Chapter – II

OBJECTIVES AND METHODOLOGY OF THE STUDY
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The main aim of this chapter is to discuss the objectives, need and significance of the study and also to explain the methodology followed in analyzing the role of microfinance through Self Help Groups in Andhra Pradesh. Further, it also presents the survey of literature on the working of Self Help Groups and identify the research gap.

2.1. OBJECTIVES OF THE STUDY

i. To outline the growth and working of microfinance agencies in general and with particular reference to Andhra Pradesh.

ii. To study the performance of the microfinance schemes in general and with particular reference to Andhra Pradesh.

iii. To know the socio-economic conditions of the members of the sample Self Help Groups and also to analyze their impact in the selected area.

iv. To evaluate the financial and operational performance of the sample Self Help Groups with the help of ratio analysis.

v. To study the various problems and perspectives of SHGs along with members’ perception in the selected area of the study.

vi. Finally, to suggest suitable measures for the effective working of the Self Help Groups in Andhra Pradesh.

2.2. HYPOTHESIS

The following specific hypothesis has been formulated to meet the above said objectives of the study.

- Microfinance leads to economic empowerment of members of SHGs.
- Economic empowerment leads to social empowerment in the form of better lives of SHG members.
- Self Help Groups help in promoting entrepreneurship and leadership qualities among the beneficiaries.
- The activities taken by the Self Help Group members cause change in respect of their consumption behavior, assets acquisition, saving and repayments of loan, etc.

2.3. DATA COLLECTION

In pursuance of the objectives set for the study, the primary and secondary methods of data collection have been adopted. The primary data are collected from the selected sample SHGs in the selected districts of Andhra Pradesh, with the help of a schedule. The main reason to select the schedule technique particularly, to evaluate the performance of SHGs, it is important to know the personal preferences, social attitudes, opinions, beliefs, feelings, past behaviour or future plans of the group members. Canvassing a structured schedule among the selected SHGs and their leaders is an education by itself, in the selected study area.

Further, conducting the interviews with personal of DRDAs officials, SERP project directors, trainers, and various lending agencies will also be documented during the study and animators, those who are working in study areas during the period of study.

Secondary data relating to the different aspects of Microfinance SHGs, has been collected from the official records maintained by the Governmental and Non-Governmental organizations in the state. The information regarding various activities of SHGs was collected from the offices of District Rural Development Agencies (DRDA), Chief Planning Office (CPO), National Institute of Rural Development (NIRD), State
Institute of Rural Development (SIRD), Society for Elimination of Rural Poverty (SERP), and other Rural banks, Co-operative, Department of Women and Child Welfare, Women's Studies Centre, University libraries etc. The studies and reports brought out by the District Rural Development Agencies of various districts and other published reports, Books, Article in Journals, Newspaper Clippings and District Gazetteers were also referred to draw secondary data.

2.4. SELECTION OF SAMPLE

The sampling design broadly consists of two sets, one for the purpose of selecting study area and another for identifying the beneficiaries of microfinance Self Help Group members. However, both the designs start with the selection of the state i.e., Andhra Pradesh in India 'purposively'. Thus, following an application of 'multi-stage sampling technique' mandals and villages were select on the basis of stratified random sampling method. In the second stage, the beneficiaries are selected based on random sampling method.

2.4.1. Selection of area

Considering the constraints of time and resources, it is not possible to cover all the districts of Andhra Pradesh. Also the advantage of knowing local language i.e., Telugu, predisposed the scholar towards selecting three Districts in AP. The State administrative authorities have divided this State (Andhra Pradesh) into three regions i.e., Telangana, Costal Andhra Pradesh and Rayalaseema. The present study covered all these three regions. Warangal district in Telangana region, Guntur district in Costal Andhra Pradesh and Chittoor district in Rayalaseema were selected. All these districts were selected depending upon stratified random sampling method. In population, socio-economic
Chart – 2.1

SELECTION OF SAMPLE DISTRICTS AND MANDALS IN ANDHRA PRADESH

A = Developed Mandal
B = Moderately Developed Mandal
C = Backward Mandal

= Developed Mandal

= Moderately Developed Mandal

= Backward Mandal
conditions and also geographically, the above selected districts are approximately the same. In the next stage, three mandals were selected from each district by following a stratified purposive sampling method, the first mandal being well-developed, second one being moderately developed and third one being a backward area. At district level, the mandals were classified depending upon the group performance, number of groups formed, thrift, saving habit and finally bank linkage revolving fund position.

**Table – 2.1**

**SELECTION OF SAMPLE MANDALS IN EACH DISTRICTS OF STUDY**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the sample District</th>
<th>Name of the selected Mandal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Warangal District</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A. Developed Mandal</td>
<td>Dharmasagar</td>
</tr>
<tr>
<td></td>
<td>B. Moderately Developed Mandal</td>
<td>Jangaon</td>
</tr>
<tr>
<td></td>
<td>C. Backward Mandal</td>
<td>Tadvai</td>
</tr>
<tr>
<td>2.</td>
<td>Guntur District</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A. Developed Mandal</td>
<td>Pedakakani</td>
</tr>
<tr>
<td></td>
<td>B. Moderately Developed Mandal</td>
<td>Bellamkonda</td>
</tr>
<tr>
<td></td>
<td>C. Backward Mandal</td>
<td>Prathipadu</td>
</tr>
<tr>
<td>3.</td>
<td>Chittoor District</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A. Developed Mandal</td>
<td>Kuppam</td>
</tr>
<tr>
<td></td>
<td>B. Moderately Developed Mandal</td>
<td>GD. Nellore</td>
</tr>
<tr>
<td></td>
<td>C. Backward Mandal</td>
<td>Thavanampalle</td>
</tr>
</tbody>
</table>
Note: A - Petty Business,
B - Dairy farming and milk wending
C - Agriculture and allied activities
2.4.2. Selection of sample beneficiaries

At the second stage, the beneficiaries were selected depending upon random sampling method. For this, SHGs performances, activities of group members, region wise in each mandal, were considered. In practice, a number of microfinance schemes were implemented in Andhra Pradesh for various objectives, among which only microfinance Self Help Groups were selected. In the next stage, selections of sample respondents were done depending upon the socio economic conditions and also on the activity basis of the beneficiaries.

<table>
<thead>
<tr>
<th>S. No</th>
<th>Names of the districts and Mandals</th>
<th>Number of beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Warangal District</td>
<td></td>
</tr>
<tr>
<td>(a)</td>
<td>Dharmasagar</td>
<td>50</td>
</tr>
<tr>
<td>(b)</td>
<td>Jangaon</td>
<td>50</td>
</tr>
<tr>
<td>(c)</td>
<td>Tadvai</td>
<td>50</td>
</tr>
<tr>
<td>2.</td>
<td>Guntur District</td>
<td></td>
</tr>
<tr>
<td>(a)</td>
<td>Pedakakani</td>
<td>50</td>
</tr>
<tr>
<td>(b)</td>
<td>Bellamkonda</td>
<td>50</td>
</tr>
<tr>
<td>(c)</td>
<td>Prathipadu</td>
<td>50</td>
</tr>
<tr>
<td>3.</td>
<td>Chittoor District</td>
<td></td>
</tr>
<tr>
<td>(a)</td>
<td>Kuppam</td>
<td>50</td>
</tr>
<tr>
<td>(b)</td>
<td>Gangadhara Nellore</td>
<td>50</td>
</tr>
<tr>
<td>(c)</td>
<td>Thavanampalle</td>
<td>50</td>
</tr>
<tr>
<td>Total sample beneficiaries</td>
<td>450</td>
<td></td>
</tr>
</tbody>
</table>
The total sample size was 450, which were distributed into equal proportions in every selected district and mandal. The present study was conducted in three districts of Andhra Pradesh, from every district three mandals were selected in the second stage in every mandal, 50 beneficiaries were selected.

