CHAPTER - II

REVIEW OF LITERATURE
CHAPTER - 2

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A large number of studies have been undertaken on women empowerment. This chapter presents a brief review of literature relevant to the present study under the following sub heading

I. Concept of women empowerment.
II. Group Approach.
III. Savings and Credit.
IV. Income Generating Activities (IGAs).
V. Training, Social participation, Mass Media exposure and constraints faced by SHGs members.

2.1. Concept of women empowerment:

1. Rapport – (1987) describes, empowerment conveys both a psychological sense of personal control are influence and concern with actual social influences, political power and legal rights. It is a process mechanism by which people, organization and communities gain mastery over their affairs.

2. Papa chin – (1991) States that “Empowerment of women is nothing but strengthening of their innate vitality.” It is humanization of humanity. It can be done through acquiring knowledge, power and experience. Power is not to dominate, but to reduce helplessness and ineffectiveness.

3. Chowdhary [1995] in her study stressed the need for sharpening women’s empowering strategies to make them effective and result oriented. She pointed out that money earned by poor women is more likely to be spent on the basic needs of life than that by men and this realization would bring women as focus of development efforts.
She also examined the advantage of organizing women groups, thereby creating a new sense of dignity and confidence to tackle their problems with a sense of solidarity and to work together for the cause of economic independence.

4. Sarmista Chowdhary [1995] in her study on 'Awareness of rural women and their development' reported that majority of women opined that the family matters were decided by the husband/father. 58% of women were engaged in doing only household activities followed by 24% of women with household work and fuel wood collection. 50% of women were in favor of female education. Only ten percent of women were aware and in favor of family planning program. 14% of the women were in favor of forming women's organization and taking part in decision making and participation in the development programs.

5. Karkar [1995] his study reveals that as the program was effectively implanted the monthly income of the beneficiaries had increased substantially. A large number of groups had become mini bankers reducing the dependence on money lenders; It had also resulted in improving their standards of hygiene and nutrition. The major findings were that the urge for literacy especially for girl child and adoption of family planning measures had increased. The process of group dynamics had strengthened the networking homogeneity and self esteem of women. "WE CAN DO IT" syndrome is a part of their psyche today. The scheme had also improved the women an opportunity to sit together, discuss and share their long pending problems and seek joint solutions through sympathetic, co-operation and advice. The group thus acts as both as pillar and strength and an information window.

6. Meenakshi inland Chowdhary[1996] reported in a study on 'Empowering strategies for rural women' that the goals of poverty reduction and empowerment of women could effectively be achieved if poor women could organize in to groups for community participation as well as for assertion of their rights in various services related to their economic and
social well being. Poor women's creativity, group dynamics and self management are major elements in tackling gender and equity issues.

7. Rao (1996) reported that beedi workers of co-operative organizations of 'SEWA' enhance the women's self confidence, mobility, decision making and autonomy.

8. Giriyappa.[1997] Analyzed the women empowerment with corresponding levels of discrimination and effectiveness of decisions making by women in different rural enterprises and concluded that in the households headed by women have effective decision irrespective of work, mobility, healthcare, asset creation ,employment generation and social participation. In the households with low social status the informal empowerment was wide spread through women members subjected their decisions to various degrees of discrimination.

9. Joseph (1998) reported that women were no longer they recipients of benefits but active participants in developmental programs. They have established that they could be good entrepreneurs, good decision makers, and employment providers. There was a realization at all levels of the society that self help is the best strategy for economic well being.

10. Sunitha Ray – (1999) reported that, empowerment of women should focus on aspects like, a) Direct involvement of women in programming and management. b) Effective collaboration with community organizations. c) Organizing and strengthening women self's help groups. d) Sensitization and advocacy for gender just society. e) Elimination of violence and discrimination against women at physical, mental and domestic or society level.

11. Hemanta khandai [2001]. Reported that the program of action of 1992 has comprehensively listed the following parameters of empowerment:

A] Enhance self esteem and self confidence in women.
B) Build positive image of women by recognizing their contribution to the society and Economy.

C) Faster decision making action through collective process.

D) Develop in them ability to think critically.

E) Enable women to make informed choices in areas like education, employment and Health.

F) Ensure equal participation in developmental process.

