CHAPTER - II

REVIEW OF LITERATURE

2.1 ACHIEVEMENT IN BUSINESS

The following reviews help to understand how Self Help Groups can and should bring about drastic changes in the lives of the poor. These studies proved that the SHGBLP have brought in development and achievement in business which has the rural women to stand in their own.

Narayana Reddy.G (2002), made an attempt to examine the process of empowering rural women by the National Institute of Rural development (NIRD) action research group mainly financed by CIRDAP (Center on Integrated Rural development in Asia and Pacific, Dhaka) in Ranga Reddy Dt. of Andhra Pradesh. The study revealed that improved production technologies applied in non – farm activities by groups facilitated by NIRD Women Development Society, enables them to sustain even after the withdrawal of project assistance by organizing a network of SHGs in project villages.

Jaya S. Anand (2002), the study is undertaken to enquire into the performance of women groups in Kerala commonly known as Self-Help Groups (SHGs) and Neighbourhood Groups (NHGs) and to identify the factors contributing to their failure or success, from her study she found that the performance of the tribal group was very poor and its repayment record was dismal and also suggested that beyond financial intermediation, SHGs can and should bring about drastic changes in the lives of the poor. It has been clearly established that delivering credit alone may not produce the
desired impact. The supporting services and structures through which credit is
delivered, ranging from group formation and training to awareness-raising and a wide
range of other supporting measures are critical to make the impact of group activity
strong and sustainable.

Chirnjevulu (2003), studied the micro enterprises started by Self Help Groups
in Warangal district, Andhrapradesh. The Micro enterprises belong to chilly
processing units, srujana mahilabhibridhi Uadi mutually aided co-operative society
was formed with a membership of 514 women. Each group raised a share capital of
Rs.15000. The group members belong to backward classes, SCs and STs. The
researcher states that the conversion of consumption based SHGs into
entrepreneurship oriented SHGs led to employment generation and empowerment of
women.

Aloysius. P. Frenandez(2005),this paper brought out the importance of Self
Help Groups in poverty eradication and financial sector development. The author
realized that there was a strong feeling of affinity of trust, thus giving the name
SAGs(Self Affinity Groups) to the SHGs encouraging SAGs to move from income
generating activities to large micro enterprises could definitely support the global
effort to meet the Millennium Development Goal.

Ananda Basu and SandhyaRani Das (2007), the study was carried out in
selective clusters spread over five blocks of Gajapati district in Orissa. The researcher
has chosen 10 SHGs each from Gumma, Rayagada, Gosani and Kasinagar depending
upon location-specific condition. As Nuagada block has only 9 SHGs promoted by
CCD, all these 9 SHGs were taken for the study. In total the study covers 49 SHGs
with 800 members. The members have invested the loan in different economic activities like broom making, khalli stitching (leaf-plates), preparing eatables like bodi, papad, etc. They are also engaged in poultry, dairy and goatery business. In Gosani block, the members are preparing milk products like sweets, ghee, khoa, etc. and getting good price. They earn about Rs. 600 to Rs. 1000 per month through these activities. The study revealed that the members are not skilled enough to run various units. The researchers concluded that the marketing facilities for the sale of products of SHG may be created and Periodical exhibitions at block-level may be organized where the products of SHG can be displayed, through that members can show achievement in their business activities.

Sanjay Kanti Das (2012), He concluded from his analysis that of SHGs is appreciable in bringing confidence, courage, skill development and self worthiness in rural areas, particularly women. There is appreciable development in planning, coordination, decision making and financial skills among the leader respondents, but the effect of SHG on communication, organizing, competency and technical, marketing skills and entrepreneurial skills is moderate only. Finally, there is a definite improvement of managerial skills, psychological well being and social empowerment among rural women as a result of participating in micro finance through SHG programme. Considering all these parameters of women empowerment it can be stated that the empowerment is achieved through SHG in the districts among the rural women folks.

Grahalkshmi.S Dr. Palaneeswari.P (2013), their study can be concluded that today, SHG movement is a very vibrant movement spread across all districts of the
state. The training by the NGOs had increased their confidence and restored self worth. Even though the members have joined the SHGs for various reasons, most of the SHG members have developed their own small businesses with the credit linkage and are standing on their own legs. Mahalir Thittam – a bank linkage program to SHGs has emerged as an effective program in extending credit to rural women to enhance rural development in par with empowerment of women.

The inference from above studies is that the reason to join SHG may vary person to person, but the SHGBLP programs have emerged as an effective tool for rural women to develop, empower and achieve in their life.

2.2 ECONOMIC EMPOWERMENT

The following reviews prove that through Self Help Groups the poor women were made accessible to money for their livelihood and to protect themselves. It also helps to reduce their vulnerability.

Graham A N Wright, Deborah Kesente, Germina Ssemoger and Leonard Mustesasira (1999) in their study in Uganda, observed that financial services through MF system under joint liability can reduce the vulnerability of the poor individuals and households by providing access to money to protect against risk and cope with shocks. According to them, building of women’s human assets like self-esteem, bargaining power, control over household decision and skill improvement program can help the rural households in reducing their vulnerability.

focused from their study that the project of HUL had a very positive impact on shakthi dealers. It has been found that the greatest satisfaction is derived from the dimension of social empowerment. They conclude that the living of these people is raised only in the economic level. An upliftment in the living standard enhances them to offer a wider range of products and in turn leading to the creation of new consumers, which opens door for fresh thinking and engage themselves better with the subsistence market by offering suitable products and services.

