2.1 INTRODUCTION

The review of previous literature discusses the views and findings of different researchers with regard to SHGs. Many studies were conducted pertaining to the issues of SHG, poverty and SHGs, performance of SHGs, banks and SHGs, empowerment of women and SHGs, impact of SHGs, non-governmental organization and SHGs, rural development and SHGs, role of SHGs, SHGs and micro credit programmes and micro finance and SHGs. The review of literature gives an idea to form the analysis in such a manner that the person who does the research may not repeat what has been done in the past. The following studies were reviewed to explore the uninvestigated aspects.

2.2 ISSUES OF SELF HELP GROUPS

Malcom Harper\(^1\) (1996) in his study entitled, “SHGs-Some Issues from India,” has pointed out that SHGs are not a new concept in development. The traditional Indian society functioned mainly on the basis of self-help and mutual aid. However, in recent years this has been emerging as a major strategy for the promotion of informal credit to the poor.

K.G. Karmakar\(^2\) (1997) in his study on “SHGs in Orissa; Some Conceptual Issues” has studied the performance of the credit linkage of all the SHGs, Non-governmental Organizations and banks in Orissa upto March 1995. Eight Non-Governmental

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Organizations, 11 banks and 14 SHGs were taken as sample for the study from the entire state in the year 1996. Structured questionnaires were used to collect data besides a field study consisting of interviews and through non-participated observation at all self-help group levels. One of the findings showed that a few non-governmental organizations started ‘savings and credit programmes to the marine fishing folk through the SHGs. For lending they relied on mostly in mobilization of savings. Since the amount of saving was very small, the credit form the savings to the community was not at all adequate to meet their requirements, particularly for assets. Loans were provided for growing crops blacksmith’s work, making of hill brooms, trading and business. Repayment was 100 per cent among the woman SHGs. 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.

Shweta Singh, Guido Ruivenkamp and Joost Jongerden\(^3\) (2011) in their article entitled, “A State of the Art of Self Help Groups in India” have considered the strategies of SHGs for micro-enterprise development in rural areas. It seeks to answer the question of whether and under which conditions SHGs are an effective vehicle for organizing and representing the local people in the development of community based micro-enterprises. Focusing particularly on the examples from India in the context of food as a local resource, special attention is paid to the success and failure factors of SHGs. While SHG strategies have been applied in the past as a blind replication of success models without

considering the intricacies involved in group formation, success of SHGs is based on a thorough understanding of the local conditions and possibilities to intervene.

V. Backiyavathi and K. Vetrivel (2012) in article on “A Note on Self-Help Groups in Elampillai Panchayat, Salem District” have observed that an SHG is a group of rural poor who have volunteered to organize themselves into a group for the eradication of the poverty of the members. They agree to save regularly and convert their savings into a Common Fund known as the Group corpus. A SHG is any association that is formed on the principles of self-help. Thus a pagoda committee, an association of people formed to undertake specific tasks, the traditional solidarity groups and the like are a few examples of SHGs. They are usually formed on their own, and function based on certain norms developed by them. They are essentially formed and driven by felt needs within the committees, or can be fully bodied groups like the Tontines groups. These SHGs can be small or can be very large.

2.3 POVERTY AND SELF HELP GROUPS

S. Sundari and V. Geetha (2000) in their study on “Poverty Credit and Micro Enterprises” have examined the gender disparity in access to institutional credit. In their opinion, the display was gradually narrowing down over a period of time. Hence, the empowerment of the poor rural women would be possible only if they were trained and

imparted skills for a certain employment. According to them, skill training included enterprise development, increased access to credit, new approach to markets and social, economic and political strategies and the like.

Abdul Raheem⁶ (2005) in his article entitled, “Women SHGs for Alleviating Poverty” has implied that the SHGs provide the benefit of economics of scale, cost effective alternative for different financial services, collective learning, democratic and participatory culture, a firm base and platform for dialogue and co-operation. Moreover the benefits of SHGs are based on co-operation rather than competition.

Piyal Basu Roy⁷ (2011) in his article titled, “Self Help Group and Poverty Eradication in India: A Case Study” has explained that the poverty and hunger are the two foremost concerns of all the developing and underdeveloped nations and in order to eradicate the menace of those, the Govt. of India planned to develop and implement strategies to tackle issues resulting from extremity of poverty and its consequent hunger based on UN’s Millennium Development Goals (MDGs). Self Help Group being one of those strategies which brought about a reduction in poverty and hunger after linking rural banks. This endeavor has positively mobilized the rural economy by decreasing poverty hurdles of the socio-economically deprived section of the society. This paper highlights the importance of such groups in the district of Birbhum in the state of West Bengal, India and seeks to spread this innovative programme at each and every corner of the underdeveloped and developing countries with utmost care, considering it as exclusive strategy of poverty eradication.

Anita Makkar and Sharmila Kumari\(^8\) (2012) in their study entitled, “Self-Help Group Movement in India the Way Ahead to Alleviate Poverty along with Women Empowerment” have made an attempt to analyse the SHGs movement in India as they are building a way to poverty alleviation and women empowerment. The study is analytical in nature covering a period of 2007-08 to 2010-11 and based mainly on secondary data. The data have been collected different published reports, journals and the existing available literature. The main objective of the study is to evaluate the progress of SHGs in India. Another objective is to examine the impact of the SHGs on poverty alleviation and on women empowerment. Impact of SHGs on poverty alleviation and women empowerment SHGs have provided several programmatic factors and strategies that have made a positive contribution to women's empowerment including discussion of social issues, support and advice for balancing family and business responsibilities, experience in decision making, leadership, ownership and control of the credit institutions. The number of women joining SHGs has been increasing year by year.

Kaliappa Kalirajan\(^9\) (2012) in his study titled, “Self Help Group-Banking-Poverty Reduction Nexus: A Case Study of Uttarakhand State, India” has stated that in order to fight back poverty, the Central as well as States Governments in India have attempted a number of programs leading to income generation. As in any developing country, poor governance and lack of proper focus in implementing the programs are the main source

of contributing to the low human capital development and thereby raising the number of people living below the poverty line in India. The poverty alleviation programs target the people living below poverty line or just above poverty line through self help group units. The empirical analysis of this study, which is based on the primary survey data, clearly indicates that the SHG movement in Uttarakhand State in North India is poorly targeted at the poor, though it is a general programme of raising income in the rural areas. Another critical factor is the limited availability of the traditional economic activities to leverage the skill with more efficient methods and affordable credit. The policy conclusion of this study is that there is an urgent need to improve the SHG system by implementing an approach, which should aim at the ultimate goal of poverty alleviation rather than just providing one time employment generation.

2.4 PERFORMANCE OF SELF HELP GROUPs

Asmita Singh\textsuperscript{10} (2003) in his article titled, “Economic Participation of Rural Women in Informal Sector through SHGs” has pointed out those banks can provide sufficient amount of loans to form an informal SHG with the help of voluntary organizations / NGOs. SHGs in their own turn, can give loans to their members on the terms and conditions decided by the group. The amount of loan given by banks to the SHGs should be in proportion of their savings. The Savings Credit Ratio (SCR) should be within the range of 1:1 and 1:4, that is, credit can be extended up to four times of savings of the group.

Divya Ramamurthy\(^\text{11}\) (2003) in her study entitled, “Streamlined Trained for SHGs must for Mahalir Thittam” has pointed out that community-based training would help in horizontal sharing of information and experience. It will strengthen the SHGs. She also states that animators, young and educated women should be oriented on the benefits of forming and SHG and be responsible for sharing this information with all the other members. They can lead the way for other members.

J.V. Siva Prasanna Kumar\(^\text{12}\) (2003) in his study on, “Extend a Helping Hand to the SHGs” has stated that the range of products is sometimes inspirational in the sense, they could kindle our creative instinct and make good use of the resources. Many groups are hamstrung in marketing their products independently without banking on the assistance from the government.

S.K. Nashi\(^\text{13}\) (2004) in his study titled, “Micro Finance: A Study of Stree Shakthi (SHG) Programmes” has revealed that SHGs have been able to mobilise small savings either on weekly or monthly basis from persons who are not expected to have any savings. They have been able to recycle the resources generated among the members for meeting the emergent credit needs of the members of the group effectively. There is a need for conducting the necessary research to find out the following: i) to save whatever amount they can conveniently out of their earnings, ii) to mutually agree to contribute to


a common fund and iii) to lend to the members for meeting their productive and emergent credit needs.

J. Fredrick\textsuperscript{14}(2005) in his article titled, “SHGs Gate Way Success for Rural Women Entrepreneurs” has explained that the most important social innovation to help the poor in recent years has been the success of the thrift and credit-based SHGs especially those formed by women. These groups assisted credit for the benefits of group members based on their own savings. Linking of SHGs to form financial institutions has further enhanced the availability of micro credit financing to the groups. SHGs have successfully generated additional income, jobs, employment and saving potential for their members.

Sandip Das\textsuperscript{15} (2005) in his article entitled, “SHGs Enhance Women’s Participation in Local Self-Governance” has revealed the potential of SHGs for enhancing participation women in ‘local self governance. He has said that members of SHGs have been raising issues concerning education, drinking water, family planning, hygiene and health, quality of health care and village infrastructure such as road and electricity with their panchayat more effectively and convincingly. The study analyses how the SHGs have been formed in various parts of the country for savings and credit activities to ensure socio-economic development of the marginalized people. The research analyses those SHGs comprising women, where minimum saving per member is ₹10 per month. Members of SHGs are engaged in numerous enterprise activities such as making files and folders, soft toys, sewing and embroidery, pickles, bangles, animal husbandry, fishery, horticulture.


Amita Rani and Pawan Kumar Dhiman\textsuperscript{16} (2012) in their article titled, “Dimensions and Apprehensions of Self- Help Groups -An Analysis” have focused on the role of SHGs in promoting entrepreneurial culture among the SHGs members of Jakhal block district Fatehabad Haryana. In the research primary data had been collected from 100 sample respondents from seven villages of Jakhal block district Fatehabad (Haryana) through a designed schedule by conducting interview and observation method and it was found that these groups were not working up to the mark due to the conservative family culture and poor educational background of the masses. It was also been found that among the surveyed group members after starting SHG activities only 6 per cent of the member’s family income increased more than INR 20,000 per annum, 55 per cent’s income increased up to INR 20,000 annually, 26 per cent s income in-creased up to INR 10,000 and 13 per cent members income did not improve in the post SHG period, forfeiting the objectives of the government policies.

