CHAPTER I
INTRODUCTION

1.1. BACKGROUND

Women, who form nearly half of the human capital in the country, number about 586.5 million according to the 2011 census of India. This represents 48.46 per cent of the country’s population of 1,210.2 million. If they can be effectively utilized there will be a great value addition to the economy. Research has proved that women are better managers than men. A woman does double the amount of work and contributes doubly to the economy but she is still considered as a burden. Women are still suppressed, oppressed and violated in many ways. Their development is further complicated by intervening factors like gender discrimination, low level of education and work participation, poor nutritional status, poor health and lack of access to health care. They are bearing the cross from the womb to the tomb. Instances of infanticide and feticide bear testimony to this.

Pandit Jawaharlal Nehru once said, “To awaken the people, it is the woman who should be awakened. Once she is on the move, the family moves, the nation moves.” Nehru further added that the building India as a nation will also be judged by the position of Indian women. The World Bank report and the World Conference on women declare that women are central to the poverty alleviation efforts. Hence women’s empowerment and their full participation on the basis of equality in all spheres of society are fundamental for the achievement of gender equality and development and peace in every nation. So it is clear the social, economic and political empowerment of women is the need of the hour, as it is the only sure way of making them equal partners in development. Empowerment literally
means becoming powerful. The Dictionary of Social Work defines empowerment as the theory concerned with how people may gain collective control over their lives so as to achieve their interests as a group. The Global Conference on Women Empowerment, 1988 highlighted empowerment as the surest way of making women partners in development.

The primary challenge faced by women today is to increase their participation and become actively involved in decision making. Active participation in social, economic and political spheres would help in enhancing process of decision making, empowerment and it will also give women the desired self respect and social dignity which are the pre requisites of empowerment. Participation is the point where women are involved in taking decisions along with men. To reach this level, mobilization of women is necessary. By organizing themselves and working collectively, women will be empowered and gained increased representation which would lead to increased empowerment and ultimately greater control.

For realizing this, Government of India from time to time through Five Year Plans, has introduced various women oriented development programmes to make women the equal partners in development with a view to enhance the status of women in general and women labourers in particular. Especially many schemes and plans have been launched and implemented during the last five decades like extension of credit to priority sectors, development of Khadi and Village Industries, and implementation of self employment programmes. But unfortunately these programmes failed to reach the most needy persons. In this situation, poor
is forced to depend on money lenders for their financial needs such as marriage in the family, illness, or any other emergency needs.

The formal credit system of banks too by and large is beyond the reach of the poor due to bureaucratic bottleneck and Governmental policy obligation. Particularly women’s access to credit is beset with a number of problems which hinder the development of women. So in the context of poverty alleviation, credit comes as the bridge which enables the poor to cross poverty syndrome. For uplifting the condition of women self-realization and self-initiative are considered as the most powerful weapons. This has now resulted in the genesis of self help groups. Advancement of credit through SHGs has been found to be one of the most appropriate mechanisms to trigger development impulses of the poor. This has enabled a number of non-governmental organizations and government to create a way for organizing the poor into informal groups for mutual help and thrift.

SHG is a small, economically homogeneous and affinity oriented groups of rural / urban poor, voluntarily formed to save and contribute to a common fund to be lent to its members as per group decisions and to work together for social and economic upliftment of their families and community. SHG is a medium for the development of saving habit among the women. These self help groups come to the rescue of women and they enhance the status of women as participants, decision makers and beneficiaries in the democratic, economic, social and cultural spheres of life. They bring out the possibility of women in moulding the community in right perspective and explore the initiatives of women in taking up micro entrepreneurial ventures. These self help groups empower women and make them sensitized, self-made and self disciplined. They try to
remove the social limitations of women such as superstition and contribute for their dormant role in decision making. So in short this concept of Self Help Group serves to underline the principle of for the people, by the people and of the people. The basic principles of SHGs are group approach, mutual trust, organization of small and manageable group, group cohesiveness, spirit of thrift, demand based lending, collateral free, women friendly loan, peer group pressure in repayment, skill training, capacity building and empowerment. The Self Help Group approach was adopted by the Government of India to promote and ensure women empowerment. It is completely a different approach adopted by developing economies to make the women work in groups through Micro Finance to initiate micro enterprise and also to sustain the women development interventions. In this context, an attempt has been made in this study to assess the SHGs micro enterprises in the economic empowerment of women.

1.2. NEED FOR THE STUDY

The economic status of women is now accepted as an indicator of a society’s stage of development. It is, therefore, in the interest of a society to make full and most effective use of its human resources of which women form an integral part. As per the Human Development Index (HDI) 1977, India ranks 99th on the gender related development Index of 130 nations. The gender empowerment measures the extent of women’s participation in a country’s economic and political activities. India occupies 126th position in respect of Human Development Index (HDI) among the 177 countries ranked by the United Nations Development Programme (UNDP) (2006). Women held only 9.3 per cent of parliamentary seats, and their ratio of income to male was 0.38. (HD Report 2005). In respect of Gender-related Development Index (GDI),
India was placed in the 98th position (among 140 countries) with a GDI value of 0.586. Norway (0.960), Australia (0.954) and Iceland (0.953) stood in the first three slots while Niger (0.271), Sierra Leone (0.279) and Burkina Faso (0.311) were placed the last. Females had a higher life expectancy (65.0) than males (61.8) and gross enrollment ratio for primary, secondary and tertiary schools (56 as against 64 for males) (HDR, 2005) (M.P. Boraian).

