CHAPTER- I
INTRODUCTION:

The present study is an attempt to make “An Evaluatory Study of Self- Help Women’s Thrift Groups In Parbhani District.”

Devaluation of women commences at birth the preference for male offspring continues through childhood of conditioning to the submissive and later on, the subservient role required of them in the marital home. A woman is never viewed as a person in her own right but always as someone’s daughter, wife or mother especially in rural areas ¹.

SHGs have an in-built mechanism where emphasis has been given over capacity building in women through developing their communication skills. SHGs function through their regular meetings, where members perform transactional activities and discuss over different related issues. This discussion among the group members is the means through which they give voice to their needs and it proves to be the platform for addressing their social and economic problems and enlightening their inner selves as well ².

Social mobilization through ‘self-help groups’ is inevitable for economic empowerment and poverty alleviation. The concept of ‘self-help groups’ exists prior to any intervention. The members are linked by a common bond like caste, blood, community and place of origin or activity in these natural groups of ‘affinity groups’. It is imperative that the self-help groups should be promoted in such a way that it facilitates a cooperative, participative and empowerment culture.³
The ‘self help groups’ provide economic benefits in certain areas of production process by undertaking common action programmes, like cost-effective credit delivery system, generating a forum for collective, learning with rural people, promoting democratic culture, fostering an entrepreneurial culture, providing a firm base for interaction and co-operation in programmes with other institutions, possessing credibility and power to ensure participation and helping to assess an individual member’s management capacity.

Self-Help Groups enhance the equality of 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 life.

STATEMENT OF THE PROBLEM:

Poverty is the major problem of Indian economy. As such, eradication of poverty and economic development have been receiving tremendous attention of the government. Crores of rupees have been spent on eradication of poverty schemes. Yet, the incidence of poverty and unemployment could not be reduced. However, it has been realized that a mere bureaucratic approach to eradication of poverty and development of weaker section will not deliver the goods.

The new approaches to eradication of poverty and weaker section development lay emphasis on popular participation, grassroots organizations like women’s self help groups and micro level planning. There cannot be any real development in rural and urban areas unless women are empowered. The formation of SHGs, implementation of
schemes like non government organization (NGOs), Development of women and children in rural area (DWACRA), Banks, Mahila Bal Vikas Kendra and strengthening of Panchayati Raj Institutions (PRIs) have all contributed to raising the socio-economic status of women.7

India become independent in 1947, since then it adopted socialist-social structure. However in the last 54 years there hasn’t been any remarkable socio-economic development in India. According to the Human Development Report (HRD)- 2003, India ranks 127th among 175 countries in the world. Moreover India ranks 103 in Gender Development Index 8 (GDI). Besides this 34.7 % people in India live below poverty line 9 and almost 70 % of these are women 10. In order to solve this problem the government introduced various schemes like 11 Rural Work Program, National Rural Employment Program, Jawahar Rojgar Yojna, and Integrated Rural Development (IRDP).

Establishment of Women’s self help group (SHGs) is one of the sub-schemes under Swarna Jayanti Gram Swarojgar Yojana introduced on 1st April 1999 12 (SJRY).

The present study makes an attempt to study the following problems with reference to women’s self help Groups (SHGs).

1. Can Women save money through SHGs?
2. Can they liberate themselves from the clutches of moneylenders by providing loans based on the minimum interest rate through SHGs?
3. Can SHGs members utilize their loans for poverty eradication?
4. Can women develop decision-making power through SHGs?
These are some of the questions that require investigation. If empirical proof is made available, it may help the country to frame future policy about working of SHGs as means of rural development.

**Review of Earlier studies:**

The present study is concerned with evaluatory study of Self- Help Women’s Thrift Groups (SHGs) in Parbhani District. Before going into the details of the study, a review of existing literature on the subject is presented below:

1. Narayana\(^42\) (1979) has found in his study the following things about savings: “Income, savings and investment are the three key variables of any economy. The level of income is an important determinant of savings and investment, while the past investments in capital goods influence the present level of income. The process of economic development depends upon the community’s ability to invest and the progress of industrialization and economic modernization is closely related to the rapidity with which savings and investment are harnessed.”