Sanjay Kanti Das\textsuperscript{17} (2012) in his article entitled, “Quality and Performance of Some Selected Self Help Groups in Assam States” has observed that the proliferation of SHG and target approach in the formation of Self Help Groups (SHG) has posed a serious challenge to sustain Self Help Group movement by maintaining the quality of SHGs and hence, the quality assessment of SHGs is now being considered as a key concern. Several rating systems for micro-finance interventions and SHGs have been developed in the past. But there lacks uniformity about the norms of quality assessment.


Social, empowerment and behavioural aspects of SHG functioning rarely found a place in the rating system. The present study differs from the earlier studies as it covers a descriptive study on the quality assessment of SHGs in a separate way covering twenty nine parameters of quality assessment of Self Help Groups. The study was conducted in three development blocks of Nagaon Districts of Assam during 2010-11. It is observed that due to the fast growing of the SHG-bank linkage programme, 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 NGO’s for nurturing their groups etc. Further, in this paper a modest effort is also made to study the performance of some selected SHGs in the particular area.

Veenapani\(^{18}\) (2012) in his article titled, “Performance of Self Help Groups - A Case Study of Mahbubnagar District in Andhra Pradesh” has described that there has been a phenomenal growth under the microfinance programmes in India. The focus on achievement in terms of the number of SHGs being linked to banks and the amount of credit being disbursed to meet the targets has resulted in bringing out the quality of SHGs under stress. With the scaling up of microfinance programme, quality of SHGs has become critical, and hence, there is a need to assess the performance of SHGs. This paper aims to evaluate the performance of Self Help Groups in Mahbubnagar District in Andhra Pradesh, India and thereby judge the quality of groups. Five critical parameters namely, group governance, group discipline, financial transaction of the group, repayment pattern

and record maintenance were considered for judging the performance of the group. Based on the scores given to each parameter, the groups were categorised as good and poor performers. It was found that there was no significant difference in the means of score on group governance parameter across good and poor performers. There was a significant difference in the mean score across the other four parameters for good and poor group performers. Close monitoring of the groups, intense capacity development training programmes coupled with use of Information technology by banks will strengthen these groups and sustain them.

2.5 BANKS AND SELF-HELP GROUPS

Bhupat M. Desai and N.V. Namboodiri\textsuperscript{19}(2001) in their book entitled, “Organisation and Management of Rural Financial Sector” have observed that SHGs are voluntary associations of people formed to attain certain collective goals which could be economic, social or both. Since SHGs are informal groups their legal status has not been defined. What they initially intended was to bring together people particularly economically weaker sections and to undertake activities of mutual interest. Thrift, credit and income generating activities emerged as the major activities of the SHGs. SHGs evolved a system for collective savings, group consumption credit, as well as integrating social and economic goals among small groups. The initial growth in SHGs was in areas where they received support from NGOs. They supported not only for the formation of SHGs but identifying economic activities, imparting training and even giving financial support in the initial stage.

Erhard et al.\textsuperscript{20} (2002) in his study entitled, “Linkage Banks and (Financial) Self-Help Groups in India—An Assessment” have said that an SHG is a group of about 20 people from a homogenous class, who come together for addressing their common problems. They are encouraged to make voluntary thrift on a regular basis. They use these pooled resources to make small interest-bearing loans to their members. The process helps them imbibe the essentials of financial intermediation including prioritization of needs, setting terms and conditions and credit history for themselves, as the money involved in the lending operations is their own hard earned money, saved over time with great difficulty. They also learn to handle the resources of a size that is much beyond their individual capacities. The SHG members begin to appreciate that resources are limited and have a cost.

M. Harper\textsuperscript{21} (2002) in his study on “SHG Bank Linkage Programme-Role and Scope of NGOs and Non NGO Agencies as SHPI, Training on Promotion and Management of Artisan’s SHG (Self-Help Group)” has stated that to increase the number of SHGs who start to make voluntary thrift on a regular basis is the most essential strategic variable in the Linkage Banking system. About 75 per cent of the SHGs have been formed and are continuously supported by NGO staff. These SHGs formed on the initiative of the Banking system have the overwhelming objective of helping SHGs get


access to banking services to improve the economic condition of their members and to wean them away from money lenders. They may be called financial SHGs. Self help instead of government spoon feeding, autonomy instead of constant bureaucratic intervention, flexibility and spontaneity may be determining factors for success. Therefore the SHG-system cannot be utilized as instruments of government agencies to indicate development schemes of the Government. The SHG system covers another urgent need of the poor. It evolves as an effective people’s banking nucleus which allocates money into the economy of the poor with the purpose of stimulating a self-reliant, indigenous development taping the manifold skills that poor already possess. The reason for forming SHG is to empower them, socially and economically.

Kim Wilson\textsuperscript{22} (2002) in his study on “The Role of Self-Help Group Bank Linkage Programme in Preventing Rural Emergencies in India” has explained that congruity with human nature enhances the relevance and utility of human development initiatives. The core of SHG-bank linkage in India has been built around an important aspect of human nature—the feeling of self worth. An amazingly large number of formal and non-formal bodies have partnered with NABARD in this unique process of socio-economic engineering. What was started in 1992 as a modest pilot testing of linking around 500 SHGs with branches of half a dozen banks across the country with the help of a few NGOs, to-day involves about 20,000 rural outlets of more than 440 banks, with an

advance portfolio of more than ₹1,200 crore in microfinance lending to SHGs. Financial services have reached the door steps of over 8 million very poor people through 500,000 SHGs, hand held by over 2,000 development partners.

S. Banumathy\textsuperscript{23} (2005) in her article titled, “SHGs and Bank linkages” has said that the empowerment of women through SHGs would lead to benefits not only to the individual women but also for the family and community as a whole through collective action for development. SHGs have linkages with NGOs and banks to get finance for development. In turn they promote the economy of the country by their contribution to the rural economy. SHGs aim at creating awareness among the rural poor about on-going development programmes. It can also create awareness about health problems and take up gender linked issues like wife battering, child marriages, harassment by employees and general community issues. Thus, SHGs not only empower women, but also solve their problems apart from their economic development.

P. Mahendra Varman\textsuperscript{24}(2005) in his article titled, “Impact of Self-Help Groups on Formal Banking Habits” has explained that deposits are foundations upon which banks thrive and grow. The twin objectives of a commercial bank are acquiring deposits and advancing credit which cannot be attained without good banking habits of the people. Therefore, people’s banking habits seem to be a major factor that affect the sustainability of the banks concerned. As regards micro-finance in India, Self Help Groups (SHGs),

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which recently came into existence as informal organizations, are linked to banks and their members are mainly women. It has been revealed that microfinance SHGs in India, which are classified under informal organizations, intentionally or unintentionally help formal banks by increasing the number of accounts by inculcating banking habits in the 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. Leadership experience in SHGs would improve an individual’s banking habits much more than simply membership.

T. Stanley Davis Mani and V.M. Selvaraj\(^{25}\) (2007) in their article entitled, “Role of Self-Help Groups and the NABARD Bank Linkage” have showed that the cumulative number of credit linked SHGs increased from 16,18,456 as on 31\(^{st}\) March 2005 to 22,38,565 as on 31\(^{st}\) March 2006. The active participation of women (90%) and the timely loan repayment over (90%) continue to be the prominent features of the programmes.

Prasada Rao and Raavi Radhika\(^{26}\) (2011) in their article titled, “Sanctions and Disbursement of Loans to Self Help Groups (A Study with Reference to Deccan Grameena Bank, Hyderabad)”, have stated that research begins with a background.


discussion about unemployment and poverty in rural areas and why low-income persons seek self-employment as a viable option towards building social and human capital to work towards poverty alleviation. It moves on to a discussion of a qualitative analysis, the impact of SHGs on individual members, family, and community life, changes in skills, knowledge, and attitudes, successful outcomes, and the development of human and social capital. Utilizing these findings, effectiveness of women SHGs in the promotion of micro enterprises is discussed, suggesting that micro enterprise development is a viable option for poverty alleviation, and community economic development. The study shows that SHGs are still in a state of flux and their sustainable development depends on a number of factors, which are both internal and external to the group. No doubt, SHGs have set a new empowerment agenda for financial intermediation by banks. Further, SHG as a system has infused certain synergy among its members to move up in the socio-economic ladders from passive onlooker into an active partner/stakeholder in the development process. To-day, SHGs in India have become a potential tool for the empowerment of women, social solidarity and socio-economic betterment of the poor in their own setting.

K. Rajendran\textsuperscript{27} (2012) in his article titled, “Customer satisfaction of SHGs with the Primary Agricultural Cooperative Societies (PACS): Evidences from the field” has analysed and discussed about the customer satisfaction of the members of SHGs who obtained micro-finance from the Co-operative banks, since India is the homeland of the

SHG Bank linkage programme model of microfinance. The study concludes that the Cooperative banks treat the SHG members as customers and all the respondents informed that they are treated as good customers. The study concludes that majority of the respondents (87.7%) are satisfied with the banking services of the PACS and 11.7 per cent of the respondents are satisfied to some extent and there is only one unsatisfied customer and the study reports that there is a significant relationship between the year of SHG formation and satisfaction of banking services. The study also finds that there is inadequacy of loans and women members are forced to visit many times to obtain loans.

2.6 EMPOWERMENT OF WOMEN AND SELF HELP GROUPS

J.M. Arul Kamaraj\textsuperscript{28} (2005) in his article titled, “Self-Help Groups New Mantra for Empowerment” has explained that 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 for undertaking mega projects, like projects performed by joint stock companies, public sector enterprise and the like. SHGs have power to create a socio-economic revolution in the rural areas of our country.

V.M.S. Perumal\textsuperscript{29} (2005) in his article entitled, “SHGs: Empowering Women - the grassroots” has said that income is the major determinant of the standard of living of the people. The SHG members income has been increased after joining the SHGs. Hence women members of the group are now independent to meet their personal expenditure

and they contribute more to their household income. Many housewives (26.87%) did not earn anything before joining SHGs, but now they are earning reasonably. This increases the willingness to participate in the SHG activities.