Veeramani P, Dr.Selvaraju.D and Ajithkumar.D.J. (2009), reviewed on Women empowerment through micro entrepreneurship. The authors focused on the women living in penury land at Cuddalore district. It was said that micro finance program would give them a means to climb out of poverty. These women could be provided with short term and long term objectives like providing credit, technology and skill training and creating social, technological and economic mechanisms to under conflicts respectively. They also complain that these women’s expenditure are higher than their income. But the positive thing is most of them paid the loan amount in time so that economic activities of SHGs are quite success.

The above reviews have revealed that on joining SHG the rural women are able to climb in their life & come out of poverty. Certain reviews helps us to know that they are also empowered enough to take control over their lives. Even most of them have paid their loan amount in time so that the economic activities of SHGs are quite success.
2.3 EDUCATIONAL EMPOWERMENT

The following reviews throw light on how there were changes in the empowerment of women before and after participation in SHGs with respect to learning.

Sudha Rani.K., Uma Devi.D and Surendra.D (2002), in a comparative study (2002) conveyed the changes in the empowerment of women before and after participation in SHGs in terms of difference in self-confidence, health consciousness and house management. Primary study area in Tirupati Municipality. It was found that the empowerment of women in all aspects was higher in the age group of 31-40, that too among SC/ST SHG members. In this, training and education plays a vital role.

Ranjula Bali Swain (2007), this study indicated that on an average there is a significant increase in women’s empowerment of the SHG members group. The author concluded that the minimalist Microfinance approach alone is not sufficient to SHG programs, in addition to that training, awareness, organizing workshop and other activities to impart knowledge regarding financial services are also equally important for the empowerment of women.

The author Ranjula Bali Swain (2007) throws light on the activities that empowered women and effective changes that has brought in their lives. She stated that there is increase in self confidence amongst the SHG members. She suggested that lot need to change to make women truly empowered. She highlighted that a true women empowerment is possible only if greater emphasis is given on training,
education, creating awareness in order to achieve larger and more lasting empowerment.

Wale V.S. and Prof. Deshmukh A.M (2011) they studied on the importance of women empowerment and economic empowerment through SHGs. From their study they observed and presented some factors to be focused for success of women Empowerment, they are the Level of education, hard work, Social custom, Family planning, small family, Health, medical services, cleanliness, Environment, tree growing, kitchen gardening, Collective strategies beyond micro-credit to increase the endowments of the poor/women to enhance their exchange outcomes vis-à-vis the family, markets, state and community, and socio-cultural and political spaces are required for both poverty reduction and women empowerment.

Amith Kundu (2011), highlighted the MF program under SGSY scheme was able to reduce the vulnerability of the participating rural households. Households can plan for future, send their children to school, mainly the girl children to school for longer periods and are able to spend more amount for children education. A few member households have started small business after taking credit from their groups and it reduces the vulnerability as well as poverty of the member households.

Tanushree Chakrabarthi (2012) According to his study the respondents after joining the group, become more self reliant and responsible for the betterment of children’s educational status. Now they take decision independently due to financial support through SHG. 28.25% group members are now able to take autonomous decision regarding children’s health and education, 63% reported that they jointly with their spouse take, decision and 8.75% had no decision making autonomy.
regarding children’s health and educational issues. In this way this can be said that the initial health and educational responsibility entrusted to the men is being shared with their wives. He has an opinion that a detailed analysis may be needed to understand the scenario and a lot of changes are needed to make women truly empowered. To make them fully empowered, women need to be given training, education and awareness to achieve everlasting empowerment.

The reviews have proved that after becoming a member of Self Help Groups there was transformation from within, which the true empowerment is. Researchers felt the changes in terms of self-confidence, health consciousness, house management, purchase of goods, decision on children’s education and career, establishment of small ventures and so on. It is to be highlighted that through the emphasis given on training, education and awareness creation such educational empowerment was possible.

2.4 POLITICAL EMPOWERMENT

The following studies revealed that on joining Self Help Groups, women are able to get exposure to lot of people from various fields including political people. Such exposure makes them to get recognition in the family and society. This would bring positive impact on both economic and political lives of SHG women.

Hilaria Sowndari.M, (2002), made an attempt in her research study to contribute to the empowerment of dalit women at the grass root level through SHGs. The findings revealed that this can certainly be a significant step and a milestone in the history of rural development in India. The SHG movement and the joint ventures
of government and non-government agencies can pave the way for the emancipation of dalit women. The researcher stressed with confidence that a new dawn of equity in the lives of dalit women is the true dawn of freedom in India.

Deepti Umashankar (2006), this study seeks to explore the impact of participation in Self Help Groups on the Empowerment of women in the context of the great importance being given to the group approach while conceptualizing any programme for rural women. The study is situated in District Mewat in the Northern State of Haryana. Involvement in Self Help Groups has enabled women to have a voice in the community affairs and they have been able to tackle problems such as lack of drinking water and electricity, access to health services and children’s education. Though women face handicaps to their involvement in politics, their participation in SHGs has altered them, and these women can be prospective leaders in the local political field. Nonetheless various constraints like discriminatory practices in labour, low level of skills etc. operate to contract a woman’s potential for empowerment. It may be comparatively easier to ensure material change than to cause a change in power structures and the ideologies and attitudes which accompany them. However, no milieu is static, and some of the recommendations for a way forward include providing a convergence of inputs, ensuring a proactive involvement of women in the program, changing social norms and perceptions and anchoring with wider movements of social change.

