CHAPTER-I

1.1 INTRODUCTION:

Provision for credit and generation of savings have long been recognized as an essential element in any development strategy. Credit plays a crucial role in the modernization of agriculture but its role in the fight against rural poverty has seldom been recognized. Micro credit ensures the poor women with employment and income. Rural credit system in India has expanded considerably over time. A period of in connection with this, the dependence of rural households for this credit needs on informal agencies such as money lenders have considerable gone down. The share of informal credit agencies of rural household in the outstanding cash dues has drastically declined from 83.7 per cent in 1961 to 36 per cent in 1991. However, the dependence of rural households on informal agencies has been continuing even today due to number of problems in accessing credit from formal agencies (Puhazhendhi. et al, 2000).

Micro credit especially for poor women entrepreneurs is a fundamental notion to mix ethics and economics and is a social-economic in it. The micro-finance programmes have enabled the poor people to take up micro- entrepreneurship by availing credit without any interference of an outsider to dictate as to how and for what the loan should be used.

The microfinance has become very popular in present days because of various advantages:
i. They enable the poor to save and thereby improve their confidence and reduce vulnerability.

ii. They enable poor householders to borrow consumption and production purposes; which would lead to their decreased dependence on and liberation from the clutches of money lenders. Increase in credit availability for consumption has armed the poor with food security, credit for health, education etc.

iii. Loans for production purposes enable the poor to improve their agricultural production and also enable them to undertake income generation activities so as to alleviate poverty.

iv. Increased credit availability for women to undertake income generating activities would give them a way to access resources and income. This leads to enhancement of decision making within the household and thereby, enable them to spend on health, education, consumption etc. Women income generating activity would interact with outside markets, community etc. Such mobility initiates to gradually enable them to play an active role in social, political and economic issues which affect one-self, householders and community. Thus, micro-finance activities lead to income generating activities which in turn contribute to women empowerment (Rajashekhar, 2000).

Our perspective on the development of women has undergone a radical change to have essential move from a welfare approach to an empowerment and rights based approach, where we acknowledge that women have rights which are to be recognized to allow for helpful development.
The world summit on micro-enterprises and the Consultative Group to Assist the Poorest (CGAP) highlighted the serious concern of the international community to reduce the level of poverty, both in terms of income and deprivation of basic needs for a decent living. Microfinance, in recent time, has been recognised and accepted as one of the new development paradigms for alleviating poverty through social and economic empowerment of the poor, especially women.

The concept of micro-finance mainly rests on the premises of: a) self-employment/entrepreneurship formation is a viable alternative means of alleviating poverty, b) lack in accessing capital assets/credit acts as constraint in existing a potential micro entrepreneurship, and c) the poor are resaved impute of their low level income. Hence, microfinance is referred as providing credit support, as usually in very small amount, along with training and other related services to people with poor resources and skills but who are in a position to undertake economic activities.

The country's concern are safeguarding the rights and privileges of women found its best expression in the Constitution of India by giving special attention to the status of women. Article 14 confers equal rights and opportunities on men and women in the political, economic and social spheres. Article 15 (3) empowers the state to make affirmative disorientation in favour of women. Inspite of it the credit programmes have ignored women for a long time. Targeting women for credit programmes began to receive serious consideration at the International Women Conference in Mexico City in 1975. In India, this
universal concern found recognition in the sixth plan, i.e., 1980 to 85. Since then, a concerted effort has been made in this direction by rural credit institutions to uplift rural women.

Micro-credit is distinctly different from other poverty alleviation schemes. Loans under micro-credit programmes are very small, being on an average less than $100 by world standards and in hundreds of rupees by Indian standards. Micro-credit continues to target the rural and urban households with emphasis on women borrowers, provision of finance for creation of assets and their maintenance and training in greater quality of services. (Pandian and Eswaran, 2002). In micro-enterprise credit is used for economic purposes. But micro-credit is needed to meet other needs of the poor like health, education, social functions etc. (Dwarakanath, 2002).