Ramachandran\textsuperscript{30} (2005) in his article on “Socio-Economic Empowerment and SHGs” has explained that the SHG is a viable alternative to achieve the objectives of rural development and get community participation in all rural development programmes. SHG is a viable organized set up to disburse micro credit to rural women for the purpose of encouraging them to enter entrepreneurial ventures. The women led SHGs have demonstrated the success of mobilizing and managing thrift, appraising their own credit needs, managing credit linkages with banks and enforcing financing self discipline.

Rashme Gangwar\textsuperscript{31} (2005) in her book entitled, “Empowering Self-Help Groups to Address Gender Inequity” has explained that the entire world is preparing to meet the Milennium Development Goals (MDGs) set by the United Nations to reduce poverty, improve lives of the poor and increase the pace of development in a sustainable manner. India has also set targets for its tenth Five Year Plan in accordance with the MDGs. During the past few years in several parts of the country, the rural poor especially women are being organized into Self-Help Groups (SHGs) in large numbers. According to a report by National Bank for Agricultural and Rural Development (NABARD), the number of active SHGs in India had touched a figure of 8, 67, 041 by March 2003, going

\begin{itemize}
\item\textsuperscript{31} Rashmi Gangwar, \textit{Empowering Self-Help Groups to Address Gender Inequity}, Centre for Environment Education, Himalaya, Lucknow, India, 2005, pp.1-6.
\end{itemize}
by the average group size of 12-15 members comprising mainly of women. Most of the SHG members are from regions of high poverty, low levels of agricultural and under developed infrastructure. Other major constraints are illiteracy and low levels of entrepreneurial skills.

C.S. Reddy\textsuperscript{32} (2005) in his article entitled, “Self-Help Groups: A Key Stone of Microfinance in India-Women Empowerment and Social Security” has remarked that microfinance has been evolved over the past quarter century across India into various operating forms and to varying degree of success. One such form of microfinance has the development of the Self Help movement. Based on the concept of “Self-Help,” small groups of women have formed into groups of ten to twenty and operate a savings-first business model whereby the members’ savings are used to fund loans. The results from these SHGs are promising and have become a focus of intense examinations as it is proving to be an effective method of poverty reduction. Also, the budget talked about plans to introduce a microfinance act that would provide some regulations on the sector.

Gupta and Namita Gupta\textsuperscript{33} (2006) in their article entitled, “Economic Empowerment of Women through SHGs” have revealed that the SHGs are considered as one of the most significant tools to adopt participatory approach for the economic empowerment of women. It is improving the life of women on various social components. The basic objective of an SHG is that it acts as the forum for members to


provide space and support to each other. SHGs comprise very poor people who do not have access to formal financial institution. It enables its members to learn to co-operate and work in a group environment.

Smita G. Sabhlok\(^{34}\) (2006) in her study entitled, “Self-Help as a Strategy for Women’s Development in India” has explained that the SHGs can make women contribute to economy; it has changed the lives of many in India. Group power has been found to be potent force in giving collective empowerment and voice to the poor women in rural areas, but has not necessarily empowered them beyond the confines of patriarchy. There is a long way to go before reorientation of power relationships, both in the household and at the societal level, will take place.

B. Kalpana, et al.\(^{35}\) (2007) in their article on “Women Empowerment-A Survey on Awareness about Self Help Group” have stated that poverty, unemployment, and communal tension these the hallmarks of the slums-with the help of NGOs, women are taking advantage of the changing scenario to bring prosperity to their families. The result is happy home, Self-employment and communal harmony.

T. Stanley Davis Mani and V.M. Selvaraj\(^{36}\) (2008) in their article titled, “Women Empowerment Through Self Help Groups in Rediyarptti Village” have explained that it is very important that men and women are imparted literacy in the areas of legal rights, health, contraceptive care, poverty, mitigation, participation in the Panchayat institutions

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and the political processes of the country. This is what has been happening as a silent revolution in Tamil Nadu Corporation for the Development of Women (TNCDW) and the number of its NGO partners is 426. They are men and women ready to assume the rightful places in the society.

P. Dhavamani\textsuperscript{37} (2010) in his article titled, “Empowerment of Rural Women through Self Help Groups in Sattur Taluk of Virudhunagar District” has explained that the word 'empowerment' means giving power. According to the International Encyclopaedia (1999), power means having the capacity and the means to direct one's life towards desired social, political and economic goals or status. Therefore, women empowerment means giving the capacity and means to direct women's life towards desired goals. In this background the following objectives are farmed to enumerate the growth of self-help groups and to analyze the empowerment of the women through SHGs in the study area. The information required for the study has been collected from both the primary and secondary sources. In this study, proportionate random sampling technique has been used to collect the primary data. Out of the total group of 398 functioning in Sattur Taluk under 3 NGOs, 10 per cent of groups (40) were selected from each NGO. From each group, only three members were selected under lottery method in order to get accurate information about the group. For analyzing the collected data, statistical tools such as percentage, mean, Z-test and Garrett's ranking technique were used.

D. Amutha\textsuperscript{38} (2011) in her article titled, “An Analysis of Economic Empowerment of Women Self Help Groups in Tuticorin District” has covered the three villages from Tuticorin District namely, Meelavittan, Mullakkadu and Korampallam. This study is done with the help of the primary data covered only in a six month period (2010). Totally 238 respondents were selected from 18 SHGs of three villages by using simple random sampling method. The sample size was 1/3 of the total members of the SHGs. Generally SHGs include various activities.

The important activities are contact with personnel from government and public organizations (26.5%) and NGOs’ and other knowledge of how to get things done in public life (24.3%). The average number of the respondents in Tuticorin District study areas was about 48 members and standard deviation was about 16. SHGs started functioning all over Tamilnadu; in some areas they are functioning effectively whereas in some areas they face problems. Since SHGs help women to achieve economic empowerment, these policy measures can contribute a lot to the nation. To conclude, the economic activities of the SHGs in Tuticorin District are quite successful.

Farzaneh Shaikh Khatibi and M. Indira\textsuperscript{39}(2011) in their article entitled, “Empowerment of Women through Self Help Groups and Environmental Management: Experiences of NGOs in Karnataka State, India” have stated that the Millennium


Development Goals adopted at the millennium summit at United Nations in New York in 2000 include goals to “promote gender equality and empower women and to ensure environmental sustainability”. The Tenth Five Year Plan of India (2002-07) gave importance to this. The tenth plan approach paper gave maximum importance to the implementation of the National Policy for Empowerment of Women through translating the national policy for empowerment into action with a three-fold strategy namely, economic empowerment, social empowerment and gender justice. In order to empower women in India, SHGs were introduced during the mid 1980s in Karnataka by Mysore Resettlement and Development Agency (MYRADA). These groups concentrate mainly on thrift related activities; they also address several issues through training programs and capacity and building the members of these groups gain knowledge about government programs, environmental issues, planning and credit management etc. In India some Non Governmental Organizations (NGOs) are working on empowerment of women through SHGs. They involve women’s SHGs in development projects through focus on watershed management which is one of the important issues related to environmental management. The present study intends to study experiences of some NGOs in Mysore district of Karnataka State. This study shows that there is a relationship between women’s empowerment and environmental management and how women can become agents for the promotion of environmental sustainability.
Geeta Chitagubbi, Rajeshwari Shivalli and Devendrappa\(^{40}\) (2011) in their article entitled, “A Study on the Usefulness of Self Help Group Membership to Women For Empowerment” have revealed that the present study was undertaken during 2008 with the objectives of studying the socio-economic status of self help group members and to evaluate the social impact of membership of SHGs on the empowerment of women group members in four districts of Northern Karnataka namely Bider, Dharwad, Gadag and Raichur with a sample size of 400 members (100 SHG members from each district) out of total 100 Self Help Groups. The results of the study revealed that majority of the respondents were from nuclear families (61%), belonged to the groups of 36-45, 26-35, and 18-25 yrs and more than 50 per cent of them had primary level of education. Centre to empowerment process were actions which build both individual and collective assets, and improve the efficiency and fairness of the organizational and institutional contexts. The membership of SHGs made the members aware of the gender equality and led to the economic, social and political independence of members. It also improved the position of the respondents in the patriarchal family system through gaining knowledge of legal system and enabled the members to involve in family decision making. Moreover, the members also developed the leadership qualities through the sense of devotion to work, duty consciousness self confidence and so on.

Imran Ahmed Khan⁴¹ (2011) in his study titled, “Empowerment of Persons with Disabilities through Self Help Groups: A Study of Mehboob Nagar District of Andhra Pradesh” has explained that this study emphasizes on the new paradigm shift in empowerment of Persons with Disabilities through Self Help Groups. The current study is based on the research study conducted by University of Ryukyas, Okinawa - Japan with the aid of 'Commitment' (An NGO bases in Mehboob Nagar District of Andhra Pradesh) under the guidance of Prof. Yutaka Takamine. The study was undertaken to portray the disabled members of Self-Help Groups, their activities and how they achieved some independent living at the community level. The study revealed how effective is the formation of Self-Help Groups of persons with disabilities and their federations with a view to achieve the empowerment of each member. India has witnessed a speedy growth of Self-Help Groups (SHGs) in last one decade or so. The SHG movement represents a massive grassroots level mobilization of the poor rural women earlier and disabled now into small informal systems to get financial access and other services needed for their socio-economic advancement. The Ministry of Social Justice and Empowerment (Government of India) estimates in 2001 that disabled population in India is 4.1 per cent of total population. In Andhra Pradesh 51 per cent of the disabled people interviewed in a survey were unemployed, among these 85 per cent of disabled people working in agriculture did not cultivate their own land (Insa Klasing, 2007). The National Sample

Survey Organisation (2003) data shows that only 26 per cent of disabled people in rural India are employed. There is a great need for doing something more impressive and concrete to promote the formation of SHGs of the disabled for bringing them into the mainstream of development as the normal non-disable do.

Jaya Anitha Abraham (2011) in her article on “Measurement of social empowerment of farmers in SHGS: Evidence from India” has stated that the Self Help Groups are generally formed by promoter agencies as a facilitating mechanism in extending micro finance and have been used to generate income and employment and alleviate poverty, especially in the developing countries. Review of previous literature indicated that they also contributed in other areas of economic development and growth such as poverty eradication, social transformation and empowerment. The present study used across sectional data to measure the empowerment of farmer members of SHGs formed by Vegetable and Fruit Promotion Council Kerala. Empowerment index was calculated for the sample farmers using the information collected on the dimensions of empowerment such as leadership propensity, self confidence, employment generation, increase in income and decision making power. The farmers were classified based on the empowerment index score. It was found that the members of the older Self Help Groups scored better in empowerment index measurement. Any intervention from the promoter agency should include the empowerment of the new members as one of its objectives. Further research should focus on issues of creating a legal framework that sustains the SHGs activities and developing them as agents of rural development.

