CHAPTER EIGHT

Conclusion

"Massive poverty and obscene inequality are such terrible scourges of our time — times in which the world boasts breathtaking advances in science, technology, industry, and wealth accumulation — that they have to rank alongside slavery and apartheid as social evils”.

-Nelson Mandela, Former President (Republic of South Africa)

The concept micro credit and its organised delivery on a large scale to economically backward clients through groups on collateral free small amount of loan was popularised the Grameen Bank that was launched by Muhammad Yunus during the mid 1970s when he launched the Grameen Bank programme in his native Bangladesh. The SHG phenomenon is the outcome of pragmatic search for solutions to poverty within the framework of capitalism. It shows that the poor can tap their ‘social capital’ to overcome oppression and poverty and that the poor are not just helpless victims of the system. In a way the thesis defends and even strengthens capitalism but it can also be seen as a way by which the poor can collectively bring about a revolution and put an end to their own exploitation.

India is still predominantly a rural society and as per the 2001 census, 72.22 per cent of its population live in rural areas. The thesis is mainly concerned about the people who have been excluded from formal financial benefits, social; economic and political life and whose experiences, contributions, concerns and dreams are rarely considered in planning for the future. Poverty is especially severe in rural areas, where social services and infrastructure are limited or non-existent. A great majority of those live in rural areas are poor and depend on agriculture for their livelihood. They are either peasants cultivating tiny plots of land or landless labourers. The incidence of poverty in Orissa is outrageous, i.e., 43 per cent of the total population. The outrage is not just that deprivation, suffering and death is unavoidable; it is also that is situation coexists with affluence.
The horror of poverty is so deep rooted in India that, even after the Tenth Five Year Plan, 26 per cent of the people are still living below the poverty line. The fundamental and long-recognized development challenge for India is to achieve sustained economic growth with equity. The poor must participate in development, and benefit from, the growth process if poverty is to be eliminated.

The SHG movement and continuity of savings and credit in Umerkote Block of Nabarangpur is examined in detail with the theoretical tool of “Social Capital Theory”. Apart from this theory, other theories are also discussed in this research to look into the rural development and women’s empowerment. These are as follows:

*Development* is a process by which the members of a society increase their personal and institutional capacities to mobilise and manage resources to produce sustainable and justly distributed improvements in their quality of life consistent with their own aspirations.

*Marxists* argue that economic development was stimulated as major feudal landholders transformed themselves into capitalist entrepreneurs. Simultaneously the feudal oppression was lifted from the shoulders of the peasants, who would in due course form a working class, which could be recruited for a socialist revolution. The best-known new-Marxist development theories are the dependency theories and the world systems theories.

*Modernisation* was the dominant sociological theory of development from much of the 1950s to 1960s. Its principal claim was that development was a process in which “societies” defined as nation-states. The claims of modernisation theory can be traced back to both eighteenth century Enlightenment and the classical sociology of the nineteenth and early twentieth centuries. The developing countries of the world are termed “traditional” and their counter part at higher stage of economic and technical developed counties know as “modern”. The phenomenal growth of knowledge, sciences and technology created modern state. Rostow (1960) put forward a five-stage theory of development, in which nation states rigidly pass through a similar development sequence. The five stages he proposed are; traditional society preconditions for take-off; the take-off, the drive to maturity and the age of high mass consumption. The preconditions for take-off and the take-off stages were considered to be the two most important, with the
former removing obstacles to growth through the development of entrepreneurial ambition and reinvestment, and the latter consolidating these key features of development process.

The Development of Underdevelopment (1967) thesis went further and argued that the reason why some countries developed was precisely because they had exploited and the underdeveloped countries. Modernisation that separated the traditional from colonized the modern in fact rails the traditional societies are thoroughly exploited by the process of modernisation. Frank’s theory has been criticized. In fact the critics have shown that some third world countries ‘developed’ when they opened their economics to capital development.

Dependency theory resemblances Franks but it stresses on the fact that the third world lacks capital for which it is dependent on the ‘core’. Hence, to break this ‘dependence’ the third world has to promote autonomous development by investing within.