Micro Credit has some important features:

1. Loans under micro finance programmes are very small, on an average less than $100 by world standards and in hundreds of rupees by Indian Standards.

2. Micro finance continues to target the rural and urban households, with emphasis on woman borrowers, with provision of finance for creation of assets and their maintenance and bringing in greater quality of services. The beneficiaries are identified by micro finance providers themselves independently or through NGOs.

3. Credit follows thrift. The first stage is the formation of groups by individuals themselves, followed by the mobilisation of petty savings and recycling this by lending to group members.
4. The repayment period is generally very short. The amount increases based on the borrower's repayment capacity. This is called the loan gradation process. The transactions are to be undertaken by mutual consent in truly informal manner.

5. Loans are devoid of concessions and bear a comparatively higher rate of interest. It is a significant departure from earlier exercises in providing credit to the poor through financial institutions at subsidised rates with high default rates.

6. RBI has not imposed any minimum of maximum ceiling on the loan amount, assuming that the banks will be in a position to understand the underlying idea.

7. The operational strategy under the new micro finance involves several features such as simple procedures for receiving and approving loan applications, delivery of Credit and related services at commercial rates of interest in a convenient and user friendly way; quick disbursement of small and short term loans; clear recovery procedures and strategies; maintaining high repayment rates; incentives to get larger loans immediately following successful repayment of the first loan.

Micro finance focuses on the process retaining most of the earlier characteristics such as farm and non-farm credits, target group being the poor, operating largely in rural and semi-urban areas and small borrower accounts. The new paradigm emphasises financial intermediation with self sustainability of institutions and quantitative/qualitative reach to the poor.
a) Women Empowerment:

The empowerment and autonomy of women and the improvement of their political, social, economic and health status are highly important. In addition, it is essential for the achievement of sustainable development. In all parts of the world women are facing threats to their lives, health and well being as a result of being overburdened with work and also on account of their lack of power and influence. In most regions of the world, women receive less formal education than men and at the same time, women's own knowledge, abilities and coping mechanisms often go unrecognized. The power relations that impede women's attainment of healthy and fulfilling lives operate at many levels of society from the most personal to the highly public. Achieving change requires policy and programme actions that improve women's ability to secure livelihoods and economic resources, alleviate their extreme responsibilities with regard to housework, and remove legal impediments to bring in social awareness through effective programmes of education and mass communication. In addition, improving the status of women also enhances their decision making capacity at all levels and in all spheres of life, especially in the area of sex and reproduction. This, in turn is essential for the long-term success of population programmes. Experience shows that population and development programmes are most affective when steps have simultaneously been taken to improve the status of women.

b) Self-Help Groups:

The SHG is considered as a viable organization of the rural poor, particularly women, for delivering micro credit in order to undertake
entrepreneurial activities. Some of the SHGs managed by the rural poor women successfully demonstrated how to mobilize and manage thrift activities, appraise credit needs, enforce financial discipline, maintain credit linkages with banks and effectively undertake income generating activities.

The SHGs provide the benefits of finance, cost effective alternatives for different financial services, collective learning, democratic and participatory dialogue and co-operation. The functions of SHGs are based on co-operation rather than competition. It follows the principle of ‘contribute according to your ability and take according to your need’.

Pandit Jawaharlal Nehru says “To awaken the people, it is the woman who should be awakened. Once she is on the move, the family moves, the nation moves”. A detailed account of the current thinking on women empowerment, micro finance and self-help groups (SHGs) is given in the second chapter.

1.2 NATURE OF THE PROBLEM:

The women’s question has of late attracted attention of social scientists who find plenty of area still unexplored. Sociologists in particular have undertaken the task of conducting systematic research to assess the changes that are taking place in the conditions of women all over the world, especially in the developing countries. “In both industrially advanced and less developed countries, women are burdened with cumulative inequalities as a result of socio cultural and economic discriminatory practices which, until recently, have been
taken for granted as though they were part of the immutable scheme of things established by nature. It is seen that women have been denied equal opportunities all over the world for personal growth and social development. In India it is still worse because of the sex segregated character of society, the conditions of poverty and the traditional value system. Gender discrimination is equally an economic issue having serious implications on sustainable development of societies.