For a number of countries the Human Development Report presents a greater sensitive Human Development Index, measured on the basis of the indicators of women’s development such as access to education, reproductive health and credit resources. In India, women constitute around 48 per cent of the population. But their participation in economic activities is only 34 per cent. The distribution of women’s work explains that more than 10 per cent is in the unorganized sector.

The economic reform agenda in the global perspective is dominating the socio-economic cultural scenario in recent years. The process of economic reforms, more commonly referred as “globalization”, is affecting practically each country in the world in some way or other, although all the countries have not embraced the process very willingly. With increasing importance on accountability under the process of economic reforms, situation has started changing. Participatory approach is gaining higher acceptance. Their roles in success of development programs are being accepted more widely.

Nature and operations of economic development programs targeting women in particular, are also changing under the overall impacts of economic reforms in India. “Empowerment” has been a catchword
now in the world of the economic development analysis for women. Empowering women in the development process has been one of the central concerns of almost all development strategies and programs related to women’s development. Women suffer from different types of powerlessness in social and economic sphere of life. The lack of power or disempowerment reflects in their low education level, less income, less control over their own income, less bargaining power in selling their own produce and labour, less participation in any decision making body and less access to production inputs and resources and employment opportunity than men. This vulnerable situation resulted in an overall dependency of women on their male kin through their life cycle all over the world, particularly in developing countries. The dependency makes them as a burden of a family and lowers their value of life in some of the developing society. Development practitioners are concerned to raise their empowerment level, which make women capable to challenge their dependency or oppressive situation in the family and society.

The empowerment of women is crucial for the development of rural India. From the fifth Five Year Plan (1974-1978) onwards there has been a marked shift in the approach to women’s issues from welfare to development. In the mid 1980s the term empowerment became popular in the field of development especially with reference to women. The ninth Five Year Plan gave special attention to the empowerment of women and one of the objectives of the plan was “empowering women as the agents of social change and development.”

The term empowerment has the most conspicuous feature containing the word ‘power’ which means control over material assets,
intellectual resources and ideology. Bhasin (1992) explained the meaning of empowerment in different dimensions:

- Enhancing women’s self-respect and self-dignity
- Making women economically independent
- Helping women to eliminate fears
- Women controlling their way of life
- Reducing women’s burden of work
- Making women understand the importance of human values, rights and privileges
- Ability to overcome restrictions imposed by the society.

Empowerment is an active process of enabling women to realize their identity, potentiality and power in all spheres of their lives (Sharma 1992). In recent years, the empowerment of women has been recognized as the central issue in determining the status of women. The National Commission for Women was set up by an act of Parliament in 1990 to safeguard the rights and legal entitlements of women. The 73rd and 74th amendments (1993) to the constitution of India have provided for reservation of seats in the local bodies of panchayats and municipalities for women, laying a strong foundation for their participation in decision making at the local levels. Empowerment programme for women have been found to be successful in improving her status in family and society, while giving her a feeling of self confidence. The Integrated Rural Development Programme (IRDP) is one such attempt towards the alleviation of poverty among the target groups of small and marginal farmers, agricultural labourers and rural artisans. The Development of Women and Children in Rural Areas (DWCRA), the Supply of Improved Tools – kits to Rural Artisans (SITRA), the Training of Rural Youth for Self Employment (TRYSEM), the Ganga Kalyan Yojana (GKY) and the
Million Wells Scheme (MWS) into a holistic self employment scheme called Swarnjayanthi Gram Swarozgar Yojana (SGSY) all contribute towards Integrated Rural Development.

In this context, the Tamil Nadu Women Development Project (TNWDP) taken up for implementation under the name of “Mahalir Thittam” is intended to promote economic development and social empowerment of the poorest women through a network of Self Help Group (SHG) formed with active support of N.G.O.s. The empowerment of women through SHGs would lead to benefit not only to the individual women but also for the family and community as a whole through collective action for development.

The economic empowerment approach attributes women’s subordination to lack of economic power. It focuses on improving women’s control over material resources and strengthening women’s economic security. Women empowerment is possible when women have full autonomy to spend their income and resources. The level of income per month has been considered as the indicator of the economic empowerment. A successful economic development programme should lead to a high level of income to the beneficiaries. This is considered to be the primary goal of any economic development program. Economic empowerment is the base of social and political strength of the society. Hence a study of the economic empowerment of women is considered important. This study has been undertaken to examine such economic empowerment of women through SHGs micro enterprises in Thanjavur District.
1.3. STATUS OF WOMEN IN INDIA

Launching the nation-wide campaign to reverse the alarming decline in the ratio of women in the population in the country, Minister for Women and Child Development, Government of India said: “It is a tragedy that every year, half million girl children are being killed and prevented from being born, ironically with the help of modern tools of science and technology leading to the decline in the ratio of women in the population. It is shocking that the declining sex ratio has already led to a situation where brothers shared a wife and in some cases, even fathers and sons shared a wife in several parts of the country”. The Ministry resolved to, observe the next 10 years as the decade of the Survival of Girl Child (The Hindu, March 9, 2006, p.13).