S.R. Padala\textsuperscript{43} (2011) in his article entitled, “Effect of Self Help Groups in Economic Empowerment of Rural Women in Andhra Pradesh” has observed that women represent 50 per cent of world population and receive 10 per cent of the world income and own even less than one per cent of the world’s property. They suffer many disadvantages as compared to men in terms of literacy rates, labour participation rates and earnings. The major strategies of women empowerment include social empowerment, economic empowerment, political empowerment and gender justice along with demographical justice (rural and urban). For rural women’s economic empowerment the concept of Self Help Groups (SHGs) based on group approach to rural development is indeed a boon to the rural poor women who undertake viable economic activities on their own. The present study evaluates the nature of business and its performance carried out by women through SHGs in Andhra Pradesh. A sample of 400 DWCRA members was randomly selected out of 133 Self-Help Groups from Srikakulam, East Godavari, Chittor, Kurnool Warangal and Khammam Districts of Andhra Pradesh and a schedule was designed and administered among the respondents. By running a business activity the women members have been earning certain income thereby supplementing their family income. The role of wife in taking the majority of the business decisions is much evident in the study. However, the role of joint decisions of both husband and wife in business cannot be ruled out. The present study highlights the experiences of the members of SHGs and the contribution of these groups to income generation and thereby enhancing women empowerment. It also highlights that it is only through SHGs rural women economic empowerment can be possible.

S. Sarumathi and K. Mohan (2011) in their article titled, “Role of Micro Finance in Women’s Empowerment (An Empirical study in Pondicherry Region Rural SHGs)” have observed that microfinance is a type of banking service that is provided to the unemployed or low-income individuals or groups who would otherwise have no other means of gaining financial services. Microfinance through SHG has been recognized internationally as the modern tool to combat poverty and for rural development. Microfinance and SHGs are effective in reducing poverty, empowering women and creating awareness which finally result in the sustainable development of the nation. The main aim of microfinance is to empower women. The study is undertaken in the rural areas of Pondicherry region. Both primary and secondary data are used. Primary data are enumerated from a field survey in the study region. Secondary data are collected from NGOs’ reports and other documents. The researcher has used percentage method, simple correlation coefficient, paired t test and cross tabulation for analysis purpose. Analysis showed that there is a gradual increase in all the three factors among rural women. From the interaction among the respondents it is noticed that some members are expecting the NGO to come up with more training sessions in income-generating activities. All they need is a way to develop their skills and talents by participating in various training programs. There is a definite improvement in the psychological well being and social empowerment among rural women as a result of participating in microfinance through SHG programme.

Brinda Rani Dass\(^\text{45}\) (2012) in her article entitled, “Socio Economic Empowerment of Women through Self-Help Group in Villupuram District” has showed that empowerment in the context of women’s development through a forum like self-help group can be done with the association of government and NGOs initiatives. This concept has been mirrored everywhere in the world. It is an active, multidimensional process, which should enable women to realize their full identity and power in all spheres of life. India envisions a future in which Indian women are independent and self-reliant. It is unfortunate that because of centuries of inertia, ignorance and conservatism, the actual and potential role of women in the society has been ignored, preventing them from making their rightful contribution to social progress. The concept of SHGs is proving to be a helpful instrument for the women empowerment. SHG is an organization of the rural poor, particularly of women that deliver micro credit to undertake the entrepreneurial activity. This research paper evaluates the performance of the sample SHGs in Villupuram District selected for the study, analyses the changes in the social conditions of the members of the self-help groups, measures the empowerment of the SHGs on the economic condition of the members, analyses the attitude of the members of the SHGs towards economic empowerment, social empowerment, psychological empowerment and political empowerment and offers suggestions to improve the working of the SHGs. The present research study concludes with “Tamilnadu there is a very big lacking point in the high rate of interest and corruption in the utilization of funds of the SHGs,

the utilization of funds of the SHGs, the development and programme officers of the NGOs and commercial bank officials have got the easy money from the leader of SHGs. It is the unwritten law of the SHGs all the members have shared the amount spent for this purposes. There are many projects promulgated by the government but they do not reach the destination of rural and urban of the state. The Villupuram District of the Tamilnadu SHGs leaders and members has given moderately good opinion on empowerment.”

Sanjay Kanti Das\textsuperscript{46} (2012) in his article titled, “Best Practices of Self Help Groups and Women Empowerment: A Case of Barak Valley of Assam” has stated that Self Help Groups (SHGs) have emerged as popular method of working with people in recent years. Since SHGs based micro finance programmes cover a large number of women, it is expected that such programmes will have an important bearing on women’s empowerment. Self-Help Groups (SHGs) have emerged in order to help poor women to secure inputs like credit and other services. 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 promote 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

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enabling women to work together in collective agency. An effort is made in this paper to make a comparative analysis of 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 the 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. Further, it is observed from the study that impact on decision making pattern ranks first followed by economic empowerment and then psychological aspects. Confidence building ranks fourth while social empowerment ranks the fifth and so on.

Sanjay Kanti Das47 (2012) in his article entitled, “Self Help Groups: Is It An Empowerment Tool?” has argued that Self Help Groups (SHGs) has emerged as a popular method of working with people in recent years. SHGs have served the cause of women empowerment, social solidarity and socio-economic betterment of the poor for their consolidation. A good number of researchers including MFIs claimed that this movement has helped in alleviating poverty and empowering women in particular. The methodology of research for preparation of this paper may be categorized into two parts viz. methodology applied for descriptive analysis about SHGs and methodology applied for its impact assessment in the case of poverty eradication. The first one is the theoretical part whereas the second is of practical part. The study is restricted to only

three districts of Assam (better known as Barak Valley). In this study, an effort is made to analyse the meaning of the term ‘empowerment’-its different concepts, issues and indicators. Further, efforts are also taken to access the impact of Self Help Groups on women empowerment. Finally, stress is also given in this paper to identify meaningful clues where from it can be justified that SHG is an empowerment model. It is observed from the study that impact on decision making pattern ranks first followed by economic empowerment and then psychological aspects. Confidence building ranks fourth while social empowerment ranks the fifth and so on. Therefore, it is obvious that SHGs have a positive impact on women members particularly in empowering them. In fine Self Help Groups is undoubtedly considered as an empowerment model.

2.7 IMPACT OF SELF HELP GROUPS

Awarthi, et.al.\(^48\) (2001) in his study entitled, “Working and Impact of Self Help Groups on Economic Status of Women in Watershed Area of Madhya Pradesh” examined the impact of Self Help Groups on socio economic status of rural women in watershed area. Four women self-help groups were selected from Karmoid Mills watershed area of Katni District. The study revealed that after the formation of self-help groups women took up savings and credit activities and participated in the development process, which are important for the upgradation of their socio-economic status. The women Self Help Group members started income generation activities namely, Mahua collection, mushroom production and the like. The authors concluded that the Self Help

Groups made a positive impact increasing leadership, improving literacy, conscious about health, hygiene and skill formation among group members. And they also suggested that there was a need to evaluate the Self Help Groups annually to assess their progress with respect to income and employment generation.

Dasgupta\textsuperscript{49} (2001) in his study “Working and Impact of Rural SHGs and Other Form of Micro Financing: An Informal Journey Through SHGs” has pointed out that SHGs linking with formal banks, both banks as well as SHGs will be benefited. The involvement of SHGs with banks could help in overcoming the problem of high transaction costs in providing credit to the poor by passing on some banking responsibilities regarding loan appraisal and follow up recovery to the poor themselves. The character of SHGs and the relationship between members offers a way to overcome the problem of collateral, excessive documentation and physical access. By this, banks gain from the new risk – free credit market and a potential surplus sector (SHGs) and at the same time SHGs enjoy the advantage of larger and cheaper resources. The number of SHGs availing credit has increased from 3,841 in '97 to 81,780 in 2000. 85 per cent cent of them are women groups. These SHGs are operating in 362 districts of 24 states and union territories; Bank loans increased from Rs. 118 million in 1997 to ₹1,390 million in 2000.

Gaonkar\textsuperscript{50} (2001) in his article entitled, “Working and Impact of SHGs in Goa” has studies the working and impact of Self Help Groups in Bardez and Bicholim Taluks


of Goa reveals how that the individual loans were mostly used for productive purpose and the rate of recovery was cent per cent. It was found that the quality of the life of the members of the Self Help Groups improved in terms of increase in family income, increase in savings, increase in consumption expenditure, giving self confidence, productive use of free time, getting more importance in family. The study concluded that the movement of Self Help Groups could significantly contribute towards reduction of poverty and unemployment in the rural sector of the economy.

George Ownor, Hugo De Groote and Mukoya Wangia (2002) made a study titled, “Impact of Self-Help Groups Credit and Input Use in Maize production in Siaya, Kenya”, Maize is the major food crop in Kenya, and most of it is produced by small-scale farmers. One of the major production constraints is inadequate production credit. The major challenge, however, is to determine how far external capital can be used without changing the essential features that determine sustainability of the informal groups.

R.K. Kushawaha and A.K. Srivastava (2003) in their article on “Social-economic Impact through Self-Help Groups” have examined the functioning of Self-Help Groups in Kanpur District. Twenty five women of these Self-Help Groups were selected as samples for the study. Ten women members from each Self-Help Group and ten non members from the same village were selected as respondents, in order to arrive at the impact of the SHGs on their socio-economic status. The results showed that

there is a relationship between the SHGs and the socio-economic status of women. An individual is part of a family and as such his/her overall development depends on the well-being of the family as a whole. SHGs are, no doubt, an effective medium for involving individuals in the developmental activities to the point that they themselves take the initiative. They provide opportunities to work jointly in support of the common goals of improving the quality of the life of the poor. SHGs are considered to be a powerful tool for alleviating poverty through empowerment of women.