A study revealed that nearly 85 per cent of the female population in the country was not able to participate adequately in economic reconstruction of the nation (Sharma, 1985)

In rural area, participation of men is relatively easier than that of women. The problems in women’s participation are listed below:

1. Some of the farm women may feel inhibited to participate for reasons such as lack of confidence, family pressure, customs, etc.
2. Most of the women may not to take up jobs though they remained unemployed due male domination their husbands were not interested in sending their wives to venture in such new occupations.
3. As wage-earning agricultural labourers, women suffer other kinds of disadvantages also. A woman is not mobile like a man as she is bound by her home and family responsibilities. Thus, while the male agricultural labourer may move from place to place in search of work for better wages, the woman sticks to the house picking up the work in the vicinity of her house and accepting whatever wage is given.
4. At the village level women's participation depends upon the social structure of the community the class composition, social stratification and status hierarchy of groups, the distribution of power and authority and traditionally determined decision making patterns.

5. While men can attend Farmer's camps to learn about the use of new implements, fertilizers, pesticides and crop rotation, etc. women remain at home and will be ignorant and thus become unfit to handle jobs where scientific methods or new technologies are involved.

6. Employment for women is restricted by:
   a. Increase in landless households and female labour
   b. Impact of farm technology and mechanization.
   c. Inadequate educational opportunities for them,
   d. Lack of access to career guidance and
   e. Lack of situational support.

On account of the problems mentioned above, participation of rural women may not be easily forthcoming.

1.3 REVIEW OF LITERATURE:

There has been a burgeoning research on women empowerment, micro finance and self-help groups. Although it is not possible to cover all the studies available, an attempt is made in the present section to review few important works on the subject.
Saha and Banarjee (1991) point out that the status of women has been continuously hampering the society in different ways from the primitive communities to this present modern urban life. The status may be based on difference in birth, wealth, occupation, political power, race and intellectual attainment.

Pinto (1995) brought out that the development has bypassed women. She points out that the role of women in overall development has not been fully understood. Hence, the remedy will be by stressing the role of education in the emancipation of women. The author says that empowerment of women is a sine qua non for creating a more egalitarian relationship between men and women.

Vatta and Singh (1996) have studied in detail three self-help groups by comparing with non members who are above poverty line. They conclude that the self-help groups belonging to the people below poverty line generated more savings than that of above poverty line groups, although the banks provided less credit to the below poverty line groups. They opine that, above poverty line groups are getting credit by banks due to good contact with officials and politicians coupled with better repaying capacity.

Rao and Padmaja (1988) point out that in recent times most of the women are contributing to their family income by participating in activities like agriculture and allied sectors, business, small industries, crafts services and many other callings. They also find that the women were very active in participating in the group and saving money. Most of the women expressed that the programme staff are kind enough and
they are co-operating very well to run their groups. All the women were very satisfied about being members of the group.

Sabri (1998) finds that the rural women have acquired a secondary status in social life, economic activities and decision-making. A number of socio-economic constraints limit their work productivity and role in employment and income generating activities. Rural poor women are fully engaged in agriculture and allied activities including small farm agriculture, livestock, food processing, gathering, small trading and vending. Women successfully diversified their off-farm activities such as poultry farming, animal husbandry, bee keeping, tailoring, Beedi rolling, construction labour, work in factories and work sheds, providing services such as cleaning and washing. The author concludes that the development programmes have largely not achieved the anticipated impact on the socio-economic condition of the women.

Lalitha (1998) made an attempt to study in detail net working of micro-finance and rural NGOs. The networking among the banks, NGOs and women borrowers can open new vistas in building a new micro credit structure leading to sustainable development. The author came to the conclusion that the effective partnership between reputed NGO's and Banks for promotion of self-help base for credit plus approach to micro enterprises of women would help in their emancipation.