2.4.3. Selection of the SHGs

The purpose of income and employment generation, the microfinance Self Help Groups perform 150 types of activities in various disciplines. In this process the majority of the Self Help Group members engage in three major activities. The first activity is petty business, second dairy farming and milk vending, and the third is agriculture and allied activities. In the present study, only these three activities are considered which are referred as A, B and C.

2.5. ANALYSIS OF THE STUDY

The collected data on working of the SHGs and their performance is analyzed and tabulated. The data is scrutinized, verified and analyzed. For the interpretation of the data in a meaningful way, the following statistical techniques and tools are used:

- Weighted Averages.
- Kruskal Wallis.
- Chi – square test.

Apart from the presentation of the data in tables, necessary graphs and diagrams are also incorporated wherever appropriate in the study.
2.6. LIMITATIONS OF THE STUDY

The present study basically aims at evaluating the performance of microfinance Self Help Groups in the selected districts of Andhra Pradesh. However, because of the time and money constraints, the present study could not cover all the districts of the State and schemes being offered in microfinance. For example, a significant chunk of 150 types of economic activities are taken up under this programme in Andhra Pradesh. Among them only three major activities, which are followed by more than 70 per cent of SHGs are considered. Therefore, in this study these three activities, viz., first petty business, dairy farming and milk vending are second, and the third is agriculture and allied activities.

Further, the non-availability of some of the old records relative to the functioning of SHGs before 2003-04 in the governmental and non-governmental organizations in the state is also one of the limitation to analyze the trends in their working. The records of the previous years were not prepared and hence not available to the researcher. Therefore, the present study is forced to restrict its scope of evaluation between 2005-06 and 2010-11 only. Also, the DRDA’s feedback surveys on the working of the SHGs from time to time were only done either on their own or through some voluntary organizations which could not provide complete and continuous information.

The present study is also limited by the non-coverage of the performance of non-beneficiaries engaging with similar occupation, for the purpose of making a comparative assessment between the beneficiaries and non-beneficiaries for income and employment generation aspects.
However, there are some more limitations in the study due to inherent factors and it is appropriate to list certain of them. The data collected from the members relate to their perceptions, views and opinions, which may in some cases tend to be close to their socially desirable responses. But to increase the reliability, the sample size is enhanced to the possible extent in the study. The conclusions derived from the analysis may not be exact and universal due to the above mentioned limitation in the present study.

2.7. PLAN OF THE STUDY

The present study is divided into eight chapters and a description of them is as follows.

- The first chapter relates to the introduction of the study, which consists of various poverty alleviation programs, origin and working of the SHGs in the state and problems of SHGs.
- The second chapter is an exploration into the review of literature, design of the study and the methodology adopted.
- The third chapter gives a profile of Andhra Pradesh along with selected districts and their mandals selected for the study. Apart from that, the practices of microfinance schemes and working of Self Help Groups are also presented.
- The socio-economic profile of the selected beneficiaries of SHGs and their income and employment generation are discussed in chapter four.
- The fifth chapter focuses its attention on the operating and financial performance, members' satisfaction is evaluated through ratio analysis.
- In chapter sixth a discussion is made on the problems and prospects of microfinance in SHGs in Andhra Pradesh.
• The seventh chapter analyses the perceptions of the sample SHG respondents on various issues of microfinance in the selected area of the study.

• The last and the eighth chapter presents the summary of findings, draws conclusions and gives suggestions for effective working of microfinance schemes in Andhra Pradesh.

2.8. SURVEY OF LITERATURE

In this section, an attempt is made to review the existing literature on the working of the microfinance schemes and the socio-economic development of the SHG beneficiaries in order to identify the need and direction of future study in this regard.

For the purpose of this review, relevant studies are divided in two groups:

- General Studies
- Specific Studies

2.8.1. General Studies:

The studies under this group include research work done in other countries on microfinance through various developmental programmes for the eradication of poverty and socio-economic development of the beneficiaries.

Karl¹ (1995) studied the role of empowerment of women on decision making and concluded that the empowerment is a multifaceted process, involving the pooling of resources to achieve collective strength and countervailing power and entailing the improvement of manual and technical skills, administrative, managerial and planning capacities and analytical reflective abilities of local women.

According to Pillai² (1995) empowerment is an active multi-dimensional process, which enables women to realize their full identity and powers in all spheres of life. Power
is not a commodity to be transacted nor can it be given away as aims. Power has to be acquired and once acquired it needs to be exercised, sustained and preserved.

Gain and Satish (1996) carried out research on the factors affecting group dynamics and group functioning such as feeling of solidarity and pervasive benefits from group formation, increased awareness of group members, self-reliance and transparency. They felt that dependence on outside source either in material or human terms does not attained group autonomy in many cases.

After investigating the subject of women equality and empowerment, Joythi Mitra (1997) found that a majority of the (53 per cent) respondents participated in their enterprise for 6 – 8 hours in a day, and the main motive to start enterprise was to get employment, support family income by using their skills. Their ambition was to get good income and develop as good entrepreneurs. They stated that commitment, hard work, efficiency and dedication were the main causes for their success.

Kumaran (1997) revealed that credit for consumption is the major purpose in Andhra Pradesh self help groups as an alternative to credit system to the poor, while its social functions and purchase of inputs for agriculture are the main purpose in Karnataka. Petty trade is another reason for which loans are borrowed among all the respondents. These groups are also linked with banks to undertake income generating activities through which women could achieve economic independence and self-confidence to some extent.

Carr Marilya (1997) reviewed women's is economic empowerment in South Asia. In this the empowerment is defined as the process of challenging the existing power relations with gaining greater control over the sources of the power. Further, the goal of
women’s empowerment is to challenge Patriarchal ideology to transform the structures and institutions that reinforce and perpetuate gender discrimination and social inequality. Empowerment enables poor women to gain access to and control of both material and informational resources.

Abdur Rab⁷ (1998) examined management of development in growth with equity and stated that the concept of empowerment places emphasis on women’s freedom of choice and power to control their own lives at both the personal and social levels. Empowerment is simply gaining the power to make their choice heard to contribute to plans and decisions that affect them to use their expertise at the work to improve their performance and with it the performance of their whole organization.

Singh⁸ (2000) in his book pointed out, since independence, a number of developmental schemes were launched in India to improve the economic conditions of the rural people, but there is much evidence to indicate that in rural areas a large number of people do not have an access to basic services, such as safe drinking water, housing, education, health and sanitation.

Krishanjit Basu and Krishan Jindal⁹ (2000) made a study and opined that the microfinance is a complex phenomenon involving a variety of players and stakeholders. In this study they raised many issues, which are critical to the healthy growth of these schemes.

Bhagya Lakshmi¹⁰ (2000) while working on some strategic effects towards the empowerment of women stated that the national policy for empowerment of women seeks to adopt an integrated approach towards empowering women through effective
convergence of existing services, resources, infrastructure and manpower in both women-specific and women-related sectors.

**Dwarkanath** (2001) studied the working of the Development of Women and Children in Rural Areas (DWCRA) programmes, which was introduced by the UNICEF to strengthen the women’s component of poverty alleviation programmes. This study came to the conclusion that unless the potentialities of women are properly developed, no social transformation and economic development is possible.