2. Kurkushetra’s cover story\(^32\) (Aug.1999) states that the SHG is group of rural poor who have volunteered to organize themselves into group for eradication of poverty of members. They agree to save regularly and convert their savings into a common fund. The members of the group agree to use this common fund for their development.

3. Sarkar A. N.\(^30\) (Dec.2001) states that the micro finance is a useful tool in building the capacity of poor in management of sustainable
self-employment opportunities, besides providing other financial services like savings, housing credit for consumption, insurance cover etc. SHGs can also encourage literacy programme, health consciousness among women.

4. Pattanaik B.K.\textsuperscript{31} (Dec.2001) remarks, “Women have a decisive role to play in the alleviation of household poverty. Empowerment of women with property right and saving and investment facilities would contribute much more to the household income. Women’s participation in the income earning activities would raise the gender per capita income. The economic empowerment of women is absolutely necessary for eradication of poverty in general and rural poverty in particular.

5. DRDA’s information booklet\textsuperscript{21} (2001) The above mentioned book provides all information regarding SHGs, their characteristics, functions and process of their formation and their importance.

6. Miss. Tekekara T. F.\textsuperscript{23} I.A.S (Jan-March 2002) has thrown light in her article on view of the Government of Maharashtra about women empowerment. According to her the conservative attitude of the Govt. is main obstacle in the process of decision making about the women development. She remarks that the Govt. of Maharashtra should adopt the policies followed by the states like Tamilnadu, Andra Pradesh and Karnatka, which are progressive and women friendly.
7. Dr. Medha Dubhashi\textsuperscript{43} (Dec.17-18, 2002) remarks, “Although micro-finance is now an industry, it is very small and a fragile one and its services have only reached a tiny proportion of the people who can benefit from them. In developing the micro-finance industry in India, especially through the self-help groups (SHGs), the role of the promotional institutions has been stressed. In India the promotional institutions are basically of three types: 1. Non-governmental organisation (NGOs), 2. Banks and 3. Governments. All the three institutions have varying levels of successes and failures. These institutions have over a period of time-developed system and practices, some of which could be emulated as best, practices and some others, which could be learning points for caution. This paper looks at the studies of different institutions and their practices in micro-credit in India. These case studies are discussed under three basic structural frameworks viz. Government, Banks and NGOs.

8. The report\textsuperscript{44} further observes that, “In Bidar District, in Karnataka, this work is notable and it is taken as role model. The need for savings is most important for the small and marginal people. Exclusive women groups are established to satisfy the daily needs of the household and business. Women also recognize the importance of savings and inculcate the habit of thrift. It also develops the leadership qualities among women. In most families, women are responsible for resource planning and expenditure. The school fees of children, wedding ceremonies, medical care, and new purchases have
to be looked after by women. Even if she is not working; she has to take care of all these things. Women have understood the importance of money and its use and are able to maintain financial records themselves by becoming SHGs members.

In the districts of Chandrapur, Gadchirli, Yevatmal and Marathwada the role of women in promoting savings is notable. The atmosphere in their homes is changing. They no longer like to borrow from neighbors. This change of attitude is the result of SHGs working.


10. Kondalkar Chaya,46 (Aug. 22, 2002) Assistant Coordinator, Development Support Team (DST), remarks, “the members of the society and the federations contribute Rs. 100 every month and are able to get loans of up to Rs.20,000. Says Chaya, “The credit society operates like a bank that is the backbone for our poor women.” Looks like micro credit is here to stay.