Dodkey (1999) observed that the self help groups or the thrift and credit groups are mostly informal groups, whose members pool savings and re-lend within the group on rotational or needs basis. SHGs are
organized for poor and women in particular. SHGs have been formed around specific production activities and they promoted savings among their members and used the pooled resources to meet the emergent needs of the members including the consumption and economic means of ensuring access of credit to the poor and vulnerable sections of the society. Having found SHGs as an effective and economical approach for disbursement of credit to the poor, banking sector in India has accepted the SHGs as eligible entities for deployment of credit. The study concludes that the SHGs are the solution to accelerate the socio-economic development of the rural poor in India.

Das Gupta (1999) views that the finance is the life blood of any economic activity. India has a long tradition of co-operative financing for agriculture and rural development. The other agencies like nationalized Grameen Banks, District Rural Development Agency and Integrated Rural Development Programme, the Regional Rural Banks, work for creation of farm assets through long-term finance. It is also stated that finance is provided to the people, who work in agriculture, fishing, herding; who operate small or micro enterprises that provide services and to those, who work for wages or commission. They are particularly effective way of empowering women. The study states that micro credit has ushered in a new era of hope to the poor and women.

Mittal (1999) points out that the micro-credit especially to poor women entrepreneurs is a notion that mixes ethics and economics and is a socially conscious programme. It stresses the need for implementing theories rather than confining them to academic discussions. The micro
credit scheme has proved that the poorest of the poor are credit worthy. The co-operative banks and other commercial banks are providing loans for agriculture and allied activities and for small industries. However the fact is that these credit facilities have not fully reached the poor and down trodden doing small business in urban and rural areas especially women. The author states that the micro credit scheme is new paradigm of development.

Newport and Jawahar (1999) found that the concept of enterprise is as old as human history, and can be found in all strata of society. An entrepreneur acts as a catalyst in all organized societies by providing both products and services. It was also in a way, unrealistic to expect the formal credit system to be fully cognizant of the social objectives, of providing credit to the rural poor, and even more particularly to women in poverty. The authors have drawn inferences that this two-fold strategy when adopted in developmental programmes, should add magnitude in the development of women involved as rural entrepreneurs. The socio-economic and cultural status of their families is assured and will get itself integrated with the national main stream.

Narasimhan (1999), in his study on an alternative strategy for empowering women uses secondary data to arrive at meaningful conclusion. The main objective of the study is to assess the effectiveness of alternative strategies of development and empowerment of women particularly of poor women from socially disadvantaged communities in rural area. Based on the findings the study suggests that instead of economic intervention, it is worth to create awareness among
women. The study also reveals that in every area of empowerment (earnings, education, health etc.) awareness and psychological empowerment, acquiring necessary knowledge and skill will play more effective role.

Govindappa (1999) in his study on rural women entrepreneurship discusses the role of women in economic affairs and the gradual spread of education was largely responsible for radical changes in the status of women in India. As in recent years women are making their efforts even in the field of business and industries. The government, finance institutions and nationalized banks have also setup special cells to bring into focus women self employment efforts to develop entrepreneurship among women. The study suggests that special programmes of entrepreneurship development for different sections of the society have to be earmarked. In other words there is a need for specific programmes and the government should have definite policies to create entrepreneurial opportunities for women in rural areas.

Anand (2000) points out that the micro-financing turned out to be an extremely effective tool in poverty alleviation and improving the participation of the people in the development groups. This innovation of self-help groups and the micro-credit has helped the poor. The impact of micro credit on household income reveals that participants usually have higher and more stable income than they did before joining the group. The economic empowerment, has improved their confidence, living conditions and above all enabled them to participate
in the growth and development of the community at the grass root level. Right from the mid-eighties, micro-finance has become a key strategy in Kerala for poverty alleviation and empowerment of women. The study highlights the strengths and weaknesses of the micro-finance programmes and suggests for skill upgradation and technological training of the members and thus promoting the success of micro-credit supporting micro-enterprises.