Rajendran and Raya R.P. (2011), evaluated the empowerment of rural women in Vellor Dt. as a result of participating in microfinance program. From their study they concluded that women were able to act independently involving and participate
in Grama Saba meetings. They also expressed their view openly in the family and they were able to discuss issues freely with bankers, government officials and NGOs. The study focused on the empowerment of women in political and economic level and there was not much improvement in social empowerment through Self Help Groups program.

Vanthangpui Khobung (2012) studied on tribal women empowerment in Manipur, from that the author observed that the empowerment process through Self Help Group movement in Manipur is yet to make any notable impact on tribal women in all aspects – economic, social and political. Except little inroads in economic and social aspects, Self Help Group movement has shown hardly any relation with political sphere. Therefore, further in-depth research is required to clearly ascertain as to why Self Help Groups movement could not make any positive impact on the tribal women’s socio-economic and political lives in Manipur even after a decade or more.

The studies have proved that improvements in SHGs have enabled women to have voice in community affairs and they have been able to tackle various problems of their locality. At many places researches have proved that this SHG movement have brought notable impact on all aspect including political.

### Social Empowerment

The reviews below reveal that even social empowerment is also possible on joining SHG movement.

Prasad Rao.M (2010), Now the women members are participating actively in domestic decision making ie. purchase of consumable goods, decisions on children's
education and career and establishment of small ventures during non-harvesting period and also the financial strength gave them the confidence and authority to participate in social activities.

Dr. Lokeswara Choudary.Y and Chitra.S (2012) their study attempted to analyse the role and performance of Self Help Groups in promoting women’s empowerment in Kancheepuram District of Tamilnadu. The author analyzed the operating system of SHGs for mobilization of saving, delivery of credit to the needy, management of group funds, repayment of loans, in building up leadership, establishing linkage with banks and examines the social benefits derived by the members. The study revealed that Self Help Groups had set a new agenda for financial intermediation by banks in the form of micro-credit. By the formation of Self Help Groups, credits are demanded for various purposes like domestic, health, festivals, repayment of old debts, investment, etc. Similarly different economic activities (collection, processing and marketing of minor agricultural and allied products, individual business, goatery, dairy etc.) are undertaken by the Self Help Groups members after joining the group. Habits of savings, economic independence, self confidence, social cohesion, asset ownership, freedom from debt, additional employment, etc. benefits are derived by the SHG members. Thus, SHGs have served the cause of women empowerment, social solidarity and socio-economic betterment of the poor for their consolidation.

Puhazhendi.V and Satyasai.K.J.S. (2000), conducted a study to assess the impact of Microfinance on socio economic conditions of 560 household members from 223 SHGs in 11 states of India. The study found homogeneity in terms of group
members living in the same village or having uniform socio-economic status. With regard to social aspects, the study found that becoming members of SHGs and associating in its activities had significantly contributed to improving the self – confidence of the participating women.

Rao R.M.Mohan (2000), in the study entitled A study on women SHG in Andhra Pradesh by Rao R.M. Mohan concluded that SHGs showed a positive impact on the member households in respect of building of self confidence and social development skill and formation of social empowerment of women.

Puhazhendi.V and Satyasai.K.J.S. (2002), experienced empowerment of rural women through SHG in Indian perspective with the sample for the study was 223 SHGs functioning in 11 states representing 4 different regions across the country. For assessing the impact of the programme, pre-SHG and post SHG situations were compared during 1999-2000. Social and economic aspects of data such as, social empowerment, behavioural changes, asset structures and income etc. were collected and analysed to assess the impact. They concluded that the SHG as institutional arrangement could positively contribute to the social and economic empowerment of the rural poor.

Ritu Jain, Kushawaha.R.K and Srivastava.A.K(2003), examined the functioning of SHG in Kanpur Dehat Dt, 25 women of SHGs were selected as sample for the study. 10 women members from each SHG and 10 non-members from the same village were selected as respondents to study the impact of the SHG on the socio-economic status. The result showed that there is relationship between the SHGs and the socio economic status of women.
Puhazhendi.V and Badatya.K.C(2002), assessed the impact on SHG members in three eastern states. The overall findings of the study suggest that the SHGBLP had made a significant contribution to social and economic improvement of SHG members. There was also a remarkable improvement in the social empowerment of SHG members in terms of self confidence, as reflected in their decision making abilities and communication skills. Sustainability of SHGs were well established in terms of increased value of assets and savings rate, better access to institutional loans, higher rate of repayment of loans, elimination of informal sources and impressive social empowerment.

Mohmuda Hoque and Yoshihito Itohara (2009), they declared that 21% of the women respondents were empowered and rest of them are not. They also say that the socio economic factors of women participation, media exposure and family land holdings are very important for Women Empowerment.

Revathy.B and MRS.Kailash.M(2012), insisted that the women are benefited through SHGs in various ways like expansion of business and social network. It has improved their self esteem and enables them to be a good decision maker and gain respect from relatives and community members. Microfinance institution should act as a responsible financier to poor people and strengthen the communication with the customer. MFI can ensure that women should have a wholesome development in economic, socio and political factors.

