CHAPTER II
REVIEW OF LITERATURE

A review of literature is the mirror of earlier studies, which enriches the researcher and helps to identify the gaps for further research. Many studies on MFIs have been conducted in different parts of India. However, the studies focusing the MFIs as the source of coastal women empowerment are comparatively less. As the present study is concerned with the microfinance and women empowerment, an attempt is made to review the literature available, so that greater insight into the subject can be obtained. Besides, sufficient effort is taken to know and understand the earlier researches on MFIs and SHGs related issues of rural women. Indeed, it facilitated the selection and pursuit of this research amongst the area which has not been adequately dealt with. The review of related literature stressed the need for a study on the empowerment mechanism, which differs vastly from other erstwhile women empowerment strategies. The present research brings to limelight the effects of various kinds of women empowerment strategies employed by the microfinance of the study area. Since the concept of microfinance is a recent phenomenon, only the available studies have been reviewed and summarized in the following pages.

Kaladhar K (1997), in his research paper on “Microfinance in India”, comes to the conclusion that microfinance function has been the backbone of rural and semi-urban areas for the banking system and innovations are required on the lines suggested in the specific content of loan policy and procedures, transparency norms, flexible banking hours, and so on. Further, he suggests that there must be segmented structures in the form of rural subsidiaries of commercial banks for carrying out
innovations and for overall supervision, a concomitant feature would be specialising in central bank’s functions by entrusting micro finance governance to a separate organisation such as NABARD.¹

Mayoux and Linda (1998) in their research paper examined the role of social mobilization and micro-credit for women’s empowerment. Provision of micro-credit automatically means empowerment. The findings of the study demonstrate that there is a positive economic impact of the needs of women. The study throws light on the necessity of economic empowerment for overall empowerment of women borrowers and types of social mobilization strategies required for empowerment to be sustainable under differing conditions.²

Shylendra (1998) in his study finds that microfinance programme has a positive impact on the saving habits of women. He pointed out that though SHG could invest these savings as term deposits in a bank, SHG could not play the role of financial intermediary as they failed to take-up any lending out of the mobilized funds and losing an opportunity for earning even higher returns on member savings. The study reveals that micro finance helped women in contributing to their household incomes by pursuing activities like tailoring, dairy, agriculture, running tea shops and small grocery shop either on their own or, with the help of their spouses. With the support of micro finance, women were contributing to the income of the family.³

Kalar Singh (1999) states that an SHG is a small group of individual members who voluntarily come together and form an association for achieving a common objective. In most cases, SHGs are constituted by persons known to one another and coming from the same village, community, or neighborhood. That is SHGs are small
in size with membership ranging from 10 to 25, the purpose for which SHGs are formed varies from managing a common pool of resources, such as an irrigation facility and free plantation on common land, to providing such basic amenities as a school health center and so on. In the context of microfinance, SHGs are formed around the theme of savings and credit. Under the SHG - Bank linkage programme, three linkage models have broadly emerged. Under the first model, SHGs are linked to banks without the intervention of the NGOs. In the second model, banks are providing credit to SHGs, and NGOs act as self-help promoting institutions. Under the third model NGOs are acting both as self-help promoting institutions and financial intermediaries for channeling credit from banks to SHGs.4

Indira Kumari, et. al., (2000) in their case study on NGOs empowerment of women in Krishna district, analyse the role of Sangamitra Service Society in empowering women in its area. It studies the relationship between SHGs, micro-credit system and NGOs. The finding of the study reveals that the Sangamithra Service Society - Friends of Service Society promoted more than a hundred women’s group in 27 villages of Kanchikacheria block. Most of the places in Krishna district are prone to flood and cyclones. Since employment opportunities are few, migration has been high. Self-Help Groups have established their own federation and are able to successfully mobilize public resources. More than 90 percent of them have reduced their dependence on moneylenders for consumption. The Self-Help oriented Poverty Alleviation Programme and Sangamithra Service Society (SHPAP & SSS) discussed the concept of poverty alleviation with a new perspective that is, SHGs. Self-Help through women’s empowerment in a small region is certainly good.5
Srivasatava R.S. (2000) observes that there has been some serious discussion in India about the nature and mode of women empowerment as means of dealing with various problems of women. It means empowering women socially, economically and politically, so that they can break away from male domination and claim equality with them. The various approaches towards women’s empowerment could be articulated through a variety of the article perspectives. Some of these are the perspectives of critical theory, feminism, and Marxism. Women are generally marginalized, under-represented, and depicted in a hierarchical and stereotyped imagery of the sexes. It is from this point of view that the media in contemporary society plays a cultural role. In devising various strategies for women’s empowerment one view upholds their equality with men, It is argued that if women’s activist movements are directed toward this end, their conditions can be improved and only if they could enjoy equal rights with men.