Ritu Jain, R.K. Kushawaha and A.K. Srivastava\textsuperscript{53} (2003) in their article entitled, “Socio Economic Impact through Self Help Groups” have viewed that SHG facilitates a co-operative, participative and empowerment culture show how the SHGs enhance the equality of status of women as participants, decision makers and beneficiaries in the democratic, economic, social and cultural spheres of life. The SHGs have inculcated a great confidence in the minds of rural women to succeed in their day-to-day life.

D. Suresh Kumar\textsuperscript{54} (2003) made a study on “Role of Watershed Institutions in Mitigating poverty: An Economic Analysis of Determinants and Impact of Self-Help groups (SHGs) Institutions Across Activities in Micro Watersheds” Watershed development has been conceived as one of the important rural development programmes in India where the rain fed agriculture is characterized by low productivity, degraded


natural resources and widespread poverty. The SHGs in micro watersheds have received much attention from the policy makers and others for their perceived ability to contribute significantly to the economic growth and poverty alleviation. The formation of SHGs has been made mandatory in all watershed development programmes in the country.

G. Gangaiah, et.al.\textsuperscript{55} (2006) in their article entitled, “Impact of Self-Help Groups on income and employment: A Case Study” have observed that the emerging changes in the values and attitudes of the members of SHGs are a clear manifestation of socio-economic empowerment interventions yielding relatively quicker results. The socio-economic programmes reinforce each other and promote all-round development of children, women, households and communities. It is a process which ultimately leads to the self fulfillment of each member of the society. It is in this direction that SHGs are moving towards fulfilling their objectives with a meaningful strategic direction.

D. Baskar and K. Sundarm\textsuperscript{56} (2011) in their article study titled, “An Analytical Study on Economic Impact of Self Help Group Members in Kanchipuram District” have argued that rural development is doubtless the main pillar of India’s progress. It has lagged behind in many aspects of development even after six decades of independence. It is obvious that any country’s economic development is led by social development as both the factors are mutually dependent. The concept of “Self Help Promotion” has emerged

as a new archetype for combating poverty. This concept has proved the significance of togetherness and results in successful outcome. In Tamil Nadu it has been successfully structured by Tamil Nadu Development Corporation under Mahalir thitam scheme. In this study the economic impact of SHG on its members is analyzed during the pre and post membership period by taking the variables like Income, Expenditure, and Savings, Borrowings, and Assets creation. The four fundamental variables determining the economic status of a member identified and used in various economic impact measurement studies, have been incorporated in the present analysis. Statistical tools such as simple percentage and Paired t-test, were used. The outcome of the study strongly reveals that women have become confident about their future and have attained a considerable level of self-reliance and thereby increasing the economic conditions after joining the self help group. SHG facilitate the members to have a healthier position in the society.

Surender\(^6\) in his article titled, “Can Self Help Groups Generate Employment Opportunity for Rural Poor?” has examined that an attempt to explore employment generation through SHG. A field study conducted to detail the expenditure of beneficiary, Annual Income of beneficiary, Improvement in economic position, Number of working days of beneficiary and Impact of SHG loan on employment generation in Beri Block of Haryana points out employment generation through Self Help Groups. The concept of SHG provides the benefits of economies of scale, cost effective

alternative for different financial services, collective learning, democratic and participatory culture. This study provides another way of employment generation and in depth information on the various aspects of self employment through SHG. This study concludes that Self Help Group has the capability of generating employment. It may the one of the ways through which the problem of unemployment can be removed from the entire world and procedure of growth and development can be achieved.

R. Balasubramaniam\textsuperscript{58} (2012) in his article titled, “The Impact of Self Help Groups on the Empowerment Appraisal of Poor Employees in Tamilnadu, India – An Analytical Study” has said that empowerment is a process of awareness and capacity building leading to greater participation, to greater decision making power and control and transformative action. Empowerment of people signifies harnessing power by their tremendous potential and encouraging them to work towards attaining a dignified and satisfying way of life. The important problems concerning the empowerment of unorganized poor people are poverty and unemployment. The poverty line divides the poor from the non-poor. Basic minimum things required are proper consumption levels of food, clothing, shelter, fuel and health care and the like. Poverty eradication, therefore, is a very important factor in India. Unemployment is one of the biggest problems that are confronting the Indian society. This study discusses the role played by the SHGs in empowering the poor members through entrepreneurial activities with the support from Government agencies and Non-Governmental Organisations (NGOs).

K. Rohatash and Bhardwaj\textsuperscript{59} (2012) in their article entitled, “Microfinance and Women Empowerment: An Impact Study of Self Help Groups - An Empirical Study in the Rural India with Special reference to the State of Uttarakhand” have attempted to assess the impact of microfinance on socio-economic empowerment of women SHGs members in Nainital district of Uttarakhand. The study was based on the data collected from 87 women members of SHGs. The women SHGs were under SGSY and NABARD category. The study aimed to assess the impact of microfinance on socio-economic empowerment of women SHGs members in Nainital district of Uttarakhand. The socio-economic profile of the women members of SHGs across the models were compared taking age, poverty level, education, caste, health, type of family, size of family and type of land holdings, income, expenditure, savings and value of assets as variables. The results showed that women members of NABARD model II and III were found to be better off in socio-economic aspects than their counterparts in SHGs under SGSY. The women members of the SHGs under NABARD model II and III comparatively received larger amount of loans at ₹13,400 and ₹19,1967, respectively. Members of the women SHGs under NABARD categories also borrowed the higher proportion of loan amount for farm purposes than those under SGSY. But overall picture showed that more than half (57.4%) of loans amount was used for non-farm purposes across all the models. Loans taken by women SHG members directly from banks had

the lowest cost of borrowing irrespective of the models due to low interest rates charged by banks (9.5-10%). Loan from SHGs and NGOs had higher cost of borrowing as the interest rates were higher (20-24% and 15% respectively) and NGOs charged higher processing and legal fee for loans.

2.8 NON-GOVERNMENTAL ORGANISATION AND SELF HELP GROUPS

Crispino Lobo and Marcella D. Souza\(^60\) (1999) in their study entitled, “Qualification and Capacity Building of NGOs and village Self–Help Groups for Large Scale Implementation of Watershed Projects: The Experience of Indo-German Watershed Development Programme in Maharashtra” have explained that the Indo-German Watershed Development Programme (IGWDP) is a large-scale bilaterally assisted programme being implemented in Maharashtra. To-day, watershed development is viewed as an efficient and effective way of not only restoring the environment, but also of addressing the issue of poverty directly. Women’s Self Help Groups (over 2,106) have been formed across the states involving 29,565 women. Wherever such initiative does not spontaneously occur, the programme aims to support Non-Government Organisation (NGOs) or other SHG promoters in their efforts to mobilize and catalyze a watershed community.

\(^60\) Crispino Lobo and Marcella D. Souza, “Qualification and Capacity Building of NGOs and village Self–Help Groups for Large Scale Implementation of Watershed Projects: The Experience of Indo-German Watershed Development Programme in Maharashtra”, pp.1-21
S. Mohanan\textsuperscript{61} (2000) in his article titled, “Micro credit and Empowerment of Women; Role of NGOs” has 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 the NGOs in the sphere of credit union and their grass-root level involvement with the poor and their problems are potential factors that affirm their elevated role in the sphere of micro-credit. The specific task and the role of NGOs in the sphere of micro-credit can be summarized as the formation of SHGs, nurturing of SHGs, facilitation role, mobilizing resources and formation of people’s organizations.

K. Rajendran\textsuperscript{62} (2011) in his article study on “Role of Non-Governmental Organisations in Micro Finance through SHGs –A Study in Vellore District of Tamil Nadu” has explained that the Non-governmental Organisations NGOs) played a vital role in rural reconstruction, agricultural development and rural development even during pre independent era in our country. In the post independent period, the NGOs became a supplementary agency for the developmental activities of the government and in some cases they become alternative to the government. After the introduction of microfinance through Self-Help Groups (SHG), they penetrated into each and every corner in India and actually the NGOs are responsible for converting the pilot project of microfinance into a


major programme and the NGOs are responsible for making the microfinance through SHG as the largest programme in the world. This study analyses the role of NGOs in sustainable rural development through microfinance. The study reported that NGOs are playing vital role in the formation of SHGs and motivating women to join the groups and linking the groups with the banks for microfinance. But, Non-governmental Organisations have played a limited role in marketing the products of SHGs and release of subsidies.

2.9 ROLE OF SELF HELP GROUPS

J. Meenambikai (2004) in her article titled, “Self Help Groups in Rural Economy” has stated that the SHGs is a homogeneous group of rural poor voluntarily formed to save whatever amount they can conveniently save out of their earnings and mutually agree to contribute to a common fund from which loans are given for productive and emergent credit needs. The aim of the study is to create awareness among the poor about ongoing development programmes. The poor should know how best to use the existing government programmes and also the legal provisions meant for the disadvantaged sections of the rural communities. The researcher concludes that the SHGs play a major role in transforming rural economy. Micro-finance helps the rural poor to improve their standard of living and fulfils their credit needs. Hence, the SHGs are a new innovation in the field of rural development to finance the rural poor and also to satisfy their credit needs.

S. Banumathy\(^64\) (2005) in her article titled, “Self-Help Groups and Linkages” has stated that an SHG is a small voluntary association of the rural people, preferably women folk from the same socio-economic background. They come together for the purpose of solving their common problems through Self-Help and mutual help in the SHGs. Usually the maximum number of members in one SHG is 20. They undertake economic activities such as on a basis of equality nurturing trust. Co-operatives are formal bodies, whereas SHGs are informal. The formation of SHGs in rural areas has created awareness among the women about social issues and emboldened them to take up their cause with the authorities. SHGs aims for providing awareness among the rural poor about the on-going development programmes.

Kumar Aniket\(^65\) (2005) in his study titled, “Self –Help Groups, Use of Modified ROSCA in Microfinance” has showed that how the nationalization of India’s fourteen major commercial banks in 1969 paved way for what came to be known as the social and development banking. The objective of nationalization was to increase rural access to banking services and target credit at some specific activities and certain disadvantaged groups. The Reserve Bank of India (RBI) pursued those objectives by imposing ceilings on interest rates and setting specific targets for the expansion of rural branches and sectoral allocation of credit.