Contemporary Status

The sex ratio of 933, women per 1000 men as revealed by the Census Report 2001 shows the misuse of the prenatal diagnostic technique to do away with female fetus.

Table 1.1. Sex Ratio (1901-2001)

<table>
<thead>
<tr>
<th>Year</th>
<th>Tamil Nadu</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>1901</td>
<td>1044</td>
<td>974</td>
</tr>
<tr>
<td>1951</td>
<td>1007</td>
<td>946</td>
</tr>
<tr>
<td>1961</td>
<td>992</td>
<td>941</td>
</tr>
<tr>
<td>1971</td>
<td>978</td>
<td>930</td>
</tr>
<tr>
<td>1981</td>
<td>977</td>
<td>934</td>
</tr>
<tr>
<td>1991</td>
<td>974</td>
<td>927</td>
</tr>
<tr>
<td>2001</td>
<td>986</td>
<td>933</td>
</tr>
</tbody>
</table>

Source: Census of India (1951-2001).
Health wise, high rates of infant and maternal deaths and severe anemia in over half of all married women in India are some of the indicators of the low priority accorded to women’s health in the country (Skawatra, 2003). Life expectancy of rural women, which was 32 years in 1947, has gone up to 64 years today. The infant mortality has decreased considerably.

According to the Census of India 2001, the literacy percentage of women was only 54.16, though it has grown considerably since Independence. In 1951, the literacy rate of women was only 8.86 per cent. In 2001, it had raised manifold and went up to 54.16 per cent. The school enrollment has gone up to 99 per cent and every eligible girl child today, has all the freedom and opportunity to get education. Girls now have easy access to Higher Education.

Table 1.2. Literacy in Tamil Nadu

<table>
<thead>
<tr>
<th>Year</th>
<th>Male (%)</th>
<th>Female (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>31.73</td>
<td>10.06</td>
<td>20.65</td>
</tr>
<tr>
<td>1961</td>
<td>44.54</td>
<td>18.17</td>
<td>31.41</td>
</tr>
<tr>
<td>1971</td>
<td>51.78</td>
<td>26.36</td>
<td>39.46</td>
</tr>
<tr>
<td>1981</td>
<td>58.26</td>
<td>34.99</td>
<td>46.76</td>
</tr>
<tr>
<td>1991</td>
<td>74.88</td>
<td>51.30</td>
<td>63.72</td>
</tr>
<tr>
<td>2001</td>
<td>82.33</td>
<td>64.55</td>
<td>73.47</td>
</tr>
</tbody>
</table>

Source: Census of India (1951-2001).

Even though female literacy in Tamil Nadu has shown considerable increase, the gender gap between male and female literacy rates has continued. The need to narrow down the gap is urgent. The inter-district
imbalance in literacy levels ranges from 49.10 per cent in Dharmapuri to 85.39 per cent in Kanyakumari.

Ever since India became free from British rule, there have been phenomenal changes in the condition of women. The constitution has given women the much needed status. They are now equal before law. There can be no discrimination by the state on grounds of gender. But, it is reported that in 1991, India had approximately 5,157 dowry deaths, 20,611 molestation cases, 12,300 kidnappings and abductions, 10,283 cases of eve-teasing and 15,949 instances involving cruelty by husband and relatives (Giri, 1998).

In matters related to economic development, women continued to be marginalized both in policy formulation and programme implementation. Low level of skills lead to lower wages and low earning (Agarwal, 2001). In terms of employment, she enjoys the same status as men and has to be given equal pay for equal work. Assurance has been given to promote harmony and to renounce practices derogatory to their dignity. Some of the recently enacted labour laws have facilitated the employment of rural women as unskilled labour in the organized and unorganized sectors.

Politically, the reforms in the Panchayat Raj Act have given greater share for women in rural governance. At present, the concept of Self-Help Groups for women, particularly in rural areas has given them an opportunity to organize themselves to engage in productive activities that could augment their earnings (Vanavarayar, 2003) which leads to their social economic and political empowerment.
Life Cycle Approach

Women, as an independent target group, account for 495.74 million which is 48.3 per cent of country’s total population, as per the 2001 Census. Empowering women as a process demands a life-cycle approach. Every stage of their life counts as a priority in the planning process. Depending upon the developmental needs at every stage, female population has been categorized into 5 distinct sub-groups (Population as projected for 2001). They include:

- Girl children in the age-group of 0-14 years who account for 171.50 million (34.6 per cent), deserve special attention because of the gender bias and discrimination they suffer from at such a tender age;