G) Enhance access to literacy and information related to their rights and entitlements in the society with a view to enhance their participation in all areas.

12. Shanmuga Ganeshan and Mary Noya Leena – (2003) defined women empowerment as a process by which women gain control over material and intellectual resources, it is a changing of power in terms of resources distribution and changes in ideology.

2.2 Group Approach.

1. Girija Srinivasan. [1995] reported in her study on group approach to empowerment of rural women- IFAD experience that the group provided the base for self employment and empowerment through group dynamics. The peer pressure on group members had ensured proper utilization of credit and repayment of loans. Savings in the group has given way for self insurance and self assurance to group members. The author concluded that for poverty alleviation and empowerment of women, intervention should be a continuous process through various agencies.

2. Vasi malai. [1995] documented the intervention procedure of NGO [PRADAN] in SHG formation. PRADAN’s project passed through different phases since its inception. During the initial phase the focus was to understand the rural context.
This process enabled PRADAN to build support with people and enhance the understanding of village dynamics. The approach of PRADAN was to invest in people and build their capacity to create and manage institutions at various levels.

3. Nuralislam and Niazkhan [1996], while commenting about the NGOs in Bangladesh stated that important functions performed by NGOs include mobilizing resources, creating public awareness through network of information and communication, developing professional skills in different activities, providing opportunities for personal development through involvement in group activities and facilitating feedback to policy and decision makers.

4. Dwaraki, et.al. 1996] identified the replicable dimensions in the functioning of successful SHGs promoted by NGOs in Tamil Nadu in order to project the profile of a possible prototype for community co-operative efforts in future. Three vibrant NGOs involved in the promotion of SHGs were chosen. The membership of SHGs analyzed in this study, had a size ranging from 30 to 120. The credit operations of the SHGs have indicated savings first, credit next at the bottom line. Further a borrower could remit any time that suits him either in installments or in lump sum. This was paved way for excellent repayment pattern sometimes in excess of 100%. The participatory rural appraisal approach has been meaningfully employed through the initial stages of organizing SHGs. Interestingly NGOs under study expressed a greater degree of comfort working with women's groups compared to men groups. Their feeling of comfort based on a higher degree of self discipline and much better repayment that prevails among women members compared to men.

5. Jain and Sathish. [1996] in their approach had described the factors affecting the group dynamics and group functioning such as feeling of solidarity, pervasive benefits from group formation. Increased awareness of group members led to self reliance and transparency.
They feel that dependence on outside source either in material or human terms exists and so the group anatomy is not attained in many cases.

6. Krishnamurthy.[1996] conducted a study on SHGs in the Adilabad district of Andhra Pradesh. The broad objective of the study was to examine the impact of SHGs with particular reference to thrift and credit societies [TCS] on the economically well being of participants. TCS’s all the financial variables show a rising trend because of regular thrift collections. The members had greater savings as a direct outcome of enrolment in the TCSs. The field investigation showed that TCSs are owned and managed by low income groups of people. The study also highlighted the problems faced by TCSs. Full fledged democracy in the management of SHGs was yet to be seen in practice. Wide spread literacy, cultural inhibitions social inequalities and domination by a few members were hindering participation by all the members.

7. Kumara [1997] in his study reported that main factors responsible for the active functioning of SHGs are solidarity and cohesiveness attained due to the homogeny nature of the group. However the groups suffered from several weaknesses like savings and repayment of loan, non-adherence to norm set by the group, lack of mutual trust and confidence among the group members.

8. Shanthi. [1998] In her study of voluntary organizations in terms of “gender ideology and role of government and NGO in the empowerment of women” revealed that NGO intervention had helped the women beneficiaries to acquire skills, gain confidence and managerial ability and capability. Articulation of their ideas and problems in group meetings had helped these women to realize their own potential and advantages of group action in dealing with violence and exploitation.

9. Shylendra. [1998] In his paper attempted to evaluate the performance of women SHGs, IRMA, here SHGs failed to enable members
to realize their potential benefits. The reasons identified were wrong approach followed in SHG formation and lack of clarity about the concept and goal. The main lesson drawn from the project is the need for creating SHG based on a clear assessment of the need of different sections of the society.

