

CHAPTER - 2

REVIEW OF RELATED LITERATURE



The most important thing to teach our daughters is financial independence. It gives you freedom.

- **HELEN MIRREN**

This chapter presents narrative review of studies related to the empowerment of Women through microfinance. The issue of empowerment of women became more significant as women constitute half of the population and unfortunately they been discriminated a lot. A literature search was carried out using the database of Google Scholar and Journals on microfinance and women empowerment. Both Indian and International studies were extensively referred. PhD thesis and studies done for academic purposes were looked into, libraries of The Maharaja Sayajirao University of Baroda-Vadodara, Tata Institute of Social Sciences-Mumbai, Delhi School of Social Work-Delhi, Entrepreneurship Development Institute of India (EDII)-Ahmedabad, Sardar Patel Institute of Economic and Social Research-Surat and Centre for Social Studies, Surat were visited by the Research Scholar. Number of studies both International Studies and National Studies, varieties of articles and books were reviewed for the purpose of preparing introduction and review of literature.

International Studies: 14

National Studies: 45

Articles: 10

Reports: 07

A thorough review and survey of related literature forms an important part of research. The review of past studies provides valuable insights into the benefits and drawbacks associated with microfinance programme. A review of literature is presented in this Chapter. On the background of the exponential growth of Self Help Groups (SHGs) and the growing interest and concern in the area of micro finance, researchers have been active in delving into a variety of issues regarding systems, outreach, capacity building, etc., has produced quite a large body of literature.

The study of microfinance system being multi-dimensional in character has drawn the attention on specific aspects in an attempt to trace the problems and prospects in these areas. From the basis of the recent work by the World Bank suggests that almost 30% per cent of employment in low income countries is generated by the informal economy. Microfinance small and medium term enterprises together contribute 63 percent of the Gross Domestic Product.

There is plenty of literature about the impacts of microcredit, mostly in the form of case studies and evaluations of existing microcredit programs effect on income and consumption. Most of these studies show some evidence that support a positive impact of microcredit on increasing the household income for borrowers.

Despite of major structural changes in credit institution and form of rural credit in the post-independence period, the exploitation of the rural masses in the credit markets is one of the most pervasive and persistent feature of rural life in India. There is a vast literature documenting the imperfections of the rural credit market and its impact on access to credit particularly among the more disadvantaged. The credit needs of rural households are multiple and include credit for procedure purpose, and microfinance for meeting basic consumption needs including food, housing, health and education. Micro Finance has been received a significant amount of attention all over the world, especially in developing countries if it felt that by providing micro credit to the poorest of the poor”. The gap in the formal rural credit sector can be filled. A majority of such projects are now being controlled by non-government organizations in the hope that they will be able to overcome the weaknesses in the banking system. However, while small – scale rural credit is necessary, overall credit policy must build on the strengths of the banking system in India as its main stay. About one billion people globally live in households with per capita incomes of less than one dollar per day (Morduch 1999).

In a classic example of women’s use of credit extended through the Yunus Bank in Bangladesh, and the SEDAW credit programs in the Dominican Republic, Goetz and Sen Gupta (1996) and Kabeer (1996) found that programs that require members to participate in group meetings draw women out of their homes and give them opportunity to be part of larger social processes. In India, most women until recently have not had the chance to belong to any association beyond

their family because of the cultural restrictions on wives and daughters. The Yunus Bank credit programs drew women out of their homes to participate in group meetings, short-term training, and social networking. The authors note that drawing women out of their homes was in itself a big stride for poor women because it helped them to overcome some of the restrictive socio-cultural barriers and also widened their opportunities to get information and possibilities to develop other social roles.

Gadio and Rakowski (1998) found a similar experience with Thiedhem women of Senegal who organized themselves in groups to sell their agricultural products in towns during harvest season. As part of their survival strategy, these women held group meetings on a weekly basis and devised strategies of how to expand their income through temporary migrations to town. The authors noted a greater sense of awareness about social and political issues and also in an increase in self-confidence and assertiveness among women who participated in group organizing.

Cloud & Elavia (1991) Okine (1999) and Grasmuck (2000) analysts have found that financial resources enable women to expand their micro-enterprises. For instance, women who invest their loans in productive activities have been found to have increased income which they then invest in productive ventures, they tend to have control over their income and they enjoy some degree of freedom and independence. Critics however argue that women's microenterprises provide minimal well-being because they often represent extensions of their domestic role. Women's enterprises tend to yield low profits and they are time consuming. Although this trend is common in Uganda where one finds women operating enterprises outside the country's legally established policies, there is no doubt that women who have access to some form of income afford life's necessities better than poorer women. In fact, scholars such as Blumberg (1996) maintain that irrespective of how it is earned, "income has certain fairly clear-cut effects on the relative power of recipients ... and women recipients in particular" (p. 213).

Siva Subramanian (1999) studied empowerment of poor and felt that social mobilization is the possible process for eradicating poverty. Poverty can be effectively eradicated only when the poor start contributing to the growth process through their active involvement. Voluntary

organizations community – based Self-Help Groups and local government organizations have a substantial to play in eradicating poverty.

World Bank (1999) survey conducted for the mid-term review of the poverty alleviation and microfinance project among 675 micro-credit borrowers in Bangladesh showed that there had been positive change in the economic and social status of the surveyed borrowers. The survey showed that income had increased for 98 per cent of borrowers; 89 per cent of the borrowers accumulated new assets; and 29 per cent had purchased new land, either for homestead or for agriculture. Food intake, clothing and housing had improved for 89, 88 and 75 per cent of the borrowers. Sanitation conditions improved for 69 per cent and child education for 75 per cent of the borrowers. The improvements had mainly achieved due to the increased level of self-employment of women participants

Effects of Financial Access on Savings by Low-Income People by Fernando Aportelo, Bank of Mexico in the year December 1999 in this article includes an assesses the impact of increasing financial access on low income people savings. Effects on households' saving rates and on different informal savings instruments are considered. The paper uses an exogenous expansion of a Mexican savings institute, targeted to low-income people, as a natural experiment and the 1992 and 1994 National Surveys of Income and Expenditures. Results show that the expansion increased the average saving rate of affected households by more than 3 to almost 5 percentage points. The effect was even higher for the poorest households in the sample: their saving rate increased by more than 7 percentage points in some cases. Furthermore, the expansion, in general, had no effect on high income households. In the case of informal savings instruments, evidence of crowding out of these instruments caused by the expansion is limited. Results do not rule out the possibility that a considerable fraction of the increase in households' savings could have come from new savings.

Puhazhendhi and Satyasai (2000) in their study commissioned by NABARD covered 560 sample households from 223 SHGs spread over 11 states across India. For assessing the impact of the programme, a comparison of pre- and post-SHG situation was made. With a view to quantify the empowerment of SHG members, economic and social empowerment index was computed for

each household by using the scoring technique. The findings of this study showed 33 per cent rise in average annual income from pre- to post-SHG situation. Forty per cent of this incremental income was generated by non-farm sector activities. The estimated employment days per household worked out to 375 person days during post-SHG situation that had registered an increase of 17 per cent from pre-SHG situation. Sample households took up 200 additional economic activities by utilizing 85 per cent of the borrowed funds for productive purposes. The share of families living below the poverty line was reduced by 20 per cent in post-SHG situation. The social empowerment of sample SHG members in terms of self-confidence, involvement in decision-making, better communication, etc. improved in a significant way.