Gandhian idea of development is based on the foundational ethics of *Ahimsa* (non-violence). In Gandhian era, the concept of development was not so highlighted, there for he used the term progress rather than development, more with respect ethics and cosmic integrity. According to Gandhi, “by economic progress we mean material advancement without limit, and by real progress we mean morel progress, which again is the same thing as progress of the permanent elements in us”. As such he never made an academic contribution to ‘development’. However, he pleaded for an organised effort to change the ruling paradigm and move towards a superhuman stage. According to him, “the cosmic-moral organisation, faith is the path of spirituality and spirituality in its true sense is the motive force behind development” (The collected Works of M.K. Gandhi, vol.87:2470). Gandhian development of society is with the human only that every human being has a right to live and therefore to find the wherewithal to feed himself and where necessary to clothe and house himself.

Essentially, *structural adjustment* is the process by which the International Monetary Fund (IMF) and the World Bank base their lending to underdeveloped economies on certain conditions, pre-determined by these institutions. The pre-conditions

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concern the drafting and implementation of economic policies that are acceptable to the institutions themselves. The prevalence of Structural Adjustment Policies (SAPs) as a curative measure for the macro-economic imbalances with third world economies mark the triumph of mono-economies over structuralism.

Marxists criticizes that Structural Adjustment Policies are the major cause of poverty for developing countries. Many third world nations are in debt and poverty partly due to the polices of International Institutions such as the International Monetary Fund (IMF) and World Bank. By the influence of this programmes developing countries, these has been an increased dependency on the developed countries. SAPs have been imposed to ensure debt repayment and economic restructuring. But the way it was happened has required poor countries to reduce spending on things like health, education and development while debt repayment and other economic policies have been made the priority. In effect, the IMF and WB have demanded that poor nations, lower the standard of living of their people.

The welfare approach is the oldest and still the most popular social development policy for the developing world in general and poor and vulnerable in particular. It was introduced in the 1950s and 1960s. Its aim was to bring women into development as better mothers. According to Hardiman and Midgley (1982), MacPherson and Midgley (1987) and Moser (1993) that women are seen as passive beneficiaries of development. The reproductive role women is recognised and policies seek to meet practical gender needs through that role by top-down handouts of food aid, measures against malnutrition and family planning. The welfare approach is based on three assumptions. First, women are passive recipients of development, rather than participants in the development processes. Secondly, that motherhood is the most important role for women in society, and thirdly, that child-rearing is the most effective role for women in all aspects of economic development.

The equity approach recognises that in general, “poor are active participants in the development process and women in particular are more active partners”. “Equity” is the original Women in Development approach introduced in the 1976-85 UN Women’s Decade. The purpose of the equity approach is to gain equity for women in the development processes. This approach focuses on women’s poverty and the failure of
modernisation to redistribute income. It is also known as the "basic needs" approach, and views underdevelopment as the central problem. Efforts are concentrated on enabling women to become income generators, generally through small-scale enterprises. However, (Boserup, et al, 1970; Tinker 1976; Moser 1993) these efforts do not take account of women's special needs, and still see women's participation as less important than men's.

In the arena of Women in Development, efficiency approach is third predominant approach. Its main purpose is to ensure that development is more efficient and effective through women's economic contribution. By post-1980s onward, this approach has become popular. Although the so-called development industry realised that women were essential to the success of the total development effort it did not necessarily follow that development improved conditions for women.

In many respects empowerment approach has arisen from dissatisfaction with the original Women in Development as equity approach, because of its perceived co-option into the anti-poverty and efficiency approaches. However, the empowerment approach differs from the equity approach. This relates not only its origins but also in the causes, dynamics and structures of women's oppression which it identifies and in terms of the strategies it proposes to change the position of third world women. Origins of the empowerment approach are derived less from the research of First World women and more from the emergent feminist writings and grassroots organisational experience of Third World women. The empowerment approach acknowledges inequalities between men and women and the origins of women's subordination in the family. It also emphasises the fact that women experience oppression differently according to their race, class, colonial history and current position in the international economic order. This approach recognises the triple role of women and seeks through bottom-up women's organisations to raise women's consciousness to challenge their subordination.

The Women in Development (WID) is originated with the publication of Esther Boserup's Women's Role in Economic Development (1970). This is an early analysis by a western feminist of the sexual division of labor in the Third World and it is relating to the negative impact of development strategies on women. She argued that women in agriculture societies earned status as food producers. The modernization process,
supervised by colonial authorities filled with Western nations of the sexual division of labor, placed new technologies under the control of men, thereby marginalizing women, reducing their status and undercutting their power and income. Modernisation was not automatically progressive.