10. Ommen. [1999] in his comprehensive study of SHGs revived the progress of program under four heads. 1) impact on poverty. 2) Income generation program 3) Thrift, 4) credit societies and women empowerment. The findings made were, a) About 51% of the household investigated have crossed poverty line, b) More than 56% of SHG members' household have improved their economic status, c) More than 90% of women believed that their collective action & social justice towards women is inevitable and SHGs could play an active role in this regard.

11. Murugan and Dharmalingam -(2000) reported that the empowerment of women through SHGs would lead to benefit not only to the individual women and women groups but also for their family and community as a whole through collective action for development. These groups have a common perception of need and an impulse towards collective action.

12. Laxmanan. [2000] conducted a study on working women SHGs in Tamil Nadu. The average membership of the group in the beginning was 10, gradually increased to 12, by 2000. During the initial stages each member saved Rs 20/- per week later increased to Rs 50/-. The administration of the group was transparent. The group has obtained Rs.20,000/- as floating fund from the government of Tamil Nadu and canara bank. The members have engaged in making mats which are of high quality. However one of the problems faced by the groups is that the cost of procurement of raw materials for making mats was high. The study revealed that SHGs were really a boon in rural areas which gave financial autonomy to the rural women and made them economically independent.
13. Raghavendra-[2000] in his study on performance evaluation of SHGs in Shimoga district of Karnataka State highlighted empowerment in rural areas.

The analysis revealed a significant change in diversifying income generation activities in rural areas. Through the group lending they have been able to reduce transaction cost. However resource constraint was a major determinant factor to expand their economic activities. The level of education was another factor obstructing structural changes. The study clearly shows that there is a great potential for SHGs in implementing various programs for the rural poor in future.

14. Manimakali and Rajeshwari. [2000] In their study on nature and performance of informal SHGs – A case from Tamil Nadu attempted to study the socio-economic back ground of women members. For the purpose of the study, samples of 150 women members were selected from five blocks of Tiruchinapalli district. About 60 percent of the women on an average invested Rs. 6,000/- in agriculture as well as non- agriculture Activities. The average investment was highest in agriculture[Rs.15,390/-] followed by catering services, trade, animal husbandry and tailoring etc., with the average investment in all enterprises being Rs.8,744/-.. The members depended mainly on borrowings to the extent of72 percent of total investment and 28 percent from won savings. About 87 percent of members borrowed from institutional sources and remaining 30 percent from non-institutional sources.

15. Puhazendhi and Satya Sai. - Evaluated the performance of SHGs with special reference to social and economic empowerment of SHG members, economic and social empowerment [ESE] index was computed for each household combining the social and economic parameters using scoring techniques. A study of profile of a sample SHG and their clientele showed that the average membership of groups was 16.
The major factor influencing the cohesiveness of the group was homogeneity, followed by stay within the neighborhood and other activities. In the sample, economically weaker sections accounted for 84% of membership.

The study revealed that there was an increase in the average value of assets comprising livestock and consumer durables by 72% between pre-SHG [1992-93] and post-SHG [1999-2000] periods. About 59% of the household reported an increase in assets from pre to post SHG period. Similarly net income per household increased by 33%. The economic and social empowerment computed using the scoring techniques indicated that the impact of SHG was relatively more pronounced on the social aspects than economic aspects. The value of the overall index was 65 and 40 in the post SHG and pre SHG periods respectively.

16. Avasti et al. [2001] Examines the impact of SHGs on socio-economic status of rural women in Madhya Pradesh. The study revealed that after the formation of SHGs, women took up savings credit activities and participated in development process. The SHGs also provided training to develop skills of their members. The SHGs financial assistance has benefited the women members by enhancing their income and employment.

17. Prem Singh Dhiya [2001] in their socio economic evaluation of SHGs in Solan district of Himachal Pradesh examined in terms of their impact issues and policy implications based on field study.

The members were drawn from six groups and two were mixed groups. The average family size of the sample household was 5. Occupational pattern showed that 40 percent were engaged in selling bangles, followed by farming 24 percent, small business and services 9 percent. The average SHG member was 14 out of which 82 percent were women and 56 percent belonged to scheduled caste and other backward categories. Nearly, 54 percent of them were literate.
The monthly savings ranged from Rs.20 to Rs.100/- and the interest rate on internal lending ranged from 24 percent to 60 percent per annum. The recovery rates both internal loans and bank loans were 100 percent. The overall increase in annual increment income in post linkage period was 94 percent. The average increase in annual income was 20 percent. The involvement of rural poor in SHGs was significantly contributed to empowering women folk, educational development of children and emancipation from social evils.