Barbara and Mahanta (2001) maintained that the SHGs have helped to set up a number of micro enterprises for income generation. Rastriya Gramin Vikas Nidhiks credit and saving programme in Assam has been found successful as its focus is exclusively on the rural poor. It adopted a credit delivery system designed specially for them with the support of a specially trained staff and a supportive policy with no political intervention at any stage in the implementation of the programme.

Joy Deshmukh - Ranadive (2001) has pointed out that, micro finance has become the endorsed solution to poverty alleviation. Microfinance has been advocated internationally as the formal route to offering opportunities for livelihoods and pulling the poor out of poverty traps. Women are seen as more creditworthy than
men and hence the bulk of microfinance is directed towards them. He argues that microfinance is the result of empowerment of women. The condition of empowerment to take place is an expansion of the person’s mental space. Mental space is metaphysical in nature and consists of the feeling of freedom that allows a person to think and act. Joy Deshmukh concludes that microfinance interventions are routed through women. It does not necessarily imply that gender concerns have been addressed. Microfinance interventions that are limited to addressing only financial transactions have a limited impact upon the expansion of women’s space. Women cannot be independent of their domestic environment and even while concentrating on their roles within SHGs, one cannot lose sight of their roles as members of domestic groups.9

Kallur (2001) in his comparative study on SHGs in Karnataka and Andra Pradesh underlined that, SHGs are sustainable, have reliability, stimulate saving and in the process helped poor to come out of vicious circle of poverty. In his study of STEP (Support to Training and Employment for Women) and son STEP SHGs, it is observed that the members joined SHGs mainly for reasons to avail credit, to meet unexpected cash demand and to develop saving and thrift.9

Morduch and Haley (2001) in their research on “Economic Impact of Microfinance” are of the view that microfinance has a positive economic impact and that this impact has been often larger for those closer to the poverty line than those farther away and that they increase with duration of membership on intensity of loans as members begin to invest in assets rather than consumption. The investigators suggest
that programmes specially designed to serve the needs of the extreme poor can overcome some of the constraints associated with broader interventions.\textsuperscript{10}

Puhazhendhi and Satyasai (2001) in their paper attempted to evaluate the performance of SHGs with special reference to social and economic empowerment. Primary data collected with the help of structured questionnaire from 560 sample households in 223 SHGs functioning in 11 states representing four different regions across the country formed the basis of the study.\textsuperscript{11}

A study conducted by NABARD (2002) covering 560 households from 223 SHGs in 11 States of India elucidates that there has been a positive result in enhancing the standard of living of SHG members in case of asset ownership, savings, and borrowing capacity, income generating activity and income levels. The average value of asset including livestock and consumer durable has increased considerably. The housing condition of the people has improved, from the mud walls and thatched roofs to brick walls and tiled roots. Almost, all members developed saving habit in the post SHG. The trend of consumption loans comes down. In contrast, the loan for income generating purpose has increased considerably during the pre-SHG period. Similarly, the overall repayment of loans improved and the average net income per household has increased about 33\%. The employment increased by 18\% between the pre and the post SHG conditions. It should be noted that after association with the SHGs, they have improved their self-confidence, self-worth and communication. In addition to this, they get involved in addressing various social evils and problems of the society.\textsuperscript{12}
Jothy K and Sundar, J., (2002) in their study for evaluating the programme of Tamil Nadu Mahalir Thittam found that SHG women are currently involved in economic activities such as production and marketing of agarbathis, candle and soap, readymade garments, pickles, appalam, vathal, toys, bags, palm leaf products, dhotis, herbal products, fancy sea shell, ornaments, eatables, coir mats and other coir products, mattress, chapels, leather goods etc., In addition, the SHG women monitor the normal functioning of the ration shops, help the aged, deserted and widows to obtain loan.¹³