Gurumurthy (2000) observes that women empowerment cannot be ignored. Women participation in rural employment is significant as they put their entrepreneurial skills in all the rural employment activities such as agricultural operations, poultry, sheep rearing, dairy farming, and fire wood cutting, selling of agricultural produce and rural employment activities. Due to poor financial strength of SHGs they have failed to reap expected return in rural areas. This study suggests for providing the finance assistance by organized institutions like Regional Rural Banks and commercial Banks.

Ahluwalia (2000), in his study on empowerment of women observed that the need of the hour is to empower women so that they can make informed choices. The government has framed some well-intentioned schemes on economic and social improvement in women’s status. Through self-help groups and self-employment schemes and a concerted all-round effort by both government agencies and corporate as well as individuals, better results can be achieved.

Narasimhan (2000) notes that the empowerment in the real sense of quality of life does not necessarily follow with rising money incomes
or longer life spans. Economic empowerment, compared with two-generations ago, in term of wage rates and earnings have undoubtedly gone up, both in the rural and urban areas. The economic empowerment is not merely in monetary terms but in terms of real value. With the socio-economic empowerment political empowerment should be attained for emergence of expected results. The author highlighted that empowering woman is not only empowering her financially but socially also. It is necessary to give opportunities to women in all spheres and areas to strengthen in them according to the changing conditions.

**Kulshrestha (2000)** opines that unless the people particularly the women living in rural areas come up with socio-economic development, the upliftment of the economy will be a day dream. For the socio-economic development of rural areas, micro finance has to be encouraged as it has a significant bearing on rural development. She discusses the problems of rural women in getting micro finance in detail as well as meaning and features of micro finance. She also discussed need of participation of government in providing micro finance to the weaker sections of rural India. She concluded that now they require more financial assistance to come out of their problems.

**Nagayya (2000)** focused on thrift and credit operations. He discusses the nature of organizations to inculcate the habit of thrift and credit operations among poor people and micro credit scheme introduced by SIDBI. The author came to the conclusion that the people of remote areas need financial assistance for their development. Under
such circumstances, an informal arrangement for credit supply to the poor through the forum of self-help groups is fast emerging as a promising tool for promoting income generating enterprises.

Savithri and Sujathamma (2001) opine that sericulture offers wide scope for economic empowerment of women, especially in the rural sector. The facility this industry offers for women workforce in almost every component starting from mulberry cultivation up to fabric making will be of great advantage for women to take up the vocation in the area of their liking to attain sound economic status, which empowers them to find a respectable niche in the society. It would be an occupation with great potential for formation of SHGs and consequent empowerment.

Ojha (2001) notes that the unemployment problem prevalent in India sharply differs from that which prevails in western nations. The possible routes to the promotion of self employment are promotion and strengthening of self-help groups. They provide the benefits of economies of scale, cost effective alternative for different financial services, collective learning etc. The self-help group is not a static institution, it grows on the resources and management skill of its members and their increasing confidence to get involved in the issue and programmes that require their involvement in the public and private spheres. The conclusion is that self-help groups model of self-employment generation seems to be workable model. However, there will be need for utmost care in promotion of self-help groups and
unemployment problem may be eradicated by promoting self-employment and formation of self-help groups.

Bham and Singh (2001) say that women empowerment for gender equality is not with only women but also with males who are concerned with them. They advocate reduction of male dominancy, by training women and offering necessary co-operation from their families and society.

Veluraj (2001) says that in the present day situation importance must be accorded to women empowerment in rural areas with a view to attain equal rights as enjoyed by their male counterparts. Voluntary agencies play a pivotal role in ensuring women empowerment through income generating programmes like skills for managing the small scale enterprises, fruit processing etc. He suggests that the government should also give provision to strengthen the SHGs in the rural areas more rapidly. However, this study does not provide strong empirical evidence to support the argument.

