ABSTRACT

Microfinance is inextricably linked with economic development and has emerged as a world-wide tool for poverty alleviation. It has also caught the fancy of Indian policy makers. A number of microfinance programmes have been initiated by the various states governments in India including Haryana. In spite of the fact that Haryana is a fast developing state of India, yet it is grappling with the problem of development of a backward minority concentrated district like Mewat (newly carved out district from Gurgaon and Faridabad in 2005). A number of microfinance projects and schemes have been initiated in Mewat by both government and non-government organizations. The Mewat Development Agency has been set up at the district level to overview and to monitor the progress of various schemes being implemented under the Mewat Development Board, set up by the Government of Haryana in 1980, as an extra effort of development apart from the normal plan schemes. The Mewat Development Agency is actively promoting Self-Help Groups (SHGs) for women through its Federation. Mewat has been severely lagging behind in terms of socio-economic parameters of development and the problem is further aggravated due to the rigid socio-cultural mindset of the area. The microfinance programmes have not gained the desired momentum and results are far below desirable levels.

The focus of this research is on the development situation of Mewat where the self-help group model of microfinance has been prevalent for more than fifteen years. The objective of the present study is to understand the impact of microfinance and women self-help groups in the development process of Mewat. For this it was imperative to do a review of the existing microfinance schemes in operation in Haryana and Mewat and to examine the current status of economic development indicators in the district. A primary survey was conducted to study the impact of microfinance on living standards and empowerment of women. The study reveals that there were a number of shortcomings in the schemes in operation and that the pace of economic development in Mewat is very slow especially in terms of female literacy and sanitation. On the other hand, there has been an increase in the income, expenditure and savings of the beneficiaries after joining the scheme. This has led to economic independence and raised the standard of living of the members. Moreover, credit is necessary but it is not sufficient alone for sustenance of microfinance aided business enterprises. Hence, an attempt was made to identify the credit plus factors essential for sustainability of
income generating activities of women in Mewat. Insights received from all the above have been used to suggest measures for the successful implementation of microfinance schemes which will help in achieving the desired levels of development especially in relation to women.

The critical players in the microfinance sector in Mewat are the state at the grass-root level (panchayats) and the women self-help groups. Hence, in Mewat, the microfinance movement needs to be viewed from a long-term perspective under the SHG framework. This underlines the need for a deliberate and well-thought out policy framework which will enable the development of a diversified and innovative microfinance sector resulting in a real contribution to women empowerment and development of Mewat.