Alternative development has been concerned with introducing alternative practices and redefining the goals of development. This has been successful in the sense that key elements of both have been adopted in mainstream development. Even if not consistently practised it is now generally accepted that development efforts are more successful if the community participates. NGOs now play key roles on the ground and in development cooperation. This success reflects not simply the strength of NGOs and grassroots politics but also the 1980s rollback of the state, the advance of market forces and the breakdown of regulation. All the same, the goals of development have been generally redefined. It is now widely accepted that development is not simply a matter of GDP growth and human development is a more appropriate measure of development. This also means that alternative development has become less distinct from conventional development discourse and practice since alternatives have been absorbed in mainstream development. However, alternative development has failed to develop a clear perspective on micro-macro relations, an alternative macro approach, and a coherent theoretical position, although, it is often claimed that there is an alternative development paradigm.

The idea of social capital is both appealing and promising. Precisely, because it offers a potential strategy for obviating these concerns while bridging theoretical and disciplinary parts. Therefore, an attempt has been made to put a logical structure for integrating social capital into development theory and policy by observing and explaining the empirical studies conducted at the micro and macro level. Under the empirical study facts and figures has been collected and explored the conditions on which social capital is a method for poverty alleviation through self-help group model.

In general, social capital theory can be a model for social situations and a model for self-help groups and microfinance. Social situations cover a range of group interactions in different settings. We assume that people have certain goals and that they attempt to realise those goals through their actions. The focus of the study is on how
individuals’ attempts to achieve their goals by the one another’s actions and that by the help microfinance institutions. Therefore, in this study special attention has been given to the social capital theory. Society is not only a system of moral norms and defined statuses which embody those norms; it is also a system in action. As individuals and groups meet, as they strive, as they attempt to solve problems, their statuses and even their moral norms are to some extent changed. The social capital of a society includes the institutions, the relationships, the attitudes and values that govern interactions among people and contribute to economic and social development.

Microcredit literature review on social capital examines the empirical evidence on the relationship between social capital and the performance of credit delivery programmes in the developing world. Moreover, microcredit through SHG is a strategic alternative tool for poverty alleviation. The concept of SHG is catching up as the most viable means in recent years to empower economically backwards, poorest of the poor, especially women at the periphery. Women have shown extraordinary dynamism in organizing themselves in group activities for income generation, better bargaining power and improvement in the quality of life. Membership in a group provides women a legitimate forum beyond the private domestic sphere and inputs to which they previously lacked access. It permits a gradual building of women’s capacity to interact effectively and redistribute economic opportunity. It is against this backdrop that the SHGs have merged as an alternate structure to cater to the needs of the women.

Economists, anthropologists and sociologists in particular are using the concepts of development as well as social capital to explain the comprehensive improvement of empowerment of vulnerable section of society, especially women. However, taking into consideration the unequal development of the modern world, they have employed several other concepts directly related to development.

As mentioned there were several policies implemented since First Five Year Plans (1951-56) to reduce poverty from the country. These policies got momentum in the five year plans with varieties of schemes and programmes to reduce poverty. The origin of SHGs has existed in rural society of India much prior to the period when rural planners formulated this concept. In India, the concept of SHGs can be traced back to the Gandhian Gram Swaraj movement. It is mainly concerned with the poor and it is of the
people and for the people. The genesis of these could be traced to nutritional aid in Indian village community. In traditional rural societies, self-help takes various forms. So, self-help in essence is a form of cooperation. Father of the nation, Mahatma Gandhi, highlighted the same concept and stresses the self-help aspect in this Sevagram project during 1921.

The formal sector is widely diverse. At one end of the spectrum is the highly personalised system of financial flows among relatives and friends, situated within a scheme of reciprocity in which loan transactions do not carry interest charges. These loans largely address day to day cash flow problems to meet the consumption and production needs of the household. Then there are cooperatives, credit unions rotating savings and credit associations, and other self-help organization that are owned and operated by their members. These alliances typically make use of pooled funds to make loan and sometimes provide other financial services to member provided by input suppliers and output buyers to their client-producers.