**Girija Srinivasan and Satish** (2001) in their study, searching for viable alternatives to reduce the transaction costs in the process of rural lending bankers and development finance models of self-help groups, where the work relating to borrower identification, loan processing, loan disbursement, monitoring and recovery is externalized to groups of clients. The study revealed that lending through SHGs and NGOs bear the least cost to the lenders when compared to other types of bank lending.

**Lakshmi** (2001) in their study stated that experience has shown that many of the poverty alleviation programmes through organized credit channels have not achieved the required success. It has been observed that in respect of financing poverty alleviation programmes and creation of employment in rural areas there are a number of factors which prevent small borrowers and poor people from securing adequate credit from formal credit agencies such as lack of awareness among beneficiaries in respect of development through credit and thereby making proper use of credit.

According to **Suguna** (2001) the process of empowerment has provided a broad based activity scheduled to the regional, national and global agencies in which participation has been highlighted. By this method, participation of women in the decision
making process could be enhanced many-fold and progress attained in a much shorter time. The process of empowerment helps in identifying areas to be targeted, planning strategies for action and outcomes. Empowerment is not a process, which is horizontal or vertical but a process which goes round in a circle.

Patel and Barla\textsuperscript{15} (2002) described the microfinance as a potent tool to alleviate poverty. The self-help group concept has been very well established, which provides finance to the poor after organizing them as homogeneous groups. The National Bank has played a very significant role in making the microfinance programmes. It has introduced several packages and modules to suit different types of institutions.

Another attempt was made by Pallavi Chavan and Ram Kumar\textsuperscript{16} (2002) who reviewed the empirical evidence on NGO-lead micro-credit programmes in several developing countries and compared them with state-led poverty alleviation schemes in India. The study concluded that the micro-credit programmes have been able to bring out a marginal improvement in the beneficiaries' income. However, the beneficiaries have not gained much by way of technology improvements, given the emphasis on survival skills.

Srinivasan\textsuperscript{17} (2003) reported in his study that the microfinance through SHGs has emerged as a catalyst to help and meet the credit needs of informal or unorganized rural sector in the recent past. The Reserve Bank of India has initiated steps to encourage bank lending to the SHGs as part of a mainstream banking activity. The credit extended by the commercial banks to SHGs is treated as part of priority sector lending in order to encourage the banks to engage in this sort of activity. These banks have also been given considerable flexibility to determine procedures and design loan products for SHGs responding to local conditions.
Mishra and Thanv18 (2004) concluded in their study that the microfinance has emerged as one of the most sustainable and effective tools for enabling the poor and disadvantaged sections of the society to access institutional credit. The Indian banking system on its part has shown a willingness and resilience to experiment and join the microfinance movement in a way that has no parallel anywhere in the world.

Sriram19 (2005) in his study reviewed the performance of formal institutional channels of microfinance and discussed the emergence of new forms of collaboration in the delivery of microfinance services. Since the early 1990s, there have been many significant State initiatives in the institutional and policy spheres to facilitate access to financial services by more poverty-stricken groups. However, some persistent issues in regulatory policies and institutional arrangements need to be dealt with so as to help the State, leverage the resources available for the poor effectively and in a sustainable manner.

Satish20 (2005) concluded in his study that the microfinance in India is a major part to built-up the existing banking infrastructure. In this process, it has obviated the need for the creation of a new institutional set-up or introduction of separate legal and regulatory framework. In the linkage model, the financial resources are being sourced from regular banking channels as well as members' savings. The microfinance has been able to achieve the goal of poverty eradication and fulfill its role as a means for development, and requires in-depth impact assessments on an ongoing basis.

Malcolm21 (2005) examined the spread of the co-operative – SHG linkages across the States, the relationship between commercial success of co-operative banks, the extent of the linkage established and the impact of such linkages on performance. When the Self Help Groups initiative was launched to provide the poor with access to formal financial
services, it was somehow expected that co-operatives would step-in to provide these services. Already existing small local level institutions with their readily available support structure, as seen in the case of the agricultural credit societies were ideally placed to serve as outlets for financial services to SHGs, given their number and reach. Despite these advantages, agricultural credit societies and co-operative banks have thus far played a limited role in the programme of linkage of SHGs to formal financial institutions.

Perumal (2005) described in his study that poverty and unemployment are the major problems of under-developed counties, from which India is no exception. Women, who join SHGs are strengthened in many ways apart from becoming economically empowered. They gain a say in family matters and their social status is enhanced.

Valsamma Antony (2006) states that empowering of women through increased awareness of their rights and duties as well as access to resources is a decisive step towards greater security for them. Today women are in a new deal as they are the focus of economic development. All possible steps are being taken to strengthen them, to achieve their economic, social, cultural and political growth and welfare.

Jagdish (2006) in his article on “Development issues in Micro – Credit” reveals that micro credit needs linkage and integration with the financial system. An environment that facilitates micro credit providers to evolve into institutions, capable of achieving wider outreach and critical mass in operations is essential. The micro-credit now forms a part of priority sector lending. Ultimately, the success of this programme depends upon the integrated approach to poverty alleviation taking a more holistic view of the client.

The study by Swaminathan (2006) says that India has some lessons to learn from its neighboring developing country, Bangladesh. The micro credit has been very
popular in Bangladesh and much of the credit for its popularity goes to Mohd. Yunus, who pioneered the concept of micro credit, which represents loans given to rural people, farmers and to those who are below the poverty line. In Bangladesh, while the term lending institutions has witnessed a disastrous fall in their loan recoveries, the Non-Governmental Organizations (NGOs) which are engaged in micro-credit are boasting of high recovery rates. This is primarily because lending institutions have to secure a political support in writing off loans, while NGOs need not have to, since they get financed by foreign donors. The micro-credit is the only reason behind the decline of the percentage of people below poverty line in the recent years in Bangladesh. Although this type of credit has its own limitations, it is worthwhile following such credit schemes in India also with some modifications.

Tazul Islam26 (2008) in his study examined the micro credit’s poverty alleviating ability and concluded that micro credit has insurmountable limitations as a model of sustainable poverty alleviation. Developing client-responsive, flexible and quality financial and non-financial services are imperative now. Thus, the more appropriate the quality of services on offer, the better will be the impact on poverty alleviation.

Gautam Kanwar27 (2008) described in her study that new approaches designed to deliver finance to the poor have emerged in India over the past decade, involving the provision of thrift, credit and other financial services and productions, with the aim to raise income levels and improve living standards. Most notable among these microfinance approaches is a nationwide attempt, pioneered by non-governmental organizations and now supported by the state, to create links between commercial banks, and NGOs.
According to Gupta\textsuperscript{28} (2008) the role of microfinance as the most suitable and feasible alternative in accomplishing the goals of growth and poverty alleviation is now well recognized. Microfinance embodies the basic democratic ethos of self development through a participatory approach. The experiment of microfinance in India through the conduct of SHGs had demonstrated considerable democratic functioning and group dynamism. Their adroitness in assessing and appraising the credit needs of members, their business-like functioning and efficiency in recycling the funds often with repayment rates nearing cent per cent have proved that this is among the best alternatives in improving the credit delivery to the poor. The programme of microfinance has made rapid strides in India.

Saraswathy\textsuperscript{29} (2009) described that the microfinance has been recognized globally as a powerful instrument to address poverty. Beyond the direct link with poverty reduction, it is a direct link to address the issues of health and education. The task force would like to emphasis in its definition that the microfinance will cover not only consumption and production loans, but also other credit needs such as housing and shelter improvement; while other financial services like savings and insurance are also included in it. Apart from the scratching of growth, the rapid spread of microfinance has provided competition to rural moneylenders. In view of the grand success of the programme now, SHGs are at the centre stage in almost every poverty alleviation and development programme aimed at poor.