Mishra, R.K. (2002) examines the success of micro credit intervention in India and compared it with Orissa. It is found that the repayment by the members to SHGs was around 98% and SHGs to banks was over 95%. SHGs in several categories including women, joint farmers groups social forestry groups etc., were formed underlining the strengths and weaknesses. The challenges to be faced have been brought out by the author as follows. The attitude of other banks needs to be changed, Government should encourage and support NGOs to attempt group approach and create a favourable policy environment, needs to adopt flexibility by banks in providing money to groups through SHPIs. These ought to be done as it is observed that the micro finance does not address issues like reorganization of ownership of land and long-term sustainability of any activity. Further, it is observed that micro finance activities are oriented towards lending to individuals, using groups as a risk reduction mechanism. In the long run it may lead to establishment of another set of informal banking institutions which are in competition with money lenders, traders, commission agents etc., There is a possibility of loss of resources of the poor if not protected adequately against any possible crisis.¹⁴
Rajeshekhar (2002) in his study examines the economic benefit of the microfinance programme. From his study he concludes that, microfinance programme often benefit the non poor, savings amounts are not high enough to reduce vulnerability and loan amount are not large enough to alleviate poverty.\textsuperscript{15}

Kalpana K. (2003) in her research on Microfinance programmes has pointed out that SHGs have effectively addressed the concerns of poverty, empowerment of female clients and institutional viability or financial self-sufficiency of the lending institution. The research paper has proposed a methodological framework to analyze micro credit within the institutional structures that are central to the practice of Self Help Group based micro credit in India. She concludes that, whether in India or Bangladesh, the institutional context in which micro credit transactions are located and the organizational structure through which micro credit is delivered are of great significance and need to be factored in any critical analysis of the effects of such programmes upon member’s lives.\textsuperscript{16}

Mohankumar S. and Suja Susan George (2003) have pointed out that micro credit has been the universally accepted panacea for resolving unemployment and poverty, the twin issues plaguing third world economies. Micro credit is a mechanism through which poor people can lend and borrow money at the market rate, enabling the state apparatus, in turn, to get rid of its responsibilities with market distorting priorities and subsidies. Micro credit can be a potential source of mobilizing savings for investment, for self employment and for income generation, which would in turn have a strong bearing on poverty reduction.\textsuperscript{17}
Omraj Singh (2003) observes that the rural poor with intermediation of voluntary organisations join together for Self-Help to secure better economic growth. This has resulted in the formation of a large member of Self-Help Group in the country, which mobilize savings and recycle the resources generated among members. Most SHGs have come up due to the dynamic leaderships of certain individuals within a group or through the catalytic role played by the NGOs in developing such groups. 18

Rajasekar, D (2003) analyses the impact of the economic programmes of SHARE, an NGO in Tamil Nadu on poverty reduction, with the help of data collected from the households of 84 women members. The economic programmes have contributed to savings and income increase for the women. However, the member group was not found to be significantly different from the comparison group in terms of control over income and decision-making. The growing amount of savings provides confidence and security to women. They borrow mainly for consumption and crop production. Not much credit is provided to initiate income-generating activities. Women’s income constitutes a large proportion of household income. In the majority of such households, the contribution by male members in megre. It may result in a situation in which the male members withdrawing themselves from labour market. It seems to be putting more pressure on women. It was however emphasized that the men should also be brought within the purview of development intervention if women are to be empowered. Rajasekar further points out that the women who earn do not convert income to meet their personal needs. Their mobility is restricted to visiting the home of their husband’s parent’s and that is done after the permission granted from husband. SHG members possess the knowledge of various government
programmes, aware of reservation provided to women in panchayats, aware of mandating of Grama Shaba meeting etc.¹⁹

Sunil R. (2003) in his research paper, discusses the process of access to finance, primarily credit, and the resultant empowerment of the rural poor, especially women, facilitated by the Self-Help Group (SHG) - Bank Linkage Programme in India. The objective of his study was to identify the process of credit empowerment of women, the intra-household debt patterns of the household and whether the emerging debt patterns correspond with the declared and documented pathways of empowerment of the poor through micro finance, especially micro credit. The study observed that SHGs are emerging as a potential source of credit for women. Further, participation in the SHG has enhanced their financial credibility in the local money market. Further, women are emerging as an important borrower within the household. However, there is an unhealthy shift in liabilities, with high risk, high cost, short duration loans being taken by women. SHGs are a promise and hope for the socio-economic empowerment of the rural poor.²⁰

Usha Oommen and Meenakshi Sundararajan A (2003) in their study covered 12 SHGs selected at random in Kanyakumari district of Tamil Nadu, to find out whether members of the SHGs in Kanyakumari district are self reliant, economically independent and free from the clutches of money lenders. According to the findings, the members have only minimum deposit and there is no proper insurance coverage. The self-help groups were influenced by the ideology of the NGOs. Diversification of the economic activity led to more income generation for the groups.²¹
A study by Christine Bonnin (2004) reveals that within this changing environment, low income women in particular must respond by taking on expanded roles and seeking new ways to generate income for themselves and their families. The informal economy provides a space for women to engage in vital income-generating activities, either to supplement the household income or, increasingly, as a survival strategy. The study explores the specific constraints, opportunities and needs associated with this livelihood strategy for women in low-income urban communities. It also investigates women’s experiences with the various support services that they have found available to them, such as informal financiers, Micro Finance Institutions (MFIs) and Non-Micro Finance institutions (NGOs). Christine Bonnin has found that this home based nature of the business has created very strong relationship between housing vulnerability and livelihood in security.\(^{22}\)