- Adolescent girls in the age group of 15-19 years, who account for 52.14 million (10.5 per cent), are very sensitive from the viewpoint of planning because of the preparatory stage for their future productive and reproductive roles in the society and family respectively;

- Women in the reproductive age-group of 15-44 years numbering 233.72 million (47.1 per cent) need special care and attention because of their reproductive needs;

- Women in the economically active age group of 15-59 years, who account for 289.40 million (58.4 per cent), have different demands like those of education, training, employment, income generation and participation in the developmental process, decision-making etc.; and

- The elderly women in the age-group of 60+ years, numbering 34.87 million (7.0 per cent), have limited needs mainly relating to health, financial and emotional support.
We may conclude that women, who enjoyed a better status in historic times slowly, became secondary and subservient to men. However, the recent trend has been better and they are gradually equipping themselves on all fronts. To-day, the talk is about empowerment of women through organizing them into Self-Help Groups and making them dignified human beings.

**Economic Status of Women**

The biological role of child-bearing and breast feeding prescribed by nature forced women to stay back in the caves even in the barbaric age when men went out for hunting. This automatically imposed the responsibility of child-rearing and house-keeping primarily on the women while men were responsible for bread-earning. With the onset of agriculture and later on industrialization, women were involved in these tasks for help as family labour. They shared the work of their partners outside without such sharing in return. This increased their duties two-fold. They toiled hard without any acknowledgement as their work was supplementary and their status was that of helpers. Lack of education and training accompanied with the tedious responsibilities of household chores restricted them to unskilled and therefore unpaid work. This economic nature of their work continues to exist even today.

Women in India generally dominate the informal sector of the economy, while in the formal economic sector; they are mostly disproportionately represented in low-wage positions. Besides women’s contribution to Gross Domestic Product (GDP), too, is generally not acknowledged, quantitatively or qualitatively. Economic statistics and analysis of labour and capital grossly neglect women’s work as producers. Although women form a major part of the wage-labour force, much of
their work, however, is unpaid. The visible and genuine decline in work participation rates, too, are related to a number of trends which adversely affect women; decline in the female proportion of the population, declining representation in decision-making bodies, and increasing gap in male and female literacy rates, and unequal access to health and medical services.

Industrialization and urbanization extended to cause economic growth, have traditionally brought radical changes in the lines of women and their families, without their having had anything to say about it, and often they have not shared in the benefits to be derived. On the other hand, the adverse impact of the process of development, specifically of industrialization, on women has specific manifestations. Women working at home in weaving and dyeing, e.g., are displaced by machines in factories operated by men. Introduction of modern firm techniques also tend to operate so as to replace women by men trained in the new techniques. It is not a simple matter of technological displacement, but also of displacement of women by men trained for more complex production and processing. This kind of displacement of women operates in an ever-increasing spiral.

Women, thus, have been displaced economically, particularly in rural areas where their participation is highly traditional. But the contrast between the working conditions of the great majority in unorganized sector and those working in the small visible organized sector is striking. Moreover, women, especially the disadvantaged, have been denied access to business capital. Even where they have access, there is a lack of confidence, training and tools.
In addition to their wage-earning activities, women are responsible for a range of household responsibilities that are critical to family survival. If calculation of GDP included household work, they would increase by 25 per cent. Moreover, women, who head households, shoulder an even greater burden, which often results in their opting for lower paying jobs or working fewer hours for pay.

The use of part-time and temporary workers is becoming increasingly common and majority of these workers are women. This has had short-term benefits by increasing the availability of jobs that can be handled along with household responsibilities. While there are long-term disadvantages to this type of employment including diminished job security, retraining opportunities, and fringe benefits. The risk of facing sexual harassment and rapping in the workplace becomes higher in the informal sector and such part-time jobs.

Apart from particular gender disadvantages, women are disproportionately affected by a range of other occupational hazards. They are more likely than men to be employed in unsafe, unregulated industries, and are less able to afford protective clothing and equipment. They may also be disproportionately affected by exposure to toxic chemicals.

The current economic reforms in India too have taken heavy toll on both men and women. In many sectors of the economy, structural adjustment has so eroded earnings that men are migrating in a large numbers to cities and, if they do not find adequately paid work, women are left to fend for themselves and for their families. Women’s dominance of the informal economic sector has been challenged by displaced male
workers leading to a sharp decline in their informal sector earnings thereby. Thus, as in other parts of the globe, women in India, too, continue to be the last to benefit from job expansion and the first to suffer from job contraction.

However, with the birth of non-market economies and with current global effort to give content to gender equality, economists have paid increasing attention to gender, family and sex. Gary Becker connects division of labour within marriage to market forces. Collin Clark’s seminal work on the economics of housework is an attempt to estimate the money worth of the housework as a complement to National Income measure. The Women’s Development Decade spurs economists to integrate women and development. Women are taken as both recipients of the fruits of and participants in the development process. Easter Boserup pioneered in the area in which women’s role in economic development is emphasized.