Amrinder Singh, Sushil Kumar Mehta(2012), have studied socio economic profile of SHGs in the study area and explored the social impact of SHG bank linkage program during pre – post SHG period. In the study it was found that the rural people
have been vastly benefited by Microfinance. It helped them in their socio economic upliftment. After joining SHGs the level of communication and interaction with official have improved significantly as it has been revealed through the sign test. All of the members in group have common goal, which is seeking a better standard of living through a better organization that works for their benefits. The SHGs have proved that they could serve as an alternative instrument of financial intermediation for the poor.

Vanishree.P (2012), examined the trends and progress of the SHG bank linkage programme and she concluded that the RBI and NABARD have tried to promote relationship between the poor and the bankers through SHGBLP, it brought positive socio and economic impact on the livelihood for the people in rural areas. It raised the social empowerment of women. With the collective efforts from banks, regulators, government, SHGs, and voluntary sector, more of the rural poor can be brought within the ambit of financial inclusion. SHGBLP and its impact can be made sustainable with sincere interventions by banks in the areas of awareness building, skill development training and continuous counselling.

Dr.Kalaiselvan D, Mr.T.Jeyaraj (2012), this study addresses women empowerment through self help groups in Perambalur district of Tamilnadu and an attempt is also made to evaluate the social and economic benefits accruing to the members of the SHGs. The study concluded that the performance of SHGs was good. The greater percentage of women were impacted positively by being members of SHGs. Women’s participation in SHGs enabled them to discover inner strength, gain self confidence, social, economical, political and psychological empowerment and
capacity building. If the aforesaid suggestions are carried out by the authorities concerned, the SHGs will improve in future.

Studies helped us to understand that the members’ social skills, social behavior, social relationships have improved and have brought recognition to them.

2.6 INSTITUTIONAL CONTRIBUTIONS: MICRO FINANCE TO SHGs

P. Sathish (2000), has undertaken to compare the role of Government, NGOs and banks in promoting the SHGs and their strength and weakness, based on the findings the author concluded SHGs formed by RRB are equally good when compared to the groups formed by NGOs, but due to the constraints of their staff and the regular banking business, banks may be able to promote only a limited number of groups. The success of the government in SHG promotion is restricted to the districts where the development administration works in a true spirit of an Self Help Promotion Institution (SHPI) following the best practice. Through the view of institutional framework, an institution can be considered suitable as a SHPI if it is in a position to foster and nurture the best practices for SHG promotion.

Koffi Sodokin and Charles Donou-Adonsou, (2010) have undertaken a study to investigate the complementary relationship between commercial banks and Microfinance institutions in the west African Economic and Monetary Union (WAEMU) as a means to sustain economic growth, it resulted that the negative sign observed between the credit of MFI and economic growth can be due to the lower level of credit supplied by MFI to individuals, which makes it possible to consume rather than invest the loan, or to the high level of interest charged, which may prevent
the loan activity to be permanent. The implication is that without additional funds, MF is a detriment for economic growth. Tapping new sources of funding would enhance MF institution activities and improve economic growth and banks have ultimately a great role to play in funding those institutions for the benefit of both sectors.

Ajai Nair (2005) in his paper showed that the finance and private sector development unit of the World Bank scrutinized the necessity of federation of SHGs by exploring its merits and constraints through a case study approach. The findings revealed that the federations could help SHGs become financially and institutionally sustainable though it was constrained by several internal and external factors.

Nayakara Honnurswamy and Malappa Dandgund (2012), the author realized that the Indian economy at present is at a crucial juncture on one hand, the optimists are talking of India being among the top 5 economies of the world by 2050 and on the other is the presence of 260 million poor forming 26% of the total population. India is always depending upon rural area development, suppose the rural area will develop automatically nation will grow faster way, many economist to find out what type of rural plans Indian village need, with the help of scientific establishment of MF is possible to remove the village poverty.

Kieran Donaghue (2004), highlighted some key themes in the development of microfinance with special reference to Asia Pacific Region. She found that in many countries direct credit type programs continue to operate. There is indication of political attractiveness of these programs. Majority of the regions NGO – Microfinance Organizations (MFOs) raises questions about the role of this
institutional form in the sector growth. There are issues in south Pacific areas and there is no clarity in the relevance of MF to the developments of these regions. Success stories suggest that poor can be provided with improved access to financial services without subsidy which may be highly valuable to them.

Ghate.P (2006), reviewed the finding of three important recent studies, Parkas and others (2005) APMAS (2005) and EDA Rural system and APMAS(2006). All these studies revealed that SBLP is growing at a higher rate ahead of the capacity of SHPIs to ensure equity. The study noted that groups formed by government agencies tend to be the weakest and their share is reducing relatively to those promoted by NGOs.

Sudha and Dr.V.Selvam. (2009) identified the NGOs as building blocks or obstacles faced by SHGs. The study reported that though the NGOs are taking efforts to for SHGs but they lose interest after that. They help SHGs to get loan but mostly in paper work and they also threaten the members some times for various reasons. The study also concluded that there is frequent switch over of NGO staff which makes it less effective.

Dr. Mathiraj.SP, Annadurai.AR (2012), study made on financial assistance provided to SHGs under Microfinance system of commercial banks, Co-operative banks and NABARD in Sivagangai Dt. The author suggested that the SHG member should find out feasible income generating entrepreneurial activities which would raise and strengthen their economy and also suggests the commercial banks to establish a separate branch to help SHG and monitor their projects.
Ranjula Bali Swain & Maria Floora (2008) Study made on vulnerability through MFI, the empirical results of the authors prove that vulnerability amongst SHG member households does not differ when compared to that of non SHG member, though the former is poorer than the latter. The SHG bank linkage program is a joint liability MFI program which would be used for production and consumption and the MFI can strengthen mutual support networks that help reduce vulnerability of members.