Tripathy\textsuperscript{30} (2010) explained in his study that the sustainable development interventions in the rural areas largely depend on the successful and effective implementation of self-employment programmes. Since independence, the country has
formulated various rural self-employment programmes and has restructured and revamped them envisaging their wider outreach and acceptability. However, the issues, challenges and concerns relating to the implementation of self-employment programmes have remained more or less the same.

Maya Ghosh (2010) opined in his study that the NABARD has adopted a group approach to achieve self-sufficiency for the rural poor through the formation and nourishment of self-help groups by its partner agency Malda District Central Cooperative Bank Ltd. The observations of the study based on survey focused on SHGs, which have taken-up vermin composite, as an economic activity. Though the activity is in the nascent stage, it offers potential for the SHG members to pursue this seriously.

Arup Choudhuri (2010) in his paper entitled 'mitigating risk of microfinance for the faceless population: the story of the marginal tailors in Howrah', explained that managing risk in microfinance is a multidimensional process. But there are no strait-jacket methods available for mitigating risk in microfinance endeavors. The tailors were both from the urban areas and rural fringes and most of them are faceless. The whole initiative of arranging microfinance got a big jolt, as these people did not have any record of their business. The experience in Bangladesh, Bolivia, Dominican Republic, Mexico and experiments in India narrates different stories.

Chandrashekar and Shivashankar (2010) in their study described that in India, economic reforms with a human face have been accepted as the guiding principle of sustainable development. Keeping the poor at center stage, the policies need to be reoriented so as to develop and optimize the potential of such a large segment of the
population and enable them to contribute in the growth process significantly in terms of output, income, employment and consumption.

According to Arjun Y Pangannavar³⁴ (2010) incidence of poverty is more in rural India. Government made its efforts through rural development programmes to overcome the problem of poverty. The women empowerment issue has now received more thrust and significance in rural development studies. Unless and until villages would be free from poverty, the efforts of development of Indian economy would be futile, fruitless and rather burdensome.

The current strategy of linking informal groups with financial institutions (FIs) under the Self-Help Group (SHG)-Bank Linkage Programme (SBLP), Shylendra³⁵ (2010) aimed at helping the poor in easily accessing financial services from the formal system. The paper examines how the concept of SHG has been adopted under the linkage programme and in what ways SHGs are able to help the poor obtain access to savings and credit facilities from the formal institutions in a relatively backward district (Sabarkantha) of Gujarat State in western India. It concluded that the linkage programme has given a fillip to the formation of SHGs in the district. About the role of SHGs as micro-financial intermediaries, this study revealed a few potential strengths as well as some inherent constraints of SHGs.

Vipin Ghildiyal³⁶ (2011) in his paper entitled “Critical Analysis of SHG-Bank Linkage Program in India” examines the progress of microfinance in terms of the successes and failures of SHG-bank linkage program. The SHG-bank linkage program has been analyzed critically in order to assess its contribution towards removing the disparities prevailing in various regions of the country. This attempt has been made
mainly to find out whether this program has reduced regional disparities or has itself become prey to regional imbalances. The first half analyzes the trends in the scheduled commercial banks, and the latter half gives an account of SHG-bank linkage program.

Gangi Reddy and Madhuri37 (2011) made several experiments on the concept of Self-Help Group in India during the last two decades. However, they are limited to a few pockets of selected States and districts. Tamil Nadu is one such State that experienced this movement extensively. It has made difference in its approach, growth and impact in terms of bringing awareness, facilitating employment generation and empowering of rural women. The overall objective of their study is to examine the process through which SHG movement took shape in Tamil Nadu and brought about significant improvement in the living conditions of the poor, especially women leading to their empowerment. Their analysis is mainly based on a large research study conducted by the NIRD in 14 States including Tamil Nadu.

Mohanty38 (2011) in his article seeks to place before its readers the details of the micro-financing initiatives of the banks, NGOs in Orissa, vis-a-vis India. The growth movement of SHGs in Orissa since inception with different models of SHGs financing has been analyzed critically to know the pattern of micro-financing in the State. Economically underdeveloped regions in Orissa, better known as “KBK Regions” have been selected for the micro study of the financing pattern of micro movement to know the extent to which SHG movement has helped in reducing the regional imbalance in the State.

The study made by Padala39 (2011) revealed that the main reason for one becoming a SHG member is to get the eligibility for availing government schemes and bank loan facilities. The study also proved that though a majority of the members are...
illiterates, their savings performance, group loan, and bank loan repayment performance are satisfactory. By running a business activity, the women members have been earning certain income, thereby supplementing their family income. The role of wife taken in majority of the business decisions is much evident in the study. However, the role of joint decisions of both husband and wife in business cannot be ruled out. The study highlights the experiences of the members of SHGs and the contribution of these groups in income generation and thereby enhancing women empowerment. It also brings out that it is only through SHGs rural women’s economic empowerment would be possible.

2.8.2. Specific studies on SHGs:

Agnihotri (1995) examined self-employment and entrepreneurship development programmes among rural and tribal women and observed the impact of SHGs on socio-economic status of rural and tribal women in Khanora. About 150 families were interviewed for the study and he found that the women of Khanora were strongly determined to change their socio-economic status. They were able to procure enough food, clothing and better shelter.

Shandilya’s (1996) study points out that the success of any productive venture of SHGs would depend on the availability of appropriate inputs, information and markets. The linkage with banks could be extremely helpful in case of the SHGs involved in income generating activities. The study concludes that despite constant improvement in the status of women related to the physical quality of life indices, women are still associated with traditional occupations and this situation can be overcome through training and support systems.
According to Sridharan (1996) these are certain traditional groups based on the principles of need and collective action, which provide self-reliance. The SHGs bring out the capacity of women in moulding the community in right perspective and explore the initiative of women in taking up entrepreneurial ventures. The SHGs empower women and train them to take active part in the socio-economic progress of the nation and make them sensitized, self-made and self-disciplined. The SHGs have inculcated great confidence in the minds of rural women to succeed in their day-to-day lives.

Ramana Rao (1997-98) conducted a study in two States, viz., Rajasthan and Karnataka, wherein he selected two NGO groups for the study. One is the People's Education and Development Organization (PEDO) in Dungarpur district of Rajasthan; and another one is (SHAKTI) from Bangalore. The main objective of his study is to examine the organizational and managerial aspects of the voluntary organizations and assess the impact of their activities on self-help groups. The effective functioning of the SHGs depends on the training of the members, monitoring of group activities and maintenance of accounts. Most of the groups are homogenous in nature and the members belonged to the same caste, tribe and came from the same social status. The study suggested that the success of the SHGs depends on mutual trust, confidence and discipline of the members.

Another study by Kumaran (1998) was conducted in Thirumangalam block of Madurai district in Tamil Nadu. The study examined the role of NGOs in promoting socio-economic development of the poor through the SHGs. Its focus is on the structure and functioning of the SHGs with special reference to the pattern of resource mobilization, decision-making and participation of members in group activities. The group approach through SHGs is one of the best approaches for the socio-economic development of the
rural poor. Although several measures have been taken by the Government to link the SHGs with financial institutions, the number of such groups was relatively small. It is necessary to link the SHGs with banks and other financial institutions by further streamlining the procedure.

Gosh Paul⁴⁵ (1998) researched the effect of entrepreneurship on women in India and found that SHGs have obtained the necessary skills to produce a product, manage funds, and organize the operation of enterprise and make the decisions. These activities link them to the market, Government departments, public, etc. from which these women were situated previously. Self-employment has thus improved their position in the home and in the community.