Self-help group is a small economically homogenous affinity group of rural poor, which voluntarily agrees to contribute to a common fund to be lent to its members as per group decision, which common fund to be lent to its members as per group decision, which works for group solidarity, self and group awareness, social and economic empowerment in the way of democratic functioning. Since 1970s, SHGs in India reach almost nook and corner and connected million of households. It is true that some SHGs and the SHG programmes do not perform well as well as some microfinance institutions. If the purpose is to determine whether the Indian SHG model is a sustainable one, it is more relevant to look at the programmes that are performing well than those that are not. One can expect that over time, the weak SHG programmes will stagnate or close and most outreach will be dominated by well-managed programmes. This is what has happened among conventional microfinance institutions over the past three decades. Self help groups are quoted as an alternative to institutional credit to the poor, the main objectives of self help group is to promote savings among poor and provide small and short terms loans to its numbers at low rates of interest to meet their urgent and small business needs.

It was found that the money contributed by the members of self help groups were pooled together and used as a revolving fund, and regular loans were given to its
members on a priority basis decided by the members themselves. Now the SHGs members get loans at low rates of interest and they are free from the clutches of the money lenders. At least four general elements (i) the group product, including the efficiency of the group's productivity, (2) the group, including collective interaction and cohesiveness, and (3) the contributions of individual participants.

It is clear that SHGs can be financially sustainable, and most were profitable. Although costs of promotion and support have been subsidised, SHGs compare favorably with many other microfinance approaches\(^1\) in terms of the subsidy required per client and financial sustainability. The study analysis indicates that most of the SHGs would be financially sustainable even if they had to pay the cost of external promotion and support. Primary purpose for formation of self help groups was to undertake social and other developmental activities. Thrift, credit and income generating activities were taken up later. Access to timely and adequate credit, transparency with simple procedures, elimination of middlemen and group empowerment has been the other motivating factors for group formation.

Generally, regularity of savings is witnessed among the good groups, with the exception of areas where lack of livelihood opportunities force the poor to migrate to other areas. SHG is a method of ensuring financial discipline, which results in improved repayment rates. It expands resources available to the poorest, so that they have more options for their work and life. Tiny savings in the SHG fund is an asset that raises capacity to borrow as well as achieve the status as a breadwinner within the community. Savings are an autonomous means of economic growth for the women. It enables a woman to control the growth of her business and supplement it with loans. Savings are a fallback, a form of social security in times of crises. Whenever cash is urgently needed in time of sickness or death she had her savings to fall back on.

With increasing number of SHGs and their membership, NGOs termed as an associative economy. It differs from cooperatives in the sense that the latter operate, de facto as public sector enterprises with little autonomy and member participation, while

\(^1\) Detail on microcredit or microfinance institutions have been included in introduction chapter and third chapter.
the former emerge out of people's own initiatives and are run wholly by them. A self-help lead to self-reliance of SHGs. Self-reliance is a state whereby a group having achieved such a state no longer depends on the benevolence or assistance of third parties to secure its interests. Thus a self-reliant group is one that has developed sufficient productive and organizational capacity to design and implement a strategy, which effectively contributes to the betterment of its independent status. However, it does not mean autarky. In the present society, interaction with other groups and institutions is unavoidable. It implies a style of interaction based on equality. Thus self help held promotion is a deliberate effort to facilitate the emergence and foster the functioning of SHGs so as they become self-reliant institutions of poor people.

For economically backward people, SHG is the collateral substitution for replacing the conventional collateral and security forms that are traditional and tangible with non-conventional formats. In order to formulate policies, take decision or make laws, a small group of beneficiaries become more appropriate. As an effective mechanism for mobilization of rural women and also for building up organizations, the most accepted concept is the self help group concept. Through the process of unionisation and provision of credit, saving and employment services could strengthen women and prepare them to fight together the bureaucratic constraint. Political pressures enforce management action and empower themselves through awareness, leading to a better quality of life of the people.

The SHGs jointly addressed a number of community welfare issues like approaching the concerned authorities for schools and electrification of the village and solving their drinking water problem and conducting camps for animal health activities. SHG being comprised of group of persons, gets empowered to solve most of their problems of non financial nature like raw material, input supply, marketing, better adoption of technology, education and training for realizing the human potential for development.

