

WOMEN'S EMPOWERMENT AND SELF HELP GROUP: APPROACHES, EVIDENCE AND WAYS FORWARD

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ABSTRACT

In India, Microfinance scene is dominated by Self Help Group (SHGs)-Bank Linkage Programme as a cost effective mechanism for providing financial services to the "Unreached Poor" which has been successful not only in meeting financial needs of the rural poor women but also strengthen collective self-help capacities of the poor ,leading to their empowerment. Rapid progress in SHG formation has now turned into an empowerment movement among women across the country.

Economic empowerment results in women's ability to influence or make decision, increased self-confidence, better status and role in household etc. Micro finance is necessary to overcome exploitation, create confidence for economic self-reliance of the rural poor, particularly among rural women who are mostly invisible in the social structure.

This paper puts forward how Self-help group has received extensive recognition as a strategy for economic empowerment of women. This paper seeks to examine the impact of self-help group with respect to poverty alleviation and socioeconomic empowerment of rural women. An effort is also made to suggest the ways to increase women empowerment.

Key words:Microfinance,women empowerment,socioeconomic empowerment,Self Help Group

INTRODUCTION

SHG program with the rural women is one of the key initiatives of our livelihood program. Empowering women through financial independence is what Self Help Group (SHG) program aims at. Expert local bodies like NGOs, Government, resource agency and banks are partnered with to ensure long term sustainability of the SHG's.The main activity of the SHGs is thrift and credit. The SHGs are then trained in different vocations and linked with the banks to start micro enterprises either in groups or individually based on their interests and viability of the vocation. The main thrust of the economic activities is to enhance income from existing resources and create additional opportunities of employment to optimize local resources and skill. Our SHG's have been engaged in enterprises like mushroom cultivation, poultry, puffed rice processing, vermicomposting, leaf plate making etc.

As earning and contributing members of the family they are now active players in family decisions, responsible inter loaning bodies and operating village institutions in the development of their villages

SHG is a holistic programme of micro-enterprises covering all aspects of self-employment, organization of the rural poor into self Help groups and their capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing. It lays emphasis on activity clusters based on the resources and the occupational skills of the people and availability of markets.

Self-Help Group refers to self-governed, peer controlled, informal group of people with same socio-economic background and having a desire to collectively perform common purposes. Here

poor people voluntarily come together to save whatever amount they can save conveniently out of their earnings, to mutually agree to contribute to a common fund and to lend to the members for meeting their productive and emergent needs.

SHGs have been able to mobilize small savings either on weekly or monthly basis from persons who were not expected to have any savings. They have been able to effectively recycle the resources generated among the members for meeting the emergent credit needs of members of the group.

SHG is a group formed by the community women, which has specific number of members like 15 or 20. In such a group the poorest women would come together for emergency, disaster, social reasons, economic support to each other have ease of conversation, social interaction and economic interaction.

A SHG is an informal association to enhance the member's financial security as primary focus and other common interest of members such as area development, awareness, motivation, leadership, training and associating in other social inter-mediation programmes for the benefit of the entire community.

SHGs under our SHG program with a well-designed framework and process for effective delivery to bring a positive change in the lives of the rural women. Self Help Group (SHG) is a small voluntary association of 10-20 people either registered or unregistered preferably from the same socio-economic background. They come together for the purpose of solving their common problems through self-help and mutual help. The SHG promotes small savings with a bank among its members. This common fund is in the name of the SHG. The SHG member have different types of financial needs and services, viz. savings, consumption credit, production credit, insurance and remittance facilities which are met through interloaning in the group and bank loan encompassing allied services. All loans within the group and from the banks are given with minimum documentation and without any security. The inter loans among the SHG's for consumption and productive purposes are small, frequent, of short duration and at low interest rates. The groups meet and save regularly, recording all the transactions in their account books. After 6 months of formation the SHG become eligible for loan from the banks, to start new enterprise. Each group evolves a flexible system of working and managing pooled resources in a democratic way. They also democratically elect a President, Secretary and Treasurer among themselves as office bearers of their group. The key focus of this program is to develop the capacity of the women collectively and empower them to deal with the socio-economic aspects of their lives. The participative process makes the group a responsible borrower. The groups use collective wisdom and peer pressure to ensure proper end-use of credit and timely repayment. Through different stages of evolution the SHGs potentially play four key roles: mutual help, financial intermediation, livelihood planning, and social economic empowerment.