Narasani Lakshmi and Naidu⁴⁶ (1998) examined the role of banking in rural development and stated that the SHG linkage programme has mostly highlighted the economic criteria. The awareness on the SHGs has created an attitudinal change in the minds and outlook of the members and helped in realizing their own intrinsic strength. Formation of groups with homogeneous background and interest, which is the key to the success of the credit linkage programme, gradually leads to a situation where self help groups transcend economic issues and are induced to take up other related issues.

Shylendra⁴⁷ (1999) made an attempt to assess the self-help group bank linkage programme, in terms of reaching physical targets, the programme seems to have done quite impressively in the last one decade. It has all the potential to unfold new avenues for banking with the poor. The results achieved so far appear to be the outcome of the persistent effort made by the NABARD in mobilizing a large number of NGOs and financial institutions through low cost refinance and capacity building support. While,
NGOs have emerged as prominent players in the programme, the financial institutions have lagged behind. The programme still has a very long way to go if it has to become the core strategy of the banking sector.

A study on the impact of microfinance on living standards of SHG members was conducted by the NABARD\(^{48}\) (2000). The study compared the socio-economic conditions during pre and post-SHG membership of the 560 members of 223 SHGs located in 11 states across 5 regions of the country. The major findings of the study are that the involvement in the group significantly contributed in improving the confidence of the members in managing their family finances, improved their capacity to communicate, enhanced their ability to protest against social evils, reduced family violence and positively influenced their behavior towards mutual help.

A study by Chowdhary\(^{49}\) (2000) on reasons for joining SHGs gave a list of several reasons. They are to avail credit, develop saving habit, meet the unexpected demand for cash, peer pressure, motivated by NGO/Officials, solidarity exchange of ideas/experiences, attend the needs prime factors in joining SHGs.

Banerjee\(^{50}\) (2000) made an attempt to analyze the impact of SHGs in terms of achievements of expected benefits such as access of poor to institutional credit, undertaking of income generating activities, employment opportunities and increase in income level, repayment performance and overall socio-economic development. The study also discussed the operational issues experienced by the banks while implementing the programme.
Datta and Raman\textsuperscript{51} (2000) studied the SHGs under Rastriya Seva Samithi (RASS) at Tirupati in Andhra Pradesh. They concluded in their study that the success of SHGs was mostly due to the social cohesion among the members.

Suriakanthi\textsuperscript{52} (2000) in her study highlighted the role of literacy in Self-Help Groups, which is a key factor for the success of SHG concept. While it is essential that all of the SHG members are able to read, write and do simple calculations, the author identified in his survey that nearly 95 percent of the members are illiterate and the various business activities in these SHGs are carried out with the help of their spouses and other educators. To remove illiteracy in these groups, he suggested that any literacy volunteer could impart training to such motivated groups. For this purpose, students, NGOs, colleges, National Service Scheme volunteers could all involve themselves in this task.

Manimekalai and Rajeswari\textsuperscript{53} (2000) in their study examined the empowerment of women through SHGs in rural micro enterprises in Tiruchirappalli district of Tamil Nadu. They found that a majority of women to be married were engaged in petty business and the rest distributed across processing, production and service units. The dominant problem reported by them was shortage of capital, because they received loans only under SHG through its banks. Further, the service units performed better and helped to repay the loan on time, whereas the production units not only failed to generate its own capital but also affected loan repayment.

Jairath\textsuperscript{54} (2000) in his paper examined the rationale of promoting self-help groups, their growth and role in extending micro-credit and offered suggestions for improving their effectiveness in the state of Rajasthan. The SHGs have been promoted in the State with the objective of empowering the rural poor with focus on women. The study
suggested that to bridge the gap in purpose-wise borrowings in production activities between the regions, the people in the resource-poor regions should be motivated and given intensive training in various production activities.

**Indira Kumari and Sambasiva Rao** (2001) in their survey examined the origin and strategy of women self-help groups and functioning under DWCRA programme in Nuzvid division of Krishna district in Andhra Pradesh. They suggested in their study that the government should provide special assistance to the SHGs to generate more income, along with reduced expenditure which in turn would cause a rise in the standard of living of women. They also found that despite the bottlenecks that arose in the functioning of the DWCRA schemes, they helped the majority of women to cross the poverty line.

**Sharma** (2001) has made an attempt to spell out the conducive environment required for a successful Non Governmental Organizations in the formation and linkages of the SHGs under new income generating scheme of Sidhbari in Kangra valley of Himachal Pradesh. The findings of the study indicated that the working and impact of the SHGs on rural poor depended upon the NGOs regional coverage, ideology, programme implementation, effectiveness, popularity and the leadership. The study suggested that the formation and linkages of SHG should be made in successful propositions by creating conducive functional and organizational environment to make the NGOs successful.

**Madheswaran** (2001) reported that most of the loans taken by the members of SHGs are for agricultural activity followed by petty business, allied activities personal expenses, viz., medicine, family needs, marriages, house building etc. It has also been observed that the poorer the members, the less are the diversification of the loans.
Puhazendi and Satya Sai\textsuperscript{58} (2001) point out in their study that the involvement of the rural poor in SHG significantly contribute to their “social empowerment” in terms of improvement in their confidence, treatment within the family, communication skills and other behavioral changes. More so, the empirical finding of the study reveal that the SHG as institutional arrangement could positively contribute to the economic and social empowerment of rural poor and the impact on the latter is more pronounced than in the former.

Laxmi\textsuperscript{59} (2001) in her study concluded the self help groups as innovations in financing the poor and a large number of institutions are at present providing credit to the rural and tribal poor, but yet it is inadequate. The SHGs can create unique alternatives, need-based credit delivery mechanisms by pooling their meager resources for catering to their consumption and occupational requirements.

Archana Gupta\textsuperscript{60} (2001) reported in her study that a typical tribal women’s SHG performs a number of functions such as enabling members to become self dependent and self reliant, provide a platform for members to discuss their socio economic problems, develop decision making capacity and leadership qualities among members and equip women with the basic skill required for understanding monetary transactions.

According to D’silva\textsuperscript{61} (2001) though women were organized into Self Help Groups possessing huge corps, contribution towards socio-economic development of the district was very low, making it difficult for them to take up production activities on a large scale.

Regarding the working pattern of Self Help Groups, Archana Sinha\textsuperscript{62} (2002) revealed in her survey that SHGs collect deposits from their members and lend to the
needy members for production purposes and also for subsistence and consumption needs. It takes loans from banks or voluntary agencies or self help promoting institutions to meet the need of the members. The SHG itself with the help of NGO makes assessment of individual credit needs of its members and submits to the banks for sanction of collective loans in its name. Thus, the NGO helps the SHG in procuring raw materials and also marketing of the produce. The entire loan amount disbursed to the SHGs is refinanced by the NABARD to the financing bank. It is necessary that Self Help Groups and micro credit should be seen as the components of the solution to accelerate the socio-economic development, particularly of the rural poor women in India. A judicious mix of micro credit along with other activities with emphasis on development and empowerment strategies and processes would certainly make micro credit an effective tool of social and economic development, particularly for the women in a holistic and integrated manner.

Gopalakrishnan\textsuperscript{63} (2002) stated that the self help group is a mini-voluntary agency for self help at the micro level focused on the weaker sections, particularly women, for their social defense. The SHG has got great potential in creating awareness on day affairs, promoting savings habit and development of self and community assets, increasing income level, improving social power, etc. The SHG and banking linkage has improved their credit worthiness and repaying capacity. This can contribute to the economic development, child education, health and sanitation, etc. through women. No doubt the SHGs will replace commercial/co-operative lending institutions in the villages or at least supplement rural financing.