Empowerment also enables women's groups to shape themselves as social activities by trying to check malpractice and discrimination in the implementation of different scheme in the system. Training of rural women is important so as to increase their involvement in development process chance their skill and make them equal.
partners in national development. The major objectives of training of rural women should be to equip them with better skills and enhance their knowledge so as to prepare them to face new challenges due to technological developments. The discourse of SHGs is catching up as the most viable means in recent years to empower women, especially at the grass root level. Women have shown extra ordinary dynamism in organising themselves in group activities for income generation, better bargaining power and improvement in the quality of life. Membership in a group provides women a legitimate forum beyond the private domestic sphere and inputs to which they previously lacked access. It permits a gradual building of women's capacity to interact effectively and redistribute economic opportunity. The SHGs have now merged as an alternate structure to cater to the needs of the women. The equality of women with men remains myth till women becomes economically self-reliance. Women need to be viewed as productive members of the society, sharing equal authorities and responsibilities.

SHG bank linkage programme, connected on common fund through regular savings, supplemented by outside borrowings, loans for traditional and nontraditional production and consumption activities, terms of credit decided by consensus in group meetings. Collateral consists of mutual confidence and trust, simple documentation, peer pressure and group dynamic to ensure repayments. Rural poor women have succeeded in evolving an innovative alternative banking practice i.e. first saving then credit by the assistance of microfinance institutions. The age old phenomena that poor are not creditworthiness has been challenged in 1970s when informal financial institutions like Grameen Bank in Bangladesh and SEWA in India took part to accommodate poor rural women in income generating activities. Resources mobilisation by SHG through shares, savings and deposits of various forms has attracted commercial banks to provide loan to the poor people. HSBC (StanChart), ICICI Bank, HDFC Bank, IDBI Bank, any many more commercial banks, currently it is operating with the poor in the remote corners of India.

The strategy of SHGs was introduced in 1974 by SEWA a pilot study at a formal level initiated in 1992 by NABARD got recognitions in 1999 with launching of SGSY by Government of India in all developmental programmes. The SGSY was intended to be an improvement on earlier efforts of poverty alleviation to escape the pitfalls encountered under the IRDP. Thus the SGSY was conceived as a holistic programme of microenterprise development, covering all aspects of self-employment, by means of organising the poor into SHGs, providing for their capacity building, planning of cluster activities, infrastructure build up, technology, credit and marketing. The Planning Commission of India, realising the usefulness of SHGs for poverty alleviation and potentiality of poor people's creditworthiness and its popularity, introduced in every development programmes. It is observed incidence of poverty in Orissa 70.07 per cent (1977-78), 65.29 per cent (1983-84), 55.58 per cent (1987-88), 48.56 per cent (1993-94), 47.15 per cent (1999-2000) and 39.9 per cent in 2004-05 that the percentage of population BPL in rural Orissa is decreasing over the years, reduction in urban poverty is till slower. The slow rate of reduction of poverty in Orissa is attributed to several inherent problems which have been explored.

8.1. Major Findings of the Study

The results of present study partly match with the previous findings of Samanta et al (2007), Das (2005), NABARD (2006), Singh (2008), Mahajan (2008), Kashyap (2008), Karmakar and Mohapatra (2008), Kabir (1999), Hulme and Mosley (1996), Khandaker (1998), Park and Ren (2001), Nelson and Wright (1995), Moser (1993), Friedmann (1992) Mayoux (2001) that participation of women in SHGs has made a significant impact on their empowerment both in social and economic aspect. The women members were able to increase their income levels and contribute to the development of the family. Particularly in this study it was found that in the process, many women members expressed that they were participating in the financial decision of the family, which they were not allowed during the pre-bank linkage period. It was observed that regularity in attending meetings and the savings habit was a disciplinary measure in SHGs. Though SHGs is one of the mechanisms for poverty alleviation but caste, class, and economic status is the majoring stick for the members inclusion in the SHGs. This study is differs
from the above studies as not a single study has given comparative social economic status of the members. This study as taken place in a multi social community level where the poverty level has seen located with the individual respondents and a comparison has brought up.