OBJECTIVES OF THE STUDY:

The study is mainly based on the following objectives:

- i. To examine the relationship between SHGs and socio-economic development of rural community in general and women in particular.
- ii. To evaluate the impact of SHG bank linkage programme on building the capacity of individuals, households and increase in employment generations, improvement in asset holdings of women.
- iii. To study the self-help group approach for the empowerment of women by providing access to economic resources.

- iv. To analyze the pattern of savings, availing and utilization of micro-credit facilities by women SHGs members in the study area
- v. To ascertain the impact of micro-credit on SHGs members and their empowerment.
- vi. To study Government policies and programmes to encourage rural women towards socio-economic empowerment in general
- vii. To identify and evaluate the difference in investment pattern between SHGs in urban and rural areas.
- viii. To suggest suitable measures for the effective improvement of functioning of SHGs in improving the socioeconomic conditions of the rural people.

METHODOLOGY

The sources of secondary data for the study are; existing literature and data in websites, various publications of Central and State, especially State Level Bankers Committee, Bangalore and Institutional Finance Department and other sources like books, magazines, newspapers, reports, articles, seminar papers published by universities and research institutions. Apart from the published material, study is also based on discussions with various people such as officials and non-officials of the Lead Bank Office.

Need of Self-Help Group (SHG):

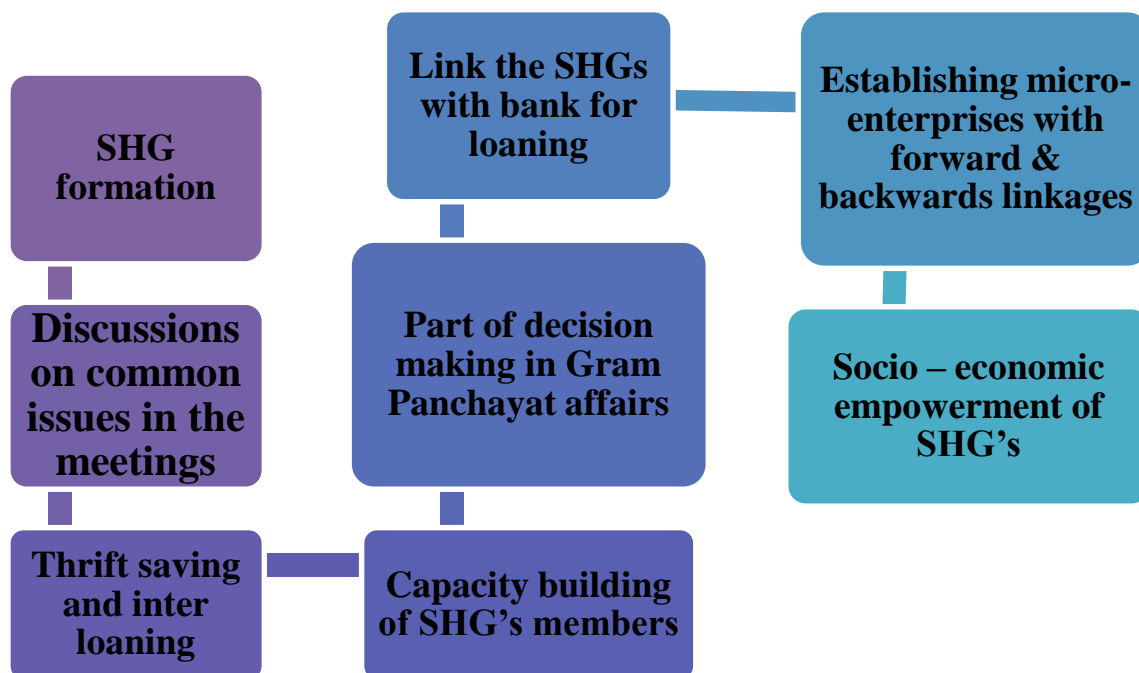
The very existence of SHGs is highly relevant to make the people of below poverty line hopeful and self-reliant. SHGs enable them to increase their income, improve their standard of living and status in society. It acts as a catalyst for bringing this section of society to the main stream. Ultimately, the nation reaps the advantages of socialism.