Archana Sinha (2004) has found that microfinance has emerged as a powerful instrument for poverty alleviation in India. The microfinance scene in India is dominated by SHGs- Bank Linkage Programmes and this programme is with the objective of developing supplementary credit delivery services for the unreached poor. The SHGs have undertaken effective social mobilization functions for the overall empowerment process. In this aspect, SHGs have improved women’s ability to make decisions. They have increased self-confidence, improved their social status and have empowered them politically and economically. However, the viability of micro finance has to be understood in a broad sense looking at its long-term aspects also. Failure to take into account the impact on incomes will have adverse implications for repayment and outreach and hence financial sustainability.\(^{23}\)
Meenal Patole and Frances Sinha (2004) have analysed the impact on issues of outreach, and different dimensions of poverty and vulnerability. They conclude that the impact of microfinance on women’s economic integration and empowerment is conditional significantly by the local content, influenced by the existing social and cultural milieu and the available livelihood opportunities. Micro Finance Institutions that target women clients need to understand the regional and local contexts and adapt their approach strategies and products accordingly. 24

Meenambigai J. (2004) in a study has stated that the Self Help Groups are a homogenous group of rural poor voluntarily formed to save whatever amount they can conveniently save out of their earnings and mutually agree to contribute to a common fund from which loans are given for productive and emergent credit needs. The aim of the study is at providing awareness among the poor about on-going development programmes. The poor should know how best to use existing government programmes and also the Legal Provisions meant for the disadvantaged sections of the rural communities. 25 Meenambigai concludes that the Self-Help Groups play a major role in transforming rural economy. Micro-Finance helps the rural poor to improve their standard of living and fulfills their credit needs.

Sudha S.M. (2004) in a study conducted on “Micro-Credit: A succour to Rural Development” has stated Co-operative Banks, NGOs and grass root savings and credit groups around the world has shown that these micro enterprise loans can be profitable for borrowers and for the lenders, making microfinance one of the most effective poverty reducing strategies. Though the credit provided is micro in nature, it has produced macro changes in the lives of the women who received it. Much progress
has already been made. As the sector has shifted from its nascent to its growing phase, mainstream financial intermediaries have become more engaged, an association has emerged, supporting organizations are coming up for training, capacity-building and rating, and discussions on performance standards are under way. Building or improving the institutional efficiency of all stakeholders, including regulators, policy makers and retailers as well as support agencies in the private sector is a necessary task that needs sufficient attention and resources.\textsuperscript{26}

Surat Singh (2004) in his article on Empowerment of Women Representatives in Panchayati Raj, traces the socio-economic and political background of the elected women representatives in the panchayati Raj institutions and explores their role in the decision making process. Surat Singh is of the view that important effort required for real empowerment of rural women is to bring about an additional change in both men and women. The feeling that women are meant for household activities and rearing children needs to be replaced by a feeling of equal partnership of women and men. To inculcate this, they should be imparted education for bringing about social and political awareness among both.\textsuperscript{27}

Tripathy (2004) in his article “Self-Help Groups a Catalyst for Rural Development” brings out that the SHGs formed and developed under various programmes provide a great opportunity for the convergence of various programme activities of various ministries and organisations. The Group while aiming at promotion of savings and credit should work as pressure groups to address social issues such as education, health, lack of access to natural resource etc., Necessary training could be provided to the SHG members to create awareness on community
health, traditional and modern agricultural practices, micro-credit, veterinary practices, water resource management, Panchayat Raj and other relevant issues that may be applicable to the area concerned.\(^\text{28}\)

Chittaranjan Mishra (2005) in a research paper focuses on SHGs in the unorganized garment sector. A case study of Madurai reveals that the SHGs have provided to their members access to credit from mainstream financing agencies. The SHGs have inculcated a culture of saving among the members of the group. The group has contributed to reduce the dependence on money lenders and made available timely credit at much lower rates to the individual members and the members have acquired visibility and voice in the household and in the community. He is of the view that Self-Help Promoting Institutions (SHPI) give more emphasis to quantitative growth of the SHGs rather than addressing all the issues associated with the income generating activities.\(^\text{29}\)