Nabarangpur district is best to a wide range of castes, sub-castes especially the SCs often remain marginalised and subordinate to the upper castes and also to STs and BSCs as well as different socio-religious denominations. In respect of type of participants in the SHGs women members were taken for study from three communities, such as STs (60.3 per cent), SCs (18.2 per cent), Bengali SCs (17.7 per cent) and general category includes both Raj Gond and Bengali (3.8 per cent). Data shows that the highest share among households in the Block consists of STs. It was observed that majority of the SHG members were STs (60.3 per cent) and most of them are belongs to Bhatra sub-tribes (20.1 per cent). It can be say sub-caste or sub-tribes as Majhi are sub-caste with in the STs and they wear thread but not the Bhatra. Again within STs there is caste status, Kandha are the lowest sub-tribes, they are not being allowed to Bhatra, Majhi and Gond kitchen nor they allowed to touch dead body. Therefore, as purity and pollution is concerned there is stratum within the STs. Among SCs, Bengali SCs of Namasudra sub-caste were the second highest (17.7 per cent) and Domb were the third (17.2 per cent). It was found that majority (64.1 per cent) of them were residing in a nuclear households in semi-pucca houses of which most of them were owned by Bengali SCs, lower rate of sanitary facilities, with lower level of electricity connectivity, medium level of household dependency ratio. It also found that most of the households were headed by husband. It was observed that most of respondents were middle age group with medium (34 per cent) level of literacy. Broadly, social status of a household remains associated with the resources at its disposal and the caste that it belongs to. Distribution of government schemes and other resources generally remains in favour of the upper and middle castes, especially to Oriya and Bengalis, while the overall situation of the ST and SC groups remains poor. Many among the BSCs however enjoy better economic status compared to the STs and SCs. Such social environment helps sustain relations of production that get articulated through patronage and exploitation. It was found that one-third of SHG were formed by Block Office with the help of its officials and one-fifth was formed by two
NGOs viz. SEDP and SAHARA and also motivated by husband. More than one-third of SHGs were formed in 2001 and one-fourth in 2002.

The amount of savings is also influenced by the ideas shared by the promoters of SHGs, level of poverty prevailing among the members, nature of surplus resources being generated from the economic activities undertaken by members. It was found that as lower daily incomes do not help to save more so the saving rate was lower among the STs and SCs. It was observed that, members attend monthly meeting interchangeably as all member can not attend the group meeting because members are busy with earning a livelihood. For example, coming late from agriculture field, from forest, absence from the village that particular day as went see relatives in other village or attending patient. It shows that majority of the member are interested in attend the group meeting but because of some emergencies work they do not attend the meeting. Normally, Bengali community is more aware about the happening of the society and also particularly SHG is concerned. Commercial Banks are not disbursing loans in the names of the husband or father-in-law of the BSC respondents because they are defaulters. SHG is the only source from which the Bengalis are getting loans from the banks. Most of the SHGs were linked with commercial banks in 2002 and they disbursed loans after properly monitoring members at group level memberships. Gradation of SHGs take places for significant performance of SHGs and grants provided to them. It was found that grant amount is half the savings of SHGs. Under SGSY scheme grants were provided to the SHGs for using the amount in income generating activities which is the part of poverty alleviation programme.

The basic norm of SHG is that directly providing credit to the members from the small savings for meeting the current household’s requirements viz., school fees of children, medicinal expenses etc. It also minimises the current credit dependency on moneylenders who charge high rates of interest. Lending from SHGs fund ensures to sustains the group and also gains for them access to more funds from the government and the banks. It is noticed that SHG members have simultaneously taken more than one loan depending on the priority of requirements. SHGs provide loans mainly for agricultural purposes such as, buying fertilizers, insecticides, bullocks and buffalo, hybrid seeds, for petty-business and animal husbandry for supporting income generation. SHG members also borrow loans for specific social occasions which are obligatory in nature. For
example, births and deaths, pregnancies, and marriages. However, in actual practice raising of such loans are not unilinear, often they are raised from multiple sources such as moneylenders, relatives and friends. Loans raise from moneylenders and pawn brokers who charge differential rates of interest depending on the nature, type and time of loans asked for. SHGs provide collateral free loans whereas, moneylenders ask for guarantee. Mortgaging land and at times even mortgaging the standing crop for raising loans during emergencies such as, deaths and birth, and marriages is not uncommon. Such practices are more common among the BSCs than among the STs and non-BSCs. Borrowing from moneylenders was viewed to be somewhat convenient despite their charging high rates of interest, for even while many are unable to repay on time, moneylenders wait especially when the borrower belongs to the village itself. During festive occasions also people especially tribal groups raise loans from moneylenders.