N.P.Y. Raman (2000) in his work "self-help groups the Kerala experiments" share his research experience of the Primary Agricultural co-operative society of Kerala with self-help groups. His study shows that though both the groups available themselves of the loan for the same purpose, the recovery of loans from the self-help groups is 95 per cent to 100 percent of the primary agricultural co-operative society. The reason cited that the members of the self-help groups are to pay only 4.5 percent rate of interest against the usual 9.5 percent interest after deducting the state Government incentive of 5 percent. The low rate of interest and the Government incentives make a large difference between the income and profitability of the members covered under self-help groups and the others not covered by the self-help groups. The sample study shows that only 10 percent of the members of the primary agricultural co-operative society have been brought under the concept of self-help groups. Even among these, only 60-70 percent is actually benefited by the scheme and the rest are cultivators of crops other than food grains, fruits and vegetables. He proved in his study that the self-help group concept has not only apparently reduced the poverty but also yields encouraging results. The self-help groups concept has created a positive impact on the functional efficiency of the primary Agricultural co-operative society as well.

Muragan and Dharmalingam (2000) opined that empowerment of women through SHGs would lead to benefits not only to the individual women and women groups, but also for the family and community as a whole through collective action for development. Empowering is not just for meeting their economic needs, but also for holistic social development.

Laxmi Kulshrestha (2000) in his paper Microfinance: The New Development Paradigm for poor Rural women, points out that the lack of capital is a serious constraint to the development of rural women. Often, the barriers like legal provisions, loan policies and procedures make credit inaccessible to women. Studies have shown that credit can help women to take up farm-allied activities and the income generated from credit given to women can be expected to be spent for well-being of the household. This novel innovative approach of microfinance emphasizes financial intermediation with self- sustainability of institutions.

Kabeer (2001) examined the relationship between microcredit and women empowerment by interviewing both female and male microcredit program participants in two provinces in Bangladesh. She argues that conclusions about the impact of microcredit are reflected by the questions asked by the evaluator. On that basis, she suggests that women's own testimonies would give a better picture of the empowerment level than a survey that only measures certain aspects of their behavior. The conclusion from her study is that women who received microcredit had a higher self-worth and better access to capital. Even if participating in a microcredit program in some cases led to a higher workload, the women think positively about their increased contribution to the household income. Furthermore, she finds that in many cases microcredit increased women's decision-making ability within the household (Kabeer, 2001).

T.R. Gurumoorthy (2002) in his work "SHGs Economic Empowerment through self-reliance", studied the micro credit funding agencies and the amount sanctioned by them out of the 27000 self-help groups in Tamil Nadu, 54000 are linked with banks and the banks advance credit to them to the extent of Rs. 9 crores. In this view, self-help groups have the power to create a socio economic revolution in the rural area of the country. In this opinion, members of self-help groups must be prepared to undertake entrepreneurial activities at a smaller level with minimum capital requirements.

Harper (2002) studied the differences, outreach and sustainability of the SHG banking system and Grameen banking system of providing microfinance. SHG bank linkage and Grameen banking systems dominated the microfinance markets in India and Bangladesh respectively. In

SHG bank linkage system 10 to 20 members formed a group and this group became an autonomous financial organization, received loans from the bank in group name and the group members carried all saving and lending transactions on their own behalf. Thus, SHG was effectively a micro bank. But in Grameen banking system microfinance participants organised themselves into groups of five members and each member maintained her individual saving and loan account with microfinance organization and the main function of the group was to facilitate the financial intermediation process. It was also found that both systems were best suited to their prevailing environments. SHG bank linkage system was more flexible, independence creating and imparted freedom of saving and borrowing according to the member's requirements, so was suitable in the Indian context. But Grameen banking system was more rigid, autonomous, over disciplined and dependence creating system which was suitable in Bangladesh where people were relatively more homogeneous, very poor and had less experience of democracy. It was also found that SHGs were probably less likely to include poor people than Grameen Bank groups but neither system reached the poorest. It was also found that SHG members were free to manage the group financial affairs so they were more empowered but at the same time more vulnerable. Grameen groups were much better protected against internal and external threats. Their members were less vulnerable but also less empowered.

Sabyasachi Das (2003) in his paper concluded that the micro - credit - SHG model has got tremendous attentions in recent years. Micro credit is an alternative source of credit for the poor who earlier were considered as non-bankable. The system not only provides credit, most important input for development, to the poorer section of the society. but also aimed for their capacity building. It has also observed that group lending has distinct advantage in the form of excellent recovery rate and improvement in income level. The phenomenal growth of SHGs indicates that the weaker sections of the society are also capable to sharpen their micro-entrepreneurial skills with the help of their own savings and additional bank credit as needed he further point out that micro-credit-SHG integrations could be way out for overall rural development via-a-vis poverty alleviation.

In the article, “‘Money Can’t Buy Me Love?’ Re-evaluating Gender, Credit and Empowerment in Rural Bangladesh,” Kabeer (1998) reports that women gain bargaining power when they are

the only source of credit and income for their families. For instance, one of her respondent recounts:

...my position has improved; before no one took any notice of me, now they do. That is also true of my husband. Before I did not get this much affection from my husband. There would have been no loan without me (Kabeer 1998:43).

Boraian (2003) made an attempt to assess the process of empowerment of women through SHGs, promoted by eight NGOs, which received funds from a donor agency in Andhra Pradesh and Tamilnadu. The study observed that cash flow to the group and their families had increased, members had greater access to credit and their urgent as well as other needs were met with ease. The gatherings of women in SHG meeting are not merely meant for collection of savings, distribution of credit, and recovery of loan. It is much beyond all these; Self-Help Groups serve as a forum for human resource and social relations development too. This increased their exposure, awareness and knowledge about the external world. SHGs were seen to contribute to their overall personality development too. Alcoholism among the husbands is treated as their arch rival by the members of SHGs. The groups take active part in the proceedings of the Gram Sabha. An impact study of an NGO in Andhra Pradesh observed that it was men who wielded control over the resources of villages and other services. On the other hand, the SHG villages witnessed the curtailment of male monopoly. It is concluded that there is a steady reversal from subservience to self-dependence, from secondary citizenship to partnership, resulting in greater equity and gender balance.

Archana Sinha (2004) in her article, "micro finance for women's' Empowerment: A perspective", puts forward a debate on microcredit for discerning policy maker's researchers and development practioners. She says that understanding the viability of microfinance requires a comprehensive analysis from the right perspective. Micro finance can contribute to solving the problem of inadequate housing and Urban services as an integral part of poverty alleviation programmes. The challenge lies in finding the level of flexibility in the credit instrument that could make it match the multiple credit requirements of the low income borrowers without imposing unbearably high cost of monitoring its end use upon the lenders. According to her a promising solution is to provide multiple purpose loans or composite credit for income generation, housing improvement and consumption support.

Das and Rimjhim Mousuni (2004) in his article concluded that micro finance through has now become a medium economical weapon for the poor to fight against poverty. Many big and small institutions are taking part in this revolution of microfinance vigorously. Still it has a long way to become successful. Many programmes from Garibi Hatao to IRDP were started by the government enthusiastically but they were not able to achieve their objectives. The reason behind this is poor follow up, lack of management and participation from the government as well as people. No programme can ever get its ultimate result unless and until there is co-ordination and cooperation between the government and the beneficiaries.

Mrs. M. Selvachandra (2004) in his paper - Microfinance through self-help: concludes that Banking through SHGs and the existing decentralized formal banking network includes several organizations in the formal and non-formal sectors, as banking partners, allow for large scale outreach of microfinance services to the poor in India. These banking services are made available at low cost, also made easily accessible and flexible enough to meet the needs of poor people. The proper promotion of the scheme will be help to drive away poverty from our country. Thus the SHG bank linkage is boon to the poor and for bank a via media to reach the outreach in large numbers in the processes of economic development.