The Government of India and various state Governments have been implementing various programmes for rural upliftment. However, rural poverty and unemployment still persist in the country. This problem is becoming severe and acute. The available latest statistics relating to the Indian Economy indicates that about 26% of the total population in the country belongs to the rural poor.

Considering the gravity and intensity of the problem, many Voluntary Development Organizations (VDOs) have come forward with different programmes for the rural poor in the country. These agencies undertake various innovative programmes and schemes to address the issues of poverty and unemployment prevailing in our country.

Among the various programmes "SwarnaJayantiGramaSwarojgarYojana" (SGSY) is an important one. This programme was launched on 1st April, 1999, at 75: 25 costs sharing between Central and State Governments.

SHG Frame Work



SHGs under our SHG program with a well-designed framework and process for effective delivery to bring a positive change in the lives of the rural women. Self Help Group (SHG) is a small voluntary association of 10-20 people either registered or unregistered preferably from the same socio-economic background. They come together for the purpose of solving their common problems through self help and mutual help. The SHG promotes small savings with a bank among its members. This common fund is in the name of the SHG. The SHG member have different types of financial needs and services, viz. savings, consumption credit, production credit, insurance and remittance facilities which are met through interloaning in the group and bank loan encompassing allied services. All loans within the group and from the banks are given with minimum documentation and without any security. The inter loans among the SHG's for consumption and productive purposes are small, frequent, of short duration and at low interest rates. The groups meet and save regularly, recording all the transactions in their account books. After 6 months of formation the SHG become eligible for loan from the banks, to start new enterprise. Each group evolves a flexible system of working and managing pooled resources in a democratic way. They also democratically elect a President, Secretary and Treasurer among themselves as office bearers of their group. The key focus of this program is to develop the capacity of the women collectively and empower them to deal with the socio-economic aspects of their lives. The participative process makes the group a responsible borrower. The groups use collective wisdom and peer pressure to ensure proper end-use of credit and timely repayment. Through different stages of evolution the SHGs potentially play four key roles: mutual help, financial intermediation, livelihood planning, and social economic empowerment.

Self-help groups are started by non-governmental organizations (NGOs) that generally have broad anti-poverty agendas. Self-help groups are seen as instruments for goals including empowering women, developing leadership abilities among poor and the needy people, increasing school enrollments, and improving nutrition and the use of birth control. Financial intermediation is generally seen more as an entry point to these other goals, rather than as a primary objective.^[21] This can hinder their development as sources of village capital, as well as their efforts to aggregate locally controlled pools of capital through federation, as was historically accomplished by credit unions.

SHG – Bank Linkage Programme, the largest microfinance model in the world, began formally in 1992 with asset of guidelines issued by NABARD. RBI facilitated commercial banks to lend to SHGs without collateral. Since then it has taken the shape of a movement. This chapter will present an aggregate picture of the SHG Bank Linkage Programme and various initiatives taken up under it like the digitization of SHGs and SHGs as BCs.

Self Help Group Bank Linkage Programme (SBLP)

Self Help Group Bank Linkage Programme (SBLP) is a step to bring the “unbanked” poor into the formal banking system and to inculcate thrift and credit habits. A natural corollary is for the group members to graduate into seeking better livelihood opportunities through access to credit from financial institutions.

Key Statistics under SBLP as of March 2015

- Total number of SHGs saving-linked with banks – 77.12 lakh
- Total saving amount of SHGs linked with banks – `11307 crore
- Total number of SHGs with loan outstanding – 44 lakh
- Total loan amount outstanding – `51721 crore
- Total No. of SHGs credit linked during 2014-15 – 16.43 lakh
- Total Amount of Loans disbursed during 2014-15 – `30334 crore

Many self-help groups, especially in India, under NABARD's 'SHG Bank Linkage' program, borrow from banks once they have accumulated a base of their own capital and have established a track record of regular repayments.