S. Rajmohan (2005) in his article entitled, “Opinion of the members of Self-Help Group” has explained that the self help group is formed by the members, for the members and of the members. This is started exclusively by the women. Women are suffering in different ways. This group helps them to increase their status. It aids to raise the standard of living of them. It avoids the exploitation of women and helps empowering them. Women are becoming entrepreneurs with the help of self help group.

V. Selvanathan and D. Aravazhi (2005) in their article titled, “Self-Help Group - A New Beginning in Women Entrepreneurial Development” have showed that in Tamil Nadu the movement of the SHG has shown good results. Presently the movement covers 1.79 lakh SHGs with 29.84 lakh women members, savings of ₹857.76 crores. It is true that the poor status of the Indian women in villages can be transformed with the help of SHGs. As the success rate is high in many places in India the SHGs are the real pathfinders in the life of rural Indian women.

S. Dharmarajan (2006) in his article titled, “Promotion of SHGs-Vital Approach towards Strategy Orientation” has explained that the thrust for a supervisory and regulatory mechanism to monitor and streamline the norms and operations of microfinance institutions cannot be avoided, since the long-term success of MFP depends on the development of rural markets with more value added credit facilities and insurance products.

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Joseph Lalrinliana and Easwran Kanagaraj

(2006) in their article entitled, “SHGs and Tribal Development in Mizoram” have observed that Self Help Groups (SHGs) are emerging as major agents of development and empowerment of weaker sections in the third world. In India, since the beginning of the Ninth Plan, most of the development programmes are channelled through SHGs. In all parts of the country, SHGs are organized by the governmental and Non-Governmental Organizations (NGOs) and facilitate them by providing revolving fund, organizational base and training, credit and the like. It is worthwhile to call the SHGs as mass movement on a national scale for the development and empowerment of the poor and downtrodden in the country.

P. Loganathan and R. Asokan

(2006) in their article on “Inter Regional Development of Self-Help Group in India” have stated that in India, a number of SHGs were created in the 1980s for providing credit facilities to the poor, especially women, in both urban and rural areas. These SHGs stumbled upon a surprising finding by targeting women for repayment rates came in well over 95 per cent, higher than most traditional banks. Impressed by those repayment rates, institutions like National Bank for Agricultural and Rural Development (NABARD) and Small Industries Development of India (SIDBI) began increasing their lending to the SHGs in India.

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Mohammedul Haque\textsuperscript{71} (2006) in his article titled, “Ray of Hope for Self-Help Group” has observed that there is some SHGs involved in the marketing of day old chicks produced from Dhubri Hatchery. Among the SHG members initially two numbers of marketing SHGs from each Development Block are to be engaged in marketing chicks to the interested SHGs in all Development Blocks in this district. They would act as distributors of Dhubri hatchery and at the same time they would distribute necessary feeds and medicines/vaccines to the SHG members at a reasonable rate.

Peter J. Mc Cann\textsuperscript{72} (2006) in his study on, “A Review of the Anonymous Self-Help Groups and Their Utilization in Professional Settings” has explained that over the last 35 years there has been an enormous increase in the number and variety of Self Help Groups, fellowships and organizations which play a very large part in today’s caring society. Many talk about the Self Help movement and some describe it as “moving towards a Self-Help society.” It doesn’t, however require experts and professional to tell us that people who have similar problems can give each other help and support. This has been going on since time immemorial. But it is probably only in recent years that the Self-Help movement has become structural and organized.

Prakash Louis\textsuperscript{73} (2006) in his study entitled, “SHGs and their Place and Role in Civil Society” has focused on the extent to which SHGs build up confidence and mutual

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\item[] 73. Prakash Louis, “SHGs and their Place and Role in Civil Society”, Micro Finance Challenges, Institute Francais de Pondichery, 2006, pp. 294-301.
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support for women striving for development and change by establishing SHG units in which the women can critically analyse their situation and devise collective strategies to solve their problems. It is imperative that the women, the communities, social activists, donors and government agencies workout awareness generating exercise, capacity building programmes and perspective building training. Developing training resources that meet the needs of all agencies, especially the women of the SHGs is the need of the hour. The researcher has concluded that many women have found confidence and self dependence by being in the group. In the pre-SHG period, since women borrowed money from money lenders, the interest payment went to an external agent, but not to the common pool. But in the recent past SHG women and their families are not at the mercy of money lending. The appropriate place and role of women would enhance the ability of women and thus, in turn would capacitate the SHGs to function for the betterment and empowerment of women.

Subah Singh Yadav\textsuperscript{74} (2006) in his article titled, “Self-Help Group Movement in Rajasthan Bright Prospects” has said that till February 2006 about 13 lakh rural poor families had access to financial services throughout 98,500 SHGs in Rajasthan. During the last four years SHG-Bank Linkage Programme has witnessed significant progress in Rajasthan. The performance of the Government Development Department, NGOs and the Banks under the programme has been commendable.

B. Vijayachandran Pillai and V. Harikumar\textsuperscript{75} (2006) in their article titled, “Self Help Groups in Kerala” have focused on the various innovative programmes and schemes to address the issue of poverty and unemployment prevailing in India. On the basis of primary survey conducted in the state of Kerala, they pointed out that SHGs faced problems in different areas such as inadequate training facilities, problems of marketing, lack of stability and unity especially among women SHGs, weak financial management and inadequate support from line departments. Further, they have suggested that in marketing of SHGs the state level organization “KERAMS” (Kerala Rural Development and Marketing Society) should extend their activities throughout the state. NGOs and financial institutions play a significant role in empowering women.

P. Loganathan\textsuperscript{76} (2007) in his article entitled, “Brand Image - A Powerful Strategy for Self Help Groups Products” has observed that the history of global brands might benefit from a stronger image in their country of origin, as they were initially strong local brands enjoying the benefit from the characteristics of local brands. The recent research on local brands has shown that local brands benefit from a better image than international brands on key brand equity elements. In particular, consumers evaluate local brands as much, more trustworthy than international brands. Similarly branding of SHGs is also more viable in rural India as well as urban ghettos. With the help of brand logo, SHGs can also enter the local market like Amul, a cooperative brand which has now entered global market.

D.V. Sheeba Rajakumari and T. Stanley Davis Mani\textsuperscript{77} (2007) in their article entitled, “Self Help Groups in Sericulture” have stated that although many women Self-Help Groups are functioning in Tirunelveli District, women engaged in sericulture work accounts only to 6 per cent. This emphasizes the need to promote sericulture in Tirunelveli District of Tamil Nadu by popularizing the high returns with low investment. They encourage cooperative mulberry farming and provides entrepreneur training to women and SHGs.

E. Palani and V.M. Selvaraj\textsuperscript{78} (2008) in their article entitled, “Operational Mechanism of Self Help Group” have said that though SHG is of recent origin, it has been accepted as one of the new development paradigms for alleviating poverty of the poor especially women. It could be attributed as providing credit support, in very small amount, along with training and other related services to the people who can undertake economic activities.

K.P. Kumaran\textsuperscript{79} (2011) in his study on “Role of Self-help Groups in Promoting Inclusion and Rights of Persons with Disabilities” has examined the role of Self Help Groups in addressing some of the problems faced by persons with disabilities such as social exclusion, discrimination, lack of awareness about their rights and privileges, and absence of livelihood programmes. One hundred persons with disabilities were randomly

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drawn for the study from 50 SHGs in 2 districts that were covered under a popular poverty alleviation programme implemented by the state of Andhra Pradesh in India. An interview schedule was used to collect information. Before joining the group, some of the persons with disabilities were mostly confined to their houses, and viewed as less productive and incapable of leading a ‘normal’ life. After joining the groups, they came out of their seclusion and started to work together for their collective welfare and development. They gained knowledge about their rights and privileges and started income generation activities with the help of loans made available to them. They gained better acceptance within their families, but attitude of their communities was slower to change. A feeling that “disability is not inability” seemed to have been internalized among the members of the groups. SHGs can be very effective in helping persons with disabilities to come out of their isolation and in promoting their participation and inclusion in societal mainstream.

H.S. Ranaware (2011) in his study on, “Role of Self-Help Groups in the Upliftment of the Deprived Sections of the Society with Special Reference to Malshiras Tehsil” has discussed that the main objective of this study is to study the role of SHGs in the upliftment of the deprived sections of the society in the study area. This study is based on the primary data as well as secondary data. This study is divided into five parts. It is found that out of the total 57 members only 55 members (that is 96.49%) created self-employment opportunities and increased their income by SHGs in the study area. It

is also found that majority self employment opportunities (50 members that is. 90.91%) were created by rearing domestic milch animals and they were by ladies. It is also found only 5 members launched (retail shop 01, tailoring 02, motor rewinding 01, and a betel leaf roll shop 01) and created employment opportunities in the study area. But it is also found not a single member of BPL SHGs launched productive unit in the study area. The SGSY is the important scheme for upliftment of the deprived sections of the society with the help of SHGs in the rural areas. Majority of the SHGs were women SHGs. Some SHGs were self sufficient. They did not take loan from any other non financial institutions. They were free from the clutches of money lenders. This scheme assisted poor families and helped them rise above the poverty line. Therefore, the study suggests that SHGs are the best weapon of creating self-employment opportunities and poverty alleviation in rural areas.

Sushil Kumar Mehta et.al.\textsuperscript{81} (2011) in their article entitled, “Role of Self Help Groups in Socio-Economic Change of Vulnerable Poor of Jammu Region” have stated that Self Help Groups (SHGs) have appeared as a popular method of working in the company of people in recent years. This movement comes from the people’s desires to meet their needs and determine their own destinies through the principle “by the people, for the people and of the people”. The present study is a descriptive study of the SHGs promoted by Gramudyog Hastakala Kendra, an NGO working for promotion of SHGs in

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Kathua District of Jammu region in India. A sample of 10 SHGs consisting of 162 members has been taken to study the various aspects of the SHGs viz. educational profile, economic status and occupational pattern etc. pre and post SHG formation. It is found that most of the members of SHGs are economically weak. The overall findings of the study suggest that SHG – Bank Linkage Programme has significantly improved the access to financial services for the rural poor and has considerable positive impact on the socioeconomic conditions and the reduction of poverty of SHG members and their households. It has also empowered women members substantially and contributed to increased self confidence and positive behavioral changes in the post-SHG period as compared to the pre-SHG period.