11. Kulkarni V.D.47 (Dec. 17-18, 2002), the paper also notes that, “The issue of the changing status of women in household and empowerment takes place through the self-help group activity. It also tries to understand the difference between women who have become part of SHGs and those who are not members of the SHGs from the same village. The methodology used for this was primarily qualitative in nature, giving maximum space to understanding the changes taking place in the household. The study shows that
empowerment has taken place across caste/class. It has also helped to some extent to go beyond caste politics and brought them together as women."

12. Singh Gopal and Singh Asmita\(^{13}\) (2003) states, the SHGs have bestowed the following abilities on the women:

1. Decision making i.e. Socio-economic,

2. Leadership qualities i.e. from SHGs decision making to local politics. It is a means to make women more active and make them self-dependent in life.

13. Khan Vikar Hasan\(^{14}\) (2003) has made a study on "Women Empowerment in India-Socio-Economic". The study has thrown light on the position of women whom have to face inequality, lack of opportunity and discrimination in social and domestic life.

14. Lohani Beena\(^{15}\) (2003) remarks that the self-help movement through their mobilization of saving has been taken up as a mass movement by rural women to shape their future destiny. SHGs are viable organized social / NGOs institutions set up to disburse micro credit to the enterprising women. SHGs enhance the equality of women as participants in the decision-making process and as beneficiaries in economic, social and cultural spheres of life.

15. Lalitha and Nagarajan B.S.\(^{16}\) (2003) state the typologies and operational implications of SHGs experimented by the NGOs. The
study not only shatters the myth that the rural poor women are not credit worthy but also proves that the rural development programs are based on community participation through SHGs. The SHGs have sown the seeds of silent revolution at village level. The study though started with the main objective of liberating the villagers from the clutches of money lenders, the SHGs have surpassed the assigned role and have acquired a winder significance that of a primary mover of people to strive for their socio-economic development in rural areas.

16. Mehta Basant and Jain Pragya\(^7\) (2003) in their attempt to study the banking habits among the women have highlighted the role of banks in economic development of women under development programs.

17. Narasaiah Mahalaxmi L.\(^2\) (2003) has mentioned that micro credit is an important means to eradicate poverty. The role of NGOs is better than that of the state.

18. I.Satya Sundaram\(^2\) (Oct. 15, 2003) has discussed the new approaches to rural development that lay emphasis on popular participation through SHGs in development activity. The NABARD is pioneer in conceptualizing and implementing the concept of micro credit. According to the study the SHGs Bank linkage, program has helped the weaker sections and enhanced their saving habit, improved the repayment performance, increased employment opportunities and enhanced self-confidence of the members.
19. Reddy Raghava G. and Subrahmanyam P. (2003) state “there cannot be real development in rural areas unless women are empowered”. The formation of SHGs, implementation of schemes like DWACRA and strengthening of panchayatraj have all contributed in raising the socio-economic status of rural women. The study throws light on the important aspects of rural development in Indian context.

20. Rao V.M. (2004) highlights the salient feature of micro finance that is to provide access to credit to poor with no collateral obligation. It encourages saving and promotes income generating activities. Loans are provided at the market driven rates of interest and peer pressure is used in repayment. Govt. of India, NABARD, and Rashtria Mahila KOSH (RMK) have been promoting SHGs through NGOs and Banks.

21. Narasaiah M.L. (2004) comment is that more women are involved in paid work, there is no job that they cannot do and they are entitled to equal pay for equal work, as well as the same, terms and conditions at work, and the opportunities to realize their potential in all spheres of society is increasingly important for all. Only by involving both the sexes in the work of self-help groups we can develop the human resources on the democratic lines”.

22. Malathi Ramanathan (April 24-30, 2004) describes in her article the growth of Shri. Mahila Griha Udyog Lijjat Papad, from it
inception to the present position. Where in its role as vital avenue for promoting women empowerment has been emphasized. Empowerment as envisaged by the Shri. Mahila Griha Udyog Lijjat Papad however is more than a mere boosting of women's earning capabilities.