Many factors are associated with the higher repayment rates under micro-finance programmes. Group-based lending introduces peer pressure and monitoring and creates social pressure to enforce loan contracts. Moreover, micro-finance is not merely an intervention of lending and borrowings. It emphasizes for building capabilities of programme participants through savings, credit and other financial services. Thus, it leads towards a path of social development. It was observed that an overwhelmingly (94.3 per cent) members from all social groups repaid the amount whatever they taken from the groups' fund. The conservative thinking that loans taking from individual, groups, banks or moneylenders is considered to be a grave risk. If a person dies without repaying her or his debts, her sons and heirs feel it their duty do so, otherwise soul of the dead will not rest in peace. Also, the fear of non-repayment of loan from the SHG fund may lead to alienation from the SHG. Defaulters may also be denied financial help from fellow villagers.

It was observed that repayments were fixed on monthly intervals. Those members who repay monthly intervals are specially those who operate petty-business. People those who take loan for cultivation purposes repay loans after harvesting. An overwhelmingly (83.3 per cent) member repays their loans from husbands’ income as, these women take loans for cultivation and also for allied activities. These members have taken loans for multiple uses, such as cultivation and dairy farming, and petty-business.
Even though, SHG is an informal institution to get loan at low rates of interest but there were SHGs who have made certain rules to get back the loan from their defaulters. Normally, vendors and dailywage labourers do not default as their credit requirement is small against their savings. They also do not take big risks. Strict rules are followed by Bengali SHGs, that if a member does not clear the loan with interest on stipulated time then they are charged Rs.5 per cent extra on the existing loans. So, in order to avoid this risk all members repay their loan in time.

Regarding overall women’s empowerment, the impact of microcredit programme seems to be encouraging in both private initiative and government institutions. Self-help promoting institutions (SHPIs) promote sustainability of services and outreach to the poor and women. Such as, a sense of control, competence, coherence, confidence, self-esteem, entitlement, responsibility, participation, solidarity and community. Situational components can include control over resources; interpersonal, work and organisational skills; decision-making powers; self-sufficiency, mobility and ability to get around in society, increased status, financial and social support, information, income; improvements in living conditions such as child care, school attendance of children and housing improvements. It was found that most Bengali women are far ahead in terms of outside connection and the performance was significantly associated with family encouragement and achievement motivation.

Sustainability of SHG can be viewed at several levels-institutional, group and individual and can relate to organisational, managerial and financial aspect. A sustainable livelihood for each and every SHG member is mission of the SHG. These SHG members are looking for ways to stabilise their lives and livelihoods in a way that it enhances their dignity and contributes to the broader well being of the family members. Sustainability of SHGs has been viewed with regard to its performance. The decade of SHG progress is not a chance of choice but roughly the time required for capacity building, empowerment and livelihood processes to be personally experienced by each member through challenges faced in their lives. If each member of the concerned group credited for 3 to 5 times cycles of loan and repayment rate is satisfactory, then only we can say that the group is sustaining. It was observed that almost all SHGs have crossed five years of terms
and all members taken loan for more than three cycles in this period. Some members in the SHGs who are slightly more enterprising also make good use of the bank loans available, to expand their livelihood portfolio.

Joining the SHGs means that, expecting for some major gain in terms of extra benefit at the individual level as well as at the group level. SHGs are an additional initiative for livelihoods promotion and supportive opportunities for the poor people and also an alternative mechanism to help each other.

The SHG federation is a democratic body formed with a certain number of SHGs functioning in a specific geographical area with the objective of uniting such SHGs for common cause and for achieving these causes which an individual SHG would not be able to do. A federation is an association of primary organisations. Primary organisations may join together to realise economies of scale or to gain strength as an interest group. A cluster level federation is a network of several SHGs and a structure or body evolved by SHGs themselves consisting of representatives from all-members of SHGs, with the motive of supporting member of SHGs to attain the goals of economic and social empowerment of women members and their capacity-building. In other words, it is another forum for SHGs to step up development of women members taking advantage of collective effort of member SHGs enabling holistic and need-based social, political and economic development. Empowerment can also be analysed at the group level, although little attention has been paid to its components. Groups’ sustainability and empowerment includes the ability to name problems, to identify actions leading to solutions to understand and get what is needed from others, and to establish links with other groups-meaning group interaction for federation creation. Thus a successful sustainability of SHG programmes can increase membership and strengthen relationships with local banks, NGOs, political leaders, and government functions. It can help the group and individual member not to borrow money from moneylenders on high interest rate. It will build up capacity of practical knowledge, solid information, real competencies, concrete skills, material resources, genuine opportunities and tangible results.