Awasthi\textsuperscript{64} (2002) explored the working and impact of Self Help Groups on economic status of women in watershed areas of Madhya Pradesh and pointed out that the
SHG members suffered from lack of motivation in backward and forward linkages, inadequate provision for marketing and availability of inputs, lack of systematic monitoring and follow-up of the activities.

Raveendarn, Ajjan and Mathew (2002) made a study on evaluation of the performance of informal groups promoted by the NGOs in Tamil Nadu and Kerala both in terms of leadership abilities of rural women and savings. The functional comparison of group performance in terms of annual savings per group as performance indicator revealed that there existed significant reduction in the annual savings in SHGs in Tamil Nadu. It was suggested that more literacy programmes through Non Government Organizations and Government would help to run the SHGs efficiently.

Singh (2003) examined the experiences of MYRDA in fostering self help groups. The rural poor, with the intermediation of voluntary organizations join together for self help to secure better economic growth. This has resulted in the formation of large number of SHGs in the country, which mobilize savings and recycle the resources generated among members. Most SHGs have come up due to the dynamic leadership of certain individuals within a group or through the catalytic role played by the NGOs in developing such groups. One such NGO is MYRDA whose mission is to build people’s institution to ensure access and control over resources for sustainable development and self-reliance. The MYRDA has over 1006 groups of women which focus on women’s rights and access to and control or resources, which they require to ensure a sustainable livelihood.

Krishnan (2003) in his work described the operation of the self-help groups engaged in the domain of income-generation, human development, environmental
protection and natural resources management, which is based on strong empirical data of primary nature besides macro analysis on the working of the self-help groups. It is an extensive study on the evaluation of performance, problems and perspectives of women self-help groups. Further, it devolved into the socio-economic impact of these self-help groups on poverty reduction and its manifestation in women's empowerment. The inherent variations in the structure and functioning among the different SHGs and the causes of such variations are also narrated with supporting cases and key inputs from the stakeholders to strengthen the movements have been suggested.

Shankar Chatterjee68 (2003) brought out in his study some of the important issues of implementation of the SGSY in the Janpur district of Uttar Pradesh. The main finding of the study was that the SGSY assisted poor families to bring them above the poverty line by providing them income-generating assets through a mix of bank credit and Government subsidy.

Rajit and Gosh69 (2001) attempt a study on the role of women in Self Help Groups of some villages in Sankrasl Block of Medinipur district. The main conclusion of the analysis was that women who organized to form self help groups resulted in enhancing the quality of the status of women as participants, decision makers and beneficiaries in the democratic, economic and socio-cultural life in the villages.

Vasudeva Rao70 (2003) conducted a study on socio-economic development programmes in Andhra Pradesh with an objective of improved status and quality of life of poor women and children in rural areas and involvement of community in planning and implementing of several other development programmes. The study found that the exposure of women to micro-credit and group activities has encouraged more participation.
in household decision-making and that the rotation of group leaders is necessary for equitable exposure to the banking process.

Narayanasamy, Manivel and Bhaskar\(^7\) (2003) observed in their study that the self-help groups have emerged as the alternative development strategy to promote the common interest of the weak and the vulnerable sections of the society. The cooperatives and SHGs can forge linkages in order to see that the poor are effectively served and empowered. Such a linkage opens up a great deal of opportunity for both the organizations. This study traced the attempts made in networking SHGs and cooperatives and highlighted the issues, which are needed to be sorted out before making further attempts in this direction.

Appa Rao\(^7\) (2003) in his study analyses the empowerment of women between SHGs and DWCRA groups in rural areas of Andhra Pradesh. The main objective was to examine the different aspects of women empowerment in SHG groups and DWCRA and also to assess the impact of women empowerment on living standards of SHG groups and DWCRA. Data were collected by the NABARD unit of the Department of Cooperation and Applied Economics, through survey in October, 1999. 48 members of SHGs and 48 members of DWCRA groups of women respondents from three SHGs and three DWCRA groups in Visakhapatnam, Nellore, Medak and Ranga Reddy districts in Andhra Pradesh were selected.

The Reserve Bank and NABARD explained the role of micro credit\(^8\) (2003) and felt that it is the most suitable and feasible alternative in achieving the goals of growth and poverty alleviation. The micro finance embodies the basic democratic ethos of self-development through a participatory approach. The experiment of micro finance in India
through the channel of SHGs has demonstrated considerable democratic functioning and group dynamism.

Another study by Tamil Selvi and Ratha Krishnan\(^7\) (2004) on SHG leaders has felt that the activities undertaken are essential for the healthy functioning of the SHGs. Within the SHG, the group leader is a key person on whom the success of the SHG depends. It was further observed that the essential activities received more attention from the leader and other activities needed to be stepped-up.

Leelamma Devasia and Jancy Antony\(^7\) (2004) conducted a study on Alivora slums of Visakhapatnam and stated that the social development is an evolutionary change and growth in all aspects of human life. The concept of micro credit and self-help has become a major tool for the empowerment of rural poor.

Misra\(^7\) (2003) discussed in his study the way to smoothen the flow of funds from banks to the needy and from the borrowers back to the banks for recycling, along with the role of NGOs and SHGs in this effort. He also pointed out the initiatives in other poor countries such as Bangladesh, Pakistan and Srilanka in this regard. Some of the questions touched upon the whole intricate problem of poverty and its gradual solution, particularly in relation to women in the Indian rural context.

Nirmala, Sham Bhat and Buvaneswari\(^7\) (2004) in their paper examined the determinants of earnings of rural women under SHG scheme in Pondicherry. They found that the main benefit of the SHGs was increased participation in social service and organized action, receiving new skills/training and better access to credit facilities. The study also showed that most of the non-form activities the respondents were engaged in
traditional and non-remunerative in nature. They should be strictly made to utilize the SHG credits for productive purposes alone.

Rao\textsuperscript{78} (2004) studied the all round development achieved by the SHG/DWCRA women groups in Andhra Pradesh. The study revealed that there is an increase in the level of awareness after joining the groups in respect of sending the girl child to school for a period of five years, which is evident. Data indicate that more women are sending their girl children to schools than in the past. After joining the groups there is an increase in the number of women adopting small family norm. The increased role of women in the decision making process of their daughter's marriage reflects their enhanced articulation. Increasingly more women are playing important roles in the domestic activities. Through proper guidance women are now able to solve their own problems like drinking water, privacy through low cost sanitation, horticulture through check dams, school for the girl children and road to their village, etc. The varying levels of participation by women in the study region reflected the degree of social development coupled with economic independence. The study recommended that more of economically and socially disadvantaged women should be encouraged to form groups.

Das\textsuperscript{79} (2004) conducted a survey on microfinance through self help groups and commented that an easy access of poor to credit is the biggest need of the hour rather than cheaper rate of interest. The micro finance provides opportunity to the poor for getting sufficient amount of credit easily to start any income generating activity. The micro finance not only provides the credit part but also deals with savings and insurance part. It ensures that the right to save is one of the most powerful weapons, which works for bringing the rural poor people into the mainstream.
Misra80 (2004) in his article 'empowering women for entrepreneurship- the role of microfinance' revealed that poverty is the greatest curse of mankind. The black-spo: in the moon is very closely differentiated and the policy makers take this as a challenge. The economists, managers and other radical thinkers take this group as the subject of research. The study is an empirical evidence of the 'affect' character of the woman Self Help Groups (SHGs) presently working around metropolitan cities of India. The major findings of the study, i.e., interest, inter-caste communication, leadership quality, collective action and market networking are getting built up through microfinance centered empowerment.