V.V. Bidnur\(^{82}\) (2012) in his article entitled, “Role of Self Help Group in Women's Life with Reference to Corporation Area” has observed that in India, the organization of self-help groups, especially for microfinance and micro enterprise development programmes constitute a widely accepted development strategy for poverty reduction. This strategy is equally shared by government, commercial banks and civil society. The authors argue that thus far, SHGs have shown a limited effectiveness in terms of their impact on rural poverty and their long-term sustainability. Due to the lack of proper understanding of their potential, the implementers have followed a minimalist approach that has restricted the scope of functioning of SHGs to promoting enterprises that are stereotypically considered feminine.

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Mukesh Arora\textsuperscript{83} (2012) in his article titled, “An Increasing Role of Self-Help Groups in Women Empowerment” has stated that the Community, no matter how backward, has resources that can be mobilized for meeting individuals’ local needs and that of the community for making local improvements and bringing about social change. An SHG is group of the rural poor who have volunteered to organize themselves into a group for the eradication of the poverty of the members. They agree to save regularly and convert their savings into a Common Fund known as the Group Corpus. The main aim of the study is to study the role of SHGs in women empowerment and to study the overall functioning of SHGs. Empowering women is also an indispensible tool for advancing development and reducing poverty. Empowered women contribute to the health and productivity of whole families and communities and to improved prospects for the next generation. Discrimination against women and girls including gender-based violence, economic discrimination, reproductive health inequities and harmful traditional practices remain the most pervasive and persistent forms of inequality. There have been several organizations and institutions advocating for women’s rights, promoting legal and policy reforms and gender-sensitive data collection and supporting projects that improve women's health and expand their choices in life.

Sahu Lopamudra and Singh Suresh\textsuperscript{84} (2012) their article entitled, “A Qualitative Study on Role of Self Help Group in Women Empowerment in Rural Pondicherry, India” have observed that women empowerment is an essential precondition for elimination of poverty. Many International and National bodies have stressed women empowerment giving attention to their participation in society, decision-making, education and health. In India, Microfinance and SHG intervention has brought about tremendous change in the life of women at the grass root level. Currently around 1640 SHGs exist in Pondicherry and are successfully managed by women. It was a community based qualitatively study. Focus Group Discussions (FGD) were conducted among six SHG groups (one each) selected on feasibility basis. The SHG members’ perception of improvement in the different pre determined domains were assessed. Content analysis was done manually and the key findings were noted. The key responses were ‘increased participation in household decision making’, ‘gaining respect in family’, ‘increased savings’, ‘meeting family expenses’, ‘improved political knowledge’, ‘independence’, ‘confidence’ and the like. They said to have gained respect and trust in society and were able to plan for the future of their families. Self Help Groups played very important role in Women empowerment and should be promoted for the economic development of the country.

2.10 RURAL DEVELOPMENT AND SELF HELP GROUPS

Moin Quasi\textsuperscript{85} (1997) in his article on “Self-Help Groups – A Novel Approach to Rural Development” made an attempt to study the reason for the linkage of the members


of SHGs 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 SHGs. He states that women SHGs were more effective than those of men and they had more chances for survival. Although social homogeneity was used in establishing those groups, the real objective were economic factors. The author further insists that while providing support to self-help groups it was necessary to keep in mind the sentiments and emotional values of the rural women. The support provided must be sensitive to their feelings, appropriate and timely.

Nilanjan Sengupta(1998) in his article titled, “Empowerment: A Socio-Psychological Approach to Rural Development” has identified the different forms and community organisations which involve people’s participation and the role played by them for their empowerment. The researcher also discussed social learning as an empowerment strategy for increasing the participation of the people at the grass-root level. Further he gave the project design for people’s participation at the grass-root level. According to him, social awareness among the group members has to be created first and they could move towards economic empowerment. The researcher felt that to ensure the development of skills and consciousness for sustainability of any activity in the long run social and psychological empowerment was a must.

B. Jayaraman and V. Puhazhenthii (1999) in their article on “Increasing Women Participation and Employment Generation among Rural Women: An Approach through SHGs” have stated that the informal groups of the rural poor with active intervention of the NGO’s adequately supported by training and financial assistance ensured and also significantly improved women’s participation both from economic and social aspects. The group approach is becoming more and more important as evidenced by the recognition accorded by the Government of India in the ongoing income generating programmes. The SHGs have become the focal point of the development schemes under the unified poverty alleviation programme ‘SGSY’ launched in April 1999 by the Government of India, NABARD’s commitment to empowering at least 100 million rural poor through one million SHGs by the year 2008 further increased the emphasis of group approach among the rural poor, especially women.

Lalitha and B.S. Nagarajan (2003) in their article titled, “SHGs in Rural Development” revealed that women constitute nearly a small proportion of borrowers from formal credit institutions. In Latin America and in Caribbean countries women constitute 7 to 11 percent of the beneficiaries of credit programmes. A study of the 38 branches of the major banks in India found that only 11 percent of the borrowers were women. In many African countries they account for more than 60 per cent of the agricultural labour force and control upto 80 per cent total food production, yet receive

only 1 per cent of the total credit. In 1990, multinational banks allocated $5.8 billion for rural credit to developing countries. Only 5 per cent reached rural women.

Fujita Koichi and Sato Keiko (2011) in their study titled, “Self-Help Groups and the Rural Financial Market in South India: A Case of a Tamil Nadu Village” have analyzed the process of development of the Self-Help Groups (SHGs) in a study village located in the Madurai District, Tamil Nadu and then evaluated the impacts of the SHGs and found that they had certain impacts on the alleviation of poverty in the village, although there was an apparent limitation. The major limitation was the small size of loans through the SHGs, either from savings and revolving fund or from the banks, but another major limitation lay in the fact that the poorest people were excluded from the SHGs, especially the poorest women from the female-headed households. On the other hand, there were increasing opportunities to save. Since the mid-1990s, the shift of occupation from agriculture to nonagricultural sectors has accelerated, and the income of rural households started to rise rapidly in rural Tamil Nadu, including in the study village. It was in this context that there emerged a rapid rise of surplus money in the hands of rural residents except for the poorest, which started to be saved in various forms, one of which was the savings in the SHGs.

Shobhana Gupta and Sanjeev Kumar Singh (2012) in their article entitled, “Economic Security among Rural Women through Self Help Groups: An Analytical Study” have stated that the World Bank had given emphasis on gender equality for both

women and men with a distribution of power and resources. In order to improve economic access among women, the empowerment is one of the key constituent elements for poverty alleviation. The process of economic empowerment among women can be institutionalized through SHGs. The role played by SHGs in the field of women empowerment is being recognized these days. The SHGs are voluntary association of people formed to attain a collective goal. The members of SHGs are common in respect to social background, heritage, caste or traditional occupation come together for a common cause to raise and manage resources for the benefit of the group members. The SHGs emerged during the 70’s in Bangladesh and during 90’s in India. Women throughout the world have been subject to gender discrimination in varying forms and have lesser access to land, property and business. Their mobility is also restricted more than men as well as they have limited access to labour markets and are also subjected to discrimination in the matter of wages and compensation for their labour. They also remain under-represented in decision–making and hold less than 10 per cent of seats in Parliament in most region of the world. This study was conducted to study the income generating activities taken by SHG members as well as to identify the factors responsible for effective functioning of the SHGs.

2.11 MICRO FINANCE AND SELF HELP GROUPS

Malcolm Harper\textsuperscript{91} (2003) made a study on, “Microfinance-Evolution, Achievements and Challenges” has remarked that banks are businesses institutional


Micro-finance started not as a business, but as a means of alleviating poverty and helping people to create sustainable livelihoods for themselves. There are three moves: from charity to business, from micro credit to microfinance services, and from enterprise investment to household money management. Poor people have always been the main prey to exploitation by bogus savings institutions. Poor countries need microfinance. The commercial banks in many countries have large and often under used branch networks, and their traditional urban-based corporate business is being threatened by the entry of the multinational banks and other specialized financial institutions. The microfinance generally does not directly reach the very poorest people. There is still no agreement on the issue of whether it is possible to have a sustainable microfinance programme which at the same time reaches and assists very poor people. In recent years, the number of countries has been growing in which banks mobilize savings and practices, but the rural poor still have to rely on informal financial institutions, which are better adjusted to the local conditions.

J.K. Stephen and A. Seilan\textsuperscript{92} (2005) in their article titled, “Role of NGOs in Micro financing through Self-Help Groups-A Study in Kanyakumari District” have stated that it is realized that the NGOs can play a decisive role as an effective delivery mechanism in rural development as they have innate advantage to involve people and ensure their participation in the development process. Networking with governmental agencies and

fellow NGOs is an added advantage to them. The NGOs are taking keen interest in providing microfinance through SHGs for credit delivery, in a way that highlights the importance of NGO-SHG linkage for the betterment of the later.

Manimekalai\textsuperscript{93} (2006) in her study on “Impact of Micro-financing in Promoting Women Micro Entrepreneurship-An Analysis” has examined the various objectives associated with micro credit namely to analyse the impact of micro financing followed by the behavioural outcomes and the socio economic impact created on women. The findings of the study show that the poor people have easy access to credit at collective interest without disparities, owing to micro finance. Further, the relationships between banks and SHGs have been strengthened. Other benefits of micro-finance are compulsory savings, poverty alleviation, better marketing facilities and improved nutritional status. Banks can provide united capital and working capital for these backward communities which struggle for sustenance.

Gangan Bihari Sahu and Biswaroop Das\textsuperscript{94} (2007) in their study on “Self-Help Co-operatives and Micro Finance” have argued that irrespective of their status ranging from apex organizations on banking financial companies to trusts or societies, many Micro Finance Institutions in India have begun to function mainly since 1990. Only a select few of them have tried to assess the impact of their microfinance services at different time points during the last ten years with a larger share of studies conducted during 2000-2001.


T. Stanley Davis Mani\(^95\) (2007) in his article titled, “Micro Finance and Micro Credit in Poverty Eradication” has explained that micro finance is of small and intermediary function that circulates money in an economy. Micro finance is small in value targeted at the low income clients. It includes loans, savings, insurance, transfer services and financial products and services. Provisions of microfinance include the non-governmental organizations (NGOs), Self Help Groups, Co-operatives, credit unions, commercial and state banks, insurance and credit card companies, post offices and other points of sale.