This model has attracted attention as a possible way of delivering micro-finance services to poor populations that have been difficult to reach directly through banks or other institutions. "By aggregating their individual savings into a single deposit, self-help groups minimize the bank's transaction costs and generate an attractive volume of deposits. Through self-help groups the bank can serve small rural depositors while paying them a market rate of interest."

NABARD estimates that there are 2.2 million SHGs in India, representing 33 million members that have taken loans from banks under its linkage program to date. This does not include SHGs that have not borrowed The SHG Banking Linkage Programme since its beginning has been predominant in certain states, showing spatial preferences especially for the southern region – Andhra-Pradesh, Tamil Nadu, Kerala and Karnataka. These states accounted for 57% of the SHG credits linked during the financial year 2005–2006."

Advantages of self-help group

- ✚ An economically poor individual gains strength as part of a group.
- ✚ Besides, financing through SHGs reduces transaction costs for both lenders and borrowers.
- ✚ While lenders have to handle only a single SHG account instead of a large number of small-sized individual accounts, borrowers as part of an SHG cut down expenses on travel (to and from the branch and other places) for completing paper work and on the loss of workdays in canvassing for loans.
- ✚ Where successful, SHGs have significantly empowered poor people, especially women, in rural areas.
- ✚ SHGs have helped immensely in reducing the influence of informal lenders in rural areas.
- ✚ Many big corporate houses are also promoting SHGs at many places in India.
- ✚ SHGs help borrowers overcome the problem of lack of collateral

SHG MEMBERS AS BANK AGENTS

Since the early 1990s, NABARD is supporting social mobilization and financial empowerment of rural low income households through the Self Help Group Bank Linkage Programme (SHG BLP).

Through this approach, the capacity of group members and member-based institutions to manage money and financial services and to connect the community is developed. In 2012, the Rural Financial Institutions Programme, a joint NABARD-GIZ programme, decided to connect two approaches: Improving the integration of bank agents into the community by appointing SHG members as agents. A few advantages were identified:

- ✓ SHG members are integrated into the community (through their own group and village level organizations) and are known and trusted by the other community members. They are also more likely to stay within the community and will not migrate for other job opportunities.
- ✓ SHG members have basic financial literacy and are used to dealing with money (their own and group members' money). They also have experience working with banks and other financial institutions.
- ✓ SHG members are mostly women who are generally known to be more responsible and trustworthy with money. These women will also be able to tap the part of the population which is mostly financial excluded, but provide the highest potential women.
- ✓ Since Regional Rural Banks (RRBs) are key provider of credit under the SHG Bank Linkage Programme hence by ensuring delivery of credit and its repayment through BC Agents, banks can not only keep track of credit flow but also ensure migration of transaction to the BC channel. This also ensures that funds remain longer with the Bank post disbursement (in savings account of the group or its member) due to door step services.

In 2012, the Rural Financial Institutions Programme, a joint NABARD-GIZ programme, decided to connect two approaches: Improving the integration of bank agents into the community by appointing SHG members as agents. Experience and Lessons Learnt from Two Pilot Projects in Uttar Pradesh and Madhya Pradesh The banks have partnered with a local federation, corporate BC, and a technology service provider. The SHG members of the federation are appointed as BC agents and are known as "Bank Sakhis". A Bank Sakhi is someone who has been member of a SHG and has been involved in conducting banking and book keeping activities of the group.

As a Bank Sakhi these women provide a range of financial and non-financial services on behalf of the bank to their communities. The federations are providing capacity development, training, and monitoring support to the Sakh is and supporting them to raise financial awareness in the communities. The corporate BC provides the technology including hardware, software, and support for maintenance. Bank Sakh is are paid a commission from the bank for different services, which covers their costs and provides them with an income. The setup, roles and responsibilities of stakeholders, and processes differ slightly in the two pilot projects, taking the local interests and contexts into consideration.