Padmanabhan (2001) points out that the need for empowering rural women in agriculture through effective training and extension services arises from the gradual decrease in the availability of arable land, increasing population pressure and growing environmental degradation which have far-reaching implications of food and nutritional security in future. The author came to the conclusion that the need to empower women in all sectors has not come a day too-soon. A significant initiative for political empowerment was taken through the 73rd and 74th constitutional amendments.
Barbara and Mahanta (2001) stress on the role of self-help groups in promoting savings habits and contribution of self-help groups in providing micro-credit in the generation of income of the poor. The study revealed that more than 80 percent of the members were from poor families and women who were engaged in gainful economic activities. They opined that self-help groups will help the poor people by promoting saving habits, keep free themselves from the clutches of non-formal sources of credit and influence them to engage in large income generating activities.

Sharma (2001) noticed that micro financing through self-help groups is contributing to the development of people in a meaningful manner. The study also reported that significant changes in the living standards of self-help group members, have taken place, but it didn’t differentiate that how micro-financing through self-help groups is effective from direct financing.

Navadkar, Birari and Kasar (2001) suggests that the self-help group bank-linkage should be strengthened to provide micro credit to the rural poor.

Naithani (2001) critically analysed the benefits and disadvantages of micro finance for self employment and concluded that the effectiveness of such programmes depends on effective planning, implementing revision and supervision of the operations. Eradication of poverty in rural areas can succeed only with active participation of the agencies and individuals involved in it.
Kulkshrestha and Gupta (2002) highlight the importance of the Non-Government Organizations (NGOs) and micro finance in promoting saving and credit programmes. The need of micro-level institutions to involve the people in the formulation, implementation and monitoring of the programmes is, therefore, stressed in several quarters. The micro finance is being referred to as small-scale financial services provided to people who work in agriculture and allied sectors.

Joshi (2002) views that the creation and development of SHGs is intended to foster new opportunities for women to gain economic and political power at the local level. The study observes that there is a need of initial support by the NGOs and giving technical and economic assistance to the groups, until they are ultimately expected to become self sustaining and self governing as well as for initiating savings among the women and finally taking up some economic ventures.

Bhatia and Bhatia (2002) point out that the formal financial institutions still hesitate in lending to the poorest sections of the rural people. The self-help groups in mobilizing rural savings and giving credit to the rural poor are good alternatives. The authors are of the view that the group finance will increase accessibility of the rural poor in relation to their financial needs. Individuals who could never have dreamt access to bank finance can hope to be so under group lending.

Joshi (2002a) considers credit as an important input in the development process. The rural credit system in India has evolved through different phases. The author says that the effectiveness of routing of financial assistance to the poor through the self-help groups is of great significance.
Jha (2002) notes out that the micro finance models of Bangladesh have made waves across the globe. The essential features of the government sponsored poverty alleviation programmes included recognition of traditional top down approach based on the trickle down strategy. The absence of institutional credit restricted the efficacy of such planned efforts in tackling the problem of poverty in the country. The author, therefore concludes that the micro finance models in Bangladesh, despite a few weaknesses have proved to have better accessibility, wider outreach, emphasis on women empowerment and availability of a wide range of credit and non-credit services.

Dwarakanath (2002) assets out that the women led self-help groups have successfully demonstrated their ability to mobilize and manage thrift, appraise credit needs and enforce financial self discipline. The study of self help women groups in Andhra Pradesh reveals the effectiveness of these groups among the rural folk about the significance of women empowerment and rural credit. The credit needs of the rural women are fulfilled totally through women groups. They could indeed bring in socio-economic development of self-help groups.

Jain Kushawaha and Srivastav (2003) state that the self-help groups provide economic benefits in certain areas of production process by undertaking common action programmes like cost-effective credit delivery system. Self-help groups enhance the equality of status of women as they participate as 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.
The study revealed that in Kanpur district of Uttar Pradesh, self-help groups are functioning from the past 8 to 9 years and their functioning was observed to be significant. In the case of impact on the sphere of socio-economic status of women, the significant aspects leading to socio-economic empowerment of women are education, housing facilities, exposure of mass media training orientation, material possessions etc.