Tripathy81 (2004) examined in his survey that the SHGs formed and developed under various programmes provide a great opportunity for convergence of various programmes/activities of various ministries and organizations. These groups while aiming at promotion of savings and credit should work as pressure groups to address social issues, such as education, health, access to natural resources, etc. The necessary training could be provided to the SHG members to create awareness on community health, traditional and modern agricultural practices, veterinary practices, water resource management and other issues that may be applicable to the area concerned.

Hemalatha Prasad82 (2004) argues that SHGs provide better infrastructure support not only in the form of market complexes, work sheds, good roads, better transport but also in the form of better backward and forward linkages and institutional support wherever possible. Broadly SHGs follow five channels of market, viz., local market, institutional arrangements, exhibitions/melas, distributors/vendors/traders and wholesalers and retailers. In view of the increased competition in Liberalized, Privatized and Globalized (LPG) era, skill up-gradation in non-farm sector would prepare SHGs for
better competition and boost the marketing prospects. She further highlights that the technology interventions are practically non-existent in the current working environment of SHGs and technology action plan is essential for the SHPIs operating in the field.

Vasanth Kannabiran\(^3\) (2005) stated in her survey that women have to go a long way in the self help movement to get rid of the subordination. For her, the SHGs have moved one step forward in the economic and social agendas but in the citizenship and political power front they are two steps backward. Here, she stressed the need to have specific objectives for the movement with long term vision that is social, political and cultural which will serve to eliminate the subordination of women.

Mahendra Varman\(^4\) (2005) made a modest attempt to examine whether there is any association between the growth of SHGs and the increase in female bank deposit accounts in formal banks. In this process, the study tried to trace out the socio-economic factors that determine deposit and credit account holdings in formal banks, among individuals and households. The SHGs under microfinance scheme in India, which recently came into existence as informal organizations are linked to banks and its members are mainly women. Therefore, people's banking habits seem to be a major factor that affects the sustainability of concerned banks.

Selvanathan and Aravazhi\(^5\) (2005) described in their paper on ‘SHG- A new beginning in Women Entrepreneurial Development’, that the success of SHGs in the development of women entrepreneurs is not in the hands of a single agency; it is a task of multiple agencies. If various agencies come forward to help the SHGs, it will take a lead role in the development of women entrepreneurs. They concluded that the poor status of Indian women in villages can be transformed with the help of SHGs. As the success rate is
high at many places in India the SHGs are the real pathfinders in the life of rural Indian women.

Chandramani86 (2005) concluded in his study of the Self – Help Groups for empowerment of rural women, that the involvement of women is essential in all stages of economic and social activities. Therefore, organizing women in Self Help Groups would enhance the status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life. The SHGs have inculcated a great confidence in the minds of rural women to succeed in their day-to-day lives.

Kulandive87 (2005) opined in his survey that the Self Help Groups have important roles in increasing national productivity in terms of savings, internal lending and banking habits. This trend would continue to pave the way for self-reliance and economic empowerment of women. From women’s point of view, their involvement and ownership of a successful institution enhance their collective strength and the empowerment that comes with organization. From a wider perspective, member-owned or controlled micro-credit institutions can help to strengthen our democratic system.

Kumar, B88 (2005) discussed in his study, 'Impact of microfinance through SHG – Bank Linkage in India: A micro study, Indian micro – finance sector dominated by self help groups (SHGs)', addresses issues, like actualizing equitable gains from the development and fighting poverty. NABARD, the apex governmental financial institution, provides microfinance services to the very poor through the existing banking network and NGOs. It claims that around 90 per cent of the beneficiaries were women SHGs. Its impact evaluation – 2003 finds that there was a significant growth in assets (30 per cent)
and income (23 per cent) of the beneficiaries. The study finds that impact was not substantial and calls for immediate intervention for the sustainability of the programme.

Almelu (2005) observed in her study that the approach of the SHGs is more towards traditional occupations than towards the delivering of comprehensive training programmes. Thus, there is a need for further action in this direction that can develop and disseminate appropriate technology for rural women. There is a need to create technological infrastructure for generation of employment and work place in areas, where low capital investment and higher labour usage is needed.

Joseph Lalrinliana (2006) highlighted in his study that the SHGs are emerging as major agents of development and empowerment of weaker sections in the third world. In India, since the beginning of the ninth plan, most of the development programmes are channeled through SHGs. In all the parts of the country, self help groups are organized by the governmental and non-governmental organizations. Government banks and non-governmental organizations (NGOs) facilitate them by providing revolving funds, organization-based training, credit; etc. It is worthwhile to call SHGs a mass movement on a national scale for development and empowerment of the poor and downtrodden in the country.

Vinayagamoorthy (2007) has undertaken a study on the women empowerment through SHGs in north Tamil Nadu. It is found that the income of the women has been increased after joining the SHGs, so that the monthly household expenditure also has been raised to a considerable level. But the savings increased at slow rate, because the incremental expenditure was high. A good practice of the women SHGs in the study area is repayment of the loan in time. Since the repayment of loan is regular and within the
schedule time, we may conclude that the economic activities of SHGs are quite successful. In this way SHGs in north Tamil Nadu are very successful to develop women empowerment and rural areas.

Satish\textsuperscript{92} (2007) in his article said that microfinance is now an accepted institutional framework for taking financial services to the poor. It is but natural that microfinance should have tremendous growth in India, since India is the home to the largest concentration of the poor. In India the microfinance technology that has a relatively higher growth in the last decade is the Self Help Group (SHG). This lays stress on thrift as well as credit and also on the linkage between informal groups and formal financial institutions. An important sine qua non in this technology is the institution that promotes the SHGs. In India SHGs have been promoted with the help of NGOs, Banks and Government.

Geetha\textsuperscript{93} (2008) made a study on the women Self Help Groups and identified that women’s group formation increased the knowledge, consciousness, savings and income. This created an alternative to women’s traditional, social conditions and contributed to their ability to speak out and thereby earn a relatively higher status in the family and in the community. The voice of the voiceless that is the women are heard through Self Help Groups which confirms that participation in community and self development programmes in the need of the hour to bring women to the main stream of development process.

Subrahmanyan\textsuperscript{94} (2008) made an attempt to analyze the economic empowerment of the women Self Help Groups supported through micro-credit. The study runs across various academic and pragmatic issues. It presents a range of government’s planned
efforts of poverty eradication and empowerment of women. The findings of the study would help to understand what women Self Help Group strategy has accomplished for rural women in terms of empowerment over the years.

Manas Pandey\textsuperscript{95} (2008) discussed in his study the need for microfinance in India and opined that the microfinance through Self Help Groups is being propagated as an alternative system of credit delivery for the poorest of the poor groups. In other words microfinance is a programme for the poor and by the poor to mobilize savings and use them to meet their financing needs.

Chimun Kumar Nath\textsuperscript{96} (2008) in his study carried out a survey in the Dibrugarh district to find out the organizational behavior based on ethical values among the self-help groups. Self-help group is a small group of rural poor that has voluntarily come forward to form a group for improvement of the social and economic status of the members. It is found that a majority of the members of SHGs have adequate faith in themselves and their competencies and rest few members of SHGs are competent but need to develop more faith in themselves and their competencies. It is further observed that majority of SHGs have given adequate focus on their welfare. Creation of adequate human and social capital is essential for development of SHGs and ethical values are there to guide for such a creation.