They have established a Financial Inclusion Committee (FIC) which is responsible for identification, training and handholding of the Bank Sakh is throughout the project. BankSakhis: The bank agents act as Customer Service Points (CSPs) and have a formal agreement with NICT to offer banking services on behalf of NJGB in their own and surrounding villages. They have undergone a series of trainings related to banking and computer literacy.

- a) They are responsible for creating awareness about banking products among other group members and community
- b) Opening accounts, servicing deposits and withdrawals, and delivering other services offered by banks
- c) Ensuring safe keeping of cash and resolve any customer queries.

Progress (as on 31st August 2015)			
Bank Sakhis appointed	29	No. of clients with bank accounts opened through Bank Sakhis	10,019
No. of active Bank Sakhis operational for more than 3 months	28	Total no. of transactions (deposits and withdrawals) cumulative	17,227

No. of villages reached by Bank Sakhis	170	Total value of transactions(deposits and withdrawals) cumulative	2,94,47,421
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Products and Services Offered

The Bank Sakhis are currently offering Business Correspondent (BC) and Business Facilitator (BF) services including account opening, deposits, withdrawals, money transfer, recurring deposit, fixed deposits, delivery of notices to loan defaulters, linking of Aadhaar with bank accounts, insurance, and vehicle loans. Bank Sakhis also conduct the SHG transactions (loan disbursements and repayments) through the kiosk. Recently, selected Bank Sakhis have been trained by one of the federations to manage SHGs which involves conducting SHG meetings and updating their books. This will increase their income as they will receive additional commissions from the federation for SHG management.

Project Unique Features

- **Community driven:** The federations with support of local resources through their SHGs are driving the project. This makes the project sustainable and provides access to the wide member-base of the federations.
- **Product mix:** The pilots strive to offer an attractive product mix to the customers including basic savings account, term deposits, loans, payment and e-governance services as well as solar lighting systems (in UP). This is also likely to improve the business case for Bank Sakhis.
- **Customized training and leadership building:** The pilot focuses on building the capacity of the federations and Bank Sakhis by developing and delivering effective training modules on hard and soft skills. Progressively senior Bank Sakhis evolving as ‘Master Trainers’ to train new Bank Sakhis to promote peer learning.
- **Women empowerment and social impact:** The projects have been able to not only provide an additional income source for the Bank Sakhis, but have also empowered them by building their capacities to offer a wide range of banking services to their community. The women who were hesitant to step out of their houses alone are today opening bank accounts, visiting the bank branches, conducting awareness camps, and playing an important role to achieve the national goal of financial inclusion. In turn, these Sakhis have been able to include the un-banked segment of women by opening their bank accounts.
- **Adapting to technology:** The Bank Sakhis who are SHG members with basic literacy and education levels have been able to adopt and comfortably perform the technology driven processes using point of sale devices and laptops.

Digitisation of SHGs

Book keeping is one of the most important requirement for success and sustainable progress of SHGs. Maintenance of systematic records of savings, on-lending, loans and its deployment, recovery from members and repayment to lenders, meetings and decisions taken on various issues are the parameters that shows the bench strength of a SHG. The stakeholders take decisions for extending credit and other favorable interventions on the basis of the quality of SHG as exhibited from the records available and maintained by a SHG. Deficiency of proper records of financial and other major happenings of the SHG is the prime reason for sprouting distrust among members that leads to deterioration and delinquency in a SHG. Though SHGs are required to maintain systematic and updated records of financial and nonfinancial accomplishments of the group on an up to date basis, off late it has been observed that this aspect is being neglected both by the SHPIs and the SHGs.

In many cases the SHG members do not have the required capacity of maintaining books on their own and have to depend on SHPIs or others. Further, different SHGs follow different methods and forms of books for maintaining records and there is no uniformity. Moreover, the records of SHGs are accessible only when one approaches the SHG. SHG data on real time basis, which may be highly relevant for policy interventions, is difficult to get without a survey. Digitization of SHGs is a likely solution to overcome the difficulties pertaining to book keeping of SHGs.