In a comparative study, George Paul and Sara John.P (2010), attempted to identify opportunities for further improving the effectiveness of the two microfinance models in achieving the end goal of financial inclusion. The efficacy of micro-finance as an instrument of poverty alleviation greatly depends on the channel through which it is delivered. In the wrong hands, it could end up being counterproductive to its intended goal. Both the SBL and MFI models of micro-finance delivery have their own merits and demerits. The direct and indirect social benefits that germinate from the solidarity spread by SHG institutions are just not replicable in the MFI model. But the operational efficiency of MFIs is difficult to achieve by the SBL model. So, the ideal situation in the country would be one in which the SBL model caters sufficiently and promptly to the needs of the rural poor, while MFIs are also needed to fill the unbridgeable demand gaps that would inevitably exist in any such system.

Alok Misra (2006) studied on Microfinance in India and millennium development goals maximizing impact on poverty. The author concluded that the optimists are talking of India being among top 5 economies of the world by 2050, and on the other is the presence of 260 million poor forming 26% of the total population.
The enormity of the task can be gauged from the above numbers and if India is to stand among the community of developed nations, there is no denying the fact that poverty alleviation and reduction of income inequalities has to be the top most priority. India’s achievement of the millennium development goal of having the population of poor by 2015 as well as achieving a broad based economic growth also hinges on a successful poverty alleviation strategy.

SUSY Cheston and Lisa Kuhn (2002), proved beyond doubt in this paper that Microfinance program has the potential to transform power relations and empower the poor. This paper is an in-depth case study of the impact on women achievement by Sinapi Aha Trust (SAT), Opportunity International’s partner in Ghana. The authors have revealed that through a holistic approach, MFI can ensure that women are deeply and consistently empowered through their program.

As per NIRD seminars and workshop recommendations (1997-98), SHG promoted by NGO and supported by banks were the best informal groups for economic and non economic issues, Intensive direct support, training, regular meeting, maintaining minimum set of book, improving productivity through non-credit inputs, providing loans for emergency requirements at short duration, promoting awareness of developmental issues, were identified as the vital inputs for achieving the desired results.

Lakshmi.R (2000), in her paper reflected that the lack of capital was the serious constraint to the development of rural women Micro finance has come as a remedy to cure the illness of rural poverty as it emphasized financial; intermediation with self sustainability of institutions, while summing up, the author insisted on
encouraging this innovative approach all over India as it has significant bearing on rural development.

Dadhich C.L, has highlighted the successful experience of a public sector bank without the involvement of government or NGO. He has studied Oriental Bank of Commerce (OBC) operating in Dehradun district of Uttarakhand, where the participation of women in oriental bank Grameen project resulted in tremendous economic and social changes thereby achieving a firm empowering of women. Effective implementation of microfinance could be ensured to alleviate poverty by channelizing the large scale unproductive investment of middle income group through microfinance activities.

Deeppali Pant Joshi (2002), has indicated that microfinance offers an alternative way of helping the poor to attain growth using NGOs and SHGs as conduits for funds. A significant progress of this system can be achieved by strengthening them to have more access to managerial and professional expertise and downscale banks to increase their microfinance intervention efforts.

Manoharan Nair and B.Girija (2005), have identified the contribution of microfinance in eradicating poverty and empowering women to manage enterprises. Thus the thrift and credit operations enhanced the confidence and capacity of poor women thereby achieving women empowerment.

Tripathy K.K (2006), described that micro credit was emerging as one of the effective strategies to alleviate poverty and generate employment thereby sustaining
the income of the household. Therefore, efforts were needed to promote and strengthen microfinance institutions to optimize their war against poverty.

Smita Malhrotra and Sunita Mathur (2006), have pointed that over a period of time, institutional source of finance has become a major source of rural finance. To co-ordinate and synchronize the same, NABARD was set up in 1982 as a refinance and apex institution. Of all the services they rendered, providing rural credit more accessible to farmers through SHGs has been identified as the most successful activity for rural empowerment.

Dhurjati Mukherjee (2007), alleged that the bestowing of the noble peace prize on prof. Mohammad Yunus for his Grameen Bank model clearly indicated the success of microcredit for helping the poor not only in Bangladesh but also all over the world. Especially for India with greater rural population, an institution at the central level was necessary for meeting the financial needs of the poor at the gross root level. To conclude, NABARD through microcredit schemes aptly renders the required services through SHGs.

From the above studies it is understood that the various contribute and support SHGs either in funding them or providing services, certain studies suggest that training and development and monitoring the activities of NGOs can be done for much better functioning of SHGs and few more income generating activities can be suggested.
2.7 BANK CONTRIBUTION TO SHGs

Dr.S.Santhanam made an analysis on SHGBLP- Term loan Vs Cash credit system, from which he concluded that the banker may have temptation to use cash credit limit facility to their advantage at the cost of SHGs which is not desirable. The strong credit appraisal and strong debt follow-up are missing in our system of credit. Once they are done, half the battle is won for banks whether it is through cash credit mode / Term loan mode of financing of SHGs. Both RBI and NABARD would need to address these issues to make the bankers implement the cash credit limit facility to SHGs on a sustained basis, otherwise it might turn to be a cash and carry facility with more NPAs at bank level and resultant distress calls from SHGs level.