23. D.N.²⁶ (April 24-30, 2004) has stated the NGOs are providing services to the poor, who cannot otherwise have an access to bank loan through SHGs. SHGs collect savings from members per week or month. They provide finance to members. They recovery performance of SHGs is good.

24. Tripathy K.K.²⁸ (April 2004) states that the country has been experiencing an innovative approach to social economic development through SHGs revolution.

25. S. Mahanan²⁹ (April 2004) reveals that the micro credit system has a particular relevance to women and their empowerment, considering the historical perspective of the involvement of women in the thrift and credit activity. The role of NGOs is more significant and pronounced in the sphere of micro credit.

26. J. Bhagylakshmi³⁴ (Aug - 2004) indicates that two-thirds of World's adult illiterates are women, 70 % of the world's poor are women, actual development cannot take roots if it by passes women who represents half of the total population. She has explained some strategies for women empowerment like reserving...
one-third seats for women in local bodies and thus make the beginning of a major process of empowering women.

27. Chattopdhyay Arundhati\textsuperscript{33} (Jan-2005) the study observes that economic empowerment is sine qua non for elevating the status of women in our society. One possible approach towards achieving this end could be through entrepreneurship development. Social empowerment of women is a long and difficult process, as it requires a change in the mindset of the people. Indian women get lower priority in education and are deprived of proper food and lack of access to healthcare. In economic empowerment of women it is implied that they should full freedom to spend their income and also control their resources.

28. D.N.\textsuperscript{35} (2005) has focused attention on the SHGs that helped promotion of saving habit and who encouraged loan repayment successfully. The repayment of loans is an ethics that is absolutely essential for the successful working of SHGs.

29. P. Purushotham\textsuperscript{36} (2005) states as follows: “Rural micro-enterprises sub-sector has grown in importance during the last two decades. Policy makers and development administrators cannot ignore its capacity to provide viable and sustainable avenues of self-employment to the members of SHGs. The sector is characteristic of great heterogeneity and diversity. Yet, across a broad range of setting, field evidence suggests that with appropriate market support strategies, the members of SHGs could
be effectively assisted to identify and build micro-enterprises as a source of their employment and income. However, no market development strategy is static and enjoys universal replicability. These have to be identified, appraised, and evolved continuously to suit the local conditions and activities. Further, to be relevant, the development functionaries should be innovative in their modes of development support.”

30. Das Rimjhim Mousumi 37 (2005) states: “Micro finance through SHGs has now become a modern economical weapon for the poor to fight against poverty. Many big and small institutions are taking part in this revolution of micro-finance vigorously. Still it has a long way to become successful. Many programmes form “Garebi Hatao” to IRDP were started by the government enthusiastically but they were not able to achieve their objectives. The reason behind this is poor follow up, lack of management and less participation by the Government as well as people in this task. No programme can ever get its ultimate result unless and until there is co-ordination and co-operation between the government and beneficiaries.”

31. Rutu Jain, R.K. Kushawaha, and A.K. Srivastava 38 (2005) in their research paper state, “In district Kanpur Dehat Self-help groups are functioning for 8 to 9 years and their functioning was observed in a significant manner. In case of impact of SHGs on socio-economic status of women were found to be significant on education, housing facilities, exposure of mass media, orientation, occupation, size of holdings and material possessions etc. Only
few aspects were found to be of non-significant value that is caste and type of family.”

32. Das Sabyasachi 39 (2005) makes this statement: “The Micro credit-SHG model has drawn tremendous attention in recent years. Micro credit is an alternative source of credit for the poor who earlier were considered as non-bankable. This system not only provides credit, most important input for development, to the poorer section of the society, but also aims at their capacity building. It has also been observed that group lending has distinct advantage in the form of excellent recovery rate and improvement in income level. The phenomenal growth of SHGs indicates that the weaker sections of the society are also capable to sharpen their micro-entrepreneurial skills with the help of their own savings and additional bank credit, as needed. At this point, micro credit-SHG integration could be the way out for overall rural development vis-à-vis poverty alleviation.”