K. Manoharan Nair and Girija (2005) in their article, "Microfinance - The New Development paradigm for poverty eradication and women empowerment", state that experience has shown that many of poverty alleviation programmes through organized credit channels have not achieved the required success. Hence to bridge the gap between the demand & supply of funds in the lower rungs of rural economy, the microfinance schemes of NABARD have a made a smooth foray into the role played by microfinance in eradicating poverty and empowering women to manage the enterprises.

Chandramani (2005) in his study on self-help groups for empowerment of rural women revealed that women's development is directly related to national development. The effective management and development of interest, skills, and other potentialities are of paramount importance. It could be well ascertained that women's development could be achieved by empowerment which there by enables women to be the agents of social change organizational

behaviour is the key to women's empowerment. Women's organizations and groups provide them a platform to discuss helplessness in their own society. Involvement of women is essential in all stages of economic and social activities.

Naila Kabeer (2005) in his study felt that microfinance offers an important and effective means to achieving change on a number of different fronts, economic, social and perhaps also political. The success of microfinance in building up the organizational capacity of poor women provides the basis for their social mobilization that many other development interventions have not been able to achieve. Indeed, their very success maybe their undoing. There is growing unease at the way in which both governments and populist political parties may be seeking to capitalize on the idea of self-help groups for their own instrumental purposes. He observed that there was very little evidence relating to the extent to which microfinance clients graduated out of poverty and into mainstream financial services. He suggested that there is clearly a need for microfinance organizations to develop some timeframe within which they would expect to see tangible results. But it may also reflect the limits to microfinance as a tool for poverty reduction. However effective the role of microfinance organizations in providing financial services to the poor, they cannot substitute for broader policies to promote pro-poor economic growth, equitable social development and democratic participation in collective forums of decision-making. In the absence of such policies, microfinance may at most provide a safety net for the poor rather than a ladder out of poverty.

The study conducted by Sambasiva Rao and Indira Kumari (2005) primarily focused on the impact of women Self-Help Groups on the social and economic empowerment of rural women in Andhra Pradesh. The primary data in the selected mandals of Krishna District is analyzed. The study highlighted the positive influence of women Self-Help Groups on incremental income of the poor families and their increased awareness and participation levels. The study also delineated the factors and reasons which are impinging on the healthy growth of the movement.

Yunus (2006) in a study explained the differences between Grameen Bank and conventional banks. He explained that the Grameen Bank methodology was almost the reverse of the conventional banking methodology. Conventional banking was based on the principle that the

more you have, the more you get. As a result, more than half of the population of the world was deprived of financial services of the conventional banks as conventional banking was based on collateral, focused on men, located in urban centers and owned by rich with the objective of profit maximisation. On the contrary, the Grameen Bank started with the belief that credit should be accepted as a human right, where one who did not possess anything get the highest priority in getting a loan. Grameen Bank methodology was not based on the material possession but on the potential of a person. Grameen Bank, which was owned by women, had the objective of bringing financial services to the very poor, particularly women to help them fight poverty, stay profitable and financially sound. Yunus described poor people as a 'human bonsai'. They were poor because society had denied them the real social and economic base to grow on. Grameen Bank's effort was to move them from the flowerpot to the real soil of the society.

Tracey et al. (2006) in their study examined the personal and economic empowerment of rural Indian women through self-help group participation. Data was collected from 100 rural women from the Udaipur district of the state of Rajasthan in India. These women were imparted a skill development training in stitching, embroidery, and patch work through a Sewa Mandir NGO working in Udaipur and Rajsamand districts of Rajasthan. The study was based on both the quantitative and qualitative data which was collected through questionnaires, informal interviews and discussions. The quantitative data found that working women reported enhanced meaningfulness in their daily lives, increased personal control over spending, enhanced social networks, reduced boredom, increased decision-making power in home and enhanced independence. The inclusion of women in income-generating activities gave support to their personal and economic empowerment. Micro-enterprises and employment provided women with the means for survival, security and growth. Qualitative data revealed positive appraisal of self-worth, independence and self-confidence. The study also found that women's employment meant longer hours of work to meet strict time frames, which resulted in less time for household and family duties. Negative appraisals of pressure, challenge, excessive workloads and stress was indicated. The results showed that the immediate effects of participating in self-help groups for women included an increase in economic strength and an enhanced level of psychological well-being.

Kalavat Kamble and Gangadhar B. Sonar (2006) in his work, "The Role of SHGs in Women Empowerment study on selected SHGs promoted by voluntary organization in Gulbarga District of Karnataka" studies that the role of socio-economic empowerment of women. The socio-economic conditions of the SHG women are increasing to a significant level irrespective of different backgrounds. Earlier they used to be home and not exposed to the society and were part of the system. Now they can come out and approach the government machinery, conduct meeting, to signature & more importantly have a good amount of money in their hand. SHGs are mostly focused from financial aspects rather social one this trend is more in the SHGs promoted under government programme. The fact that self-help groups, are increasingly attracting younger generation, this generation not only needs social and economic empowerment but also assertive capacity, freedom from atrocities and a new self-image to claim themselves as fully human.

Shylendra (2006) in his study reported that the SHG movement has been growing fast in Andhra Pradesh (AP) as the successive governments in AP have played a major role in promoting SHGs in a big way as instruments of poverty alleviation and empowerment. This is the major reason as to why AP is a leading state in the country under the SHG-bank linkage programme. The state governments while promoting SHGs as financial intermediaries for the poor have also seen them as potential instruments for their own political gains.

Suguna (2006) conducted a study on "Empowerment of Rural Women through Self-Help Groups-An in-depth study of Self-Help Groups in Chittoor district of Andhra Pradesh". A total sample of 300 beneficiaries had been selected for the study. The objectives of the study are to analyze the role of Self-Help Groups in the social, Economic and political empowerment of women, to assess the extent of awareness regarding the governmental programme, nature of participation of women in SHGs, and to examine and evaluate the specific problems of the beneficiaries with regard to saving, revolving fund productivity, marketing.

Shibalal Mehar (2007) stated that microfinance through SHGs has the potential to fight against poverty and can be an important weapon for poverty alleviation. The findings show that SHG based micro-finance has better outreach and positive impact on poverty. However, the process of

empowerment is found to be poor. The success of this programme depends on both better outreach and the ability to empower the poor, particularly women Self-Help Groups.

The Hindu has surveyed (2007) the success stories of many SHGs operating in the districts of Andhra Pradesh. A study conducted in the Guntur district of Andhra Pradesh indicated that 26,086 self-help groups were organized in the district with the total membership of 2,80,860 lakh women. Out of them, 10,122 groups were absorbed in to DWCRA; they could save up to Rs.9 crore. Both group leader and members were provided with training in education, health, and family-welfare. They were also imparted training to produce items, which are in demand in the district.

Shibalal Mehar (2007) attempted a study of the impact of microfinance on SHGs. This study analyzed Micro-Finance through Self-Help Groups (SHG) has the potential to fight against poverty and can be an important weapon for poverty alleviation. The findings in Orissa show that SHG based micro-finance has better outreach and positive impact on poverty. However, the process of empowerment is found to be poor. The success of this programme depends on both better outreach and the ability to empower the poor, particularly women Self-Help Groups.