K.Raja Reddy, TCS Reddy, S.Prahallada (2012), studied in SHGs members loan default and recovery, they observed that the performance of default SHGs are low when compared to non-default SHGs, defaulting has been causing poor performance of groups particularly in the regularity of savings, meetings, book keeping, group corpus, savings in group SB a/c, discipline of the group etc. and the large volume of loans with multiple credit sources without financial discipline leads to default. The shortcut in practice in order achieve both stated and unstated ends of banks & Microfinance institutions, groups’ poor absorption and repaying capacity of the poor, vested interest of the political parties, poor implementation policies, poor systems and institutions have been significantly contributed to defaulting. The MFI and banks have been benefited more with SHBLP even though there is some amount of risk in the form of delayed payment /default which is temporary and overcome by
shortcuts of all the stakeholders, however, whether it is a bank/MFI responsible lending would alone optimize development and minimize risks of SHGs.

Dimple Tresa Abraham, S.S.Kalamkar (2011) described that the choice of the entrepreneurial activity, forwarded the market linkages, hand holding support for an extended period of time may be more vital than subsidy for successful micro entrepreneurship promotion and only then there would be sustainable income generation from the entrepreneurial activity, which would ensure inclusive growth.

Padmalochan Mahanta, Gitanjali Panda, Sreekumar (2012) found that, if we effectively handle the micro credit to poor, it can create miracle in the field of poverty alleviation. Government cannot obligate its responsibility a social and economic development of poor and down trodden. In absence of any special skill with the clients of microcredit, the fund is being used consumption and procurement of non-productive assets. Hence it is very important to provide skills development training program like handicraft, weaving, carpentry poultry, goat rearing, masonry, bees farming and many other agricultural and non-agricultural training. Government has to play proactive role in this case. People with some special skills have to be given priority in lending microcredit. These clients also to be provided with post loan technical and professional aid for success of their a great role in poverty alleviation.

Madusudan Ghosh (2012) reviewed the progress of SHGBLP at the national and regional level, he identified that the program has grown at a tremendous pace during last two decades and emerged as most prominent means of delivering MF services to the poor, being a bridge between the financially deprived and the formal financial services in India. Commercial bank, RRB, Co-Operative banks and NGOs
have contributed significantly the rapid spread of this program. Though the southern region has been concentrated more in this program, it has started picking up pace in other regions.

Vikas Batra (2012) described the SHGs experiences of the state of Haryana and revealed, many agencies promote MF with a variety of approaches and strategies in rural Haryana which is in an early stage of SHG movement. At present there is no adequate and complete database on SHGs in the state as the information stated as the information is scattered around with different department and institutions. SGSY is leading MF program and also it focuses on Below poverty line families in that state. Mewat development agency, smaller number of community based organizations and small NGOs are in the field but with certain limitations. Given the positive impact of MF on women, as claimed worldwide, certain innovative practices should be adopted to streamline the SHG movement in the state.

Priyadarshini Pillai (2011) observed functioning and growth of MF & SHGs for the period of 1997-2007 towards providing financial supports to the rural poor and women for improving their livelihoods. She concluded, though the SHGs have helped and have been helping the rural poor in maximum level, still 33% of poor families are not covered by the scheme. The issues that need to be attended are related to regulations, development of MF, organizing SHGs throughout the country, making MF a business proposition and implementing micro enterprise development programs to be resolved in a very constructive manner for the growth and development of SHGs, then the scheme would become a great boon and changed agent for the improvement of the socio-economic conditions of rural households.
Audil Rashid Khaki, Mohi-ud-Did Sangmi (2012) started the research with the objective of finding out the progress of financial inclusion in the state of Jammu & Kashmir and to improve their progress in the same states. They have concluded that the state of J & K has already seen a significant progress with regard to the financial inclusion but still the bankers need to reform their plans and ensure that the poor do not get into the clutches of informal sources, they have to work in a co-ordinated manner to remove the constraints and in demand and supply.

Missner.J (2006) made analysis of SHG lending in a Regional Rural Bank branch. Overall the study found that the SHG lending operations of the branch were viable and sustainable. The importance for the viability of SHG lending operations lies in the low risk costs of SHG lending in comparison to normal transactions.

Ramakrishna.R.V. (2006), his study reported that commercial banks had a major share of the market at 61% of total number of active SHG members and 68% of the total no. of loans outstanding to these SHGs. As compared to 61% market share of commercial banks, the RRBs had 30% and co-operative banks had only 9% of the share of the total no. of active SHG members.

Srinivasan.R (2001) examined the consequences of conservative financial policy and a high interest rate policy at the SHG level. The study reported that the SHGs are somewhat fragile (as indeed are most financial institution) and a small reduction in the loan portfolio quality can seriously damage it. In the first few years of an SHG, institutionalizing group process is much more important than accelerating lending. Over a sustained period, an emphasis on growth is probably unwise and unwarranted. At an operational level this paper attempts to enhance awareness of the
relationship between decisions, interest rates and borrowing multipliers and outcomes, such as operating surplus, funds and loan disbursement.