It was found that family encouragement towards SHG was more among the Bengali SCs than STs and SCs. It was not because of husband domination but because of lack of awareness and uneasy to take risk. It was observed that among the individual level
constraints encountered by SHG members were lack of education especially STs and SCs in comparison to BSCs much higher. Improper price for the produced goods unscrupulous by middlemen were the constraints faced by the SHGs members. There is a clear community bias in forming SHGs. It was found in the study that of the 20 groups, non of the Bengali SHG members taken membership to STs or SC and vice-versa. SHG members like to join into their own community, where they can feel confident while taking part in any discussion regarding the SHG.

The SHG movement has provided a voice to tribal women and brought out their entrepreneurial skills, demonstrated by microenterprises and their income generating activities, such as dairy farming, piciculture, vegetable cultivation and the like. Initiation of informal credit delivery system has increased access of tribals to credit for income generation. It has inculcated savings and repayment habits. SHGs have been successful as agents of poverty alleviation by a number of different measures. The most common measure of a SHG’s performance is member’s loan repayment rate, since this has a large bearing on whether mechanisms like small savings are sustainable. One basic fact of the SHGs formation is to secure livelihoods and also help each other SHG members in the time of need. The most outstanding factor of SHGs is that it is a way through where women can saves which can be use in time of emergencies. Data analysis clearly indicates that, a fairly higher percentage (94.3 per cent) of SHG members have repaid their loans. A remarkable feature of the SHGs is that, the total savings and their sincere repayment methods which help members to get loans on a rotation basis. Equilibrium savings and interest rate with rotational credits among members convey stability of SHG and a sense of common purposes have proved that the SHG is one of the most effective alternative mechanisms for poverty alleviation.

As SHG is part of self-management programmes, clusters and federations promoted by the community banking programme share the costs of management out of their own savings and credit operations. By providing regular access to savings, credit and insurance services, the programme is able to rescue many poor people from the clutches of moneylenders and arrest the income drain. In addition, the programme helps members to enhance their income and create assets. Many older groups and federations go beyond providing savings, credit and insurance services and meet the other social and
developmental needs of members. In the case of SHG and its functioning, only two women hold the total power of the group. For example, one is the group head or leader (president) and other one is secretary. On half of group, the bank account will open jointly on the name of the president and secretary. These two are the office bear and rest of the group member is just member. These two are responsible for the whole transaction of the bank. So, rest of the member is far away from the empowerment process. In this case, the members are only passive elements. Women may be energized by their group activities. However, activities must be scheduled at the convenience of the women, and additional burdens should be minimised as much as possible. If conscientization and empowerment are not part of the group process, there may in fact be little or no long-term gain to compensate for the time loss from women’s participation in community activities.

Micro-finance programmes are trying to become self-sustain gradually. High rate of recovery under micro-finance programmes proves a hypothesis that the poor creditworthy and thus bankable. Micro-finance can be best intervention for the poverty alleviation and employment generation all over the world like Bangladesh and India. At the same time Government sponsored schemes of poverty alleviation are there, in which subsidy is one of the components. From time to time Governments announce these populist schemes to strengthen their vote banks. There is a fear that such subsidized schemes can hamper the growth of micro finance in India.

Poverty alleviation is a gigantic task at personal level and as well as Government programmes. Now NGOs and MFIs are playing important role in reducing poverty and generating employment in developing countries through micro-finance. Governments of both the Centre and States have also created conducive environment and regulatory framework for the spread of micro-finance. In India government has taken initiative for micro-finance development. Besides ICICI bank other private financial institutions have come forward for the growth of micro-finance sector. Targeted micro-finance programmes also help to increase assets, savings and net worth of households. Most importantly, by promoting a shift from land-based activities to non-traditional economic activities, promotes productivity and create employment opportunities in the rural economy. The study documents that due to Grameen Bank of Bangladesh and SEWA in
India's initiative, over all levels of employment have increased, labour force participation among women has increased and self employment has increased.