33. Sarkar A.N. 40 (2005) the major findings of this research paper are as below;
   1. Economically weaker sections accounted for about 84 percent of membership. The agricultural labourers accounted for 32 percent, followed by small farmers (29%) and marginal farmers (23%). 2. There was a convergence in the annual interest rates towards the 12-24 percentage points.
3. The overall repayment percentage improved from 84 to 94 percent between the two periods with impressive improvement in the repayment of loans from banks, by 29 percentage points.

4. The average borrowings per year per household had increased from Rs. 4,282 during pre-SHG situation to Rs. 8,341 during post-SHG situation.

34. Moin Qazi (2005) reveals that "SHGs help not only to pool the savings of those who have the capacity to save but also to encourage the poor to spare something out of their daily bread for a rainy day."

35. Naila Kabeer (Oct. 29, 2005), the research paper explained, "the opinions on the impact of micro-finance have been divided between those who see it as a "magic bullet" for women’s empowerment and others who are dismissive of its abilities as a cure to all panacea for development. This paper seeks to examine the empirical evidence on the impact of micro-finance with respect to poverty reduction and empowerment of poor women. It becomes apparent that while accessing financial services to women the microfinance plays vital role in contribution to the economic productivity and the social welfare of poor women and their households. It does not "automatically" empower women, just as with other interventions, such as education, political quotas, etc. that seek to bring about a radical structural transformation that true empowerment entails. These other interventions simply constitute different entry points into this larger project, each with the potential"
for social transformation, but each is contingent on context, commitment and capacity if this potential is to become a reality.

36. K. Kalpna⁴⁹ (Dec. 17, 2005), remarks, “Micro-finance was earlier viewed as a "silver bullet" that could pull poorer households out of poverty. Since the 1990s, the approach has been more cautious emphasizing the "protectional" aspects as opposed to the "promotional" dimensions of micro-finance. A defining feature of the micro-credit scenario in India, as opposed to the Bangladeshi experience, has been playing crucial role in public sector, formal lending institutions in the establishment and expansion of financial intermediation through self-help groups. Today, the SHGs-bank linkage programme is arguably the world’s largest micro-finance programme in terms of outreach. In the light of issues and concerns raised by research on the Bangladesh micro-finance experience, this paper asks whether these could adequately serve as a lens through which Indian SHG-based micro-finance could be critically examined, given the crucial organizational and institutional differences between India and Bangladeshi micro-finance.”

37. Mahajan Vijay⁵⁰ (Oct. 8, 2005), comments, “It cannot be said that micro-credit can by itself promote economic growth. In reality, micro credit is barely adequate even as an instrument for poverty alleviation, leave alone economic growth. To serve the purpose of economic growth, we need a new paradigm of livelihood finance
with much larger levels of resource allocation, both from public resources as well as from the capital markets”.

38. Vasnth Kannabiran (Aug. 20, 2005), observes: “The increasing participation of women in micro-credit and formation of women’s self-help groups have done little more than assuring short-term relief to ease immediate needs. What is absent is a long-term social, political and cultural vision that will end the subordination of women.”

39. Tara s. Nair (April 23, 2005), specifies, “Upscaling the provision of micro finance on the strength of its performance, measured primarily in terms of repayment rates and financial sustainability indicators of a handful of micro-finance institutions and without a serious reconsideration of certain vital development issues, may prove in the long run to be an imprudent development strategy. Any effort at upscaling thus needs to be viewed with caution as it could actually lead to increase failures and credit indiscipline in the field. In the meanwhile, globally there is a visible trend of the commercialisation of micro-finance, with NGOs transforming themselves into regulated financial institutions or non-banking financial companies and commercial banks entering the business of micro-finance.”