M.A. Lokhande (2008) in his work "Socio-economic impact of microfinancing through self-help groups in Maharashtra Region observed that microfinance for micro enterprises can be one of the most effective poverty reducing instrument. The need of the hour is to promote more and more microfinance institutions and strengthen them so that provide more service to the needy poor people. These tiny business activities can be started mostly based on local resources. In order to give impetus to micro entrepreneurial activities by poor people in rural as well urban areas, microfinance institutions should be promoted to provide adequate, regular microcredit to the needy entrepreneurs. Microfinance programmes is the most promising strategic weapon for attacking poverty by way of providing development funds to so for neglected target groups. If poor people are given opportunities to undertake entrepreneurial activities supported by proper access to credit. It will certainly enable to them to out of poverty trap. Development of microfinance strengthens not only rural sector but also the financial system of the country as a whole.

J.B. More (2008) in his article - SHG - The way of Eradication of poverty interpret that India is a country of villages. Hence the beginning of the development of India should be started from the rural indict. Though India is developing towards mighty power. 25 percent of people of the country are below poverty line. In the same way, the women are efficient in rural area and they are busy on household only. Some of the women are doing full work, looking after the cattles and cleaning etc. The rural women have the limitations due to the different reasons such as less education, lack of technical and skill based knowledge and man dominated culture that's why the could not participated in the development of the rural area. Swarnjayanti Gram Swarozgar Yojana (SGSY) was started on 15th April 1999 by the Govt. of India, in which self-help groups were established to participate the development of rural. This programmes, persons of the same thoughts i.e. minimum 10 and maximum 20 come together and form the self-help groups, enthusiastically to work for self-employment and eradicate their poverty, self-help group movement was started in Maharashtra to increase income of families which are below the poverty line, to solve the finance problem of the women in rural area to have develop rural area by taking the functional support of women.

K.P. Bairagi and H.L. Ghorpade (2008) in his paper "Self-help group - A Microfinance: Emerging horizon" stated that the microfinance is the important source poor to their socio-economic development. SHG is one of the important agencies providing microfinance to the poorest in the society. The objectives of SHG are not only to provide finance to poor but also to promotes the habit of saving to build mutual confidence among members. To fulfill financial needs of the poor, to improve communication among the people living at same places or village and organize working closes to solve their problem. Formation of SHG will encourage the rural and urban poor to uplift their socio-economic development. There should be a positive role of NGO and strict regulation about administration of SHG. Today more than 30 lakhs SHG are working in India. The membership of SHG is about 450 lakhs men and women. The SHG have provided Rs. 1500 crores as an internal loans to their members NABARD has refinanced to Bank Rs. 4000 crores against SHG loan up to 2005. Thus systemic management of SHG will help to help to remove poverty of rural as regulation and finance to SHG.

Divy, Ninad Koul and Giresh Moha (2009) in his paper, "Women's self-help groups and microfinance", studied that the formed SHG helped the rural womenfolk in improving their socio-economic status as well as status of their awareness and self-dependency. It was more crucial for women of tribal communities for sustenance of their family. The biggest concern was that the groups are more of credit management (CMG) nature and the meetings were mostly limited to collection of monthly saving and discussion of loans. It is essential to guide the other family members of the women members about importance of SHG and microfinance so that they support the group. Excess dependency on office bearers or NGO worker needs to be curbed and every member should be made about their responsibilities and duties within the group. Absence in meetings and delay in submission of monthly savings and repayment of loan can be best tackled by building suitable peer and group pressure if bank loan is provided at right time. Other activities done at right time and ensuring that the women members become more self-dependent leads to sustainability of the groups and can ensure the alleviation of rural poverty in the longer run.

M.A. Lokhande (2009) in his paper, "Microfinance Initiatives in India", microfinance programme has a significant role to play in Indian economy for boosting micro entrepreneurial activities for creating production assets coupled with employment generation. So, in order to cover all the poor households, particularly BPL households there is need for providing full support the government financial institutions and NGOs SHGs programme. So for the SHGs bank linkage programme has been much successful achieving quantitative targets. The need of the hour is to match the programme more qualitative, that is enriching to lives of poorest of the poor in the context of globalized socio-economic environment. Political interference the functioning of self-help group should be avoided. Around 90% of the aggregate groups are women self-help groups. These groups have to face problems such as indifferent attitude of bank officers, exploitation, promoting NGOs, lack of marketing facilities product/services. These bottleneck should be root out on priority basis. Women groups should be given responsibility of running Anganwadi, fair price shop so that they become a permanent entity. The banks and the respective NGO should nourish and develop the SHGs by providing financial assistance, organizing skill based training programmes in rural as well as semi urban area.

Rajesh Kumar Shastri (2009) in his paper microfinance and poverty reduction in India (A comparative study with Asian countries) studied that creating self-employment opportunities is one way of attacking poverty and solving the problems of unemployment. There are over 24 crore people below the poverty line in our country. The scheme of microfinance has been found as an effective instrument for lifting the poor above the level of poverty by providing them increased self-employment opportunities and making them credit worthy. A basic effort of last decade, the microfinance objectives in India has reached at the top point similar to Bangladesh. With some effort substantial progress can be made in taking MFIs to the next orbit of significance and sustainability. There is need of designing financial sustainable models and increase outreach and scale up operations for poor in India. People belong to villages are still unaware about banking policies and credit system. So NGOs should communicate to them and share their view with villagers. Banks should convert and build up professional system into social banking system for poor. Government of India and state governments should also provide support for capacity building initiatives and ensure transparency and enhance credibility through disclosures.

Baby Sarojini (2009) attempted a study on "Women Development role of Self-Help Groups: An analytical study on women SHG members in East Godavari District of Andhra Pradesh". The objectives of the study are, the process of women participation in SHGs, to understand the factors responsible for facilitating sustainable interest of women to engage themselves with the SHGs, the impact of SHGs movement on socio-Economic aspects pertaining to women, to derive important policy issues pertaining to SHGs movement and to facilitate sustainable development of women.

Rao, Jitendra Ahir (2009) in his article - "Rural women empowerment through microfinance", concluded that small loans can make good business sense among the women. It has been noticed that women in particular stand to gain a lot from microfinance because it gives them an independent means of generating wealth and becoming self-reliant in a society that does not offer them much scope for entrepreneurship.

E. Palani and V.M. Selvaraj (2009) in their studies - "Impact of micro credit scheme on women's empowerment", concludes that micro credit has provided the rural poor access to finance without the burden of collateral through SHGs. It has empowered the women folk economically and socially. Though the credit provided is micro in nature. It has produced macro changes in the lives of women who received it.

A. Saraswathy, S. Porkodi and M. Bhuvanswari (2009) in their work - Microfinance in Krinshnagiri District: A tool for poverty alleviation studied that microfinance has been recognized as a powerful instrument to address poverty. Apart from the scorching pace of growth, the rapid spread of microfinance (MF) has provided competition, to rural moneylenders. In view of the grand success of the programmes now. SHGs are at centre stage in almost every poverty alleviation programmes and development programmes aimed at poor. SHGs have become the development ambassadors of villages and they symbolize the growing face of rural India. The microfinance sector like the information technology (IT) sector has grown rapidly and in many ways, creativity. The experience of many MFI so far strongly suggests that it is possible for these institutions to reach the goal of serving people in extreme poverty without having to sacrifice their profitability. Microfinance is projected for the enlistment of poor farmers, shanty dwellers, jobless youths, women and deprived strata of society.