Kumar (2005) in his study on the impact of microfinance through SHG-Bank linkage programme in Orissa observes that microfinance programmes increased the income of the members. The study finds that though the decision making power of members has improved; the impacts were not substantial and needs an immediate interventions for the sustainability of the programmes.\(^\text{30}\)

Lakshmy Devi K.R. (2005) in her study attempts to provide a critical perspective on the relationship between micro credit and women’s empowerment in Kerala. She has evaluated the actual impact of these programmes on earnings, employment and socio-economic status of the women beneficiaries and their empowerment. From her analysis she has clearly indicated that majority of women
beneficiaries reported a high degree of empowerment. Micro credit based income generation activity is the good beginning, opening the doors of credit to the marginalized women, but, it is not the panacea for all the problems of the poor.\textsuperscript{31}

Murthy et al., (2005) note that women members were reported more likely eating together with male members of the family. Less likely to report disparities in food distribution and severe malnutrition among girl children or female infant deaths. Loans to women however have positive and significant effects on children’s status with a strong effect for girls than boys. Loans to men do not have such an impact. They conclude that decline in severe malnutrition among children has stronger effects for girls than boys.\textsuperscript{32}

Naila Kabeer (2005) in his paper on “Is Micro Finance a ‘Magic Bullet’ for Women’s Empowerment”, analyses the impact of microfinance on poverty reduction and empowerment of poor women. It becomes apparent that while access to financial services can and does make vital contributions to the economic productivity and social well-being 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.\textsuperscript{33}

Radhakrishna Rao (2005) has observed that the community awareness and social mobilization for development unleashed by the UNDP-sponsored project
motivated the rural community of Garhwal to move ahead on the already created path of development. The all women Self Help Groups (SHGs) took upon themselves the task of giving a fresh thrust to developmental activities and community empowerment. He points out that income generation is promoted through training programmes in capacity building and the provision of micro-capital to SHGs for investing in small scale enterprises. Successful activities include food processing units based on locally available resources, dairy, goat and chicken farming and cultivation of non-seasonal vegetables. SHG members have also been trained in activities such as traditional farming practice and water resources management.43

Sayed Afzal Peerzade and Prema Parande (2005) on their study assess the effectiveness of the empowerment programmes and planning process. The Tenth Plan 2002-07 aims at empowering women through translating the recently adopted National policy for empowerment of women (2001) into action. Bijapur taluka of Bijapur district was identified as one of the highly drought prone. The purpose of present work comprehensive primary data was generated. Sericulture Training Programme (STP) and Self-Employment Scheme (SES), emphasize the need to spread the benefits to land purchase scheme and training programme of district industry centre. They point out that not all the schemes of economic empowerment are effective in empowering women in real sense. Some programmes need to be redesigned as integrated approach, where two or more schemes are combined is expected to be more effective.44

Sreejata Banerjee and S.J.S. Swamidoss (2005) point out microfinance is the provision of financial aid on a small scale to those who are on the fringes of society,
too overwhelmed by the formal restrictions and procedures of the organized sector, too vulnerable section of society has to be synonymous with the empowerment of the beneficiary groups in order to sustain their income flow and make them economically independent. They conclude that, the empowerment of beneficiaries under micro finance, point towards the need to address these issues by the govt, financial institutions and NGOs. Policy measures need to be adopted in a holistic manner to overcome the hurdles of empowerment for the poor who become members of SHGs and aspire to break free from the strong hold of poverty.\textsuperscript{36}

Sriram M.S. (2005) has observed that the general development of infrastructure and support mechanisms for the poor, where the state has a direct or indirect role, prioritization and planning of activities need to be done in consultation with elected representatives so that the local development fund under their disposal can be in better harmony with other resources. However, support directed towards individual beneficiaries is to be routed through professional institutions in order to avoid tendencies towards patronage. Subsidiary can be back ended and the intermediary institutions should take risk element to ensure that professional assessments continue. Incentives could be general in nature and can be directed towards recovering high transaction costs rather than dealing with counts of individual customers.\textsuperscript{37}

Sunil Choudhary (2005) in his article describes an experiment under taken to form Self Help Groups through certain specific questions asked to the people in the Self Help Groups formation process. The Centre for Promoting Sustainable Livelihood (CPSL) is a NGO, Which aims at improving the livelihoods of the poor
through forming village institutions. The project team found that there was great
difference between the quality of groups formed by this process and other groups.
Through this process the participants have been brainstormed sensitizing on the
health issues, increase in productive loan, increase in savings, inter loaning,
repayment by the SHGs. He has concluded that there has seen very rare projects
where sustainability has been really achieved. There should be one hundred groups
for a unit so that viability for the project can be achieved.  