M. Suganya, studied on the impact of SHGs in improving lifestyle of women and poor people and she concluded from her study that the financial status of households had improved due to improvement in access in formal credit institutions, since SHGs are linked with banks, it has enabled women to undertake income generating activities, increased awareness level about the society and this system reflects the independence and diversity. From her analysis she found that there are considerable improvements shown in the lifestyle of women and poor people after joining in SHG. She suggested that flexibility is needed in obtaining rural credit to the common people.

Briji Raj (2012) made his study on success and shortcomings of twenty years of SHG Banking in India, he concluded that the SHGs have helped foster social, financial and economic inclusion, strengthened local governance and promoted leadership. Banks should treat the linkage program as a business opportunity and design area-specific and group-specific loan packages taking into account the local needs and available talent or skills. SHGs have been a vehicle for implementation of several government programmes and their efficiency can be increased by ensuring convergence of efforts of different government agencies, NGOs, state governments, etc.

Karan Walia, Monika Jain (2012) studied on the impact of Microfinance on poverty, they found from their study that the impressive gains made by SHGBLP in coverage of rural population with financial services offer a ray of hope, and they
argue for mainstreaming of impact assessment and incorporation of local factors in service delivery to maximize impact of SHGBLP on achievement of MDG and not letting go this opportunity.

Dr. Narasimhachary and Sreenivasavvasi (2013) highlighted the SHG bank linkage and loan outstanding of banks against SHGs. Based on their observation, the commercial banks aggregately have the majority share of loan outstanding against SHGs to the extent of 70.28% on an average. However, the RRB accounted for proportionate of 23.25% and followed by co-operative banks which accounted for 6.17 during the study period.

CFDA (Center for development alternatives) attempted to examine one of their recent projects to establish micro banks for women. This report gave an overview of the project as well as its result success. There was a strong note of confirmation that such projects would definitely pave the way for women equity and empowerment. To build up better results CFDA had to provide internal and external support in the project area.

In a comparative study, Loganathan.P (2004) made an attempt to measure the performance of linkage of SHGs with banks in order to measure the extent of involvement of banks and to highlight the prevailing conditions in Tamil Nadu. The study revealed that Andhra Pradesh, Tamil Nadu and Karnataka are the top three states with respect to lending, commercial banks to the list, followed by Regional Rural Bank(RRB) and co-operative banks. Tamil Nadu plays a vital role in linking SHGs with banking sector.
From the above studies it is understood rather than “term loan mode cash” credit mode is found better for financing of SHGs. Skilled people should be given priority in lending micro credit. The role of commercial banks, RRB, Co-operative banks and NGOs have contributed significantly for the rapid spread of these SHGs. Though this scheme is said to be wide spread yet 33% of the poor families are not covered by the scheme.

2.8 EMPOWERMENT OF WOMEN THROUGH SHGs

The following studies throw light on empowerment of women through SHGs.

Tiyas Biswas (2005), examined the impact of Microfinance with respect to poverty alleviation and socioeconomic empowerment of rural women. The author said from his analysis the gender strategies in micro finance need to look beyond just increasing women access to savings and credit and organizing self help group to look strategically at how programmes can actively promote gender equality and women’s empowerment, also the focus should be on developing a diversified micro finance sector where different type of organization, NGO, MFI’s and formal sector banks all should have gender policies adapted to the needs of their particular target group roles and capacities and collaborate and work together to make a significant contribution to gender equality and proper development.

In a comparative study Pawan Dhiman (2009) attempted to evaluate the SHGs activities in Himachal Pradesh and in Punjab. It has been found that some SHG activities are being done in Himachal Pradesh and whereas Punjab government has to take more proactive steps to educate the rural masses especially women in this
direction. At this juncture rural entrepreneurial development is a complex and important sector which can be tackled by the social, political economical sectors and institutions of the government. The sooner they are established, the better it would be for the entrepreneurial development in the rural sector and economic growth of the country.

Sivakumar Venkataramany and Balbir B.Bhasin (2009) from their study they observed that the SHGs are able to serve nearly 60 million people and the task of bringing the remaining 180 million people still living below poverty line is a daunting task. Seeking relief from problems and providing welfare is the primary goal of the SHGs and the success thereof would lead to a strong community development ensuring eradication of social evils in the environment. Sustainable system development and the integration of all section would be the ultimate benefits for India.

Minimol M.C. and Makesh K.G.(2012), analyzed on empowering rural women in Kerala, They found from their study that the concept of SHGs for rural women empowerment has not yet run its full course in attaining its objective. Further efforts in refining group characteristics and realigning group objectives can ensure furtherance of effectiveness of SHGs in translating rural women into a more powerful section of the society.

Manonmani. I.K, Prabhakaran.V.P (2011), This paper explained the women empowerment in Kovilangulam Panchayat, Chellampatti Block, Usilampatti Taluk, Madurai District as a case study. The study revealed that the women age groups 40-50 have actively participated in the SHGs activities because these age group members are
mostly committed in the various family responsibilities. Many women in the study area join the SHGs for getting loan and promote their personal savings, in addition, to get social status. In the study area many women (28.75%) join the SHGs for social status. 27.5% of the respondents join for improving their savings.

Jaya S. Anand’s study (2002) is undertaken to enquire into the performance of women groups in Kerala commonly known as Self-Help Groups (SHGs) and Neighborhood Groups (NHGs) and to identify the factors contributing to their failure or success. From her study she found that the performance of the tribal group was very poor and its repayment record was dismal and also suggested that beyond financial intermediation, SHGs can and should bring about drastic changes in the lives of the poor. It has been clearly established that delivering credit alone may not produce the desired impact. The supporting services and structures through which credit is delivered, ranging from group formation and training to awareness-raising and a wide range of other supporting measures are critical to make the impact of group activity strong and sustainable.