40. Sriram M.S. (April 23, 2005), specifies, “Since the early 1990s, there have been many significant state initiatives in the institutional and policy sphere to facilitate access to financial services by more
poverty-stricken groups, this article reviews the performance of formal institutional channels of micro-finance and discusses the emergence of forms of collaboration in the delivery of micro-finance services. However, some persistent issues in regulatory policies and institutional arrangements need to deal with so as to help the state leverage the resources available for the poor, effectively and in a sustainable manner.”

41. Mahendra Varman P. (April 23, 2005), notes that “Deposits are foundations upon which banks thrive and grow. The twin objectives of a commercial bank, that is acquiring deposits and advancing credit cannot be attained without good banking habits of the people. Therefore, people’s banking habits seem to be a major factor that affects sustainability of the banks concerned. In micro financing in India, self-help groups (SHGs), which recently came into existence as informal organisations, are linked to banks and its members are mainly women. This paper makes a modest attempt to examine whether there is any association between the growth of SHGs and increase in female bank deposit accounts and whether SHGs have a tendency to influence account holding in formal banks. In process, the paper tries to trace the socio-economic factors that determine deposit and credit account holdings (banking habits) in formal banks, among individuals and households.”

42. Frances Sinha (April 23, 2005), notes that “Micro finance is making significant contribution to both the saving and borrowings of the poor in the country. The main use of micro-credit is for
direct investment. While the presence of micro-finance has increased the borrowing options for the poor clients, it seems not to have significantly affected the terms and conditions of different informal credit providers.”

43. Malcolm Harper, Andreas Berkhof, R.V. Ramkrishana ⁵⁶ (April 23, 2005), state as follows: “When the self-help group initiative was launched to provide the poor with access to formal financial services, it was somehow expected that cooperatives 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 outlet for financial services to SHGs, given their numbers and reach. Despite these advantages, agricultural credit societies and cooperative banks have thus played a limited role in the programme of linking SHGs to formal financial institutions. This paper examines the spread of the cooperative-SHGs linkage across states, the relationship between commercial success of cooperative banks, the extent of the linkage established and the impact of such linkages on their performance.

44. Priya Basu, Pradeep Srivastava ⁵⁷ (April 23, 2005), state as follows: “Despite substantial efforts and a vast network of rural banks, the rural poor still have very little access to formal finance, and informal lending remains strong. Over the past decade new microfinance approaches designed to deliver finance to the poor have emerged and some have shown promise. However, empirical assessments of their reach or impact are still relatively few.
Drawing on a recent rural access to finance survey of 6,000 households conducted by the authors, we empirically analyse the reach of the most dominant microfinance initiative, the SHG-bank linkage model. Based on this and international experience, the paper draws lessons for exploiting the potential of microfinance in India, outlines areas of concern for government policy towards this important sector, and suggests ways to scale up access to finance for the poor.

The conclusions of the review of earlier studies are summarized below. Microfinance is a comparatively new concept. SHGs are organized in India and they have made tangible progress. Both men and women organize these groups but women's groups are becoming important nowadays. Membership of these groups and their working gives members decision-making opportunities and leadership qualities can also be developed. These groups can make members self-dependent.

Primarily groups are organized to mobilize savings. This money is used for advancing loan to needy members at market determined interest and as the groups are small in size, repayment is less irregular. Women, in course of time learn many things about use of finance. Giving loans is not the only function of SHGs. They can use this capital to advance loans for productive purposes, which can create employment and generate income. Women's empowerment movement has become popular and these groups can help in making women more independent than they are now. In short these groups have created confidence and credit worthiness among women.
The movement which appears useful should become a mass movement and can be used as one of the means to reduce poverty if not eradicate it. These groups should get institutional support and guidance from NGOs, banks, NABARD and government so that they can become more effective.

The above observations clearly reveal that the women’s self-help groups support the development of weaker section of society. Among the SHGs the women’s self-help groups in particular stand in remarkable position in mobilizing the savings and micro credit distribution to the poor women households. Even though various studies have been conducted about women’s self-help groups (SHGs), a detailed study to evaluate the role of SHGs in mobilizing the savings and disbursement of micro-credit to the SHGs’ women members in Parbhani district (M.S.) has not been conducted yet. Hence, the present study is of utmost relevance.

