PREFACE

Today Poverty alleviation has become a matter of major concern for the policy makers world over. Inspite of a large number of alternative development approaches explored and promoted earlier, it has been found that a perceptible change has not taken place at the grassroots. In the direction of poverty the Human Development Reports and other United Nations/World Bank Reports have identified South Asia as one of the most deprived regions in the World. The Region has the largest number of people in the World living in absolute poverty. A great majority of these people constitute to be women, with limited access to basic needs. The overall burden of poverty and human deprivation is faced by women. The poor souls have been at the receiving end. The issues of gender and equity point to the double burden women have to bear: that of being poor and being a woman. In India ensuring women’s access to credit through microfinancing is presently a major strategy for both poverty alleviation and women’s empowerment. Self Help Groups (SHGs) have been set up across the country by NGOs and through Governmental Programs for extending the facility of microfinancing to the marginalized groups. Microcredit through women’s SHGs has been a central element of development vision outlined in the Tenth Five-year Plan. The results of various studies have established that women’s Self Help Groups (SHGs) have been found to be more effective in reaching and delivering the benefits of microfinancing to the marginalized women of our country. It has proved that the organization of women around issues of common concern is a prerequisite for effective and sustainable economic and social development. It has been debated that the provision of credit has little impact on the economic status of poor women. At this point of the developmental journey the policy makers and the
practitioners have started strongly arguing that along with the provision of microcredit social and political space has to be found for making the experiment of microfinancing amongst the poor women a great success. Furthermore it has been observed that along with the provision of credit auxiliary and ancillary services are very important for promoting the micro-enterprises initiated by the Self Help Groups. There are also some pessimists raising questions such as, “Is not microfinancing making an already slippery slope more slippery? on the assumption that it is merry to borrow money but paying back is a sad affair- more like milking a stone”. These skeptics lay more emphasis on savings instead of credit. This criticism by some agencies requires also to be studied in depth so that improvements in the area of microfinancing are being made simultaneously. In the above backdrop, the present study has been carried out to analyze the impact of microfinancing on the marginalized groups (women).

The work comprises of five chapters. Chapter first is an introductory one, which deals with the evolution of credit system from Microcredit to Microfinance with an emphasis on the self help groups (SHGs) operating across the country. It also gives a review of literature concerning microcredit, microfinance, self help groups and women empowerment. Chapter second delineates the methodology employed in the present study. Chapter third covers the process of microfinancing and experiences of marginalized groups. It throws light on microfinancing in the self help groups (SHGs) functioning under DUDA-DRDA and projects the profile and functioning of sampled self help groups (SHGs)/ members. An attempt has also been made to give some field impressions so as to understand the response of the beneficiaries at the grassroots. Chapter fourth studies the impact of DUDA-DRDA microfinancing on the empowerment of women. The impact has been studied in the context of women’s self growth and development, women’s position in family system and women’s interaction pattern in the
community. The impact has specifically been studied in a comparative context in order to analyze the delivery of the benefits of microfinancing amongst the marginalized urban and rural women. This chapter has been provided with a number of case studies both successful and unsuccessful with a view to supplement the findings of the quantitative data. Finally the Chapter fifth is touching the conclusion of the present study and some suggestions are made for effecting some improvements in the process of microfinancing amongst the self help groups functioning under the DUDA-DRDA.