Sunita Rabindranathan (2005) has made a study on the mushrooming of micro
credit based SHGs in the country. The Indian government, aid agencies and several
NGOs view SHGs as the panacea for poverty reduction and women’s empowerment.
Micro finance is the provision of very small loans offered to a collective savings
group that need to be repaid within a short period of time. The group, guarantee
allows a person to take a collateral free loan. The study in India has clearly shown that
while members of SHGs are slightly better off than non-members, and the process of
their coming together builds the confidence of women members, there are limits to
what micro credit based SHGs can achieve without other interventions.
He concludes that, no doubt those micro credit based SHGs enhance the opportunities
to earn a livelihood and activity in the SHG. However, empowerment does not
necessarily take place when incomes are generated or when livelihoods are enhanced
or, for that matter, when groups are formed. Even though history records the
existence of social movements that contribute to the self-assertion, self-governance,
self-reliance and self-empowerment of people, the concept of the self has narrowed
down to self-help and more so, SHGs, which are considered to empower women. 
Suryanarayana M.V.A.N. and Nagalakshmi R. (2005) state in the paper on Role of women in Rural Development that the majority of the people in India, live in rural areas and are engaged in agricultural earning, a subsistence wage. They have concluded that out of 1.3 billion poor people living in developing countries 70 per cent are women. Poverty among rural women is growing faster than among rural men. Women’s work participation rate is higher in rural areas. Women make up for one third of the labour force of India and 90 percent of the rural and 10 percent of the urban women workers are unskilled. They point out that socio-economic backwardness in rural women is due to illiteracy, poverty, lack of employment opportunities, resistance to change, lack of infrastructural facilities, etc., To overcome these drawbacks, an integrated and balanced development oriented policy must be channelized.\textsuperscript{40}

Thauja M. (2005) in a study “Relevance of Micro Finance and Empowerment in Tribal Areas: A Case Study of the Konda Reddis”, lays emphasis on the importance of the socio-cultural environmental of the population, poverty reduction programmes through micro-finance. He concludes that the Konda Reddis are empowered even before developmental intervention. Micro Finance is an important tool for empowerment in the programme, and it should take into consideration all forms of savings, co-operation of individuals at different levels of production activity and resource utilization and ownership, which are embedded in the socio-cultural system.\textsuperscript{41}

Gangaiah C. et al. (2006) have made a study on the impact of Self Help Groups on income and employment, based on the objectives of the savings and
banking habits among members to secure them from financial, technical and moral strength and to gain economic prosperity through loan credit. A total of 202 group members from 17 SHGs were randomly selected for this micro-level study and the impact of SHGs on income and employment generation and the performance of SHGs on alleviating rural poverty were analyzed. From the study, it has been found that the number of SHGs is substantially increasing in Karkambadi village. These groups are mobilizing thrift deposits and receiving timely matching and revolving funds to generate employment activities to earn their livelihood. The social outlook of the women has undergone a beneficial change and has a favourable effect on formal education, self management, leadership quality, sense of equality of status of women.  

Gupta M.L and Namith Gupta (2006) point out that the Government has continued to allocate resources and formulated policies for empowerment of women. It has become strikingly clear that political and social forces, that resist women’s rights in the name of religious, cultural or ethnic traditions, have contributed to the process of marginalization and oppression of women. The basic issue that prevents women from playing full participatory role in nation building is the lack of economic independence. Planners and policy makers have been eagerly searching for certain alternatives. The participatory approach to development has emerged as a vital issue in developmental policies and programmes for women.  

Manimekalai N (2006) in her article has examined the various objectives associated with micro-credit namely, to analyze the impact of micro-financing followed by the behavioral outcomes and the socio-economic impact created on
women. The finding of the study shows that the poor people have easy access to credit at collective interest without disparities, owing to microfinance. Further, the relationship between banks and SHGs has been strengthened. Other benefits of microfinance are compulsory savings, poverty alleviation, better marketing facilities, improved nutritional status. She has finally pointed out that all the findings must be sustained and the performance of the other communities has been better than that of SC/STs and MBCs. Banks can provide initial capital and working capital for these backward communities which struggle for sustenance.  