OBJECTIVES OF THE STUDY:
Parbhani district is one of the denotified backward districts in Maharashtra therefore there is large-scale poverty, illiteracy and unemployment in the district. SHGs are looked upon, as means of improving the economic conditions of the people as such it is important to examine systematically what role SHGs are playing in this district and the success of their activities.

SHGs groups in parbhani district were selected for present study as parbhani happens to be my home town so its easy to make of data.
The major objectives of the study are stated below:

1. To study the functioning of the sample SHGs in promoting savings and credit operation.
2. To study the structure and modalities of SHGs promoted by NGOs in the study area.
3. To find out the reasons for joining the SHGs.
4. To study the purpose-wise utilization of loans taken from SHGs.
5. To study the SHGs interest rate in the study area.
6. To study the impact of the program on poverty alleviation.
7. To study the role of SHGs in promoting empowerment of women in the study area.
8. To study the social activities of SHGs.

HYPOTHESES OF THE STUDY:
The study aims at testing the following hypotheses in line with the objectives mentioned above.

1. Members of the SHGs belong to poorer sections of the community.
2. Members of the SHGs are regular in their saving contribution.
3. Members use loan for income generating purpose.
4. SHGs members do not borrow money from moneylenders.
5. SHGs have helped in the empowerment of women.
6. SHGs have contributed in poverty alleviation
METHODOLOGY OF THE STUDY:

The study was conducted in two stages. In the first stage the secondary data from books, journals, newspapers, publication’s of the annual report NABARD, Central and State Government, the State Planning Board, the Statistical Organization, District Rural Development Agency (DRDA), documents from Municipal Councils, Panchayat Samitis and Gram Panchayats statements were collected for analysis.

In the second stage the primary data was collected from the self-help group of members through structured interview and questionnaire schedules.

The questionnaire schedules for the SHGs members were structured in such manner so as to collect the necessary information relating to characteristics of sample survey households as well as their saving contribution, credit supply, interest rate, reasons for joining, utilization of loan, SHGs activities, decision making and women participation in social activities.

Data with regard to SHGs has been directly collected and written from each sample through a questionnaire.

A number of discussions have been held with well informed persons such as project officers, heads of the NGOs, Bank managers and SHGs concerned persons etc.

SAMPLING DESIGN:

The Marathwada region consists of the eight districts namely Aurangabad, Jalna, Parbhani, Nanded, Hingoli, Usmanabad, Latur and Beed. From these eight districts Parbhani was selected for this study.
Parbhani district has nine talukas (Parbhani, Pathri, Jintur, Gangakhed, Purna, Palam, Selu, Sonpeth and Manvat) in which there are in all 1480 rural areas. In Parbhani City and Taluka the scheduled caste (SC) population is in majority as compared to others. The scheduled tribes that live in Jintur taluka area and they are now almost the part of urbanized flow of life.

In order to study this problem we followed survey method, design of sampling is as follows.

As per the simple random sampling method the sample size of the study during the year 2001-2003 is 40 SHGs, which is 10% of 400 SHGs working in rural area. Along with it 5 women members from each group were taken by using lottery method as informants. Therefore, the number of informants was 200 SHGs members only from rural areas. In the case of urban area 20 SHGs were taken out of 200 SHGs and the number of informants was 100. Same method is followed in case of urban area. The sample includes 300 SHGs members and 60 SHGs i.e. 40 from rural and 20 from urban area. As per the requirement the field work includes the interaction with authentic persons from the 9 NGO and 7 organizers of SHGs. It also involves the visits to the 18 villages, which are situated in Parbhani block and 17 villages situated in Jintur block as a part of the study of rural area. And as a part of the study of urban area field work involves the visits to the 20 wards (Nagar), which are situated in Parbhani urban.