18. Dadhich – (2001) reported that after joining the group women command more respect, get due affection and right full place in the family. There involvement in family decisions has substantially enhanced. As a group women have gained more confidence and power. In many villages they have forced liquor shops to close.

19. Sudharani et.al. – (2002) identified that women are empowered economically after participating in the SHG. They are able to solve financial problems, health problems and burdens like education and marriages of their children.

20. Vijayanthi – (2004) found that the SHG is an entry point for formation of credit and thrift groups to inculcate the habit of savings for economic empowerment and make them financially independent to take care of assets created.

2.3 Savings and Credit

1. Thape [1990] revealed in her study empowering rural women, production and credit for rural women [PCRW] program that rural women have proved themselves as potential borrowers using credit to the intended purpose. Repaying loans on time and demanding large amount of loans for varied activities. Selection of profitable ventures, skill development, training to women borrowers, assured supply input, assured market for
produce, constant supervision were major contributing factors which made women credit worthy.

2. Gram Vikas [1995] an article highlights the role of innovative saving/credit program. The erstwhile submissive, docile, silent, and meek women changed their psyche in to assertive, confident, mobile, articulate, questioning and demanding pressure groups. The aspirations of women economic prosperity went up and started climbing the social ladder through the program. The other factor for the success was the timely intervention of the government machinery. The careful identification of key government functionaries also led to the success of the program.

3. Puhazandi [1995] In his empirical study of 19 SHG and 5 bank branches in the southern states of India which revealed that the intermediation of SHGs virtually eliminated the time spent by bank personnel on identification of borrowers, documentation, follow up and loan recoveries effecting 40 percent reduction in costs of bank as compared to direct lending. The default risk was estimated to be negligible through SHGs lending.

4. Mohiuddin. et.al [1996] in their study on “Empowerment of women through thrift and credit groups in Nellore” revealed that the average membership per society was in the range 30 to 40 members. They were homogenous in terms of caste, occupation or physical mobility. Each group saved one rupee per day. The group members decided the fixation of installments interests penal interests to the defaulting members. The study revealed that 63 percent of the groups were performing very well, 26 percent was satisfactory and remaining 11 percent were dormant.

5. Mishra-et.al [2000] in their Socio – Economic analysis of rural SHGs in Uttar Pradesh, examined their impact on generation of income and employment. The number of members in each group varied from 10 to 16. It was observed that participation of other backward community members was more compared to other castes in the study area.
The study revealed that loans were utilized for running small trades. The SHGs have helped to increase the income of their members by 10% to 15%. Repayment performance was reported to be good. Among major problems faced by the members of SHGs were lack of credit and marketing facilities, entrepreneurship, training, social evils and high rate of interest. The study suggested that the commercial banks, RRBs, PACS and the State Government should come forward to help the rural poor through the SHGs and provide liberalized credit facilities at cheaper rate of interest.

6. Namboodri et al. [2001] In their study on potential role of SHGs in terms of reach, linkage with banks for savings and credit for the weaker sections of rural household, it was found that regular meetings, training, social cohesion in the group loans for both productive and consumption purposes helps to maintain labor productivity and income generating activities. The groups insisted no collateral securities, transaction costs were lower better recovery performance. The major weakness was that loan portfolio was dominated by consumption loan. The author concluded that the system evolved through SHGs for collective savings, group consumption credit, in targeting social and economic goals among small groups has the potential not only for financial deepening in the rural areas but also for the empowerment of women.


A] Mean annual savings registered a twofold increase from pre-SHG to post-SHG situation.

B] About 45 percent of the sample members had reported a 45 percent increase in assets between pre-SHG to post-SHG situation.

C] The value of asset had increased by 30 percent after joining the group.
D] The average loan per member during post SHG situation was about 123 percent more than the pre-SHG situation.

E] Income per member had registered a significant 23 percent increase with in 5 years from the formation of the group.

F] Group formation helped the members in attending individual and common Problems more effectively.

G] Some SHGs have started creating common assets owned by all members.

These Common assets also provide additional income to the group.