Muniyandi B (2006) in his research work, attempts to examine the credit linkage of Self-Help Groups through microfinance in Villupuram District. The inability of credit institutions to deal with the credit requirements of the poor effectively has led to the emergence of micro-finance system as an alternative credit system for the poor. In Villupuram district the total number of SHGs formed was 13,976. The women enrolled were 2,60,025 and the total amount of saving of these groups was Rs.5,448.56 lakhs respectively. The percentage share of Villupuram district in the total amount disbursed in Tamil Nadu under SGSY(RF) was 8.16 percent, under EA it was 10.21 percent. The SHGs play an important role in the upliftment of the poor by providing loans at reasonable interest rate. He found that, SHGs in Villupuram district have been successful in breaking the strong hold of money lenders through micro-finance. SHG bank linkage programme has been advantageous not only to members of SHG and but also to the banks. The advantages to bank are the lower transaction costs by providing loan to the groups for internal lending. There is no recovery problem for banks in loans given to SHGs that is near zero Non-Performance Assets (NPAs).
Prakash Louis (2006) in his study focused on the extent to which SHGs build up confidence and mutual support for women striving for development and change by establishing SHG units in which the women can critically analyse their situation and devise collective strategies to solve their problems. It is imperative that the women, the communities, social activists, donors and government agencies work out awareness generating exercise, capacity building programmes and perspective building training. Developing training resources that meet the needs of all the agencies, especially the women of the SHGs, is the need of the hour. He has concluded that many of the women have found confidence and self-dependence by being in the group. In pre-SHGs, since women borrowed money from money lenders, the interest payment went to an external agent, but not to the common pool. But in the post-SHGs, women and their families are not at the mercy of money lending. The appropriate place and role of women would enhance the ability of women and this in turn would capacitate the SHGs to function for the betterment and empowerment of women.  

Saravana Durai A. and Janagam D. (2006) have focused on “Women Empowerment through Tamil Nadu Corporation for Development of Women”. The Tamil Nadu Women’s Development project under the name of “Mahalir Thittam” is a replication and phased up scaling of the TNWDP (IFAD) successes to cover about 10 lakh poor women of the state over the project period. Announced in 1996-97, it started operation in 1997-98. The project has completed 8 financial years of operation. The objective of TNWDP was social empowerment by way of equal status, participation in powers of decision-making of women at the household level, at the community and village levels and in democratic institutions. They concluded that
empowerment have paved way to significant increase in women’s own income, and the power to retain such income and use it at their discretion. They have also concluded that financial self-reliance of women, both in the household and in the external environment is a welcome change after the forming of SHGs.47

Tripathy K.K. (2006) finds that micro credit, which includes micro savings, is gradually emerging as one of the most effective strategies to alleviate poverty. It can effectively generate employment and sustain the income of the households by giving them opportunities of work. Although micro credit institutions are effective weapons in the war against rural poverty, they alone cannot neutralize non-physical symptoms of poverty which deprive the poor of a full social existence. Efforts are needed to promote and strengthen microfinance institutions to optimize their war against poverty. He concludes that community based micro-enterprises have proved to be most viable economic activities in the country to drive the beneficiaries out of the poverty trap in the rural areas. Here the products are produced according to local demand patterns and are consumed in the same locality. To sustain the community economic activities, leadership training and membership training backed by participatory management are a must for the SHGs.48

Vijayachandran Pillai B. and Harikumar V. (2006) have focused on various innovative programmes and schemes to address the issue of poverty and unemployment prevailing in India. On the basis of primary survey conducted in the state of Kerala, they pointed out that SHGs faced problems in different areas such as inadequate Training facilities, problems of marketing, lack of stability and unity especially among women SHGs, Weak Financial Management and inadequate support
from Line Departments. Further, they have suggested that in marketing of SHGs the state level organization “KERAMS” (Kerala Rural Development and Marketing Society) should extend their activities throughout the state. NGOs and financial institutions can play a significant role in empowering women.\textsuperscript{49}

Swain, (2007) in an impact study, finds the fact that the group of SHG participation show clear evidence of a significant higher empowerment. The study reveals that there is a significant increase in the levels of women empowerment overtime for the SHG members.\textsuperscript{50}

Govinda Das and Subasri (2008) in their study to measure the impact of microfinance programme through SHG bank linkage programme, conclude that SHG bank linkage programme has made significant contribution to economic improvement and empowerment of the member households of SHG.\textsuperscript{51}

Basargekar Prema (2009) in a study tries to assess the women empowerment of 348 SHG members from SHG promoted by four urban NGOs in Maharashta. The study used three factors; decision making ability, self development and mobility and social status for assessing self empowerment. The statistical findings of the survey reveal that SHG programme has resulted in creation of self empowerment of women and it varies significantly in positive direction with the years of association, educational level. The study also concludes that productive loans are more empowering than consumption loans and women belonging to higher socio economic class have better ability to empower themselves through micro finance programmes.\textsuperscript{52}
Jerinabi and Lalitha Devi (2009) in Tamil Nadu, covering selected three districts indicate that, more than 90 percentage of women in bank linked groups reported that, the participation of women members in household decision making process, their level of housing position and household assets has considerably improved.\textsuperscript{53}