Purushotham, Laxminarayana and Ramaiah\textsuperscript{97} (2010) opined in their survey that most of the tribal households in the interior mandals in Andhra Pradesh are not able to access institutional credit even three years after joining the Self-help Groups (SHGs). For want of the required social mobilization and training, they could not acquire the threshold level of maturity to participate in the bank linkage process. The present training and
handholding support to the tribal SHGs should be stepped up to improve their maturity levels. While the bank branch managers need to be sensitized to consider the credit needs of the tribal poor, the Government should explore technological, institutional and financial innovations to address the issue of branch viability in backward, tribal regions.

A study by Reji E. M (2010) made an attempt on the Self-Help Group (SHG) movement in the country, which helps nearly 45 million poor households to access financial services from the formal banking system of which some of these SHGs are highly successful and others not so. The aim of the study was to find out the factors influencing the effective functioning of the self-help groups. The study revealed that the effective functioning of groups is influenced by a host of factors, viz., savings habit, repayment behaviour, group cohesion, group leadership, group interaction and autonomy, sense of self, equity, accountability and transparency.

Velu Suresh Kumar, Thaha Sahad and Karupplah (2010) discussed in their study that woman self-help groups are increasingly being used as a tool for various developmental interventions. Through forming informal SHGs, rural women in India are getting credit and expansion support for various production-oriented income generating activities. A SHG is conceived as a sustainable people’s institution that provides the poor rural women with space and support necessary for them to take effective steps towards achieving greater control on their lives. The SHG approach has proved successful not only in improving the economic conditions through income generation but in creating awareness about health and hygiene, sanitation and cleanliness, environmental protection, importance of education and better response for development schemes.
Vanitha\textsuperscript{100} (2010) conducted a study and concluded that many of the poverty alleviation programmes through organized credit channels have not achieved the required success. When compared to the earlier self employment programmes, which resulted in a lack of proper social intermediation, SGSY is a holistic approach covering all aspects of self employment centered in organizing the women into self help groups.

Muthukumaran\textsuperscript{101} (2010) has conducted a study on the impact of the participation of women in the “Self Help Groups” and also to know how women have been empowered by utilizing their collective strength to upgrade their status in the society. This study helps women to strengthen their economic activities and marketing opportunities. The findings and suggestions of the study are quite useful for the administrators, policy makers and NGOs for formulating plans and rules for the empowerment of women sector.

Nagabhushana Rao and Geetanjali\textsuperscript{102} (2010) in their study showed that the impact of selected SHGs was significant on issues related to child health care, child marriage, awareness about legal implications of the matrimonial litigations, hygienic practices, family planning practices, value of unity and education, inculcation of self confidence, awareness on articulation, decision making and change in expenditure patterns. However, the SHGs had relatively failed to meet the required level relating to issues like domestic violence, dowry system and in securing positions in the political system other than statistical reservations.

Murlidhar A. Lokhande\textsuperscript{103} (2010) conducted a study on the socio-economic impact of women SHGs on group members and to identify the problems of women self help groups. This study was confined to the women self-help groups promoted by the Mahila Arthik Vikas Mahamandal in Aurangabad district under Maharashtra Rural credit
programme. The study concluded that poverty reduction is possible by providing easy access to credit for small entrepreneurial activities. Empowerment of women can be promoted through socio-economic activities at grass root level. Confidence build-up by the SHGs helps the women members to fight against injustice and secure their rights.

The study conducted by Thammi Raju (2011) in Mahaboobnagar district, focused on the knowledge level and training needs of women SHG members in the areas of breeding, feeding, health care and marketing of dairy products. The priority areas for training in dairying as perceived by women trainers of better-off and poor groups were identified to plan the capacity building programme. Most of the women of both better-off and poor groups had low level of knowledge on dairying; the precursor of training needs.

Emil Mathew (2011) in his study examined the performance of tribal groups who constitute the poorest of the poor in the microfinance programme and the economically better-off non-tribal groups in Wayanad district of Kerala. Based on the empirical data regarding various indicators of their participation, the study suggests that the socio-economic backwardness of these tribal groups prevents them from accessing sufficient loans from microfinance programme and is unable to initiate income generating activities. As the loans availed of are utilized for consumption purposes, repayment of the microfinance loans are done by further borrowing from moneylenders and other sources, thus getting entrapped in a spiral of indebtedness.

Santhosh Kumar (2011) conducted a study on poverty eradication mission of the State of Kerala, where it has been instrumental in facilitating the formation of women's groups, micro-enterprises, provision of administrative and financial aid and monitoring the microfinance activities in the State. The present micro-study about the
Kudumbashree linked micro-enterprises in three panchayats of the Ernakulam district of Kerala reveals the general and economic prospects of the enterprises along with different problems confronted by micro-entrepreneurs. It also advocates the strategies to be adopted by the enterprises, and promotional agencies to overcome the problems and survive in the competitive environment.

Sushil Kumar Mehta and Hari Govind Mishra (2011) made attempts to focus on the role of Self Help Groups in socio-economic change of vulnerable poor of Jammu Region which is a descriptive study of the SHGs promoted by the Gramudyog Hastakala Kendra, an NGO working for promotion of SHGs in Kathua District of Jammu region in India. A sample of 10 SHGs consisting of 162 members has been taken to analyze the various aspects of the SHGs, viz. educational profile, economic status, occupational pattern, etc. during pre-and-post SHG formation. It is also found that most of the members of SHGs are economically weak. The findings of the study suggest that SHG-Bank linkage programme has significantly improved the access to financial services for the rural poor and has considerable positive impact on the socioeconomic conditions and the reduction of poverty of SHG members and their households.

Sudhin Kumar Bera (2011) made an attempt to analyze the performance of microfinance activities and to explain the socio-economic impact of microfinance on the SHG members of Purba Midnapore district of West Bengal based on primary data collected from two villages taken from two different blocks. The main objective of the study is to identify and assess the socio economic conditions of the member beneficiaries during pre-and-post SHG period and to examine the utilization of microfinance services...
provided by the SHGs on income and employment levels of the beneficiaries. At the end, the study highlighted the issues concerning the functioning of SHG groups.

Anuradha Tiwari109 (2012) in her study conducts a comparative analysis between India and Bangladesh, in terms of money lent by institutes to the customers, clientele, financial sustainability of MFIs, in order to understand how the MFI's in India are performing as against those MFI's in Bangladesh, as it is considered to be the originator of Microfinance. It concluded that the Indian MFI’s are more profitable and operating more efficiently than those in Bangladesh.

The study conducted by Shreedevi S. Sardagi110 (2012) found that the women's empowerment would be able to develop self-esteem, confidence, realize their potential and enhance their collective bargaining power. The Self-Help Groups (SHGs) are a potential source to empower and institutionalize participatory leadership among the marginalized and to plan for initiative development activities. The self help groups in India have come a prolonged way since the pregnancy in 1992, the wide spread has been phenomenal SHG-bank linkage programme and most of these groups are usually women groups. Therefore, the Self Help Groups are successful in the empowerment of women.

2.9. CONCLUSION

All those studies, enumerated above, on MFI, SHG and women empowerments have focused their studies on:

1. Women empowerment through Self Help Groups.
2. Entrepreneurs skills of SHGs
3. Income and employment generation of SHGs
4. Rural development through Microfinance
5. Bank linkage of SHGs.

6. Microfinance Poverty eradication, etc.

2.9.1. Research Gap

There are no studies on the assessment of the program of the SHGs, which is very important for the policy makers and management of SHGs to identify the pitfalls in their working. Therefore, the proposed study is mainly on to evaluate the program of the SHGs.
REFERENCES


