cleared that the micro-finance programme including SHGs-Bank Linkage Programme has changed the socio-economic conditions of poor people of the society. Micro-finance through SHG has changed income, savings and assets holding pattern of the SHG members positively. The micro-finance programme has changed the attitude of women participants and increased their empowerment. Their decision taking ability, communication skills, confidence level etc. have been improved due to the intervention of the micro-finance programme. Through participation in the programme, they have got the power to
control their lives. In India most of the impact studies of SHG-Bank Linkage Programme has been conducted mainly in Southern and Central regions. A limited impact study relevant to micro-finance has been conducted in North Eastern Region. Since Nagaon District is a forerunner for the SHG Bank Linkage Programme, and yet no significant study has been done on this topic, I have therefore selected this district for the study and it has been expected that the findings of the study will be replicable to other districts of Assam.
References


2. **APMAS (2009)**, “Quality and Sustainability of SHG in Assam, APMAS & NABARD Collaboration, Research report.