Manimekalai and Rajeswari (2001) examined the socio-economic background of self-help women groups in rural micro enterprises, the factors that motivated the women to become self-help group members and eventually entrepreneurs. The study analysed nature of economic activities and performance in terms of growth indicators such as supplementary finance, marketing and other related aspects and identified the problems faced by self-help group women in running the enterprises and suggested policy measures. The study concluded that the provision of micro finance by NGOs to women SHGs has helped the groups to achieve a measure of economic and social empowerment.

1.4 OBJECTIVES:

The present study is taken up with the following objectives:

1. to study the socio-economic conditions of women in the study area.
2. to examine the participation of women in self-help groups.
3. to analyse the effectiveness of self-help groups, in improving the socio-economic status of women.
4. to evaluate the role of self-help groups in women empowerment in the study area.
5. to identify the problems of self-help groups so as to suggest remedial measures for their sustained growth and their contribution to empowerment regarding the development of women.

1.5 HYPOTHESIS:

The following hypothesis are to be tested in the course of the present study:

1. The socio-economic conditions of women are unfavourable compared to that of men.

2. Women empowerment is positively associated with the performance of SHGs.

3. Self-help group is an important instrument to alleviate rural poverty in general and women poverty in particular.

1.6 METHODOLOGY

a. Selection of Study Area:

Since the studies on rural women are extremely limited and the position in Karnataka is also similar, it was felt desirable to take a district for study purposes to start and based on the experience of this study other districts in the state could be taken up later. In the process of selecting the district, the choice fell on Haveri district for various reasons. Haveri district is newly constituted and it has seven talukas. Haveri district is one of the backward districts of the state. There are very few industries and the district dominates in production of chillies. Most of the rural women are engaged as agricultural labourers.
It is presumed that in these circumstances the conditions of women in villages of Haveri district would be similar to that of women elsewhere.

Selection of the talukas was based on the rationale yardstick formulated by the state government. Women and Child Welfare Department has prepared the records maintained by the SHG and based on it all the seven talukas are classified into three categories, namely developed, moderately developed and backward talukas. The first and the third categories of talukas were chosen for an in-depth study.

The selection of talukas was based on the number of SHGs in each talukas. With the help of the records available with the Women and Child Welfare Department (2001) Ranebennur and Hirekerur talukas are identified to be the developed talukas, whereas Shiggaon and Savanur as the backward talukas. After the talukas were selected, two villages from each of them were selected. A similar approach was adopted for selection of the villages. Based on the experience of the taluka level officers, villages with better SHG performance were identified and the criteria for SHG performance is a minimum of 5 to 10 SHGs working continuously for the last five years. Based on such criteria, two villages each from the developed and backward talukas were selected for the study.
The villages were so selected as to represent different levels of development. The taluka officials and local functionaries were selected for identifying the level of development of village. Based on such criteria one developed village and one backward village from each taluka were selected. The scheme of selection is revealed in chart-1.1.

b. Selection of SHGs:

Next steep was the selection of SHGs in each selected villages for an in-depth study. Sample SHGs were drawn from the list prepared after perusing the records maintained by the Child Development
Programme Officer. After making a comprehensive list of all the SHGs in the chosen villages, simple random sampling method appeared to be very useful and handy. Depending on the total number of SHGs groups in each village, SHGs were selected. Since there was not much diversity either in the number of SHGs or member in them it was divided to study six groups each that have been working for the last five years. The details are given in table 1.1.

Table-1.1
Details of Selected SHGs

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<th>Sl.No.</th>
<th>Villages</th>
<th>Total no. of SHGs</th>
<th>Total no. of SHGs members</th>
<th>Sample SHGs</th>
<th>Sample SHG members</th>
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<td>1040</td>
<td>24</td>
<td>96</td>
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<td>6</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>128</td>
<td>2123</td>
<td>48</td>
<td>192</td>
</tr>
</tbody>
</table>

The table shows that out of 128 SHGs functional in the sample villages 37.5 per cent of SHGs were chosen for study.
c) Selection of Respondents:

In order to maintain uniformity, it was divided to interview members from each group resulting in the selection of 24 members from each village. The selection of the households again was based on random sampling method. In this way, in all 192 members were selected for an in-depth study of impact of SHGs on women empowerment.