Sreelakshmi and Bernandaz (2009) Velmurugan et. al (2009) in their study find that microfinance has increased the decision making capacity of the members. The study also reveals that there is a significant improvement in the economic condition of women which has ensured a means of livelihood by them.\textsuperscript{54}

Soundarajan (2010) in his study on empowerment of self help groups through microfinance from Namakkal district of Tamil Nadu tries to analyse the economic impact of microfinance programme. The study brings out a clear picture of the microfinance’s impact on the growth and development of urban and rural people in respect to their life style, education, decision making, self confidence etc. The study finds that microfinance programmes helped to increase the income level of the members of SHG.\textsuperscript{55}

Aruna and Jyothirmayi (2011) made an attempt to explore the much debated question of the role of microfinance as a financial intermediary for enhancing women. The empirical findings of the study suggests that microfinance has a profound influence on the economic status, decision making power, knowledge and self worthiness of women participants of self help group linkage program in Hyderabad. The study confirms that as an anti poverty tool, microfinance has its own limitations
to reach the bottom of the poor. However, it is found effective in graduating the poor, not the poorest, and lower middle class to a higher standard of living.\textsuperscript{56}

Meenu et al. (2011) in their empirical study tries to analyze the role of MF intervention in promoting women empowerment in rural India. An empirical study has been carried out in the state of Punjab. The study found that microfinance has been effectively contributed to women empowerment significantly to their family development in terms of getting credit for housing repairs, education and marriage of their children and also for consumption purpose. The study also found good saving habits among females as the maximum number of the respondents have saving bank accounts.\textsuperscript{57}

Sarumathi and Mohan (2011) in their study try to analyse the empowerment of women psychologically, economically and socially. The analysis showed that there is a gradual increase in all the three factors among rural women. The study found that the microfinance programme led to improvement in psychological well-being and social empowerment among rural women.\textsuperscript{58}

Dhiraj Jain (2012), conducted an empirical study on ‘Does Microfinance Empower Rural Women in Udaipur district in Rajastan’ comes to the conclusion that there is a significant increase in women empowerment of the SHG group members. The study finds that MF programmes have enabled the women to come to the forefront of the society.\textsuperscript{59}

Gebrehiwot (2012) in a study aimed to assess the impact of microfinance on socio-economic empowerment of women in Nainital district of Uttaarakhand. The
study finds that microfinance programme improved the socio economic empowerment of women. Participation in the SHG activities reduced domestic violence, increased their savings, income and enhanced their skill and capacity.\textsuperscript{60}

Khan and Noreens (2012) in their study try to explore the socio-economic determinants of women empowerment, focusing on the women who have availed microcredit. The study concluded that females using loan themselves have better effects of microfinance on empowerment as compared to the loans utilized by other members of the household. It is also found that MF has shown positive effect on empowerment of women but not as much as it was expected.\textsuperscript{61}

Nirmala (2012) in her study pointed out that microfinance contributed considerably for the empowerment of women. The women were able to get the work done easily in government authority and they were able to save and spent more for their children’s education. However the study found that there was not much improvement in their asset position.\textsuperscript{62}

Thanksy (2012) in her study concluded that SHGs have led to women empowerment. The SHG programme improved the self confidence of the women; improved their mobility and greater participation in the public place. She argues that microfinance programme has improved the decision making power of the women in the family and community.\textsuperscript{63}

Krishnan (2013) in his study finds that microfinance programme has benefited the women members to enhance their role in society, family decision making mobility. The study also finds that 98 percent members had favourable attitude
towards microfinance. However, on the matter of economic empowerment the microfinance organizations need to take much more initiative to bring women in the fore of economic activity.\(^6\)

Raghavan (2013) in his study on Kudumbasree finds that microfinance programmes have improved the status of women in the families and the communities. He argues that the participation in various income generating cum developmental activities, the morale and confidence of women became very high. Capacity of the poor women has gone up considerably.\(^5\)

The review of the literature shows a mixed picture both positive and negative. The review of the earlier studies underlies the fact that microfinance programme has a crucial role in the process of uplifting the poor women. Though microfinance in its multiple dimension have been widely studied at the national level studies in the regional context are far and few between. Except a few papers concerning the impact of microfinance on women empowerment; research studies are limited in number. So a fresh study to look at the impact of microfinance programmes on empowering coastal women is undertaken.
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