Initiative at U.N. Government & Non Governmental Level to Improve Economic Status of Women

The first ever World Conference on Women was held in Mexico in 1975 to address the issue of gender inequality. It was followed by a second World Conference on women at Copenhagen in 1980 and a third in Nairobi in 1985. In the 1990s, after a series of UN Conferences held to set standards and directions that would take policy, planning and practice into the next century, Women emerged as a global force for shaping international debates and providing a gender perspective on all development issues.
At the UN Conference on Environment and Development in Rio (1992), World leaders accepted Women’s vital role in achieving sustainable development. At the World Conference on Human Rights in Vienna (1993), governments acknowledged that women’s rights are human and focused on the evidence of widespread violence against women. At the International Conference on Population and Development in Cairo (1994), women’s empowerment was recognized as a cornerstone for effective population policies. At the World Conference for Social Development in Copenhagen (1995), gender equality was recognized as a prerequisite for the achievement of productive employment, social integration, and poverty eradication. As progress towards women’s equality was assessed during the years following the Nairobi Conference, it became evident that a fourth UN Conference on women was necessary to provide a clear blueprint for action. It was envisioned that this would aim at removing the remaining obstacles to women’s full and equal participation in all spheres of life and mainstreaming women in all aspects of sustainable development. Thus the Fourth World Conference on Women took place in Beijing in September 1995 (UNIFEM, 1999) followed by Beijing +5 held in Geneva in 2000.

Over the years, the UN Agencies, mainly UNIFEM, UNDP, ILO, UNICEF, etc. are involved in supporting governments, NGOs and other organizations, which are running programmes on women’s development. Different U.N. Agencies have been playing an instrumental role in providing common platform to discuss and debate issues related to women’s development and empowerment.

According to the government report, the strategy to integrate women more effectively into the Indian economy, especially after the Beijing summit includes:
i) Training women in non-traditional areas, particularly linked to agriculture and non-farm-based skills;

ii) Improving in the conditions of women working in the informal, agricultural sector;

iii) The provision of direct access to institutional credit; and

iv) Affirmative actions to ensure women have access to educational opportunities to increase possibilities of wage employment and support services such as daycare for children (DWCD, 2000, p.40).

Post-Beijing, the Women in Agriculture Scheme has been expanded to cover 12 states. Transfer of technology has been identified as key to ensuring that women farmers are able to maximize the productivity of the land. Specialized village based training programmes for farm women including women’s meetings, exposure visits and skill upgradation programmes are run all over the country. By end-1999, 210 viable groups of women farmers were formed and 42000 farmwomen had been trained. In addition, 2122 village-based training camps and 66 camps for link workers have been organized. Women who are part of the programme have an on-going extension worker support system (DWCD, 1999; 41).

Despite government claims, there are several lacunae in the service delivery. In the bureaucratic service delivery mechanism, real target groups and their issues are rarely addressed. Even our policy makers have realized that the government, with its corrupt implementing agencies, is not able to deliver the goods. Thus, the government is collaborating rather taking assistance of NGOs and different organizations in implementing various women development schemes. Even the International
Development agencies have started collaborating directly with NGOs and other organizations.

However according to the Government report, several programmes, both women specific and women related had been set up by the Government of India to eradicate poverty. A national network mechanism had been setup to examine the impact of Structural Adjustment Programme on Women’s Employment and formulate short-term and long-term employment policies that would have a positive gender impact. To offset the adverse impact of economic policies on women, the Government had set up the National Creche Fund and the National Credit Fund for Women. There had also been a spread in self-help group formations to access credit. The Government through schemes likes the Development of Women and Children in Rural Areas, National Credit Fund for Women (RMK) and *Indira Mahila Yojna* is encouraging SHGs. As far as women’s economic empowerment and overall empowerment are concerned, it cannot come about without organizing. There are several reasons for this:

**Organizing Women for Economic Empowerment**

When individuals, who are amongst the poorest, least educated and most disenfranchised members of society, come together as a sector they experience dramatic changes in their lives. First, they gain knowledge. This includes information about their rights and obligations as producers, traders or service providers, about health and education for their families, about the possibility of better terms of credit and the opportunity to save, and about political choices. Second, they gain self-esteem. They realize that they have the ability to improve their families’ standard of living and they gain respect when they do. Third, they gain a sense of community.
They find that they are offered support from people with common values. They gain the power of acting as a collective. As a collective, members of the people’s sector can ensure their own economic security by setting up their own benefit schemes; they have a common voice which can be used to influence local economic decision-making; and they begin to have political power.

In order to be effective, people’s organization must have a participative and democratic structure. The poor must be stakeholders in their own organizations. Organizations in which the poor do not feel ownership and accountability usually do not progress fast. The organizations should also be free from political interference so that the interests of members are paramount.

Women living in poverty have very few financial resources or assets. However, when they pool what little resources they have, this can have significant impact. In most cases recorded, women have been able to pool their savings as a means of acquiring credit for productive purposes. In some cases, such as Banaskantha, members of SEWA have pooled their labour to undertake tasks such as starting nurseries, which would have been difficult on an individual basis.