K.G. Makesh and M.C. Minimol\(^96\)(2011) in article entitled, “Self Help Groups and Micro-Finance through Bank Linkage a Study of Coastal Women Community in Kerala” have explained that the poor, especially the rural community, have found it extremely difficult to locate alternate sources of income and employment opportunities, in the wake of their inadequate financial credibility. But the recent economic perspectives on development have pointed towards the importance of micro finance in the empowerment of the rural community. It is expected that the access of such institutional credit would bring about social, personal and financial empowerment of rural women. The present study is an evaluation of the findings of the study undertaken to reveal the efficacy of SHG-bank linkage programme in rural women empowerment.

Manisha\textsuperscript{97} (2011) in his article entitled, “Self Help Group: An Emerging Model of Micro Finance” has explained that a SHG is an organization of such poor people whose social and economical conditions are almost the same. They cultivate the habit of saving and helping group members. As such the group can also be known as Micro bank of the poor. A SHGs have groups consists of both males and females having same economic conditions. These members have volunteered to build a common fund through regular, weekly, fortnightly and monthly. SHGs inculcate and encourage the savings and link the poor people with banks and ensure participation of poor people in their development area. It is pertinent to note that the year 2005 was declared by the United Nation as the International Year of Micro Credit. Organizations form federations to realize economies of scale and gain strength as an interest group while retaining the advantages of remaining autonomous. SHG federations were promoted primarily as an exit strategy, that is to allow organizations that had promoted SHGs to withdraw their support to SHGs while also ensuring their sustainability. The primary purpose of federating SHGs is to ensure the sustainability of the SHGs. SHG federations help the SHGs internalize all operational costs and reduce the cost of promoting new SHGs.

Maruthi Ramprasad and Vararuchi\textsuperscript{98} (2011) in their article titled, “Regulation of Microfinance Institutions for Uplifting of Self Help Groups” have stated that microfinance has come to the macro level of the country with an estimated ₹22500 crores


lent to some nearly ₹2.7 crore active borrowers in the southern states, with Andhra Pradesh in the lead. Twenty three persons members of SHGs who borrowed from the MFIs have recently committed suicide in the month September 2010 which led to the introduction of Micro finance ordinance in the state of AP to regulate MFIs and Micro credit. Adding to this RBI has also appointed a subcommittee under the leadership of Y.H. Malegam, who would submit the report in January, 2011. If this situation continues for some more period and extends to all the other states the Micro Finance industry will be doomed. So there is a necessity to regulate the MFIs, reduction of interest rates of MFIs mode of recovery of MFIs etc. This paper throws some light on the role of SHGs, importance of the micro credit, regulation of the MFIs in regard to their activities, charging interest, recovery of the loans and their regulations.

K. Rajendran and R.P. Raya\textsuperscript{99} (2011) in article titled, “Micro-finance: Problems and Constraints in Vellore District, Tamil Nadu, India” have analysed the problems and constraints faced by women SHG members in Vellore district in Tamil Nadu. The causes of the problems may arise from within the family or their own organization (SHG) or emanate from out of the external environment and their community. The study has used 13 key variables that affect the performance of micro-finance and tries to analyse the chief variables among them that pose problems and act as a constraint to the effective functioning of the SHG. The researcher collected responses from 450 women respondents from two blocks in Vellore District in Tamil Nadu. Delay in getting the loans followed by

marketing of products emerged as the chief problems and constraints to the microfinance through SHGs. The paper provides the framework of the problems and constraints and also the approaches of how the members manage them. Simple statistical tools were used to analyze the data to arrive at solid conclusions.

Gunindra Nath Sarmah and Diganta Kumar Das\textsuperscript{100} (2012) in their article entitled, “Micro Finance, Self Help Groups and the Socio Economic Development of Rural People (A Case Study with Special Reference to the Lakhimpur District of Assam)” have explained that the development of a nation is very much dependent on the development of rural people. Today, the real problem faced by every developing country like India is the poverty. Many developing countries are suffering from poverty. Amongst the poor, the most disadvantageous group are the women. Microfinance to SHGs may be considered as a vital tool for meeting the financial requirement of those poorer sections of the society living in the rural areas. From the study it has been found that after joining the SHGs the poor rural people can increase their income and improve their standard of living by performing economic activities independently.

Sanjay Kanti Das\textsuperscript{101} (2012) in his article entitled, “Micro Finance and Women Empowerment: Does Self Help Group Empowers Women?” has observed that SHGs have served the cause of women empowerment, social solidarity and socio-economic


betterment of the poor for their consolidation. A good number of researchers including MFIs claimed that this movement has helped in alleviating poverty and empowering women in particular. The methodology of research for the preparation of this paper may be categorized into two parts namely, methodology applied for descriptive analysis about SHGs and methodology applied for its impact assessment in the case of women empowerment. The first one is the theoretical part whereas the second is of practical part. It is observed from the study that impact on decision making pattern that is participation ranks first, followed by power element that is economic empowerment. Building of awareness and capacity ranks the third while the Indicator of ‘Entitlement’ ranks fourth and so on. Therefore, it is obvious that SHG have a positive impact on women members particularly in empowering them. In fine SHGs is undoubtedly considered as an empowerment model.

2.12 SELF HELP GROUPS AND MICRO CREDIT PROGRAMMES

Dilip Sarma102 (2000) in his study entitled, “Emerging Self-Help Groups – Instrument for promoting Micro-credit System” has explained that approximately 400 million people in India living below or close to poverty line could be roughly translated into 75 million households out of which around 60 million are rural household. So poverty in India has predominantly a rural character. While there are several structural dimensions to the rural poverty it is generally accepted that it arises due to the lack of capital or lack of surplus. The rural poor are perpetuating poverty and are the victims of the “Vicious circle of poverty”. Both the government and financial institutions are now operating through the Non-Governmental Organizations (NGOs) to develop SHGs.

S. Balakrishnan\textsuperscript{103} (2002) in his article entitled, “Micro Credit through Women’s”, has observed that in order to break the vicious circle of poverty micro credit is provided to women. Micro credit scheme has great potential increasing employment opportunities on day to day life by promoting saving habit, developing personal assets, and increasing income levels and education. The scheme like this is to help the deserving masses. The beneficiaries pay back to the loan taken and will become an exemplary one to the whole world. The problems of women in India like women status, women empowerment and other matters need further attention.

Sabyasachi Das\textsuperscript{104} (2003) in his article titled, “SHGs and Micro Credit Synergic Integration” aptly said that, in India, at the end of the 9th five year plan 26.1 per cent of the population was living below the poverty line. In the rural area 27.1 per cent of the population was living under poverty. The overall unemployment rate is estimated to be 7.32 per cent. The female unemployment rate is 8.5 per cent. The rate of growth of women unemployment in the rural area is 9.8 per cent. At the end of the first plan, the rate of growth of employment was only 2.47 per cent. Therefore, the union government has implemented various schemes to reduce poverty and to promote gainful employment. But the most attractive scheme with less effort is the “Self–Help Group”. It is a tool to remove poverty and improve rural development.


G. Bhuvaneswari, Anasuya Patil and C.S. Hunshal (2011) in article entitled, “Comparative study on micro credit management of Self Help Groups in peri-urban and rural areas” has showed how a comparative study on micro credit management of six SHGs from three peri-urban villages (Mugad, Mandihal and Kotur) within 15km radius and six SHGs from three rural villages (Holthikoti, Mavinkoppa and Kambaraganavi) beyond 20 km from Dharwad city (Karnataka state, India) was carried out. The rate of savings per member ranged from 195 to Rs.412 in peri-urban SHGs and Rs.150 to Rs.544 per annum in the rural SHGs. Peri-urban SHGs utilized 36.51 per cent of borrowed loan for (IGA) whereas the rural SHGs utilized only 13.87 per cent for IGA mainly for agriculture and dairy. Most of the loan borrowed from rural SHGs was used for non-IGA purposes like domestic purpose, repayment of loan and for marriage. Peri-urban SHGs utilized the loan for IGAs like business, goat rearing, grocery shop and poultry apart from agriculture and dairy as in the rural SHGs. Repayment performance was relatively more in Peri-urban SHGs (67.80 %) than in the rural SHGs (47.30%).

M. Latha and G. Chandra Kumar (2012) in their article entitled, “A Study on Agricultural women Self Help Groups Members Micro credit Analysis in Trichy District, Tamil Nadu” have found the Agricultural women SHGs performing well in availing of and repaying microcredit which had contributed to their socio-economic empowerment.
and to better livelihood conditions. And the study found that the interest rate of Micro-credit should be reduced, installment term for Loan repayment should be increased, loan repayment should be flexible based on their varying levels of income and savings, subsidy loan for Agriculture Women SHGs for innovative projects, self employment loan for individual SHG members, should provide marketing facilities to the SHG products (Proper marketing channel could be arranged by the Government (or) NGO (or) private institutions) and self employment training to the rural people. Primary data required for the study were collected from 170 of Agricultural women retail SHG members, representing 10 Self Help Groups from Trichy District villages during August 2011. Percentage analysis, Tabular analysis and Class interval techniques were used to find the constraints imposed by the nature of data, socio-economic condition, Women empowerment and Micro-credit lending, Utilization, Repayment, Economic activities and to analysis the age, income, savings and food expenditure.

2.13 RESEARCH GAP

This study reviewed the issues of SHGs, Poverty and SHGs, performance of SHGs, Banks and SHGs, Empowerment of women and SHGs, impact of SHGs, non-governmental organization and SHGs, role of SHGs, rural development and SHGs, micro finance and SHGs and SHGs and micro credit programmes. From the direction of the previous studies, the present research focuses on the evaluation of the performance of the sample SHGs, the attitude of members towards the fulfillment of member satisfaction, analyses of the activities of SHGs members and the changes in the social conditions of the members of the SHGs.
CHAPTER II

REVIEW OF LITERATURE

2.1 Introduction

2.2 Issues of Self Help Groups

2.3 Poverty and Self Help Groups

2.4 Performance of Self Help Groups

2.5 Banks and Self-Help Groups

2.6 Empowerment of Women and Self Help Groups

2.7 Impact of Self Help Groups

2.8 Non-governmental Organisation and Self Help Groups

2.9 Role of Self Help Groups

2.10 Rural Development and Self Help Groups

2.11 Micro Finance and Self Help Groups

2.12 Self Help Groups and Micro Credit Programmes

2.13 Research Gap