H] All the SHGs were having savings account with the bank since inception.

I] The SHGs were regularly making monthly repayments and recovery for banks Under SHG lending was to the extent of 98 percent.

8. In a pilot study conducted by Stefan karduck and Huns dieter sieben Transaction Costs of self help groups’ for NABARD in 2004, transaction costs were less than 1 percent of loans out standing to members. It is tentatively concluded that SHGs are an efficient intermediary for bank loans to vast numbers of rural poor.

2.4 Income Generation Activities

1. Snehalatha and Reddy - (1998) revealed that the income generating activities taken by the women were dairy, forest nursery, sericulture, vegetable cultivation and petty business which was carried out as group activity. The positive impact of employment generation on the group members who had undertaken income generating activities was observed in 45% the of group members.
The additional employment generated through SHG lending worked out to 172 man days per member. Under taking supplementary activities such as animal husbandry, poultry etc., and non-farm activities like petty shop, kirana shop, flower selling business etc., provided employment to a greater extent.

2. Pushpa latha and Revethi – (1999) in a study to assess the impact of DWACRA stated that an average additional income of Rs. 500 to 600, Rs. 150, Rs. 100 to 120, had accrued to the beneficiaries of basket making, poultry, leaf plate making trades respectively.

3. Patil (2000) found that beneficiaries under TRYSEM and DWACRA under Karnataka kasuti, tailoring, goat raring, readymade garments had generated net income between Rs. 500 to 2000

4. Manimekalai and Rajeshwari – (2000) observed that income generation programs like dairying, goatary, poultry, petty shops, masala powder, coffee powder and pickle making process etc., are implemented by the SHG to supplement there income. The income status of members has improved several times as evidenced by mean income before (Rs. 4800) and after (Rs. 5087) taking micro enterprises.

5. MITRE and Hussain – (2001) revealed that 26.67% of the member families diversified to other non-farra activities. The average net income per member per year increased from Rs. 6465 to Rs. 15325, through scientific cotton cultivation, live stock maintenance, small business like retail shop, dry fish trading etc.,

6. Papachen - (2001) absorbed that almost all the members of SHGs (98.47%) have reported an improvement in financial condition. It was also found that maximum number of member (24.22%) had benefited from leaf plate making followed by 16.41%, 13.28% from goat rearing and pickle making respectively.
7. Vanitha chethan – (2002) found that 158 cows and 196 sheep and 12 sewing machines were the assets created by the beneficiaries under SGSY. From this there was an increasing change in the level of asset position among beneficiaries which again contributes to raise in employment days and income of the family.

8. Thripathy – (2004) reported that community based enterprises like cotton coir rope making, coconut coir rope making, coconut leaf thatching pickle manufacture, leaf plate making, spices production, honey and food processing, agar bathi making etc., have proved to be most viable economic activities in the country to drive the beneficiaries out of poverty trap in the rural areas.

2.5 Social Participation, training mass media exposure and constraints faced by SHG members

1. Raghavendra – (2002) in his study on women self help group reported that majority of respondents had medium level of social participation followed by 31.06% of respondents had high social participation, whereas 25% of respondents had low social participation.

2. Ramakrishna – (2002) reported that majority of the respondents had an inadequate training in water conservation, flower cultivation etc., and while in non-farm activities such as tailoring, dairy management, poultry etc., and majority of respondents had adequate training.

3. Vanitha Chethan – (2002) in her study revealed that mass media utilization of women beneficiaries, 48% was high followed by 28% women belonging to medium category and 26% of women belonging to low mass media utilization.
2.6 Constraints

4. Snehalatha – (1998) listed out the problems faced by the group members as, selling the produce without assured market outlets, lack of co-operation and team work among group members, non-availability of sufficient matching grant in time. The problems perceived by group leaders were lack of time to perform home, farm and group activities.

5. Puhazendi and Jayaraman – (1999) reported that 8% of the total number of groups disintegrated due to non co-operation of individual members with group activities as well as personality clash between office bearers and group members.

6. Awasthi et.al. – (2001) revealed that SHG members suffered from lack of motivation, backward and forward linkages, inadequacy of infrastructure, insufficient loan, inadequate provision for marketing and availability of inputs, lack of systematic monitoring and follow-up of the activities.