Maintaining digitised information on web makes it more searchable database through the Internet for viewing use and reference by SHGs, SHPIs and Bankers. Digitisation of SHGs 'pan India' can therefore, give a complete

picture of the SHGs in the country. When the GOI is contemplating to streamline all the developmental schemes and trying to extend entitlements / benefits directly to the underprivileged sections which incidentally constitute bulk of SHGs, a uniform digitised platform would be of great help. Digitisation of all SHGs in the country may enable basic information of nearly 90 million members. It would ease the transfer of social benefits and facilitate Direct Benefit Transfer (DBT) through Aadhaar linked accounts and convergence with other Government benefits to SHG members. The core benefit of digitisation of SHGs therefore centers on mainstreaming of SHG members with financial inclusion agenda and enabling the SHGs and its members' access a wider range of financial services. Digitisation of SHG accounts will increase bankers' comfort in credit appraisal and linkage of SHGs. A well-documented and up-to-date information base available digitally for ready reckoning may be appealing for the financing institutions to extend business relation with the SHGs. The banks can assess the financial health of an SHG in real time on the basis of data available online and rate/grade the SHG for deciding a financial facility to be extended to the group. Keeping in view the above and the need for building an easy searchable database generate MIS by stakeholders and obtaining a macro picture of SHG-BLP, NABARD has launched EShakti project on 13 November 2014 for digitization of SHGs in the country.

Aajeevika - National Rural Livelihoods Mission (NRLM)

National Rural Livelihoods Mission (NRLM) was launched by the Ministry of Rural Development (MoRD), Government of India in June 2011. Aided in part through investment support by the World Bank, the Mission aims at creating efficient and effective institutional platforms of the rural poor enabling them to increase household income through sustainable livelihood enhancements and improved access to financial services.

NRLM has set out with an agenda to cover 7 Crore rural poor households, across 600 districts, 6000 blocks, 2.5 lakh Gram Panchayats and 6 lakh villages in the country through self-managed Self Help Groups (SHGs) and federated institutions and support them for livelihoods collectives in a period of 8 -10 years

<http://www.nrlmbl.aajeevika.gov.in/NRLM/UI/Achievement/GeoWiseAchievementTracker.aspx>

Note: The used data is collected on 28th Sept 2015.

There are four components of the NRLM (World Bank – Government of India project).

- ❖ The first component of the project is institutional and human capacity development. The objective of this component is to transform the role of the Ministry of Rural Development (MoRD) into a provider of high quality technical assistance in the field of rural livelihoods promotion.
- ❖ The second component of the project is state livelihood support. The objective of this component is to support state governments in the establishment of the necessary institutional architecture for the implementation of the National Rural Livelihoods Mission (NRLM) activities from the state to the block level.
- ❖ The third component of the project is innovation and partnership support. The objective of this component is to create an institutional mechanism to identify, nurture and support innovative ideas from across the country to address the livelihood needs of the rural poor.
- ❖ The fourth component of the project is project implementation support. The objective of this component is to establish an effective project management unit at the national level that develops key systems and processes for coordination and management of the project and the NRLM.

According to the latest report of World Bank, NRLM has now been rolled out across 131 districts, 380 blocks and nearly 39,669 villages in the thirteen participating states. The program is

intensively working with more than 3.7 million households, mobilized into nearly 325,000 Self Help Groups that are managed exclusively by women. Nearly 64 % of these groups belong to low income states of Bihar, Jharkhand, Chhattisgarh, Uttar Pradesh, Madhya Pradesh, Rajasthan and Odisha. NRLM has also promoted nearly 16,230 Village Organizations(Federation of SHGs at the village/panchayat level) and more than 130 Cluster Level Federations (CLFs). 56%of households mobilized in SHGs belong to the SC, ST, and Minority households. For low income states, the figure is even higher at 61%. Overall, about 62% of total estimated poor households have already been included in NRLM

<http://ajeevika.gov.in/content/welcome-national-rural-livelihoods-mission-nrlm>
http://wwwds.worldbank.org/external/default/WDSContentServer/WDSP/SAR/2015/06/18/090224b082f522a1/1_0/Rendered/PDF/India000Nation0Report000Sequence009.pdf

The tables below indicate the present status of NRLM.