Further, in most of the people’s organizations, the women’s group has acted as the collateral for individual woman’s loan that would otherwise have been denied access to credit because of their lack of ownership of land, property and other assets. The organization makes this happen in two ways: through offering the group as a mutual guarantee and through using the group savings at its disposal to offer collateral.
Evolutions of Self Help Groups

The SHG is the brainchild of the Grameen Bank of Bangladesh which was founded by Prof. Mohamed Yunus of Chittagong University Bangladesh in the year 1975. It was underlined that the poor need credit essentially for consumption purposes, to meet the basic necessities of life. They have nothing to offer as collateral security. In order to give a new approach to rural finance, NABARD introduced the concept of SHGs in 1992. The following persons are responsible for forming the SHGs viz., NGOs, Social Workers, Health Workers, Village level Workers, Informal Associations of local people, Farmers Clubs under the Vikas Volunteer Vahini (VVV) a programme of the NABARD and other development institutions.

In India, the organization of Self Help Groups, especially for microfinance and microenterprise development programmes constitute a widely accepted development strategy for poverty reduction and women empowerment. This strategy is equally shared by government, commercial banks and civil societies.

The SHG based microfinance in India encourages SHG members to manage group’s financial affairs like savings & loan recovery and funds are deposited in a local commercial bank in the name of the SHG. Members’ savings are initially used to issue small loans to needy members. After gaining some experience of credit handling, SHG is issued bigger amount of loan by a commercial bank and members are free to decide the end use of this loan, its purpose, repayment installment, etc. Without any interference of the promoting NGO or the bank since SHG is responsible to the bank for repayment of the loan. NABARD has offered a
basic framework to the nationalized commercial banks for this purpose which prohibits insistence on collateral and any direct subsidy.

Women managed self-help groups have shown remarkable growth during the last decade in India. They have proved to be very versatile and their members have successfully taken up both economic and community related interventions. They provide poor women an opportunity to take decisions involving themselves, their groups and their lives. Savings and credit are normally used as an entry point for formation of SHGs since it gives the members a chance to participate in decision-making and satisfies their short-term credit needs. Realizing that they can be a promising tool in capacity building of rural poor especially women, central and state governments have vigorously supported the SHG-centric models of development in India. Besides Swa-Shakthi Project of Department of Women & Child Development (DWCD) which was launched in 1998, many other agencies have taken up programmes for supporting women’s SHG movement. NABARD has launched a major initiative for accelerating credit linkage to SHGs. Rashtriya Mahila Kosh (RMK, an autonomous organization promoted by DWCD), Swarnjayanthi Gram Swa-rozgar Yojana (SGSY) and Watershed Development Projects of Ministry of Rural Development, Mahila Samakhya of Department of Education, Women in Agriculture, Swayamsiddha of DWCD, Jeevika Project of Government of Gujarat, Stree Shakthi, Mission Shakthi, SHG Missions in some other states are supporting formations and are strengthening of SHGs in a big way.

After the success of the initial pilot project, this strategy was extended to every commercial and Regional Rural Bank. Some second-tier micro-finance institutions (MFIs) like RMK, Friends of Women
World Banking (FWWB), Basix, Sanghmitra Rural Financial Services and SIDBI Micro-credit Foundation, etc. have emerged in the last decade. It is estimated that around 2.5 to 3 million borrowers, mostly women, are linked with this mechanism in India.

A shift in the conventional SHG-based approach was made through the Swa-Shakti Project, which started emphasizing the role of these institutions in tackling other forms of poverty which arise due to lack of confidence among the rural poor, illiteracy, poor health, inadequate access to various community institutions and government programmes, non-participation of poor women in decision making processes within the family and community, domestic violence, etc. It was perceived that women managed SHGs could be an effective tool for bringing about women’s empowerment. This approach is now increasingly being recognized in designs of recent programmes like Haryali, Shakti Samanvaya Yojana, etc.

The SHG model, as of today, has become the preferred one for a variety of development programmes and especially for micro-credit and poverty reduction. They are simultaneously being perceived as powerful vehicles for promotion of women led micro-enterprises and thereby, for reduction of rural poverty and bringing women empowerment.

**Making Women Entrepreneurs**

The Chief Minister of Tamil Nadu in the year 2001 made an announcement of training five lakh women in Entrepreneurship Development Programme in the state. The responsibility of organizing the programme fell on the shoulders of the TNCDW.
The Tamil Nadu Corporation for Development of Women views this as an opportunity to strengthen the women’s Self Help Movement by embarking on women’s economic development.

For many years, the women’s Self-Help Movement has concentrated on social mobilization of women giving them awareness of their legal and political rights. This has helped to increase their participation in various levels of local self-governance. It has also inculcated in the Self-Help Movement women, the habit of saving. By these means, they are able to get out of the clutches of the traditional money lenders who invariably charge usurious rates of interest.