Tanya Jakimow and Patrick Kilby (2006), this article aims to evaluate the potential of SHG programmes through the reduction of internal, institutional and social constraints that prevent the marginalised from pursuing their interests. An analysis of the ‘normative’ model of SHG programmes, and its actual application shows that while SHG programmes have the potential to empower women, this is often not realised through the persistence of ‘top-down’ approaches in implementation. SHG programmes are further limited in their ability to transform social relations due to their apparent insistence that the marginalized are the only
legitimate actors in their own empowerment. Rather than argue for the discontinuation of SHG programmes in India, their potential to empower women can be increased through a ‘bottom-up’ orientation in implementation, while recognising that in and of themselves SHG programmes cannot reduce all the constraints preventing the pursuit of interests.

Marina Pinto(1995), insisted that the empowerment process should have four main components namely, economic independence, knowledge and awareness, self image and autonomy. The various schemes introduced by the government for development lack an integrated approach. From this article, the author enumerated the value of the contribution made by Maharashtra government for the development of deprived women through education, health and employment. This paved the way for the empowerment process.

Jaya cherian (2001) has undertaken a wide extent of empowerment achieved by women through SHG at individual level, household level and compared the extent of empowerment between micro enterprises was higher in all the variables. It was suggested that the NGOs and other supporting agencies could motivate groups by giving them training and exposure to successful enterprises, which would lead to the attainment of empowerment.

Maheswaran.S and Amita Dharmadhikary (2001), have alleged that the micro credit schemes using SHGs were based on the theory of asymmetric information and peer monitoring was designed against the failure of earlier schemes. By selecting three villages in Pune district coming under maharashtra Rural credit program(MRCP), the authors tried to find out the positive impact on loan repayment
and alleviation of rural poverty, the authors concluded with a strong note that, in spite of some difficulties, the SHGs functioned effectively and democratically, thereby making the scheme the most effective way of targeting the poorest of the poor.

MYRADA, an NGO (2002) with the knowledge and consent of NABARD engaged ORG _ MARG, a social research unit, to conduct a comparative study to find out the ‘social impact’ of the SHG Bank linkage program. Groups over 3 years old and less than one year old were selected from four southern states to compare the results. In all the analyzed components, the older groups were identified as being more mature and sustainable than the new groups.

Vijayanthi.K.N (2003), in her study reiterated that SHGs became the main forum for rural women to share their problems. It helped them gain confidence and find ways and means to solve various issues affecting them. Their joint efforts not only helped them to solve their problems satisfactorily but also to acquire knowledge and leadership skills. Thus, SHGs contributed a lot in empowering women in all spheres of life.

In an empirical study, P.Prabhakar Varma (2003) has highlighted that women could gain empowerment only through SHGs as per the Gandhian idea of power to poor. The author has studied the actual status of SHGs in Andhra Pradesh selecting three districts of 1000 SHGs to assess their level of empowerment. It was revealed that the members of the groups have achieved a respectable position in the country as they have become highly independent, more participative and gained more awareness, thus the author has concluded that the SHGs supported by NGOs along with the state
government are the pillar for strengthening the empowerment of women in all the spheres of life.

Manoharan Nair and B.Girija (2005), have identified the contribution of microfinance in eradicating poverty and empowering women to manage enterprises. Thus the thrift and credit operations enhanced the confidence and capacity of poor women thereby achieving women empowerment.

Majority of the studies have proved that SHGs have empowered women and in certain cases the concept of SHGs have not yet run its full course in attaining its objective. But it is understood that SHG has brought drastic changes in the lives of the poor. The members are able to seek relief from problems, achieved economic independence, acquired social skill and knowledge, self image and autonomy. All these have paved way for a complete empowerment which was possible through SHG.

Lakshmi.R and Vadivalagan.G, the study showed that the main reason for joining SHG is not merely to get just credit, it is an empowerment process after joining the self help group the women are economically and socially empowered. This empowerment cannot be transformed or delivered it must be self generated such that it enables those who are empowered to take control over their lives. As Cited by Karl Empowerment is a process of awareness and capacity building leading to greater participation, to greater decision-making power and control, and to transformative action (Karl,1995:14).
The above reviews have made us understand that the SHG movement is a very vibrant movement spread across all districts of the state. The training by the NGOs had increased their confidence and restored self worth. Even though the members have joined the SHGs for various reasons, most of the SHG members have developed their own small business with the credit linkage and are standing on their own legs. By the formation of SHG, credits are demanded for various purposes like domestic, health, festivals, repayment of old debts, investment, etc.

Similarly different economic activities like collection, processing and marketing of minor agricultural and allied products, individual business, goatery, dairy etc.) are undertaken by the SHG members after joining the group. Habit of savings, economic independence, self confidence, social cohesion, asset ownership, freedom from debt, additional employment etc., benefits are derived by the SHG members.

There is an appreciable development in planning, co-ordination, decision making and financial skills among the leader respondents, but the effect of SHG on communication, organizing, competency and technical, marketing skills and entrepreneurial skills, psychological well being and social empowerment among rural women as a result of participating in micro finance through SHG program.

In the aspect of women’s social empowerment, members’ social skills, social behavior, social relationship have improved and have brought recognition to them.