PRESENT STATUS OF NRLM

Year	Total SHGs	NRLM Compliant SHGs	No. of Loans	Per SHG No. of loans	% of NRLM Compliant SHGs	Year on Year Growth of NRLM Compliant SHGs (%)
2013-14	27,69,807	14,10,156	16,59,443		50.91	
2014-15	31,95,904	15,66,438	19,35,795	1.24	49.01	10
2015-16	32,90,188	15,87,199	19,76,236	1.25	48.24	01

As per NRLM, at present there are 32, 90,188 SHGs of which NRLM compliant ones are 15, 87,199 i.e. 48.24% of the total SHGs. Although the data of 2015-16 is not complete, there appears to be a nominal decrease in the percentage of NRLM compliant SHGs over the previous year.

The innovative scheme of introduced by bank has transmitted the real economic power in the hands of women through Self Help Groups (SHGs) and has significantly reduced their dependence on men. This has helped in empowerment of women and economic independence of women. The experiences of several SHGs (Self-Help Groups) reveal that rural poor are actually efficient managers of credit and finance. Availability of timely and adequate credit is essential for them to undertake any economic activity rather than credit subsidy. Banking for the “un bankable” through Social Health Groups is a valuable contribution to development planning as it presents an alternative development tool. SHGs have the potential to remedy many of the deficiencies of the formal banking system in rural areas and to empower women economically and socially by acting as a bridge between women living in poverty and the formal financial sector. This gradual and evolutionary growth process has given a great boost to the rural poor in India to reach reasonable economic, social and cultural empowerment, leading to better life of participating households.

SHGSs INSTRUMENT FOR WOMEN’S EMPOWERMENT

Micro Finance is emerging as a powerful instrument for poverty alleviation in the new economy. In India, micro finance scene is dominated by Self Help Groups (SHGs) – Bank Linkage Programme, aimed at providing a cost effective mechanism for providing financial services to the “unreached poor”. Based on the philosophy of peer pressure and group savings as collateral

substitute , the SHG programme has been successful in not only in meeting peculiar needs of the rural poor, but also in strengthening collective self-help capacities of the poor at the local level, leading to their empowerment.

Micro Finance for the poor and women has received extensive recognition as a strategy for poverty reduction and for economic empowerment. Increasingly in the last five years , there is questioning of whether micro credit is most effective approach to economic empowerment of poorest and, among them, women in particular. Development practitioners in India and developing countries often argue that the exaggerated focus on micro finance as a solution for the poor has led to neglect by the state and public institutions in addressing employment and livelihood needs of the poor.

Credit for empowerment is about organizing people, particularly around credit and building capacities to manage money. The focus is on getting the poor to mobilize their own funds, building their capacities and empowering them to leverage external credit. Perception women is that learning to manage money and rotate funds builds women's capacities and confidence to intervene in local governance beyond the limited goals of ensuring access to credit. Further, it combines the goals of financial sustainability with that of creating community owned institutions.

Before 1990's, credit schemes for rural women were almost negligible. The concept of women's credit was born on the insistence by women oriented studies that highlighted the discrimination and struggle of women in having the access of credit. However, there is a perceptible gap in financing genuine credit needs of the poor especially women in the rural sector.

There are certain misconception about the poor people that they need loan at subsidized rate of interest on soft terms, they lack education, skill, capacity to save, credit worthiness and therefore are not bankable. Nevertheless, the experience of several SHGs reveals that rural poor are actually efficient managers of credit and finance. Availability of timely and adequate credit is essential for them to undertake any economic activity rather than credit subsidy.