Following table shows sampling design.
Table-1.1

Sample Design
(During 2001 – 2003)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Sample selected area</th>
<th>No. SHGs in study area</th>
<th>No of sample Selected of SHGs (10%)</th>
<th>No. of selected members</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Rural</td>
<td>400</td>
<td>40</td>
<td>200</td>
</tr>
<tr>
<td>2.</td>
<td>Urban</td>
<td>200</td>
<td>20</td>
<td>100</td>
</tr>
<tr>
<td>3.</td>
<td>Total</td>
<td>600</td>
<td>60</td>
<td>300</td>
</tr>
</tbody>
</table>

The above table indicates sample design. During 2001-2003, there were 400 SHGs in Parbhani district in rural area. Whereas 200 SHGs were in urban area. However only 10% of SHGs both from rural and urban area were selected by the simple random sampling. While conducting 5 women members from each group were selected as respondents. Out of 300 women, members selected for the study 200 were from rural area and 100 from urban area.

Pilot study and finalization of questionnaire:
The drafted questionnaire schedules were tested through a pilot study before finalization. For the purpose of the pilot study a sample of 30 SHGs members, 20 from rural areas and 10 from the urban areas were selected from study area. After making necessary changes in the questionnaire based on the pilot study, they were finalized and used for the present study.
Data Collection and analysis:

The secondary data collected from books, journals, Newspapers, Publications of Government, Annual Reports of NABARD Human Development reports and relating documents etc, have been used in this study.

The primary data for the purpose of the study were collected through questionnaire and direct interviews. The survey was completed in four month. The data collected was analyzed with the help of a computer. Keeping in view the objectives of the study, a good number of mathematical and statistical tools and techniques like average, percentages etc, were used for the analysis.

SCOPE OF STUDY:

This study is conducted in Parbhani district selected blocks, villages and urban areas. In this study it is proposed to find out what role SHGs play in mobilizing savings, disbursement of micro credit and its use, repayment of loans etc. At the same time and efforts is made through this study to judge how far SHGs are able to encourage income generation activities and help the rural women in raising their standard of living. SHGs formation is encourage for improving status of women and make them self dependent an effort is made in the present study to find to what extend SHGs have succeeded in making women economically self dependent.

Limitations of the study:
Certain inherent limitations have, to some extent hampered the study in the following aspects,

1. Secondary data was not available from certain departments due to the non-availability of proper records.

The absence of proper accounting and written record relating to SHGs among the members restricted the financial data, which were overstated or understated to certain extent in some cases. Hence, there is a chance of marginal error. Even though the study suffers from these limitations; it provides useful information to the government, financial institutions which can help them in framing future policy.

**Chapterization:**

The study consists of seven chapters, which deal with the methodological Design of the Study.

1. Introduction.
2. Status of women in India.
4. Profile of Parbhani District.
5. Characteristic of sample Households.
7. Summery, Conclusions and Recommendation.

**Importance of the study:**

Lack of utilization of human potential is perhaps the most important problem for developing countries. The Government has launched a number of programs to cope with this problem. Some eminent economists, bankers still plead for more structural changes therefore,
it is high time that proper assessment and evaluation should be made of all the new institutions and schemes in the light of the needs of the fast changing and growing Indian economy and society.

So these programs can be effective only when people specially women get real benefit from it. It is found that most of the women are either ignorant about the self-employment programs or are unable to take advantage of it.

The present study provides ample evidence of the fact that the organizations of women in the form of Self-Help Groups have sown the seeds of economic and social empowerment of women. The present study is an effort to find out to what extent the SHGs have played their role in empowerment of women and reduction of poverty in poor households. This type of study/investigation would be helpful to the government, Non government organization (NGOs) economic planners and banking system in preparing the future program for the development of women.

The usefulness of such in-depth studies is widely accepted because women are substance of our society. The role of self helps groups in socio-economic development of women need periodic assessment and reassessment to find out their impact on economy.
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