The Miracle of Microfinance? Evidence from a randomized evaluation by Abhijit Banerjee, Esther Duflo, Rachel Glennerster, Cynthia Kinnan; MIT Jameel Poverty Action Lab, Indian Centre for Micro Finance, Spandana in the year October 2009 Hyderabad, India in this article includes Spandana chose 104 areas of the city to expand into eventually, rejecting some districts as having too many construction workers, who come and go and might take Spandana's money with them. In 2006--07 Spandana started lending in a randomly chosen 52 of the 104. Researchers followed up by surveying more than 6,000 households between August 2007 and April 2008, restricting their visits to families that seemed more likely to borrow: ones that had lived in the area at least three years and had at least one working-age woman. The surveyors made sure not to visit an area until Spandana had been there at least a year. They surveyed in "treatment" areas (ones where Spandana worked) and control ones (where it did not yet).

IIPO Economic Intelligence Unit (2010) in its studied "self-help groups (SHG): means of women empowerment", conclude that growth of SHGs are essential for the member as they ensure better standards of living by the individual; family and social empowerment. Hence the social empowerment by the SHG members is moderate family empowerment achieved by the members in the family are moderate. Empowering women is pre-requisite for creating a good nation- whom are empowered, society with stability assumed. Empowering of women is essential as their thoughts and their value system lead the development of a good family and good society and ultimately a good nation. In spite of various constitutional safeguards and legislative measures as well as numbers of programmes and policies initiated by the government for the betterment of women, no significant development took place in the socio economic empowerment of women.

Reeta Rautela, Gaurao Pant (2011) in their study - "Microfinance - A New mantra for rural development", concluded that microfinance is a powerful for poverty alleviation and development. In order to declare microfinance success in India, not only do tens of millions of more people need to be reached but those services must have a transformational impact on their lives and those of their family members. For that considerable work and continuous efforts are needed to diversity the service of funding for microfinance to attract more foreign investments for well-established microfinance institutions (MFIs), to use all the possible channels to serve more rural and urban poor, to develop its staff as more productive and professional to make it more poverty- focused and profitable.

V.J.R. Emerlson Moses (2011) in his research paper of economics reported that Jawaharlal Nehru said "you can tell the condition of the nation by looking at the status of women", empowerment of women has emerged as an important issue in our country. In India the further reported that nearly half of the population consists of women. In India their work participation rate is less than half that of men. The role of women in the development of nation is very important nowadays. SHG helps the women in uplifting their living conditions and also encompass the social, economic, educational level to improve their empowerment level. The component of empowerment of women level. The component of empowerment of women are access to economic resources, participation in economic decision making, opportunities for self-development, participation in socio-political decision making, scope for skill development and impact on general welfare of the family and community.

A.Ramanathan in his article “Paradigm Shift in Rural Banking: A case of Microfinance movement in India through SHGs Bank Linkage programs highlighted about the case study of National Bank for Agriculture and Rural Development (NABARD) is trying to free the small rural borrowers from the clutches of local moneylenders by providing loans to them at affordable rates through self-help groups. The article lists the concerns to reach the unreached based on the existing paradigms, and also the shifts in the paradigms and the solutions. This shift has occurred with the evolution of the Rural Financial Technology. Microfinance is no longer at the periphery of the financial sector in India.

Karmakar and Mohapatra (2009) in their study expressed that SHG-Bank programme has indeed helped in the social and economic empowerment of rural folk, especially women, causing significant up-scaling of social capital while at the same time delivering crucial and much-needed financial services at low transaction costs for both banks and poor borrowers. Today, it has expanded to become the largest microfinance programme in the World in terms of its outreach and has extended financial services to people hitherto under-served by the formal banking system.

Jothi (2010) opined that SHG plays a pivotal role in improving the both social and economic lives of the members, bring them more respect both domestically and socially. The sample respondents after joining SHGs have become very active by becoming full employed in varied activities and thereby earning more. She concluded that the self-help groups contribute substantially in pushing the conditions of the female population up and through that chip in poverty eradication as well.

S. Subramanian (2010) in the article “Empowerment of Women through SHGs in Tirunelveli District, Tamil Nadu-A SWOT Analysis” has identified strengths, weaknesses, opportunities and threats by conducting SWOT analysis of SHGs. Field observation methods were used to identify observable physical data. Moreover, group discussion with women who were involved in activities and group functions were conducted to elicit the information in detail. The study reveals that capacity buildings exercise taken up by the promoting agencies are not adequate to meet the need of SHGs members. They lack proficiency in soft skills, technical skills and

managerial skills. The article suggested that the promoting agencies like government and non-government agencies can contribute effectively for the success and sustainability of SHGs.

Dubreuil and Mirada (2010) explained that the micro credit has direct impact on women empowerment through self-employment and micro enterprises. Further, the demographical factors, such as age, education, and experience also have moderating effect on women empowerment. Critics of the development perspective argue that the policy development approach to empowerment is extremely instrumental. As Cornwall and Edward (2010) put it, “women’s empowerment is heralded as a means that can produce extraordinary ends their empowerment extolled as the solution to a host of entrenched social and economic problems. The predominant image of empowerment in development is that of women gaining (material) means to empower themselves as individuals, and putting this to the service of their families and communities.” This is primarily because empowerment is understood in relation to deliberate and planned interventions such as electoral quotas, education, economic empowerment initiatives, legislative change and non-governmental public action.

Dutta, S. and Roy, A. (2011) examined whether participation of women in Self-Help Groups increases empowerment in Karimganj district of Assam. The study examined the cases of 120 members of 40 SHGs of different Development Blocks of Karimganj District. The sample of the study was drawn by applying multistage purposive sampling. Out of seven Development Blocks four Development Blocks were selected purposively. From each block, the SHGs which had received Revolving fund four years back are identified for collection of data. This study revealed that participation and involvement of women with SHGs had increased women’s empowerment in a spectacular proportion and women could make a better position in the family.

Lalit Kumar Sharma (2011) through the article “Self Help Group as an Effective Strategy and Feasible Approach to Empower Women in India” has highlighted the benefits of psychological, social and economic factors accrued by women participating in SHGs and to explore the merits of SHGs as strategy and approach to empower women in India. Empowerment is a process of awareness and capacity building leading to greater participation, greater decision making power and control and transformative action. The study concludes that women participation in SHG

have created tremendous impact upon the life pattern and style of poor women especially in rural areas and empower them at various level not only as individual but also as member of family, community and society as whole.

Prasada Rao and Raavi Radhika (2011) in their study concluded that SHG based micro finance has now developed deep roots in many parts of the country. Micro finance have been established firmly but the peoples mind-sets are the biggest road block in the success of an innovation. They suggested that since micro finance has been instrumental in empowering women, more effort should be put for women's development through micro finance. As most of the beneficiaries in rural areas are illiterates, the banks may organize training and development programmes for motivation of the beneficiaries.

The study conducted by Raya & Rajendra (2011) in 20 blocks of Vellore district covering 450 respondents from 90 women SHGs, observed that the NGOs is the largest motivating factor for majority of the respondents to join SHGs. The study inferred that after joining SHGs, they participated actively in Gram Sabhas, family decisions and they feel politically and socially empowered.

Noreen (2011) concluded that women empowerment was significantly influenced by age, education of husband, father inherited assets, marital status, and number of sons and it was statistically significant. Another conclusion was made that the economic determinant loan amount also contributed to the women empowerment at household level, even though its result was not as much as significant as predictable in their study. Further, this study implied that the females use loan by themselves and it had some enhanced results than where loan used by male family members.

The study conducted by B. Revathy & M. Kailash (2012) in Guntur district of Andhra Pradesh revealed that micro finance has positive impact on the respondents' self-confidence and courage whereas self-esteem and asset creation require attention. It suggested that women should explore self-employment avenues to steer not only their families but also society at large in the path of

progress. MFIs must adopt holistic approach by taking into account cultural, economic and political factors affecting women empowerment.

Bujar Baruah, P. (2012) made an attempt to analyse the impact of micro finance on poverty. This was an empirical study conducted on twenty self-help groups in Borigog-Banbhag Development Block of Nalbari district of Assam to know the nature of loans taken by the members from self-help groups and to examine the causes of closure of SHGs. The study revealed that the amount of loans provided by the SHGs to its members was too small to help them cross poverty line. Although, these loans were utilised only for consumption purposes and capital investment also not enough to provide the members full employment opportunity to cross the poverty line. It was also revealed that a large number of SHGs were closed down and it was found more in case of the SHGs under the NABARD sponsored SHGs- bank linkage programme.

One of the principles of the women empowerment says “implement enterprise development, supply chain, and marketing practices that empower women” (Women Empowerment Principles, 2015). Ascher (2012) illustrate that women have greater confidence in their skills and abilities to build their enterprises. This shows that women entrepreneurship has a significant role in women empowerment, i.e. women have to be a powerful source in socio-economic in development through gender equality.

Khobung (2012), in his study —Women empowerment and Self-help Group: The case of tribal women in the Hill areas of Manipur, had tried to examine the impact of Self-help Group in empowerment of tribal women. The study was conducted in tribal areas of Churachandpur district of Manipur. The study was based on 130 samples drawn from 20 women Self-help Groups promoted by government and Non-Government Agencies and had been functioning for at least two years. Primary data were collected by using interview schedule. The study had revealed that one of the most important activities of Self-help Group was to be resource mobilization. Savings, economic activity, bank loan and capacity building were the four modes of resource mobilization practice by the Self-help Groups. Members of Self-help Group took active part in contributing a certain amount of money for the purpose of saving and credit activity of Self-help Group. The study had also shown that the empowerment process through

Self-help Group movement in Manipur is yet to make any notable impact on tribal women in all aspects of economic, social and political. Especially the movement has shown hardly any relation with political sphere.

Mariadoss (2012) found that the top three most commonly undertaken economic activities by the respondents are Tailoring, Food products, Readymade Garments, and Rabbit rearing. Women are significantly empowered by the entrepreneurial activities they ventured into. Without the empowerment of women, the progress of the nation is incomplete. Hence integrating micro enterprises for the economic development is essential.

Minimol M.C. and Makesh K.G. (2012) had studied on role of Self-help Groups in empowering rural women through their research work —Empowering rural women in Kerala: A study on the role of Self-help Groups. The study was undertaken in three villages Kuthiathodu, Thuravoor South and Aroor of Chethala taluk of Alapuzha sub-division. The total number of Self-help Groups covered under the study was 18 and the total number of members covered as respondents were 200. The objectives of the study were: to identify the profile of the Self-help Groups and its members; to identify the level of personal, social, economic and financial empowerment achieved by the members of Self-help Groups; to identify the nature and extent of group related and personal problems faced by the members of Self-help Groups; to test the association between group characteristics and empowerment.

Pandey and Roberts (2012) had made an attempt to study on identification of empowerment of rural women through Self-help Groups. The study had conducted in Gaalipura village of Chamarajnagar district of Karnataka. The study had revealed that women were inclined to a greater amount of their earnings on the family and domestic expenses, consequently an increase in women's income had seen a greater effect on family. The study had shown that microcredit facility had enabled women to own tools and means of production to upgrade their skills and improve their business. Aided by microcredit women were running canteens, catering units, cooking for schools, tailoring etc. the study had also revealed that after joining Self-help Groups women had realized that they had an important role to play in the family and confident about achieving their goals set for their families and make major decisions.

Sanjay Kanti Das (2012) in his study observed that the quality of SHG has come under stress due to fast growing of the SHG-bank linkage programme. Some of the factors affecting the quality of SHGs are (i) the target oriented approach of the government preparing group, (ii) inadequate incentive to NGO's for nurturing their groups, (iii) lack of proper monitoring, (iv) absence of quality enhancement mechanism etc. It is further observed that quality of SHGs should not be stressed upon more than their numbers. Quality parameters would include not just financial and physical performance of the group, but also parameters to assess economic and livelihood goal achievement, social status improvement and entitlement access facilitation. Quality assessment of SHGs has come to be accepted as an important tool to ensure standards in SHGs.

The study conducted by Raya & Rajendra (2011) in 20 blocks of Vellore district covering 450 respondents from 90 women SHGs, observed that the NGOs is the largest motivating factor for majority of the respondents to join SHGs. The study inferred that after joining SHGs, they participated actively in gram sabhas, family decisions and they feel politically and socially empowered.

Sanjay Kanti Das (2012) reported that the role of micro finance through SHG for women empowerment is praiseworthy. It is observed that educated middle aged women show keen interest in joining SHGs. All members seem to borrow from the revolving and internal fund irrespective of the education level. It is interesting to note that many have expressed good improvement in the level of income, assets and wealth and also in their standard of living. The study concludes that SHG have brought higher psychological and social empowerment than economic empowerment. Further, impact of SHGs is appreciable in bringing confidence, courage, skill development and self-worthiness in rural areas, particularly women. There is appreciable development in planning, coordination, decision making and financial skills among the leader respondents, but the effect of SHG on communication, organizing, competency and technical, marketing skills and entrepreneurial skills is moderate only. Aggarwal Vijender, et. al., (2012) in their study stated that in contrast to bank debt contracts, most micro-finance contracts require that repayments start nearly immediately after loan disbursement and occur weekly thereafter. They suggest that among micro finance clients who are willing to borrow at either

weekly or monthly repayment schedules, a more flexible schedule can significantly lower transaction costs without increasing client default.

Debnath, B. & Shil, P. (2013) studied on women empowerment through microfinance in tribal society of Gobardhana Block in Barpeta district of Assam. The study had been conducted by taking both primary and secondary data. Random and judgement sampling method were followed to select the sample. 5 SHGs from each MFIs viz Bandhana, RGVN and Asomi, had been selected and 10 percent members from of selected SHGs and individual loaned members, total 122 numbers of sample, were selected. The study revealed that the types of economic activities were weaving, farming like piggery, dairy, fishery, goatary, poultry, making plates, biscuit bakery etc. It was found that weaving and farming activities were stand as main source of income of tribal women in that particular block. The study considered that though the income and saving amounts were small, but it is a movement towards economic empowerment of the tribal women.

Sakshikumar (2013) reveals that Microcredit has made women more productive by providing them opportunity to be self –dependent in terms of their finance, helping them earn, making them aware of their rights and making them independent which in turn has empowered them.

Murugupandian and Selavarani (2013) had examined on impact of Self-help Groups on empowerment of women. The study was conducted in Naappatinam district of Tamil Nadu. The researcher had made an attempt to obtain the changes in the savings and borrowing pattern of the beneficiaries and to analyse the changes in the annual income of the beneficiaries after getting benefited by the Self-help Groups program. It was also tried to analyse the improvement of the standard of living the beneficiaries of Self-help Groups. The study had revealed that after joining the Self-help Group the women ‘s participation level in the decision making process increased within their family. They were aware of the various central governmental programmes but the level of awareness was less. The study showed that the women respondents received economic benefits of savings and credit facilities, access to credit for production and marketing and use of credit for undertaking income generating activities.

Ansuman Sahoo (2013) had studied on some selected Self-help Groups to analyse the impact of Self-help Group on women empowerment. The objectives of the study were to examine the demographic factors of the respondents, to analyse women empowerment through Self-help Groups, to analyse economic gains derived by the members after joining the Self-help Groups, to examine the social benefits derived by the members and to analyse the operating system of Self-help Groups for the mobilization of savings, delivery of credit to the needy, repayment of loans and in building up of opinion of Self-help Group members regarding increase in the power of decision making. The sample size of the study was 150 women members of 15 of Self-help Group from 10 villages of Cuttack district of Orissa. The findings of the study had revealed that monthly income, savings and expenditure of majority of sample respondents had increased after joining Self-help Group. Women 's power had increased in taking decisions after joining Self-help Groups both inside and outside their family.

Lokhande (2013) had made an attempt to analyse impact of microfinance in empowerment of women and SHG-Bank linkage programme. Out of 2180 women groups promoted by 12 NGOs in 12 districts of Maharashtra 10% Self-help Groups, total 218 Self-help Groups, were selected for the study. 654 members were selected as respondents of the study by using simple random sampling method. The study had shown that group association and access to financial services certainly brings positive changes among group members leading to their socio-economic empowerment. The study had suggested that there is need of employing long term policy measures in empower women in true sense.

Yoginder Singh (2013) had studied on effect of self-help group in economic empowerment of rural women in Himachal Pradesh. The study was conducted to know the pre and post SHGs status of SHGs members and to evaluate the impact of SHGs in empowering women in Mandi district of Himachal Pradesh. Stratified random sampling method had been used for the selection of 150 beneficiaries from the SHGs of Mandi district in order to analyse the impact of SHGs on the beneficiaries. The study had revealed that 32% of respondents had no occupation in pre-SHG stage, only 8% of the respondents were without occupation in post- SHG. The study had revealed that in post- SHG stage women were engaged in other income generating activities and their income level had increased significantly after joining SHG. The study had shown that through

SHGs women became able to contribute towards their family income. SHG helped to upgrade their skills, to understand banking operation and to improve communication skill. After joining SHG they became able to take decision in community, village and household activities. The researchers had concluded on the basis of their study that SHGs had a power to create a socio economic revolution in the rural areas.

Kapilananda Mondal (2014) the founder & CEO VSSU, in his article ‘Community Development through Innovative Microfinance’ published in Microfinance Barometer 2014: he has pointed out that the microfinance sector in India has recently witnessed the catastrophic impact of excessive focus on numerical achievements. Development does not follow any scientific formulae of progress; it needs to be client focused, process oriented, and have a holistic approach with sustainable impact as its goal.

Lakhawat Saroj and Charan Shailendra Singh (2015) in their article on Women Empowerment through Microfinance (SHGs): A Study of Ajmer District, Rajasthan, India published in International Research Journal of Social Sciences, Vol.4 (11), stated that Socio-economic empowerment has been considered significant for overall development. Women’s empowerment is evidently necessary for escalating socio-economic condition of the women in the society. The SHGs enabled women to aware about their rights, entitlements, taking part in various development programmes and economic activities for their substantial development. Thus, SHGs made noteworthy impact on women empowerment.

Fernando Rosary Ramona and Azhagaiah R. (2015) in their article on economic empowerment of women through self-help groups in Pacific Business Review International, volume 8, issue 5 found that the economic empowerment is the main outcome of SHGs-Bank linkage programme and the economic empowerment of women is significantly improved after joining Self Help Groups and the SHGs enabled the women to have a significant uplift the economic empowerment. The main reason is that before joining SHGs, the women always depended upon their family for anything and for everything, however after joining SHGs, they were completely independent of family and they are also able to meet their economic requirements by and for themselves.

Nasir Sibghatullah and Farooqi Saleem Akhtar (2016) in their article on impact of microfinance on women empowerment with special reference to district Aligarh (India) published in Middle-East Journal of Scientific Research 24 (3): 491-497, 2016, ISSN 1990-9233 indicated that the analysis of primary data shows that microfinance program has a significant impact on women empowerment as it increased the income level and reduced poverty level of the participants. The role of microfinance is appreciable in increase the income saving, bringing confidence courage, skill development and empowerment. Under microfinance program, occupational training is provided to the program participants, which helps them to start non-traditional manufacturing activities. The survey results further reveal that the trained participants are employed for more number of days as compared to the untrained participants. Therefore, the final conclusion is that microfinance program is helpful in empowering women economically, socio-culturally and politically and it is very difficult to ignore the contribution of microfinance in women empowerment.

Gautam Deepika (2016) in her article on Microfinance and its impact on women empowerment in India says India published in Indian Journal of Applied Research Vol 6, Issue 1, January 2016, ISSN – 2249-555X, there is a male dominated society and the women always depend on the male and their participation in different economic activities is very low as compared to male. But now this time to change the mentality and to support the women empowerment. In India, women empowerment is one of very important issue and the microfinance helps to women empowerment. In India, Microfinance described as a Self Help Group (SHGs) it is an effective mechanism for providing financial services to the “Unreached Poor”, and also in promoting their self-help capacities leading to their empowerment. Rapid progress in SHG formation has now moved into an empowerment among women across the country. This paper attempt to find out the impact on women empowerment through microfinance and how, women increase the availability in the society. The result of this research paper is to promoting women empowerment in India through microfinance and to check the various schemes under the microfinance. She suggested microfinance is playing a vital role in the social, psychological as well as economic empowerment of women in India. Microfinance loan and its productive usage found to be having a profound role and impact on women empowerment. The empirical findings of the study suggest that microfinance has a serious influence on the economic status, decision making

power, knowledge and self-ability of women participants of self-help group linkage program in India and the challenge lies in finding the level of flexibility in the credit instrument that could make it match the multiple credit requirements of the low income borrower without imposing unbearably high cost of monitoring its end use upon the lenders.

Bhatt Amola and Bhatt Shahir (2016) in their study on Microfinance Institutions: Do they empower women, a case study of Light Microfinance Pvt. Ltd. highlights an initiatives and activities of a microfinance institution based in Ahmedabad district of Gujarat in India and found that the loans helped increase the income of the women members, which gave them a sense of self-worth and confidence. Moreover, the group formation increased their utility and they were confident of solving any developmental issues in their village. However, when it came to taking independent decision of big ticket items, or playing a greater role in decision-making processes at home, there was almost no change in the role of these women even after availing microfinance. The findings also show that those women who functioned as the leader of their respective groups exhibited strong empowerment characteristics as compared to other women who were simply members of the group. These SHG leaders found an improvement in their managerial skills, psychological well-being and social empowerment.

K Uma Devi and Lakshmi Narasaiah (2017) in their article on Women empowerment through self-help groups: An empirical study in Kurnool district of Andhra Pradesh in an International journal on Applied Research stated that the intervention of Micro Finance has brought tremendous changes in the life of woman at the grass root level. The Self Help Groups (SHGs) are the instrumental in empowering rural women with affordable banking, insurance and entrepreneurial approaches. The SHGs have greater vision for the well-being and empowerment of woman towards overall human development because of she has contributing half of the world's population by virtue of an accident of birth, perform two-third of the world's work, receives one-tenth of income and owns less than one-hundredth of property (UN Commission on status of Woman). The women participation in Self Help Groups have obviously created tremendous impact upon the life pattern and style of poor women and have empowered them at various levels not only as individuals but also as members of the family members of the community and the society as whole. The major findings in the study justify the greater role

played by the SHGs in increasing empowerment of women, by making them financially strong, as well as it helped them to save amount of money and invest it further development. It is also found that the SHGs created confidence for social, economic self-reliance among the members in two villages. It develops the awareness programmes and schemes, loan policies etc. However, there is a positive impact of Self Help Groups on Women empowerment in Andhra Pradesh. The present study reveals that the SHG members have empowered through microfinance activities. However, this can be traced in the tables that the level of participation and the status of the members in the family and society are increasing day by day. They have accessed information regarding the SHG activities and empowerment from peer groups like neighbours, women welfare department, banks and local governing bodies. These are having activity involved in the development of women status and their overall efforts towards bring them into the mainstream of the nation in order to build the prosperous and competitive nation by extending financial services through Microfinance Institutions and Banks.

In an article on impact of demonetization on microfinance sector published by CARE Ratings professional risk opinion (January 06, 2017) shows that despite the efforts to increase cashless disbursement, majority of the disbursements were still cash based. Because of the withdrawal limits imposed on current accounts, MFIs were not able to withdraw cash for further disbursement and the incremental disbursements were restricted to the collections. However, the ratio of disbursements to collections fell to around 30% by the second week of December 2016. The main reason for this significant drop in disbursements was due to the focus of MFIs shifting from disbursements to collections and they also adopted a wait and watch approach in order to comprehend the position. Post demonetization, MFIs are increasingly looking for cashless disbursement and collection through Jan Dhan accounts and by leveraging technology. With 8 NBFC - MFIs converting into Small Finance Banks (SFBs) by March 2017, the competitive environment is bound to undergo a major shift within the microfinance industry as a whole. As these entities are expected to remain focused on microfinance, cashless disbursement and collection of loans is bound to increase in the future. Even though the collections are less, many MFIs are conducting centre / group meetings to make borrowers aware of the impact on their credit profile due to default on repayment and the role credit bureaus. These meetings are also used to educate the borrowers to overcome any kind of slowdown in their business activities and

to encourage banking habits in order to move towards non-cash based mode MFIs with high financial leverage and low collections efficiencies are expected to face deterioration in their credit profile. Empowerment of women and gender equality are prerequisites for achieving political, social, economic, cultural, and environmental security among all peoples. As this statement from the Fourth United Nations World Conference organized in the year 1995 on Women and much of the evidence presented thus far in this paper have shown, women's empowerment is a critical part of sustainable development. Yet microfinance's great potential to empower poor women to a large extent often goes unrealized.

The article "Microfinance in India: coming of Age" s by V. Vipin Sharma "The article focuses on how microfinance in India has demonstrated the potential of building the social capita of the poorest communities. The author provides an overview of the origin linkage M.F. banking and other financial models and the current status and the policy shift of the microfinance in India. One of the models, which have become popular, is the aggregation of self-help groups (SHGs). He concludes that the sector of needs to grow beyond meeting survival credit and provide for sustainable livelihoods. While the sector has grown significantly in the last half decade several challenges still remain, Microfinance still reaches only about 10 to 12 % of the poor in the country Sixty-seven percent of the population in the country has no bank accounts, and 80% have never taken a loan from a formal source. About 40% continue to borrow from informal sources. The demand and supply gap is still huge.

The article "Microfinance and the empowerment of women A review of the key Issues is by Linda Mayoux. This article discusses the key issues like the possibility of sustainable microfinance programmes with special emphasis on women and their limitations. It explains the basic linkage between microfinance and women's empowerment. The author aims to clarify these issues within the context of the debate about the gender mainstreaming. It concludes that women's empowerment needs to be an integral part of policies. Empowerment cannot be assumed to be an automatic outcome of microfinance programmers, where designed for financial sustainability of poverty targeting.

The article “Dhan” foundation: Microfinance through community Banking “is by Rajagopalan. This article on Dhan foundation Kalanjiam community banking programmes examines the programmes philosophy, its structure and functioning and its outreach and growth. It talks about the composition and functioning of the kalajjam foundation and also highlights the outreach and growth of the programmes. The foundation has also linkages with 32 commercial and regional rural banks through 192 branches and other financial institutions like NABARD, SIDBI and Hudco so far, a total of Rs. 200/- million has been mobilized through these linkages. The way ahead plan of the foundation is to give shape to its objectives of enhancing outreach, strengthening social initiatives, becoming a resource centre for microfinance and playing a major role in aiding policy formulation for development of the weaker sections of society.

“Poverty alleviation is peace” Professor Muhammad Yunus, Nobel Peace Prize Winner, 2006, Managing Director & Founder, Grammeen Bank, Bangladesh. Microfinance has finally been recognized by the developed world by honoring, Dr. Mohammad Yunus of Bangladesh with Nobel Peace prize for the year 2006 Dr. Yunus pioneering work setting up the Grammeen Banking Bangladesh has been the source of inspiration for economist’s researchers working in the area of micro finance the world over. Dr. Yunus on being given the news of the Nobel Prize equipped that for hundreds of millions of people peace comes only through poverty alleviation’ Grammeen Bank Bangladesh is to winner of the Noble prize for peace in 2006. The Bank has women as 94% of its patrons who display a repayment rate of 98% In India; too the story is no different. As a young economics professor at Chittagong University in Bangladesh in 1976, Muhammad Yunus lent \$27 out of his own pocket to a group of poor craftsmen in the nearby town of Jobra. To boost the impact of that small sum, Yunus volunteered to serve as guarantor on a larger loan from a traditional bank, kindling the idea for a village-based enterprise called the Grammeen Project. It never occurred to the professor that his gesture would inspire a whole category of lending and propel him to the top of a powerful financial institution. Yunus runs Bangladesh's Grammeen Bank, a leading advocate for the world's poor that has lent more than \$5.1billion to 5.3 million people. The bank is built on Yunus' conviction that poor people can be both reliable borrowers and avid entrepreneurs. It even includes a project called Struggling Members Program that serves 55,000 beggars. Under Yunus, Yunus has spread the idea of microcredit throughout Bangladesh, Southern Asia, and the rest of the developing world.

"At first I didn't think that what I did had any significance in a broader context," he explains. But the mission keeps expanding in scale, and in the meantime, Yunus has grown intimately familiar with the unbearable dimensions of global poverty. As many as 1.2 billion people around the planet lack access to basic necessities, he explains, and microfinance could be their pathway out of despair. "Yunus and Grameen have taken a first step, which has inspired others to take a look at [microfinance] as a business," says John Tucker, deputy director of the microfinance unit at the U.N. Capital Development Fund. Yunus' innovation has broad appeal. In 1997 only about 7.6 million families had been served by microcredit worldwide, according to the 2005 State of the Microcredit Summit Campaign Report.

When Yunus started Grameen, he wanted to turn traditional banking on its head. One of his first moves was to focus on women because they are most likely to think of the family's needs. This was a radical step in a traditional Muslim society, and it took Yunus six years to reach his initial goal of a 50-50 gender distribution among borrowers. Today, 96% of Yunus's borrowers are women. "If banks made large loans, he made small loans. If banks required paperwork, his loans were for the illiterate. Whatever banks did, he did the opposite," by marvels Sam Daley-Harris, director of the Microcredit Summit Campaign. "He's a genius."

Under Yunus Bank Project (Bangladesh) poor women have been working as Village Telephone Ladies to facilitate communication in rural areas. The bank has provided micro loans to 90,000 beggars for micro trading. Now the idea of a "village phone lady" is catching on, along with other low-cost, high-tech systems, in other parts of Asia and Africa. An energy enterprise, Yunus Shakti, sells around 1,500 home solar-panel systems per month throughout rural Bangladesh and is growing 15% a year without subsidies, says Yunus.

Conclusion:

Micro credit and Microfinance through Self Help Group (SHG) has been accepted internationally as the modern tool to combat poverty and for rural development. Micro finance and SHGs are effective in reducing poverty, empowering women and creating awareness which finally results in sustainable development of the nation.