The Government measures have attempted to help the poor by implementing different poverty alleviation programmes but with little success. Since most of them are target based involving lengthy procedures for loan disbursement, high transaction costs, and lack of supervision and monitoring. Since the credit requirements of the rural poor cannot be adopted on project lending approach as it is in the case of organized sector, there emerged the need for an informal credit supply through SHGs. The rural poor with the assistance from NGOs have demonstrated their potential for self-help to secure economic and financial strength. Various case studies show that there is a positive correlation between credit availability and women's empowerment.

PROBLEM AND CHALLENGES

Surveys have shown that many elements contribute to make it more Difficult for women empowerment through micro businesses. These elements are:

- Lack of knowledge of the market and potential profitability, thus making the choice of business difficult.
- Employment of too many relatives which increases social pressure to share benefits.
- Setting prices arbitrarily.
- Lack of capital.
- High interest rates.
- Inventory and inflation accounting is never undertaken.
- Credit policies that can gradually ruin their business (many customers cannot pay cash; on the other hand, suppliers are very harsh towards women).

Major Findings and Suggestions:

Based the studies of performance evaluation of women SHGs and rural development in general, the following findings have been drawn:

1. More importantly, the decentralization in the bank linkage programme was far more pronounced in most of the districts. The members and their federation were playing an active role in the formation of groups, selection of beneficiaries, monitoring the loan utilization and repayment
2. In the India Self-Help Groups provide a way for reduction of the poverty which improves the capacity of its members on many levels. It is grounded in participatory decision-making, which creates a sense of ownership among members. This is very different from how many other poverty alleviation/human development programmes evolve with a top-down system of decision-making and distance from the people most affected by these decisions for the purposes of presenting an alternative approach to sustainable development.
3. SHG approach is enabling empowerment and this bottom-up approach for rural development has provided considerable economic and non-economic externalities to low income households.
4. It is evident that the income of the household increased rapidly and resulted in an acquisition of household assets and thereby leading relatively a better life. After joining the group women were able to purchase tape recorder, bicycle, fan, tailoring machine and etc. The expenditure towards education health, nutritious food items and housing has increased after joining the group. All of them feel that their knowledge relating to importance of children's education, health, banks and their role in the society has improved they feel that confident in leading a better life has improved due to association with the group.
5. SHGs have the potential to tackle poverty and can be an important weapon for poverty alleviation
6. The study shows that there is increase in income and assets and reduction in the level of poverty as a result of intervention through SHG based microfinance.
7. The net impact of borrowing on income is positive not only in case of all the borrowers but also in case of the poorest borrowers, showing the better outreach of the bank linkage programme.
8. Though there is positive impact on poverty, the process of empowerment is poor. Since these are women groups the lower empowerment can lead to the failure of the programme in the long run.
9. It was observed that a majority of women loaners, belonging to economically weaker sections of society, did not know the terms and conditions of bank loan including rate of interest, schedule of repayment and magnitude of instalments. But it is very interesting to note that majority of the women SHGs members know about the opening up of saving bank account.
10. The main finding of the study is that bank linkage programme has made an outstanding impact on the women beneficiaries to undertake economic activities. The spread of bank offices has been spectacular and women development advances have shown phenomenal growth during the period.

CONCLUSION:

India is the country where a collaborative model between banks, NGOs, MFIs and Women's organizations is furthest advanced. It therefore serves as a good starting point to look at what we know so far about 'Best Practice' in relation to SHGs for women's empowerment and how different institutions can work together. Self Help Groups should be facilitated to assess their strength against indicators that they would like to set for themselves.

Training is the backbone of the SHGs. The financing aspect of encouraging low-income people to start small businesses has received too much emphasis at the expense of training. Women in SHGs require awareness programmes focusing on gender sensitization, legal rights, nutrition, and health. Business training can benefit poor women entrepreneurs when it is carefully designed to complement their existing skills and address their most pressing needs.

Training should focus on the practical aspects of women entrepreneurship. With the help of market research and other tools to ensure relevance for clients, business training can be a valuable component of micro-lending programmes. Like NGOs other institutions should come forward to address the serious issues of SHG members such as awareness, education and training.

An integrated system could be developed harnessing all the available communication media including newspapers, radio, television and internet in order to provide rural women entrepreneurs in SHGs.

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