The saving habit of women started resulting in small surpluses, which were then internally lent. Over a period of time, women started borrowing from these, for small micro economic activities. They also started getting revolving funds, SGSY assistance, direct credit linkage from NABARD and nationalized banks.

It has all been happening as a slow and steady natural process of evolution. The women are, thus, taking up minor income generating activities not so much by design, but by accident.

The Chief Minister’s new Entrepreneurship Development Programme has come at a time when many of the 13 lakhs women members of the SHGs are ready and waiting to go beyond the state of social mobilization and embark on an economic activity. This is their chance.
The Objectives of Entrepreneurship Development Programme (EDP)

To promote economic activities among the SHG members through

- Skill Training;
- Entrepreneurship Development;
- Credit linkage; and
- Market support.

Curricular Development & Trainers Training

As a first step, a curriculum was developed with the help of, gender experts, EDI, Banking and micro enterprise specialists, the NABARD, NGOs, the Industries Department, Madras University, SIDBI and many others.

The training was for the duration of 7 days and was to be organized throughout the state. The capable and interested NGO partners were selected. Their representatives were trained in 13 centres and 750 trainers were trained during the year 2001-2002.

The course material consisted of how to identify the talents hidden within the women, how to catalyse resources, and how to manage risks and establish a viable sustained employment generating activity.

Skills Training as Follow up of EDP (2001-2002)

While planning EDP Training, it was felt that many young women willing to start a trade or business were not equipped to perform that trade. Normally the women identified the activity during the course of their Entrepreneurship Development Programme and chose the appropriate skill of vocation to be learnt.
Those who require new skills were identified and put through the appropriate skill training. This has led to further success of the Entrepreneurship Development Programme and the credit linkage of SHG’s with the banks.

**Skills Training as Follow up of EDP (2002-03) and Skill Upgradation Training (2002-03)**

1362 women have been imparted Skill Training out of a target of 3000 women. A special resource person from Malaysia was invited and the skill upgradation training was imparted at Chennai, Ooty and Trichy during March 2003 as a first level training.

**Skill Training as Follow up of EDP (2003-04) and Skill Upgradation Training (2003-04)**

Skill training as follow up of EDP (2003-2004) was imparted to 3000 women and skill upgradation Training (2003-2004) to 650 women.

**Economic Empowerment of Women**

In India, economic development has brought about changes in women’s life in many ways, because of advancement in science and technology, medicine, availability and access to birth control devices, modern household appliances etc which helps in reducing the time and drudgery of household work. “With the rising cost of living, the middle class family finds it very difficult today to manage with husbands income along” (Ragunadha Reddy, 1986). At this critical position, self-employment is the safe way to generate income. Economic development is based on the high individual income. In addition, self-employment also changes the position of women from being job-seekers to job givers (Tapuraih, 1988). The word of Pandit Jawaharlal Nehru “When women
moves forwards, the family moves, the village moves and the nation moves””, is often repeated because it is an accepted fact.

Entrepreneurship among women is an emerging recent phenomenon. It is the process of creating value by attracting together a unique package of resources to exploit an opportunity. Nowadays governments have identified the emerging features of micro enterprises as a new dimension and its results are more benefit to the economy. Micro credit programme will empower women by strengthening their economic roles, increasing their ability to contribute income to family and giving them experience and self-confidence in the public sphere, exposing to income earning activities. Women need credit for skill upgradation, training and entrepreneurial development. The impact of women empowerment would occur by the use of Participatory Learning Approach (PLA) for integrating women’s own priorities and strategies in the mainstream of development. This study is aimed at stimulating an inquiry into the favorable circumstances for women to venture, influencing factors, economic benefits of the SHGs, women micro enterprises in Thanjavur District of Tamil Nadu.

1.4. STATEMENT OF THE PROBLEM

In our country, women have been considered as an inferior member of the family. They have been neglected in all fronts of life due to low education and development. Women development and welfare came under focus with the launch of planned economic development through different Five Year Plans. A good number of such programmes / schemes / projects have also been implemented for the socio-economic development of the women by Government, NGOs, International Agencies etc. Despite all these efforts women development has not been
satisfactory. However, the latest programme, Swarnajayanthi Gram Swarojgar Yogna (SGSY) has been realized as the right programme for the women development and empowerment through the organization of women in Self Help Groups (SHGs). Under this, the group enterprises provide an organizational frame work for pooling up capital, technology, market, labour and this facilitates participation of women in self-employment and income generating activities.

For the better understanding of empowerment, it is first necessary to know the meaning of the term. Empowerment in this study means economic empowerment which is the base of social and political strength of the society. Economic independence can be enjoyed only, if the women take the initiative, bear the risk and make investments. An entrepreneur is like the navigator of the ship. With the help of self employment and financial independence she would develop the power to take decisions independently thus gaining confidence, which is the key to social independence as well, which further gives her the strength to raise her voice in the society. She can thus attain a distinct place in the society.

The contributions of women in empowerment can be made by their involvement in the income generation activities. They can choose their field by developing their capabilities and by exploiting the existing facilities available. The best answer to women’s empowerment is Entrepreneurship. If she gets herself employed, she attains economic independence. The development of micro enterprise among women can be a means to empowerment through becoming responsible for their own welfare and being less dependent upon others. Micro enterprise can increase women’s levels of confidence and self esteem whilst increasing family income. An act of business ownership and business creation
empowers women economically. Thus this study examines the economic empowerment of women through the Self Help Groups (SHGs) micro enterprises functioning in Thanjavur district. Incidentally it compares SHG members and non-members to assess the impact of SHGs in the economic empowerment of women.

1.5. OBJECTIVES

The principal objective of the present dissertation is to evaluate the performance of SGSY assisted women SHGs in the study area with reference to changes in income, expenditure pattern, savings and assets of their members and incidentally compare the performance of the women in SHG units and those who are outside the ambit of SHG units in terms of the said variables. The other objectives are:

- To highlight the socio-economic characteristics of women entrepreneurs belonging to SGSY assisted SHGs and women entrepreneurs who are functioning independently in the study area.
- To identify the factors which encouraged women entrepreneurs of both the categories.
- To compare the relative performance of both the categories in terms of investment, sales turnover, borrowing and employment.
- To identify the problems of women entrepreneurs running micro enterprises in the study and offer suggestions to overcome them.

1.6. HYPOTHESIS

The following hypotheses have been formulated for the purpose of testing:

- There is a significant positive correlation between external borrowings and S.G.S.Y (E.A) of SHG women entrepreneurs.
• There is a correlation co-efficient between investment and sales turnover is higher for SHGs than Non-SHGs.
• There is a significant difference between the average income, savings and borrowing of the SHGs and Non-SHGs.
• There is a high positive correlation between SHG women entrepreneurs’ income and the total income of the families.

1.7. LIMITATIONS
During the course of conducting a research, one has to constantly guard against bias, subjectivity and inaccuracy. Yet it is difficult to totally avoid them and a minimum of bias and inaccuracy is always present in any research. This study happens to be no exception and it is replete with instances of problematic situation where some errors cannot be possibly avoided.

• The owners of micro enterprises do not reveal certain business secrets which also set certain limitation in this study.
• Some women micro entrepreneurs are not maintaining any record of their expenses and receipts of micro enterprises. The data provided them from their memory may involve recall bias. The study carefully minimizes such errors by educating the respondents about the scope of the study and with all possible cross checks. The comprehensive enquiry schedule helps this cause.
• The present study is a micro level study confined to selected Blocks in Thanjavur District. As such its findings may not be generalized to a macro level.
• Further, as regards the performance comparison of SGSY assisted SHG and Non-SHG women micro enterprises, similar types of enterprises could not be covered due to non-availability of certain kinds of activities among Non-SHG women micro enterprises. Due
to the differences in the sample size between the two groups, it is quite possible the comparability of results may be rather limited. However, care has been taken to analyse the data available as scientifically as possible so that the validity of the findings and result remain reliable.

1.8. ORGANIZATION OF THESIS

The thesis is organized in six chapters as follows:

CHAPTER I  INTRODUCTION: This chapter deals with the background to the problem, the need for the study, statement of the problem, objectives, hypothesis, and limitations of the study.

CHAPTER II  CONCEPTS AND REVIEW OF LITERATURE: This chapter is divided into three parts. First part explains basic concepts used in this study such as entrepreneurship, entrepreneur, women enterprise, women entrepreneur, micro enterprise, Self-Help Group (SHG), SHG member, Mahalir Thittam, Non Governmental Organization (NGO), Swarnjayanthi Gram Swarozgar Yojana (SGSY), Credit rating and linkage, subsidy, Revolving Fund, Micro Finance, formal and informal credit, empowerment, women empowerment, economic empowerment of women, poverty, poverty line and poor. Second part of the chapter explains theories of women empowerment. Third part of this chapter reviews the related literature on socio, cultural and economic background of women-entrepreneurs, factor facilitating women
entrepreneur in India, Micro finance, education and training of women entrepreneurs, Self Help Groups, role of NGOs, Women empowerment, Swarnjayanthi Gram Swarozgar Yojana and problems of women entrepreneurs.

CHAPTER III  LINKAGE OF THE COMPONENTS OF ECONOMIC EMPOWERMENT OF WOMEN: This chapter attempts to focus on the linkage of the components of economic empowerment of women, viz., Micro finance, Self Help Groups, Micro enterprises and women economic empowerment.

CHAPTER IV  DESCRIPTION OF THE STUDY AREA AND METHODOLOGY: It brings out the quantitative and qualitative background, some essential characteristics and its general features of the study area and it also describes the scope of the study, area of the study, sources of the data, sampling, survey tools, statistical tools, period of the study, and classification of units.

CHAPTER V  ANALYSIS AND DISCUSSION: Data collected for the study are analysed and interpreted. Results of the analysis are presented and discussed to draw specific inferences.

CHAPTER VI  FINDINGS AND CONCLUSION: A summary of work done and the salient findings are presented. Conclusions are drawn, and their implications for policy are stated.