d) Sources and Methods of Data Collection:

The thesis is prepared on the basis of the data and information collected from both primary and secondary sources.

i) Primary Data:

There was a close relationship between the categories of respondents and the techniques adopted for data collection. Since the women respondents formed the primary source of information, a comprehensive interview schedule was prepared. The copy of the schedule is appended to the thesis. It included such variables as education, employment, income domestic role, participation in social organizations and so on. The interview schedule was pre-tested and finalized in the light of experiences gained.

ii) Secondary Data:

Secondary data is collected from Annual Reports of Govt. Departments Women Co-operative Societies, Books, Journals, Articles, Paper Reports and other Published Reports.

In addition to collecting data through structured schedules, various officials, including the Child Development Programme Officer (CDPO) were contacted. Relevant information was gathered from such
Officials and was supplemented with the micro level data in the analysis. The data were collected from various officials like the Department of Statistics, Zilla Panchayat (ZP) Haveri, Department of Women and Child Welfare Haveri, Census Reports, Gazetteer, Gram Panchayat and such other records.

iii) Data Processing and Analytical Tools:

The chief analytical tools employed in the study area tabular analysis, ratios and percentages.

iv) Scope of the Study:

The study covers wide spectrum of areas in women empowerment and micro finance through self-Help groups, the knowledge and information adequacy of the people about the SHGs, women empowerment, SHGs as provider of micro finance have been examined. The living conditions of the people and their status of women, poverty, employment, micro finance, micro-credit in employment has also been examined in detail. The responses of the selected respondents are obtained about their approach towards the features of SHGs, procedural and financial features, repayment performance, savings, purpose of loan in their respective areas. The development of the economic impact, average value of assets, saving and borrowing, income and employment generation, consumption, social and political impact by the SHGs members has been examined in detail. The study as made working of self-help groups, impact of micro-finance on women, financial, material resources, credit as source of empowerment, awareness and implementation of Govt. programme through SHGs. It is expected that this will expose the critical aspects of multipurpose women expletives.
1.7 IMPORTANCE OF THE STUDY:

The rural social systems in the changing conditions and present the position of women who can act as catalysts in development process will have to be considered. Handy data on rural women are very much needed by research workers so as to identify problems of rural women and contemplate remedial measures. Some of the research studies have confirmed the point that development of rural women is a pre-requisite for the overall development of rural society.

But the actual situation is that in the first instance there is not enough literature on the status of women in general. Even the available literature is virtually on urban women and further, it is not empirically tested.

Secondly, there are hardly any research studies on rural women. Even the limited studies available cover scattered or limited areas, touching mostly education. There are no studies which cover the various social legislations and organizations which have profound influence on the development of rural women.

Thirdly, information on the organizations and legislations is not generally available and hence even comparative studies become impossible. The present study aims at filling up these gaps to the extent possible.

1.8 LIMITATIONS OF THE STUDY:

This study is a micro level study, which covers only 4 talukas and only 8 villages from them. Therefore, the results of the study may or may not be applicable to the other parts of the country. The data obtained by fieldwork is based on the memory of the respondents. The sampling respondents have spent more time for interview and the do not have habits of keeping accounts.
1.9 CHAPTER SCHEMES:

The study has been organized into six chapters.

The first chapter provides introduction, nature of the problem, review of literature, objectives, hypothesis, methodology, sample design, need for the study and limitation of the study.

The second chapter presents the status of women, women empowerment, credit as source of empowerment, micro-finance as a tool of empowerment, role of Apex level institutions in India, SHGs as provider of micro-finance and SHGs and women empowerment in Karnataka.

In the third chapter provides a profile of Haveri District, Socio-Economic background of the selected talukas, demographic profile of selected villages, availability of socio-economic amenities in selected villages and the socio-economic background of the sample households.

The fourth chapter presents features of SHGs, financial features and procedural features.

The fifth chapter deals with economic impact, social impact, political impact and other common benefits of the SHGs members.

The last chapter is devoted to summary of the conclusions and recommendations.
REFERENCES:


