

## CHAPTER - 1

### INTRODUCTION

India lives in her 6, 38,345 villages with 24 crore poor engaged in micro enterprises. As per Ministry of Micro, Small and Medium Enterprises (MSES) of GOI Annual report of 2008-2009, there are 133.68 lakhs micro enterprises in India. Poverty in India is widespread with the nation estimated to have a third of the world's poor. The credit needs and other financial services are provided to the rural masses in general and to the poor in particular through the rural financial markets comprising an unorganized sector consisting of commission agents, moneylenders, landlords and the like and an organized sector consisting of pyramid type cooperative credit institution – broadly classified into urban credit cooperatives and rural credit cooperatives. The primary level and State Cooperative Agriculture and Rural Development Bank at the state level. At the National Level there is the NABARD to organize the Agricultural Cooperatives. Also there is National Cooperative Union of India, as an apex institution at National Level. There is overlapping, duplication and dichotomy of functions within organized markets. The poor, however heavily depend on unorganized sector of credit like traders, landlords, moneylenders and the like. The unorganized credit sector has a number of plus points such as prompt supply of credit, no formalities, no security or collaterals with excellent recovery results. The dark side of the unorganized credit sector is limited credit supply and exorbitant interest rates. The organized sector provides credit at a comparatively cheaper rate of interest but with a lot of hassle such as time consuming and cumbersome loaning procedures, unrealistic lending policy leading to a lot of paper work, inadequate and untimely finance, higher transaction costs both for borrowers and the lenders along with poor recovery result.

### CONSTITUTIONAL PROVISIONS

Women as an independent group constitute 48% of the country's total population as per the 2001 Census. The importance of women as an important human resource was recognized by the Constitution of India which not only accorded equality to women but also empowered the State to adopt measures of positive discrimination in their favors. A number of Articles of the Constitution

Specially reiterated the commitment of the constitution towards the socio economic development of women and upholding their political right and participation in decision making.

Article 14 - Men and women to have equal rights and opportunities in the political, economic and social spheres.

Article 15(3) - Special provision enabling the State to make affirmative discriminations in favors of women.

Article 16 - Equality of opportunities in matter of public appointments for all citizens.

Article 39(a) - The State shall direct its policy towards securing all citizens men and women, equally, the right to means of livelihood.

Article 39(d) – Equal pay for equal work for both men and women.

Article 51 (A) (e) –To renounce the practices derogatory to the dignity of women.

Drawing the strength from the constitutional commitments, the Government of India has been engaged in the continuous endeavor of concretely translating all the rights, commitments and safe guards incorporated in the Indian Constitution for women.

## **NATIONAL POLICIES FOR WOMEN**

The National Policy for Empowerment of Women 2001 has as its goal bringing about advancement, development and empowerment of women in all spheres of life through creation of a more responsive judicial and legal system sensitive to women and mainstreaming a gender perspective in the development process. The strengthening and formation of relevant institutional mechanisms and implementation of international obligations or commitments and co-operation at the international, regional and sub-regional level was another commitment.

The objectives of this Policy includes: -

- (i) Creating an environment through positive economic and social policies for full development of women to enable them to realize their full potential.

Article 42 - The State to make provision for ensuring just and humane conditions of work and maternity relief.

- (i) The *de-jure* and *de-facto* enjoyment of all human rights and fundamental freedom by women on equal basis with men in all spheres – political, economic, social, cultural and civil.
- (ii) Equal access to participation and decision making of women in social, political and economic life of the nation.
- (iii) Equal access to women to health care, quality education at all levels, career and vocational guidance, employment, equal remuneration, occupational health and safety, social security and public office etc.
- (iv) Strengthening legal systems aimed at elimination of all forms of discrimination against women.
- (v) Changing societal attitudes and community practices by active participation and involvement of both men and women.
- (vi) Mainstreaming a gender perspective in the development process.
- (vii) Elimination of discrimination and all forms of violence against women and the girl child; and
- (viii) Building and strengthening partnerships with civil society, particularly women's organizations.
- (ix) The present Government in their National Common Minimum Programme have laid down six basic principles of governance one of which is to empower women politically, educationally, economically and legally. India has ratified various international conventions and human rights instruments committing to secure equal rights of women. Key among them is the ratification of the Convention on Elimination of All Forms of Discrimination against Women (CEDAW) in 1993.

## **WOMEN WORKERS IN THE UNORGANIZED SECTOR**

The unorganized sector is large in India, accounting for 370 million workers in 1999-2000 constituting 93% of the total workforce and 83% of the non-agricultural workforce. Women account for 32% of the workforce in the informal economy, including agriculture and 20% of the non - agricultural workforce. 118 million women workers are engaged in the unorganized sector in India, constituting 97% of the total women workers in India. The informal sector in the non-agriculture segment alone engaged 27 million women workers in India. Women informal workers are concentrated mainly in agriculture. 90% of employed in manufacturing and construction are also unorganized sector workers. Within manufacturing, they predominate in certain industries such as garments, textiles, food and electronics. The seasonality of work in this sector and the lack of other avenues of work make them vulnerable to a range of exploitative practices. They remain the most vulnerable and the poorest. And yet they are economically active and contributing to the national economy.

## **SWARNJAYANTI GRAM SWAROZGAR YOJANA (SGSY)**

This scheme is a major ongoing programme for the self-employment of rural poor with an objective to bring the assisted poor families above the Poverty Line by providing them income generating assets through a mix of bank credit and government subsidy. The programme aims at establishing a large number of micro enterprises in rural areas based on the ability of the poor and potential of each area. The performance in reaching targets for women in SGSY is seemingly impressive. While 50% of the self-help groups under SGSY to be mobilized are meant to be women SHGs, who would then account for 40% of the total swarozgaris, the performance during 2002-03 and 2003-04 had reached 44.62% and 52.41% respectively. A concurrent evaluation has found that women made up 63% of the swarozgaris, much higher than the targeted 40%. Ministry of Rural Development has itself suggested that at least half the SHGs under the program should be women's groups and that 25% of women in a village should be covered by SHGs. The annual incremental income ranges between Rs. 8, 800 for individuals and Rs. 34, 930 for SHGs but has not been disaggregated by gender.

## Recommendations

- Reservation for women should be increased from 40% to 50% as the minimum. The women beneficiaries should be drawn from the poor of marginalized sections like SC, ST and minorities. Widows, single women and female-headed households should be given priority. It is necessary to exercise greater vigil to ensure that the allocations earmarked for women are not diverted to other components of SGSY.
- Mere financial assistance does not help the women. They need institutional support. Non-financial inputs in the form of awareness, knowledge, skill training and marketing etc. should be treated as an integral part of the programme and the mechanism of providing these through convergence with line departments needs to be reviewed. Information on the latest available technology is also key.
- The approach of the scheme should be expanded to include an empowerment and right based agenda. ‘Swarozgar’ should be redefined to include a livelihood approach, the focus should shift from financial management to economic empowerment which would mean going beyond access to credit to strengthening asset creation and ensuring women’s access to public resources.
- In rural areas, bank branches are mostly one - man branches which lack capacity to undertake development banking functions which are essential for the success of the programme. Rural bank branches should be strengthened with a single window system to address women’s needs efficiently.
- Banks should not treat the credit to SHGs as a commercial venture.
- Linkage with Rastriya Mahila Kosh may be explored as an alternative source of credit where commercial bank branches are not there.
- As MFIs augment their resources through the savings of poor women members of SHGs, they should invest back in these women. There should be a mandatory social commitment clause from MFIs and other financial institutions working on such programmes.
- Reduced rate of interest should be charged from women SHGs.

- Officials need to focus on quality groups, rather than “just forming groups for quality sake” and officials need to be trained and in rural communication, and before introducing credit programmes, officials need to offer brainstorming sessions on the principles of micro-credit.
- Group members need to act as managers and watchdogs, ensuring discipline on themselves and reducing dependency on “outsiders” including nongovernmental organizations.

### **PLANNING PROCESS AND GENDER**

The planning process has evolved over the years from purely “welfare” oriented approach where women were regarded as objects of charity to the development programmes and currently to their “empowerment”. It was only from the Sixth Five Year Plan onwards that women secured a special niche and space in the national plans and planning process primarily with thrusts on health, education and employment of women. A paradigm shift occurred in the Eighth Plan where ‘empowerment’ of women was recognized and accepted as a distinct strategy. A further impetus for sectoral contribution to women’s programmes was received with the introduction of the concept of Women’s Component Plan in the Ninth Plan whereby identified Ministries were required to indicate the flow of funds to the women’s programs and schemes. However the Ninth Plan refrained from making any commitment for achieving any specific goal or target. This was overcome to some extent in the Tenth Plan where for the first time monitorable targets were set for a few key indicators of human development. The targets include, among other things, reduction in gender gaps in literacy and wage rates and reduction in MMR.

The Tenth Five Year Plan (2002-07) called for the three pronged strategy of social empowerment, economic empowerment and providing gender justice to create an enabling environment of positive economic and social policies for women and eliminating all forms of discrimination against them and thus advance gender equality goals.

## **TRANSFORMING SHGs TO COMMUNITY BASED ORGANIZATIONS**

The focus in the last few years has been to build the capacity of SHGs realizing the fact that these are in a more advantageous position to combine their resources and talents for enabling viable income generating activities, as compared to a lone individual's efforts. Many of the SHGs have developed and flourished to become trend setters and peer leaders in their region. The time has now come to consider the transformation of those SHGs which have developed considerable capacity and experience to further expand into larger community based organizations. Such organizations can operate on a bigger scale and therefore take advantage of their economies of scale to bring down costs and become more competitive in the markets; they are also in a position to shift from micro credit to larger credit facilities offered by banking institutions and thus will come into their own as a formidable economic force.

## **REGULATION AND STREAMLINING MICRO CREDIT FINANCE SYSTEMS**

Micro credit will continue to remain the backbone of SHG finances and therefore will need to be strengthened and streamlined in the eleventh Plan. There have been many instances of exploitative rates of interest charged by the unscrupulous agencies which has led to economic distress in many parts of the country. Therefore it is imperative that the Ministry of Finance formulates a regulatory mechanism for micro credit lending to make the system more transparent and beneficial. Ministry of Finance needs to initiate a process of broad based discussions on gender issues Vis a Vis Microfinance before taking any decisions regarding new regulations.

The Rastriya Mahila Kosh is the premier micro credit lending institution which is exclusively focused on lending to women SHGs. There is need to strengthen this institution to make it more proactive and enable it to play a pivotal and nodal role in guiding the credit framework for women SHGs.

Globalization has dramatically changed the conditions under which the work for gender equality must be carried out, especially in high growth countries like India. While globalization has generated opportunities for local producers and entrepreneurs

to reach international markets, it has at times intensified existing inequalities and insecurities for many poor women, who already represent two-thirds of the world's poorest people.

- India has 397 million workers.
- 123.9 million Are women.
- 106 million are in rural areas.
- 18 million are in urban areas.
- Only 7% of India's labour force is in the organized sector; 93% is in unorganized, informal sector.

It is extremely important to ensure that women are economically empowered. There are various factors that contribute to the economic empowerment of women. These factors operate at various levels.

## **ENABLING STRATEGIES FOR ECONOMIC EMPOWERMENT OF WOMEN**

Sound macroeconomic policies - Gender inequalities manifest as women and men have different access to resources, roles and responsibilities, both in the market and at the household. These inequalities exist at the meso and micro levels with macro implications indicating clear two-way linkages. In the Indian context, fiscal policies are being increasingly examined through gender sensitive-budgeting exercises, although the focus still remains on expenditures in 'soft' sectors, with several aspects like taxation, trade, capital flows, etc. remaining largely an unstudied domain. Macroeconomic policies are formulated and implemented in areas such as trade, fiscal management, debt financing, social welfare and other sectors without a comprehensive assessment of their potential gender impacts. All these issues would be particularly important if the analysis of the sources of growth were to suggest that influencing the distribution of income and assets by gender might have a beneficial effect.



**Recommendations:-**

1. Increasing the mainstream financial services available to women.
2. Developing or adapting legal frameworks that eliminate the gender biases of financial institutions.
3. Increasing inclusion of poor women and other vulnerable groups to give them a voice in economic bodies and financial structures.
4. Supporting the incorporation of gender perspectives into budget processes.
5. Undertaking and disseminating gender analyses of economic policies.
6. Developing policy frameworks that allow women to move away from the ghetto of micro-finance to mainstream economic policy and structures.
7. The Eleventh Plan should address the unpaid work of women in an explicit manner through a well-designed strategy that will inform all planning and programming for women. The Eleventh Five Year Plan should emphasize the need for collection of comprehensive data on women's paid and unpaid work.
8. Banking policies had to include targeted credit.
9. Microcredit was not a panacea. It was necessary to reinstate the role of public institutional credit.

The unique feature of microfinance programme is that it focuses on women for development. There are more than ninety per cent women clients under this programme. The basic idea is to empower women by providing them financial assistance and allowing them to earn an independent income, contribute financially to their households and generate self-employment. This economic independence is expected to generate increased self-respect, self-esteem, self-confidence and other forms of empowerment for women participants of the programme. The process of empowerment of the beneficiaries of the programme is not automatic, but depends upon many factors. These factors be abilities, environment, initiative and status of women as group. There is no dearth of studies which show that with the help of microfinance the status of a woman improves in the family; she earns greater respect in the family than before; she participates in the decision-making and community

meetings; and she gets freedom to move for the betterment of the micro-business. It may be due to the fact that women become able to contribute financially to the family. In fact, microfinance programme increases economic, social, and political empowerment. Microfinance programme may be an important programme but not a panacea to end all the problems that poor face. Hence, the programme beneficiaries must efficiently use the financial support to start small businesses that will help in uplifting standard of life and empowerment of women.

### **EMPOWERMENT (CONCEPTUAL UNDERSTANDING)**

There is no consensus on the concept of empowerment. It may be because of the fact that different experts and different disciplines use this concept differently. A brief discussion will be presented here to clearly present the difference of opinion and making an understanding of the meaning of empowerment for the study in hand. The dictionary meaning of the word 'empower' is "to give power or authority to someone." Thereafter, it begins to be used with an infinitive in a more general way meaning "to enable or permit." Both of these uses survive today. The concept is extensively used in politics and psychology. Its modern use originated in the American civil rights movements during 1960 to 1980 which sought political empowerment for its followers. The concept was then taken up by the women's movement, conservatives and social reformers. Empowerment is an intrinsic quality of a person, which cannot be bestowed by a third party. It is considered that an empowered person's behavior undergoes a change. In a nutshell, empowerment is a process which enables one to gain power, authority and influence over others. In the literature published on the subject, the empowerment is considered to be matching with the following traits or capabilities:

- Having decision-making power of one's own
- Having access to information and resources for taking proper decision
- Having a range of options from which one can make choices (not just yes/no, either/or)
- Ability to exercise assertiveness in collective decision-making
- Having positive thinking about the ability to make change

- Ability to learn skills for improving one's personal or group power
- Ability to change others' perceptions by democratic means
- Involving in the growth process and change that is never ending and self-initiated.

In short, empowerment is a process that allows one to gain knowledge, power, skill-sets and attitude needed to cope with the changing world and the circumstances in which one lives. Empowerment helps the person concerned to exploit the economic environment in increasing the productivity of self, family and the society on the whole.

**Some of the experts explain the concept of empowerment as follows:**

Wallerstein (1992) defined empowerment as “people assuming control and mastery over their own lives in the context of their social and political environment.”

Some other researchers describe empowerment as a continuous, ongoing and interactive process that leads to enhancement of abilities and a wider scope for choice and action of an individual. Thus, empowerment leads to equity and well-being of the individual and the community.

Batliwala (1994) characterized empowerment as control over resources (both material and intellectual) and ideology, and an empowered person uses them according to his ideology or belief. It is a process of challenging existing power relations and of gaining greater control over the sources of power. The author has described that empowerment is the enhancement of power.

Rowlands (1997) explained empowerment as a process of enabling or authorizing an individual to think, behave, and take action and controlling work in an autonomous way. It involves some degree of personal development. Individuals become empowered when they obtain the right to determine choices in life and to influence the direction of change through the ability to gain control over material and non-material resources.

The World Bank ‘Empowerment Source Book’ also defines empowerment in the same way.

Chambers (1997) defined empowerment “as an interactive process, it requires and implies developmental change in power relations and behavior within the community’s individuals and institutions. The power relations can, therefore, be analyzed under the institutional, professional and personal elements of the community.”

Page and C zuba (1999) explained that there are three basic components of empowerment - multi-dimensional, social and a process. It is multi-dimensional because it occurs within sociological, psychological, economic and other dimensions at various levels, such as individual, group and community. It is social because it occurs in relationship to others. It is a process as it may remain always ongoing without any final goal.

Kabeer (2001) defined empowerment as “the expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them.” This definition contains two elements, (i) the idea of process, or change from a condition of disempowerment, and (ii) the idea of human agency and choice. This helps in distinguishing empowerment from other closely related concepts like women’s autonomy, gender equality, gender discrimination etc.

After defining the term ‘empowerment’, an attempt has been made to clear the meaning of women empowerment. Recently, the World Bank has made gender mainstreaming a priority in development assistance.

In a policy research report, World Bank (2001) identified both gender equality and women empowerment as development objectives and means to promote growth, reduce poverty and support better governance. In the literature available on women empowerment, some of the concepts like gender equality, female autonomy or women status etc. are referring to as either similar or different concepts.

## **WOMEN EMPOWERMENT**

As described by Kabeer (2001) there are two essential elements of women empowerment, i.e., process and agency. A process is defined as the series of events that produce gradual change. The process of women empowerment leads to expansion

in their ability to have resources and to make strategic life choices. The agency element of women empowerment describes that women themselves are the significant actors in the process of change. It is the process through which choices are made. Empowerment cannot be offered by a third party rather it has to be claimed by those who would become empowered.

Kabeer (1999) explained that women's empowerment refers to the process by which those who have been denied the ability to make strategic life choices, acquire such ability. The ability to exercise choices incorporates three inter-related dimensions: Resources, which include access as well as future claims to both material and social resources; Agency, which includes the process of decision-making, negotiation, deception and manipulation; and Achievements, which refers to the well-being outcomes of choice.

Longwe and Clarke (1994) explained women empowerment as an on-going cyclical process having five stages. The *first* stage is welfare stage and at this stage the women's resources are not fully recognised and met. The *second* is access stage, where women recognise it and take action to gain access to these resources. The *third* stage is the conscientisation level stage, where women realize that their lack of access to resources and their general subordinate status are due to socially constructed beliefs and phenomena. The *fourth* stage is the participation level stage, where women become actively involved in decision-making processes within their households, communities and societies. The *final* stage is control stage, in which women get control over access to resources and distribution of benefits by increasing their participation. This control increases women's power and respect within their households, communities and societies at large.

Different researchers have explained women empowerment by considering its different aspects.

According to Pillai (1995), women empowerment is an active, multidimensional process which enables women to realize their full identity and powers in all spheres of life. Power is neither a commodity to be transacted nor can it be given away as alms. Power has to be acquired and once acquired it needs to be exercised, sustained and preserved.

Stromquist (1995) wrote that empowerment includes both cognitive and psychological elements. It involves “women’s understanding of their conditions of subordination and the causes of such conditions at both micro and macro levels of society. It involves understanding the self and the need to make choices that may go against cultural and social expectations”.

This means that the whole process of women empowerment requires the ability and active involvement of women themselves. If it does not include women as the agents of that change rather than merely as its recipients, it cannot be considered as empowerment. This implies that women empowerment is a ‘bottom up’ rather than ‘top down’ approach. Empowerment cannot be injected from outside, rather it has to be acquired by the women through their active involvement in the development process. But it does not imply that all improvements in women position are brought about by women themselves only. Social and political environment is also considered to play an important role in the same. It is the responsibility of the governments and multilaterals to promote policies to set up such type of legal, political and economic environment which help women to have greater access to resources and promote gender equality. For instance, in India through the 73rd and 74th constitutional amendment a provision is made for reservation of 1/3rd seats mandatory for women in Panchayati Raj institutions and local bodies and has generated a suitable environment for their political empowerment. In this way, women empowerment is a process of improvement in the existing status and abilities of women to make them able to lead their lives in an autonomous way. Women empowerment is a complicated and continuous process, which aims at changing the way of thinking of the whole society to ensure equal enjoyment of human rights for all. It is a continuous process of increasing the economic, social, political and psychological strengths. The supporting agencies, social, political, cultural, financial etc., which are involved in uplifting the cause of women cannot claim that they have empowered women with their help. One cannot claim empowerment unless the intervening process involved women as agents of that change.

Kumar and Paul (2007) wrote, “Development agencies cannot claim to empower women rather they can provide appropriate external support and intervention which can, however, be important to foster and support the process of empowerment, i.e., act as facilitators”.

## **MICROFINANCE AND WOMEN EMPOWERMENT**

The extent of empowerment of women in the national hierarchy is determined largely by the three factors – her economic, social and political identity and their weightage. These factors are deeply intertwined and interlinked with many cross cutting linkages which imply that if efforts in even one dimension remain absent or weak, outcomes and momentum generated by the other components cannot be sustained as they will not be able to weather any changes or upheavals. It is only when all the three factors are simultaneously addressed and made compatible with each other can the woman be truly empowered. Therefore for holistic empowerment of the woman to happen - social, economic and political aspects impacting a woman's life must converge effectively. Women as an independent group constitute 48% of the country's total population as per the 2001 Census. The importance of women as an important human resource was recognised by the Constitution of India which not only accorded equality to women but also empowered the State to adopt measures of positive discrimination in their favour. A number of Articles of the Constitution specially reiterated the commitment of the constitution towards the socio economic development of women and upholding their political right and participation in decision making. Though the Constitutional commitments of the nation to women was translated through the planning process , legislation , policies and programs over the last six decades yet as the Eleventh plan approaches, a situational analysis of social and economic status of women reflects less than satisfactory achievements in almost all important human development indicators.

Empowerment of women is the key to socio-economic development. Empowered women can play active role in the family as well as in the society. Globally gender equality and empowerment of women has been recognized as a crucial component in achieving all round progress. The first; International agreement signed in the year 1945. It was the charter of the United Nations. It proclaimed gender equality as a fundamental right. Ever Since there had been many conventions and programmes to help human kind through ensuring human right to them. Human rights are universal indivisible, inter – dependent and inter-related.

An empowered woman is considered to be one who has made her life better by having access to and utilization of resources provided by microfinance programme. She also

exerts and participates in the household decision-making. She shows self-confidence and also participates in the democratic institutions in the rural area. She has general awareness of the existing social, economic and political environment.

## **MEASUREMENT OF WOMEN EMPOWERMENT**

The measurement of empowerment is not a trivial issue, which can be without assumptions and limitations. Basically, the study of the measurement of empowerment can only be in a given socio-economic-political context in which an intervention is made. The measurement aspect can differentiate between ongoing aspects of customs, traditions and natural behavior of women (which may be restricting their progress) and the change in behavior after intervention and emerge as subservient to the existing norms.

Malhotra et al. (2002) emphasized that measurement of empowerment is a primary development issue and so far neither the World Bank nor any other credible agency has given a rigorous methodology for measuring the changes in level of women empowerment.

The main problems in measuring the empowerment are:

- The measurement of women empowerment involves both quantitative as well as qualitative data such as access to financial resources, participation in household decision-making, change in the level of self-confidence, self-esteem, level of spatial mobility, level of awareness etc. The qualitative indicators of empowerment are difficult to measure.
- Empowerment is an ongoing process and to measure the changes in a process, data is to be collected for at least two points in time. But this method is further restricted as it is difficult to decide the time gap over which the changes are to be measured because some signs of empowerment can be seen in a short time period of 2 to 3 years while for others a longer time period may be required. There may be a shift in the relevance of empowerment indicators over time. Also, more time and resources are required to measure the impact.



- Due to the complexity of defining and measuring women empowerment, only a few empirical studies on the subject have tried to examine the impact of microfinance on women empowerment. In order to measure the impact of microfinance programme on women empowerment, some of the studies have compared the status of the participants after joining the microfinance programme with their status before joining the programme. The changes over time are considered as the impact of microfinance programme. Some of the studies have used the retrospective methods where the data is not collected for two time periods rather the participants are asked to give information regarding their past situation on the basis of their memory. However, some researchers have measured the impact by comparing the participants of the programme with that of the non-participants from similar social and economic background.

The UNDP's Human Development Report (1995) introduced two complementary indexes: the Gender-related Development Index (GDI) and the Gender Empowerment Measure (GEM). The GDI indicator measures the inequalities between men and women in terms of access to basic needs, whereas GEM evaluates women's access to political and economic posts, i.e., share of women seats in parliament/assemblies, the share of supervisory, administrative and technical posts. The GDI focuses on the extension of capabilities, whereas the GEM is concerned with the use of those capabilities to take advantage of the opportunities of life.

Most of the studies have measured the women empowerment with the help of an index. Mizan's (1994) study uses an index named 'Household Decision Making (HHDM)' index to explore the impact of micro-credit on women's empowerment. She uses a number of indicators such as women's role in household decision-making, their control over fertility decisions, uses of healthcare services for self and the family and participation in voting.

Goetz and Gupta (1996) hypotheses used that control over loan activity is, in fact, a critical control point in the process by which access to loans translates into a range of valued achievements, and then managerial control can serve as an indicator of empowerment. They build an index of managerial control in order to classify the borrowers into five categories ranging from no control (no knowledge of the use of

the loan or no contribution in terms of labour input and managerial control) to full control (knowledge of the use of the loans and full control over the entire productive process, including marketing).

In another study, Hashemi et al. (1996) investigated the change in women empowerment as a result of participation in the microfinance programme of Grameen Bank and Bangladesh Rural Advancement Committee (BRAC). They created an empowerment indicator which is called an 'index of empowerment' based on eight criteria: mobility, economic security, ability to make small and large purchases, involvement in major household decisions, relative freedom from domination by the family, political and legal awareness, and participation in public protests and political campaigns. A woman is empowered if she has a positive score on five or more, out of eight indicators.

Amin et al. (1998) split the concept of women's empowerment into three components each measured separately: Inter-spouse consultation index which seeks to represent the extent to which husbands consult their wives in household affairs; Individual autonomy index which represents women's self-reported autonomy of physical movement outside the house and in matters of spending money; and the Authority index which reports on actual decision-making power (which is traditionally in the hands of the patriarch of the family).

Some of the researchers raised doubts about the appropriateness of the construction of indices for measurement of women empowerment. According to them assigning equal weights to various indicators of empowerment is not appropriate. For example, decision of visiting a nearby market and participation in a decision to buy a piece of land, both these decisions have different implications and magnitude of impact on women empowerment. Assigning equal weights to these different types of decisions may lead to inaccurate results.

Thus, there cannot be a universal theory for measurement of empowerment. The index comprises of various indicators which determine women empowerment. One can adjudge empowerment through indicators. These indicators can be given values, based on the judgment of the researcher. However, there cannot be any complete or absolute measure of empowerment because the nature of the concept is such that it is multifaceted concept which is not readily quantifiable. The indicators selected by

different studies for the measurement of empowerment may be relevant for some places or time and irrelevant for others. It can be said that empowerment is context and region specific which implies that there cannot be some standard indicators of women empowerment, applicable to all times and places. The behaviors and attributes that signify empowerment in one context or region or period may have different meanings elsewhere. For example, the ability to visit to market alone may be an indicator of empowerment in a village but it may not be an indicator in a city. In some countries, coming out of purdah may be a symbol of women empowerment but in others it may not be considered as an indicator of empowerment. So, the measurement of empowerment through indicators can only be in a given socio-economic and political context where an intervention is made. There have been several efforts to devise micro indicators of empowerment. In this effort, Kabeer (2001), Mayoux (2000), Goetz & Gupta (1996), Rahman (1999), Ackerley (1995), John Snow Inc. (JSI) (1990), Longwe (1999) and Hashemi et al. (1996) have provided their own indicators.

## **IMPACT OF MICROFINANCE ON WOMEN EMPOWERMENT**

The role and impact of microfinance programme on the women empowerment has been measured as discussed below:

### **Economic Empowerment**

Microfinance through SHGs has linked rural poor women with formal credit delivery system, provided micro-loans and has encouraged them to start microenterprises. This programme has helped in increasing self-employment as well as income of the participants and helped them to become economically more empowered than nonparticipants.

#### **(i) Women's Access to Employment**

Traditionally, it was used to be thought that women are capable of performing domestic chores only. But, employed women, wage or self-employed, discard this social belief. Employment provides them an opportunity to come out of the four walls of their house. Employment leads to possession over income, knowledge, awareness

and self-confidence. Employment gives exposure to the outside world. Therefore, women's access to employment is an important indicator of empowerment.

**(ii) Women Contribution to Household Income**

The addition in household income improves the status of a women within her family. This increases her recognition, self-esteem, power and control over the family. The contribution to the household income helps women to become economically independent and financial decision-maker in the household expenditure. Microfinance programme has helped the women participants to increase their contribution to the household income.

**(iii) Access to and Control over Family Resources**

Access to and control over household resources has been considered as the possession of house, land, gold and jewellery, etc. If a woman owns the house or land, she gets more respect and feels more control over the family. The possession of gold and jewellery leads to economic security. Microfinance programme increases the economic prospectus of the participants, which helps them to have access to and control over the household economic resources.

**(iv) Role of Women in Household Financial Decision-making**

Women involved in the household financial decision-making are definitely more empowered because generally male members of the family dominate in financial decision-making.

**(v) Saving in Bank Account**

If a woman having a savings bank account, deposits money regularly in the account in her individual capacity, she is considered to have more foresightedness and economically aware as compared to those who do not take this initiative. Here, the amount of deposit, which is necessary for SHG to get microfinance benefit, is not given any significance. However, the saving in addition to this compulsory monthly saving has been considered for empowerment. Microfinance programme has developed the banking habits of self-help group members who contribute to the group savings fund through fixed instalments at regular intervals. This develops the habit of thrift and banking.

### **(vi) Leadership Qualities**

As discussed in the definition, empowerment enables women to realize their full identity and powers in all spheres of life. The realization of identity and power develops the leadership quality. The leadership qualities include ability to organize, motivating others, convincing others with own ideas, ability to listen, expressing views etc. A woman who develops these leadership qualities is considered more politically empowered.

## **EDUCATION, SKILL AND TRAINING FOR EMPOWERMENT**

Besides the socio-economic and political empowerment of the programme participants, microfinance programme also develops the overall personality of its participants. The group activities lead to the development of basic skills like writing their name, reading numbers, doing basic arithmetic, filling bank forms and understanding pass-book entries etc. SHGs influence the level of comfort and confidence of its members by developing these basic skills in them. All this generates knowledge, self-confidence and self-esteem which are the indicators of their empowerment.

### **(i) Education and Ability to Read and Write**

Education is one of the main indicators of empowerment. Education develops different types of abilities in a person and broadens his outlook. An educated woman can understand her rights and duties well. Only access to the resources does not lead to empowerment, rather empowerment is the ability to utilize the resources in an autonomous way and only an educated woman can think about the proper utilization of resources.

### **(ii) Ability to have Workable Knowledge of Calculations**

A woman able to make the basic calculations is always confident as she cannot be easily cheated by anyone in financial dealings. This ability also increases her confidence to visit a market.

**(iii) Maintaining Records of Financial Transactions**

A person having knowledge to maintain record of financial transactions is considered more empowered. Under microfinance programme written records of SHGs' financial affairs such as the amount of total group savings, individual savings of all the members, amount of bank loan received by the group, amount of loan received by the individual members, installments repaid etc. are maintained at the group level.

**(iv) Ability to Understand the Basic Banking Process**

A person having knowledge and understanding of basic banking operations can visit a bank independently and confidently. The knowledge of these banking operations is useful for the poor to get benefits of various poverty alleviation schemes rendered by the government through banks. Microfinance programme participants visit banks to deposit the group savings, for getting loans and for repaying the loan instalments. It enables them to perform the basic banking operations such as opening an account, filling a bank form, understanding pass-book entries etc.

**(v) Training for Job**

Training leads to acquisition of knowledge and development of new skills. A person who gets training for a particular occupation can do that occupation more efficiently. Therefore, a trained woman is considered more empowered than an untrained one.

From the above discussion, it can be concluded that microfinance programme is helpful in empowering women economically, socio-culturally and politically. The education, skill and training provided by microfinance programme lead to the development of the overall personality of the programme participants. The beneficiaries of the programme have higher levels of employment, income and participation in household financial decision-making as compared to non-participants. Participants of the microfinance programme are able to raise their voice against various social exploitations more confidently. They are more participative in the social development activities, and have greater political awareness as compared to nonparticipants. Apart from it, group activities develop reading and writing skills, ability to do basic calculations and understanding basic banking operations. In this way, microfinance programme has contributed a lot in the empowerment of women.

## **CONCEPT OF SHG**

Generally Self-Help Group consists of 10 to 20 members. The member saves some amount that they can afford. It is small amount ranging from Rs. 10 to 200 per month. A monthly meeting is organized, where apart from disbursement & repayment of loan, formal and informal discussions are held on many social issues also. Members share their experiences in these groups. The minutes of these meetings are documented and the accounts are written. The President, Secretary and Treasurer are three official posts in any SHG. If the SHGs are connected with some NGOs, they take part in other social activities of those NGOs. The primary focus of self-help groups is to provide emotional and practical support and an exchange of information. Such groups use participatory processes to provide opportunities for people to share knowledge, common experiences, and problems. Through their participation, members help themselves and others by gaining knowledge and information, and by obtaining and providing emotional and practical support. These groups have been particularly useful in helping people with chronic health conditions and physical and mental disabilities. Traumatic life events such as death and divorce are also the basis for groups. Self-help groups are voluntary, and they are mostly led by members. Generally, groups meet on a regular basis, and are open to new members. Self-help group, nonprofessional organization formed by people with a common problem or situation, for the purpose of pooling resources, gathering information, and offering mutual support, services, or care. The group should maintain simple basic records such as Minutes book, Attendance register, Loan ledger, General ledger, Cash book, Bank passbook and individual passbooks.

### **Objectives of SHGs**

1. Basically the SHGs are economic organization. Small funds are raised for day to day needs. The saving groups when transformed to earning groups not only increase the productivity of women but the credibility also.
2. Doors are wide open to women to understand and gain knowledge about Banking, Gram Panchayats, Zilla Parishad, Law and Judiciary etc.
3. As economical solutions are available, the family structure is maintained.

4. SHG is a good way to stop the exploitation of consumers.
5. Broadening of view is a major gain. The ascending order of family, group, village, Tehsil, Zilla, Zone, State, Nation, World, makes the vision global.
6. Development of self-confidence is achieved.
7. A common platform is available for a dialogue and sharing of views.

**The distinguishing features of self-help group are given below:**

- i. An SHG normally consists of not less than ten persons (with a maximum of twenty) of similar economic outlook, homogenous and social status.
- ii. It promotes objectives like economic improvement and raising resources for development and freedom from exploitation.
- iii. It has its own by-laws for the proper functioning of the group as well as for the observance of certain rules by the group members and regulations concerning membership.
- iv. Periodical meetings of members are held for solving their problems (economic and social) and they collect fixed savings of the members.
- v. Savings of Members are kept with a bank in the name of the group and the authorized representative of the group operates the bank account. The deposit kept in the bank is used for giving loans to members for purposes including consumption at the rate of interest decided by the group (Usually higher than what the banks charge).
- vi. Sources of funds are the contribution of member's savings, entrance fee, interest from loans, proceeds of joint business operation and income from investments. Funds may be used for loans, social services and common investment.
- vii. The SHG, being a group of like-minded persons, gets empowered to solve most of its problems of a non-financial nature such as raw material and input



supply, marketing, better adoption of technology, education and training for realization of its objectives for development.

### **Characteristics of SHGs**

- a) They usually create a common fund by contributing their small savings on a regular basis.
- b) The groups evolve a flexible system of operations often with the help of the NGOs and manage their common pooled resources in a democratic manner.
- c) Groups consider loan requests in periodical meetings, with competing claims on limited resources being settled by consensus regarding greater needs.
- d) Inter- lending is mainly on the basis of mutual need and trust with minimum documentation and without any tangible security.
- e) The amounts loaned are small, frequent and for short duration.
- f) Rate of interest vary from group to group depending upon the purpose of loans and are often higher than those of banks but lower than those of moneylenders.
- g) At periodical meetings, besides collecting money, emerging rural, social and economic issues are discussed.

### **The important functions of SHGs are the following:**

- 1) Enabling members to become self-reliant and self-dependent.
- 2) Providing a forum for members for discussing their social and economic problems.
- 3) Enhancing the social status of members by virtue of their being members of the group.
- 4) SHG provides a platform for members for exchange of ideas.
- 5) Developing and enhancing the decision-making capacity of members.

- 6) SHG Foster a spirit of mutual help and co-operation among members.
- 7) Instilling in members a sense of strength and confidence which they need for solving their problems.
- 8) Providing organizational strength to members.
- 9) Promoting literacy and increasing general awareness among members and
- 10) Promoting numerically and equipping the poor with basic skills required for understanding monetary transactions.

### **FORMATION AND DEVELOPMENT OF SHGs**

The first and foremost investment is to promote and develop SHGs as effective and sustainable institutions. The process of promotion and development of these groups is organic and needs to be evolved over a period. A lot of process inputs are essential for organizing the members and developing their leadership capabilities to promote the SHGs. Equal efforts need to be put in for nurturing and building them as institutions for the future. Each of these institutions has various stages of development and definite milestones of growth. It has been realized in many parts of the world that an effective way to tackle poverty and to enable communities to improve the quality of life is through social mobilization of disadvantaged people, especially into Self Help Groups (SHGs). The concept of Self Help Groups is based on the idea of community participation, as sustainable community development requires the active participation of the entire community. Popular participation ensures that the benefits of development are equitably distributed. To further this, proposals are made for the decentralization of the authority so as to ensure redistribution of wealth, improved access to education and other social services. Consequently the focus of self-help groups is to develop the capacity of the disadvantaged, particularly women, and to organize them, so that they can deal with socio-political and socio-economic issues that affect their lives. Self Help Groups have been formed in almost all the villages adopted in the districts of Assam. The women have been mobilized to form small groups for savings & credit for improving the economic conditions of the individual women.

After seeding the concept of SHG, steps to form the groups are taken up. In this stage, the steps are initiated to name the groups and frame norms and operational guidelines relating to functioning, saving and lending of the groups. In addition, groups can be assisted for selection of office-bearers such as president, secretary and the treasurer and defining their roles and responsibilities.

### **Quality Check**

- 1) Whether the members are from the poorest category?
- 2) What is the motive of the members in forming the SHG?
- 3) Whether they framed by-laws and selected the office bearers? And
- 4) What is the number of the members?

After considering the various aspects, if it is found that the group consists of the poorest women and is formed with the motive of initiating and managing savings and credit activities independent of external support, the group can be recognized as an SHG. The group is provided with the necessary inputs for developing bye-laws and role clarity.

### **Regularizing the group level system**

- i) The minutes are written every month and read at the end of every meeting;
- ii) Simple accounting system and necessary books are opened and maintained from the first day itself.
- iii) Awareness of the norms of the groups among all members is created and
- iv) Training is imparted to the office-bearers and group accountants for clarifying their role.

## STAGES OF GROUP DEVELOPMENT

Each group goes through several stages in development. These stages are by and large common to all groups, though their manifestations may be different.

**First stage:** The initial stage in the life of a small group is concerned with forming the group. This stage is characterized by members seeking safety and protection, tentativeness of response, seeking superficial contact with others, demonstrating dependency on existing authority figures (trainer or facilitator).

**Second stage:** The second stage is to focus on task performance begins to emerge, but energy is mostly spent within a sub-group. 'Pairing' is a common phenomenon.

**Third stage:** The third stage of development is marked by a more serious concern with task performance. Efforts are made to establish various norms for task performance. Members begin to take greater responsibility for their own groups and relationship with the authority figure becomes relaxed. Others who are dissimilar in the group are accepted and interaction among dissimilar people takes place around the task.

**Fourth stage:** This is the stage of a fully functioning group where members see themselves as a group and get involved in the task fully. Each person makes a contribution and the authority figure is also seen as part of the group. Group norms are followed and collective pressure is exerted to ensure the effectiveness of the group. The group redefines its goals in the light of information from the outside environment and shows an autonomous will to pursue those goals. The long-term viability of the group is established and nurtured.

## WORKING MANUAL OF SHGs

There are no uniform rules and regulations for the SHGs, and they may vary from group to group. The promoter of the group formulates the rules and regulations for the group. The general rules and regulations, which may be suitable for all groups, are summarized below:

**Meetings:** The group must meet weekly or fortnightly for collection of savings and repayment of loan amount and for discussing all other matters. The group meetings

need to be conducted with a certain discipline in relation to regularity, time, and items to be discussed.

**Group savings:** The group members must be encouraged to save as much as each can without it being a uniform amount for all. Usually the SHGs start off with a minimum savings of all members. As the years pass they may opt for optional savings according to the capacity of each member.

**Group common fund:** The amount such as fines imposed on members, grants from the NGOs, bonuses for various programmes and service charges on external loans should be put into the common fund of the groups. All common expenses related to the group may be met from this common fund.

**Rotation of group fund:** All savings and excess of common fund would be rotated as short-term loans amongst the members at the rate of interest decided by the group.

**Books and register to be maintained:** The books and registers to be maintained by each SHG to ensure proper accounts i.e Attendance Register, Minutes Book, Savings Ledger, Loan Ledger, General Ledger, Cash Book, Individual Pass Book, Receipt Book and Payment Voucher.

### **Team Development:**

- A survey is made to get the number of helpless women from each family in a particular village.
- Next step is to make aware of this team to the rest of the villages.
- Illiterates of the village are also made aware of this team.
- A team consist of 10 to 20 women and remembers from one team are restricted to join other teams.
- Ladies from families poor in income, education, job and assets are only eligible to be the member of this self-help group.
- Team should not be farmed with making false offerings of loans
- Only one person from each family can be included in teams.

**Eligibility for membership:**

- Belonging to poor family.
- Residing in same village
- The age limit for women is 16-60 year.

**Team administration:**

- Two representatives are to be selected from each teams for mere guiding purpose. Every members are equal. They are elected to continue for 2 years.
- Initial expenses of the team for 3 years would be undertaken by government and later they have to manage with their profit.
- A proper financial records of the team has to be kept and maintained by the member of the team and if they are illiterate some other ladies can be kept after being paid, but not any gents.
- They have to maintain a joint account in the name of their team in any of the banks.
- The main of this project is that they develop and flourish by making other sub units under them and taking up its administration all by themselves.

**Issue of Loans:**

- The team starts issuing the loan after 3 months and it's up to the team members about fixing the interest rate, repayment, maximum loan and etc.
- The repayment of installment amount depends upon the loan taken i.e higher the loan, higher the repayment amount. During initial period small loans are issued so that they can be repaid completely within 6 months.
- The team also issues loan for the medical expenses, education expenses, business investment or any other emergency expenses of the members.

- The teams can issue loans only to the team members and they have to maintain proper record of the cash repaid by the members and have to give them the correct receipts regularly.

**Training:**

During the training, they are taught how to record and maintain accounts and would be granted the T.A / D.A for the purpose by the team. The training timing is from morning 10.00 am to evening 5.00pm and date and camp place has to be fixed according to the convenience of the team members to achieve 100% attendance. The team members have to discuss about the teachings in the meeting held, immediately after the training.

**SELF HELP GROUPS AND WOMEN'S EMPOWERMENT**

The emergence and rapid multiplication of Self Help Groups (SHGs) based on micro credit is a phenomenon that is gaining increasing importance in the development scenario. Today there are seven million SHGs in the country. Nearly 90% of the groups are women groups. (Source: NABARD website). SHGs have been viewed by the State as a strategy for both women's empowerment as well as poverty reduction. SHGs are a conduit for routing a wide range of government sponsored development messages and schemes. NGOs have increasingly been adopting SHGs as a strategy to bring women together, at a faster pace and larger scale than the collective building processes adopted by them earlier. A number of powerful players, like MFIs, NGOs, corporations and donors, all of whom have a significant and growing interest in the SHG phenomenon, which centers on poor women have entered the arena. Credit is a right that poor women must have access to. The experience of SHGs has shown that they have provided improved access to credit. Poor women are now perceived by the mainstream financial sector as credit worthy. Women have used savings and credit for needs such as those related to education and health, and in particular for crisis related needs. Participation in SHGs has meant opportunities related to mobility and a legitimate space in the public realm for leaders of SHGs.

**Emerging Challenges: -****1) Limited improvement in livelihoods situation**

Despite the increased access to credit, there continue to be several hurdles faced by women when they want to access credit from banks. These include huge amounts of paperwork and the fact that women are often pressurized by banks to recover loans made earlier to men in the village as an unwritten conditionality before loans are released to them. It is increasingly being reported that SHG members have limited control over financial resources that they borrow despite being the conduit for access to such credit through their groups. The burden of repayment of such loans falls almost exclusively on the women. As SHGs are almost exclusively women-only, often women become proxy to husband's demands without the men taking up the responsibility for repayment or proper utilization of these loans. Many of the micro enterprise activities undertaken have tended to be unviable. Low levels of credit absorption capacity, low skill base and low asset base have been challenges to the SHG movement, which are yet to be addressed. Moreover, lack of skills, experience and technical support services to promote livelihoods and build sustainable interventions among the intermediary organizations especially NGOs do not enable sustainable livelihood options to be developed. Access to credit as the focus of the micro credit programs loses sight of the issues fundamental issues of access and control over common resources such as water forests which are the mainstay of occupations of a large number of the rural poor. The fundamental livelihoods concerns related to the existing economic realities (such as those related to agriculture or natural resources) of poor women's lives remain largely unaddressed in the process.

**2) Exclusion of the poorest**

The amount and regularity of savings expected from SHGs has led to the exclusion of the poorest, including members from Dalit, tribal and Muslim communities as well as women headed households from the SHGs. The more interior and tribal villages have not benefited greatly. The realities of women's lives are that there is an intertwining of the economic, cultural, social and political realms. Problems and disadvantages experienced by women in different aspects of their lives collectively give rise to a situation of disempowerment. The discourse on micro credit assumes however, that



micro credit alone will automatically address the entire problem. Policies and programmes tend to falsely divide social and economic empowerment. Even when the term economic empowerment is used it often reduced to a narrow notion of financial access to resources. It is becoming increasingly clear that SHGs can contribute to the process addressing gender and socio-economic inequities but cannot be a substitute for holistic empowerment strategies that enable collective reflection and action to challenge gender subordination.

### **Recommendations**

1. Committee on the Status of SHGs given the importance, scope and scale of the SHG and micro-credit phenomena, a high-level Committee on the Status of SHGs should be constituted to review the existing perspectives, policies and programmes related to SHGs in order to strengthen their potential towards addressing the social, economic and political rights of women. The members of the Committee should include eminent academics and practitioners who have a substantive engagement with issues of women's empowerment, poverty and livelihoods, with adequate representation from different states.
2. The mandate of the Committee should include recommending the manner in which the State will generate data in order that the performance of micro credit based interventions may be reviewed and monitored.
3. Some of the critical areas on which information is currently lacking relates to:
  - Number of functioning (as opposed to defunct) SHGs.
  - Inclusion of the poorest.
  - Number of women or groups being able to access credit.
  - Types of enterprises for which women borrowers receive credit.
  - Sustainability of such enterprises in the absence of adequate support inputs.

4. The Committee should also be mandated to recommend the process whereby indicators to monitor progress in terms of empowerment and equity can be designed.
5. Bringing SHG data in the Public Domain: The State and other Institutions engaged with SHGs should make available the data related to achievements in poverty alleviation, empowerment and literacy. Such data should be gender disaggregated. With the growing recognition that women are not a homogenous category data should be further disaggregated in terms of other categories like, caste, class, religion, ethnicity, educational status. Such data will be extremely useful for planning purposes.
6. Regulation of the Financial Functions: - The State and the appropriate ministries should institute a Regulatory framework for the functioning of micro finance institutions in order that there be a limit on the extent of interest rates and the manner of recovery of loans not be exploitative.
7. Assets created through micro credit should be in the name of women  
Addressing Gender Issues and adopting a holistic approach to empowerment: Micro- credit should be seen as one part of a broader strategy to enhance women's agency on social, political and economic levels. Policies and programmes should simultaneously seek to increase women's confidence, awareness, negotiation ability, literacy, health, as well as women's vocational, entrepreneurial and management skills, to enable micro finance inputs to translate into sustained empowerment. The costs of enabling that empowerment through extensive training inputs and other strategies need to be considered a necessary and direct cost commitment of all micro credit based programmes.
8. SHGs can be expanded into larger community based organizations. This can enable them to leverage greater amounts of credit and undertake more sustainable livelihood options. In addition these large women's collectives should be empowered to take on gender justice issues and collectively struggle against gender-based discrimination and violence against women.

9. A core curriculum framework should be developed for training at the national level. Those who have expertise in the field of gender as well as SHGs should develop the Curriculum framework jointly. A strong training of trainers programme should be designed so that expertise can gradually be available at decentralized levels.
10. A substantial literacy programme should be included as part of the SHG programmes.
11. SHGs should not only be conduit for delivery of services but should be strong collective of women. These should be sustainable. These should ensure backward linkages with technology and credit and forward linkages with markets so as to generate both farm and non-farm livelihood opportunities.
12. Policies and programs should design a wide range of financial products and services to meet the needs of poor women. Four broad categories of credit products are recommended: i) credit for income generating activities ii) credit for investment in education and health; iii) consumption credit including household needs; and iv) products for social security.
13. Adequate capacity building package on livelihoods should be developed.
14. Women workers are usually at the lowest paid end of any sector, they are usually termed as unskilled, even though very often their work, though low-paid, requires a certain level of technique. The trends and patterns in female employment need to be analyzed in the broader framework of social, cultural and historical specificity. Women's participation in the labour market thus is not only an economic issue but also a larger social question, which demands a multi-disciplinary approach. Women's economic activity is rooted mainly in socio-cultural, historical, physiological and economic considerations. Hence, looking at women's employment from the labour market point of view alone is not enough.
15. Vocational and technical training of women in particularly non-traditional areas along with appropriate skill training, technical up-gradation, and entrepreneurship under public-private partnership within a region specific context.

16. Increase allocation to SHGs and develop them into independent Cooperatives.
17. Resource allocations should be part of the planning process in order to implement market concepts.
18. Given a history of women's collective role in livelihood practices, a group approach should be adopted where women of the region, especially that of tribal and ethnic communities, can work together both in agricultural and non-agricultural sectors.

The Ministry of Women and Child Development, as the nodal agency for all matters pertaining to welfare, development and empowerment of women, has evolved schemes and programmes for their benefit. These schemes are spread across a broader spectrum such as women's need for shelter, security, safety, legal aid, justice, information, maternal health, food, nutrition etc. as well as their need for economic sustenance through skill development, education, and access to credit and marketing. The schemes of the Ministry like Swashakti, Swayamsidha, STEP and Swawlamban enable economic empowerment. The Ministry also supports autonomous bodies like National Commission, Central Social Welfare Board and Rashtriya Mahila Kosh which work for the welfare and development of women. These schemes were run in the Tenth Plan. It is proposed to continue some in the Eleventh Plan and also to take up new schemes. Scheme-wise details are given in the following sections.

## **SCHEMES FOR ECONOMIC EMPOWERMENT**

### **1. Swa-Swa-Shakti**

The Project jointly funded by IFAD, World Bank and the Government of India was launched in October, 1999 and culminated on 30th June, 2005. The objective of the Program was to bring out socio-economic development and empowerment of women through promotion of women SHGs, micro credit and income generating activities. The project was conceived as a Pilot Project implemented in 335 blocks of 57 districts in 9 states. The Project established 17,647 SHGs covering about 2, 44,000 women. This was a Centrally Sponsored Project.

## **2. Swayamsiddha**

This is an integrated scheme for women empowerment through formation of Self Help Groups (SHGs) launched in February, 2001. The long term objective of the programme is holistic empowerment of women through a sustained process of mobilization and convergence of all the ongoing sectoral programmes by improving access of women to micro-credit, economic resources, etc. This is a Centrally Sponsored Scheme. The Scheme has been able to provide a forum for women empowerment, collective reflection and united action. The programme is implemented in 650 blocks of the country. 67971 women SHGs have been formed benefiting 9, 89,485 beneficiaries. The scheme got end in March 2007. It is proposed to take up Swayamsidha with a wider scope during the XI Plan. It is also proposed to implement a women's empowerment and livelihood project in four districts of Uttar Pradesh and two districts of Bihar with assistance from IFAD. The schemes of Swayamsidha and Swashakti would be merged and implemented as Swayamsidha, Phase-II in the XI Plan. The Mid-Term Appraisal Report of the Tenth Plan has also recommended merger of these two schemes as these have similar objectives. The next phase would be a country wide programme with larger coverage in States lagging behind on women development indices. Convergence is the basic concept in Swayamsiddha. The lessons learnt in Swayamsiddha and Swa-Shakti would be incorporated in the universalized Swayamsiddha giving an integrated set of training inputs relating to social and economic empowerment, including skill development and training in traditional and non-traditional sectors.

## **3. Support to Training and Employment Program (STEP)**

This program seeks to provide skills and new knowledge to poor and asset less women in the traditional sectors. Under this project, women beneficiaries are organized into viable and cohesive groups or cooperatives. A comprehensive package of services such as health care, elementary education, crèche facility, market linkages, etc. are provided besides access to credit. Skill development is provided in ten traditional skills amongst women. This is a Central Scheme launched in 1987. The Ministry is at present getting the program evaluated. Based on the results of the evaluation, the scheme is proposed to be revamped. Further, the possibilities of

providing training and skills to women both in traditional and non-traditional sectors and integrating with Rashtriya Mahila Kosh for credit linkages are being considered.

### **MICRO CREDIT AND SHGs**

In order to enlarge the flow of credit to the hard-core poor, the NABARD launched a scheme of organizing them into self-help groups (SHGs) and linking the SHGs with banks, in 1992. The scheme is broadly groups (SHGs) and linking the SHGs with banks, in 1992. The scheme is broadly on the pattern devised by the Bangladesh Grameen Bank. Under the scheme, poor, preferably the women are organized in the SHGs and banks are financing these SHGs for lending money those poor who are eligible for concessional refinance from the NABARD. There are three distinct modes to route the credit to micro enterprises. Under the first mode, banks lend directly to the SHGs for lending to micro entrepreneurs. Under the second mode, banks provide loans to the NGOs for lending to the SHGs and ultimately to the micro entrepreneurs. Under the third mode, banks extend credit to the SHGs with the NGO as the facilitator. Keeping pace with the banks, the Government of India has taken a number of steps to alleviate the poverty of the villages. A number of programmes have been designed to augment the flow of credit to the poor with varying degrees of implicit and explicit subsidies. The main thrust of these credit programmes has been the provision of financial assistance to the poor at a concessional rate of interest coupled with capital subsidy to enable them to rise above the poverty line. In pursuance of this policy, commercial banks are now required to provide 40 per cent of net bank credit to the priority sector, which includes agriculture and allied agricultural activities and village and cottage industries. Certain operational issues like cumbersome procedures in sanctioning of loans and insistence on collateral securities restrict the flow of credit to the poor. The significant expansion in branch network does not appear to have taken into account the specific needs of the poor. Physical constraints and high transaction costs restrict their access to formal credit institutions. At one stage, the co-operative credit institutions in the country were considered the only option to bridge the credit gap. However, the poor could not derive the intended benefits from the co-operatives mainly because the size of these societies was too large and people of diverse interests were grouped together. Economic and caste barriers were too strong for the people to work together as one cohesive unit. Despite a wide network of rural

bank branches in the country for implementing credit-linked poverty alleviation programmes, a large number of poor people continue to remain outside the fold of the formal banking system. The public sector and private sector banks have not encouraged the extension of credit to the weaker sections because of inadequate securities and overdue problems. Micro-credit through self-help groups is a novel scheme introduced by the Reserve Bank of India to cater to the needs of small traders and those engaged in small business. The micro-credit system provides for organization of SHGs consisting of members with homogeneous economic interests. People with limited means join together as an informal group, approach the bank to raise loans individually and the security for the loans is given in the form of a collective guarantee. The banks are assured of getting back their principal amount with interest since the borrowed funds are being used for undertaking some small economic ventures. The borrowed money is never used extravagantly and so the repayment capacity of the borrowers increases. The success of such micro-credit depends largely on the confidence of the bankers on the borrowers and vice-versa. The economic bondage between the banker and the SHGs provides an opportunity for both the bankers and the SHG members to increase the scale of borrowing. The magic of the success of micro-credit through the SHGs is the goodwill of the members. In the matter of borrowing of funds, utilization of funds and repayment, all members have a joint accountability. Moreover, the members help one another in running their economic ventures successfully.

According to the United Nations Secretary-General, Kofi Annan (2002), "Microcredit is a critical anti-poverty tool a wise investment in human capital. When the poorest, especially women, receive credit, they become economic actors with power. Power to improve not only their own lives but, in a widening circle of impact, the lives of their families, their communities, and their nations." The steadily growing popularity of microfinance led to reach of this programme in many developing countries all over the world. The United Nations proclaimed 2005 as the year of Micro-credit to globally promote the benefits and potentials of microfinance as means to fight poverty. In 2006, Muhammad Yunus, founder of microfinance programme in Bangladesh and the Grameen Bank were awarded the Nobel Peace Prize for their efforts in the economic and social development of poor people.

In India, microfinance programme was formally initiated by National Bank for Agriculture and Rural Development (NABARD) in 1992; and now it is the world's largest microfinance programme in terms of its client outreach. The programme, in India, was originated and developed in the Southern region and it started in other regions at later stage, mainly in the present decade. Microfinance in India is mainly provided through Self-Help Groups (SHGs), Microfinance Institutions (MFIs) and some other methodologies. The network of many financial institutions like public and private sector commercial banks, co-operative banks, regional rural banks and MFIs is used to provide microfinance to the poor people. Microfinance programme claims to provide the poor an access to capital and give them opportunities to climb the economic ladder. In order to find the impact of microfinance programme, impact assessment studies have been done by many authors in different countries like Bangladesh, India, Pakistan, Nepal, Thailand, Ghana, Rwanda, Peru and many other countries of South Asia and Africa. These impact studies give the effect of the microfinance programme at the individual and household level of the participants on their level of income, level of employment, ownership of productive assets, access to education, health, food and clean water, ability to participate in decision-making and access to social networks. There are various studies which conclude that microfinance programme has a significant positive impact in increasing self-employment and reducing poverty.

In India, women Self Help Groups (SHGs) were initiated by NABARD (National Bank of Agriculture and Rural Development), with the support of local NGOs. Here the focus exclusively on women groups, which has been the main thrust of the SHG movement. SHGs are generally defined as 'homogenous' groups, for the members tend to be similar in terms of socio-economic status, and live in close approximation to each other. A group generally has ten to twenty members. The women meet weekly on a rotational basis at each other's homes. Groups begin their meetings with a prayer, proceed to business affairs, and conclude by tea and socializing. During each meeting they will make their weekly contribution of ten rupees. The funds are collected and deposited in the bank by the group's president and secretary, who also carefully record all transactions and minutes from their meetings in notebooks. These positions are rotated each year, distributing power and sharing responsibilities among members. Each member will also have a passbook, where they record their personal



transactions. SHGs follow a predetermined set of rules, delineated by the group, for loan distribution and repayment. After an initial savings period, SHGs are able to begin taking loans. There are two different types of loans and associated interest rates. First, the more common loan taken, particularly in the early stages, is from group savings. These are generally small loans. The amount a member qualifies for will depend on individual savings. For every rupee they have saved, they become eligible for 3 or 4 rupees in return. The women will set the interest rates themselves, generally at a high rate (around 24%), to match those rates in the local credit market (e.g. moneylenders), but also as a mechanism to increase group savings. The group may decide once their funds are substantial and members are taking larger sums as loans that they will reduce the interest rate. A loan may also be acquired through a bank based on credit as an SHG member. For NGO groups, NGOs will provide administrative assistance and technical advice to secure the loans. Financial institutions generally prefer to interact with NGOs than directly with SHGs, and the necessary paper work and interest rates are usually lower for NGOs than for SHGs. From the groups that I have met, loans were generally repaid on time, without major conflict. In order to maintain their finances, many SHGs have integrated flexible and compassionate transactions, distinct from typical banking procedures. For example, when a member is unable to pay one week, the group would pay for her either by drawing on a special pot designated for this purpose, or by members collectively contributing to cover the fee. This member would not be required to repay this fee, but would be expected to contribute the following week. This contradicts other studies, which found that many loans were repaid on the basis of socially damaging peer pressure, which can negatively impact on women (Montgomery, 1996). The lack of negative findings in this case could be related to the specific context, or such experiences may simply not have been voiced due to social desirability. The funds used to provide loans to members are supposed to be for productive purposes. There is, however, evidence that loans are used for consumption, such as health care and marriages. SHGs may participate in other activities besides savings and credit, such as group micro-entrepreneurship, social activism, and capacity building through various skill trainings organized by NGOs or local government. Further to following their set banking procedures, the women also use the SHG forum as a space for discussion, including voicing personal problems. At that point of time NABARD initiated a search for alternative methods to fulfill the financial needs of the rural poor and

informal sector. The decline of cooperatives in the sixties and seventies is widely attributed to the government's direct promotional role, their artificial propping up through subsidies and undue interference in management. As a result the NABARD wanted to develop the new channel, which is free from government subsidies and interference. Meanwhile, development workers across the country have been targeting "groups" of the poor and disadvantaged as a bulwark against social inequities. The consequent social capital is the only capital that the poor can rely on and use (not without cost) as a hedge against their resource deficient condition and powerlessness. Despite the decline of the cooperatives, the search for an appropriate community-based structure continued and women's groups called self-help groups (SHGs) emerged in the late eighties and the early nineties around rotating mutual savings and credit, as a stable and viable alternative. In its search for alternative channels to reach the un-reach, the NABARD found SHGs as an interesting and effective means to provide the banking services to 'so called' 'un-bankable' people. It has initiated an experiment with MYRADA on SHG lending. Encouraged by the results, the NABARD initiated the pilot project of SHG bank linkage 1992. Soon it became regular banking program and an important component in the priority sector lending. Since then the growth of bank linkage has been phenomenal. The number of groups linked has doubled every year for about a decade and the loan amount has doubled every year for more than a decade, between 1992-93 and 2003-04. Though the growth rate has decelerated a little in recent years, the absolute loan amount has been increasing by higher amounts year after year. E.g. the absolute loan amount has increased by Rs.2, 996 cr. in 2004-05, by 4,498 cr. in 2005-06 and 6,643 cr. 2006 SHG bank linkage program, not only helped the poor in accessing the bank loans, but also made many bank branches in rural areas viable and helped the turn around of the many sick banks and branches, especially the regional rural banks (RRBs). With very high repayment rate of about 95% and very low NPA vis-à-vis agriculture and other loans SHG bank linkage proved to be one of the safest portfolio for the banks. Compared to general agriculture and other individual loans, the average size of SHG loans is quite high in rural branches. Further, unlike other rural customers, SHGs maintain good amounts in their saving accounts and further add every month. Further, the SHGs have other funds such as revolving fund, grants, backend subsidies of SGSY loans, etc. parked in banks. As a results, SHG business became most profitable in the rural branches. Many banks and branches have started giving priority to SHG

lending. Increasing loan volumes, taking up of total financial inclusion (TFI), are a couple of methods employed by the banks to shore up their SHG loan portfolio. SHG customers constitutes well over one-third of total customers and account for about one-fourth of total business in rural branches. In some branches, SHG lending reached three-fourths meanwhile, most state governments and the Government of India, donors and NGOs realized the potential of SHGs in poverty elimination and women empowerment. As a result different departments of many state governments and the Government of India started promoting SHG to realize their missions. Some state governments have established autonomous bodies to implement the poverty reductions programs and projects through SHGs with external financial support. As a result of entering many official agencies, the advent of many externally aided poverty alleviation projects in different states and the realization on the part of bankers about the potential of SHG bank linkage program, the number of groups and bank linkages have been increasing at accelerated pace in recent years.

### **SHG BANK LINKAGE**

The NABARD continues to provide 100 per cent refinance to banks at an interest rate of 6.5 per cent per annum. Other support measures provided include facilitating training of the bank officials and the field staff of the NGOs, the SHGs, the Federations of NGOs or SHGs and other related institutions through financial assistance, faculty support and the like. As many as 550 NGOs are participating in the programme. Women SHGs constituted about 94 per cent of the total groups linked. On the whole, the programme benefited 5.60 lakh rural poor families in 280 districts. The Southern region continues to dominate the linkage programme with a share of 65 per cent followed by the Western (11 percent), the Eastern (11 per cent) the Central (10 per cent) and the Northern regions (8 per cent). Andhra Pradesh, Karnataka and Tamil Nadu states have taken the lead in promoting the SHGs and in establishing the Bank SHG Linkage. The bank linkage is generally established after the successful functioning of individual groups for about six months to a year. The Reserve Bank of India issued a circular dated July 24, 1991 to the commercial banks advising them to participate actively in the pilot project for linking Self Help Groups with Banks. The NABARD, after consultations with a few interested banks and voluntary agencies, issued a set of guidelines on February 26, 1992; which, while being adequately

comprehensive were kept flexible enough to enable participating banks and field level bankers to innovate and to contribute to strengthening the project concept and strategy. When the pilot project was initiated by the NABARD, the Self Help Group model was adopted and was called as an Indian model. Later, in the early nineties the NABARD called it the SHG – Bank Linkage Model. A most notable milestone in the SHG movement was when NABARD launched the pilot phase of the SHG Bank Linkage programme in February 1992. This was the first instance of mature SHGs that were directly financed by a commercial bank. The informal thrift and credit groups of poor were recognised as bankable clients. Soon after, the RBI advised commercial banks to consider lending to SHGs as part of their rural credit operations thus creating SHG Bank Linkage. The SHGs were able to scale up their operations with more financing and they had access to more credit products.

**Model I:** - Banks provide micro finance to non-governmental organization (NGOs) for lending to SHGs and ultimately to the micro entrepreneur (It covers about 27% of SHGs)

**Model II:** - Banks provide direct financing directly to SHGs for on landing to micro entrepreneur. (It covers 17%)

**Model III:** - Banks finance directly to SHGs for on lending to micro entrepreneur with the intervention of NGO as social mobilizers and facilitators (It covers 56% of SHGs).

**Model IV:** - The fourth model envisages bank loans directly to individual members of SHGs upon recommendations of the SHGs and NGO. In this case, the NGO assists the Bank in monitoring supervising and recovery of loans

### **SHG MODEL IN INDIA**

In India three different models of linkage of SHGs to the financial institutions have emerged. They are:

1. Banks themselves form and finance the SHGs.
2. SHGs are formed by NGOs and other agencies but financed by banks.
3. Banks finance SHGs with NGOs and other agencies as financial intermediaries.

The second model is the most popular model. Almost three-fourths of all the SHGs come under this model. Only 20% of the SHGs are covered under the first and 8% under the third model respectively.

### **Impact of SHGs**

"The self-help group model has been identified as a potential pathway to alleviating poverty. The number of poor women and men who are enrolling in SHGs all over rural India has been increasing remarkably. They are not only active in thrift and credit management but are also taking up other activities, such as natural resource management and development work, literacy, knowledge management, nutritional security etc. SHGs lay the foundation for self-reliance through building up of institutions, which have the capacity to generate employment opportunities for the rural poor, and the poorest, and lead to job-led economic growth."

### **Credit for SHGs**

Development of a country does not only refer to the development of infrastructure, innovations and technology but it is actually related to the development of each and every citizen in terms of their quality of life. A country will move on the development path if all the citizens are involved in the development process and enjoy good standard of living by having access to basic amenities of life such as food, clothing, housing, health, clean water, education, employment and good natural and social environment. But, if the people of a country are poor they will think about earning their livelihood only and their inclusion in the progress of nation will be miles away. India is a developing country in which about 30 per cent of its total population still lives below poverty line. The poor population is mainly concentrated in rural areas. These poor people are malnourished and most of them are unemployed. Therefore, poverty alleviation has remained the major focus for development practitioners since the independence of India. A number of initiatives have been taken from time to time by the government to alleviate poverty. In the development strategy adopted up to 1980s, institutional credit was considered as a powerful instrument for enhancing production and alleviating poverty. It was thought that lending to the poor should be a part of the normal business of banks. The strategy devised for this purpose was

comprised of the expansion of the institutional structure, directed lending to the priority sector and subsidized interest rates to the poor. A multi-agency approach was adopted for delivering credit to the rural poor people. The institutional vehicles chosen for this purpose were cooperative banks, commercial banks and regional rural banks. The nationalization of fourteen major commercial banks in 1969 and another six commercial banks in 1980 and the setting up of regional rural banks in 1975 enabled the creation of an extensive financial infrastructure for taking banking to the far-flung rural areas. The extensive bank branch network was expected to meet the financial needs of the entire rural population. Besides, various institutional and policy measures were taken to attack India's rural poverty, a number of direct wage-employment programmes were launched to improve the income of the poor people. In addition, self-employment programmes were also encouraged through subsidized credits to support productive asset creation. Some of these wage and self-employment programmes were: 20-Point Programme, National Rural Employment Programme, Rural Landless Employment Guarantee Programme, Jawahar Rozgar Yojana, Employment Assurance Scheme, and Food for Work Programme, Sampoorna Gramin Rozgar Yojna, and Integrated Rural Development Programme. Development of Women and Children in Rural Areas, Training of Rural Youth for Self-Employment, Supply of Improved Tool Kits to Rural Artisans, Swarnjayanti Gram Swarozgar Yojana etc. However, these programmes could not achieve the expected results. Although the share of formal financial sector in total rural credit increased progressively from 8.8 per cent in 1951 to 53.3 per cent in 1991 but it was found that the rural banks served only the needs of comparatively rich rural borrowers instead of the deserving poor (Basu and Srivastava, 2005). This was mainly due to the reason that the lack of collateral makes the poor people not-bankable. Rural Finance Access Survey 2003 indicated that 70 per cent of marginal or landless farmers did not have a bank account and 87 per cent did not have any access to credit from a formal source. The financial sector developed in India by the end of 1980s was largely supply and target driven. Sheokand (2000) and Basu & Srivastava (2005) in their studies of Indian formal banking system found inadequacies in rural access to formal finance. Fisher and Sriram (2002) explained some of the following reasons responsible for the limited success of formal banking system to provide credit to the rural poor:

- The high transaction cost of lending to the small borrowers and the low interest rates affected profitability and viability of financial institutions.
- The focus was on giving credit only rather than providing other financial services such as savings and insurance also.
- The emphasis was on achieving certain quantitative targets as a result, inadequate attention was paid to the qualitative aspects of lending.
- As most of the programmes were subsidy-based, so these faced the problems of political interferences, corruption and low recoveries. The focus on outreach at the expense of prudent lending practices led to very high default rates with accumulated losses.
- Due to certain political motives governments resorted loan wavers which led to loan defaults and erosion of repayment ethics by all categories of borrowers.

The urban cooperative banks aim at meeting the credit requirements of the people living in urban areas. The rural credit cooperatives may be further divided into short-term credit cooperatives and long term credit cooperatives. With regard to short term cooperatives, at the grass-root level there are Primary Agricultural Credit Societies (PACS) dealing directly with the individual borrowers. At the central level (district level) District Central Cooperative Banks (DCCB) function as a link between the primary societies and State Cooperative Apex Banks (SCB). As against the three tier structure of the short- term credit cooperatives, the long term cooperative credit structure has two tiers with many states with Primary Cooperative Agriculture and Rural Development Banks (PCARDB). The unorganized credit sector has a number of plus points such as prompt supply of credit, no formalities, no security or collaterals with excellent recovery results. The dark side of the unorganized credit sector is limited credit supply and exorbitant interest rates. The organized sector provides credit at a comparatively cheaper rate of interest but with a lot of hassle such as time consuming and cumbersome loaning procedures, unrealistic lending policy leading to a lot of paper work, inadequate and untimely finance, higher transaction costs both for borrowers and the lenders along with poor recovery result. The end result was an alarming growth in overdue, which hampered the recycling of limited resources of

banks. The rural bankers developed an attitude that the poor are non-bankable and commercial principles cannot be applied in lending to the poor. Similarly wage-employment and asset owning schemes also served limited purpose and their success was also partial. A number of studies found that the government initiated subsidy and grant based anti-poverty programmes failed to reach the target poor people. Moreover, alleviating extreme poverty, gender equality and women empowerment were specified as important targets to be achieved under the Millennium Development Goals set by World Bank and Organization for Economic Co-operation and Development in 2000. In such an environment microfinance emerged all over the world as an innovative scheme of lending to the poor people, especially women. Under this programme collateral free small loans are given to a group of poor people who make savings regularly. The whole group remains responsible for the repayment of the loan and the peer pressure within the group helps the successful and timely repayment of the loans. These loans may be used for starting some income generating economic activities to create self-employment. These small loans are known as micro-credit, whereas microfinance is a broader term and it provides not only micro-credit but also savings, insurance and some other non-financial services such as guidance and motivation to start income generating activities, occupational training and product marketing facilities etc. In this programme, lending to the groups result in low transaction costs and high loan recovery rates which makes this programme profitable for lending institutions and is helpful for sustainability of the programme. These loans are flexibly used. These are provided primarily for income generation activities, but these can also be used for consumption and contingency needs. The microfinance programme provides a model of development that is based on bottom up approach. Groups emerge locally with the efforts of members and enable the borrowers to improve their situation through their own efforts, rather than relying on external development strategies. Moreover, rather than wage-employment the programme promotes self-employment which leads to sustainable reduction in poverty. These unique features led to the worldwide acceptance of programme as an important development tool.



### **WOMEN SHGs:**

Women SHGs is a small voluntary association of poor people, 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 among its members. The scheme of micro financing through Self Help Groups (SHGs) has transferred the real economic power in the hands of women and has considerably reduced their dependence on men. The empowerment of women and improvement of their status and economic role needs to be integrated into economic development programmes, as the development of any country is inseparably linked with the status and development of promotion of enterprise creation and income generating activities among women would transform them from being alive to living with dignity. One of the powerful approaches to women empowerment and rural entrepreneurship is the formation of Self Help Groups (SHGs) especially among women. Women being central to the entire development process can be demonstrated with many examples that could include Grameen Bank success, Amul, Avon, etc.

### **NEED FOR WOMEN SHGs:**

Women are an integral part of every society. We can't think about a society without women. So the place of women in the society is one of the fundamental aspects of any civilization, ancient or modern, because the relationship between men and women is so vital that it affects almost every aspect of man's society. Generally it is believed that women are mothers, wives, sisters, and daughters. They have to cook, do all households works, take care of men and are subordinate to male authority. They are largely excluded from high status occupation and from power position. Works are divided on the basis of gender in simple hunting to modern complex societies. The form and extent of work and political participation, levels of education, state of health, representation in decision make bodies, access to property etc. are some relevant indicators of status of the member individuals in a society. However, not all the members of the society have got equal access to the factors which constitute these indicators of status. Gender is one of the crucial dimensions behind this inequality. Hence, due to certain socio-cultural factors the economic and political roles of women have remained mostly unorganized. Rural women are the incapacitated due to various

reasons, such as most of them are socially backward, illiterate and poor economic base. Individually a woman is not only weak in socio economic term but also lacks access to the knowledge and information, which are the most important component of today's development process. However in a group they are empowered to overcome many of these weaknesses. Hence there are needs for SHGs. NABARD being the principal agent in rural development in India has defined the concept of SHGs as small, economically homogeneous affinity groups of rural poor, voluntarily formed to save and mutually contribute to a common fund to be lent to its members as per the group member's decision. Of course, when it was initially given, its objective was to carry on saving and lending activities among its members with a view in promoting and enhancing their economic and social standards. Micro- finance seeks to cover the socio-economic condition and educational attainment of the member's family, their supporting system, availability of funds and loans, training facilities and marketing process of products. Economic and social empowerment of women is one of the basic requirements for their holistic development which has been strongly emphasized by National Perspective Plan for Women, 1988, Other policies of the government including National Policy for Empowerment of Women, 2001 and National Plan of Action for Empowerment of Women, 2003-04 each one emphasizes ensuring women their rightful place in the society by empowering them as agents of socio-economic change and development. Only when women participate freely in economic activities particularly outside home, they can acquire and control over circumstances to increase their capabilities. SHGs provide appropriate forums for this purpose. In India, women have been considered as the inferior member of the society as most of the Indian families are male dominated. The socio-economic status of women in the country has been characterized by low female literacy, distressing health, nutritional deficiencies and the declining share to the total population. It is thus they have been neglected in all fronts of life. In the past, (Pre-Independence) in significant importance had been given for the women development and welfare. Women Development and Welfare came under focus with the introduction of planned Economic Development through different Five Year Plans in independent India. The First five year Plan periods were welfare oriented for the women. During Second Plan period, women were organized into Mahila Mandals in rural area for facilitating convergence of health, nutrition and welfare measures. The Third and Fourth Plans accorded high priority to women's education and immunization of preschool children. In the Fifth plan, there was a shift

in emphasis from welfare orientation to a developmental approach with the objective of removal of poverty and attainment of Self-reliance and many programmes launched in the Sixth plan and it continued to Seventh plan for the economic and social status of women. In the Eighth plan, a shift was made from development to empowerment of women. The approach adopted in the eight plans continued to Ninth and Tenth plan period. During the said plan periods, it was decided to create additional productive opportunities through women Self-Help Groups. Perhaps it is known to all that our rural women are backward than city woman. In the rural phases, economic backwardness pulls them back to be there at the level of illiterate. For this reason, the women are lacking of knowledge and information about their rights. However, in a group of SHG, the women are learnt to overcome their weakness and problems. The main objectives of SHGs are promotion of livelihood of their members through savings and interest at the concept of SHG is that it is a voluntary homogeneous group of 10 to 20 individual from weaker section, particularly women, engaged in various types of activities with the help of their saving money and member also agree to use this purpose i.e. saving money. Whenever the member of a particular group requires money, the group gives small loans to needy members as per the decision made by the group.

### **MICROFINANCE IN NORTH-EAST INDIA**

Microfinance programme, such as the SHG has been extending credit to poor households using innovative delivery approach like group lending. In spite of being successful, there are still disparities in the program in its level of progress across different parts of the country, including the Northeast. Though late entrance the northeastern states have shown mixed response to the program. This structure, commonly called microfinance, seeks to reach and address all types of financial needs of the poor, who hitherto were not able to access credit from banking institutions due to non-possession of collateral and high cost of transaction. The approach of microfinance is supposed to overcome these problems while at the same time improving recovery of loans, a problem that has plagued the rural banking institutions and affected their profitability. An important feature of most of the microfinance programs is the use of group approach to deliver financial services particularly micro credit (small loans) to the poor. The popularity and acceptance of microfinance as a

development tool in the fight against poverty is due to pioneering work of Muhammad Yunus who established the Grameen model of group banking in the early 1980s. Following this, other variant models have sprung up – such as, the Solidarity Group model in Latin America, and the Self Help Groups (SHGs) adopted in India, Kenya and other developing countries. One of the important microfinance programs in India is the SHG-BLP which today has emerged as the largest microfinance program in the world. As of March 2006, under the program a cumulative amount of Rupees 113.98 billion has been disbursed by banks to as many as 22,38,565 SHGs. Since the start of the program, the southern states of India, particularly Andhra Pradesh, have had a disproportionately large share of the total number of SHGs that have received credit from banks (credit linked) and also the credit disbursed. However, the biasness of the program towards the southern states has lessened in recent years. In the initial years, the SHG did not register much headway in the states of the northeastern region (NER). The program had a very slow start and till the end of March 1999 but during March 1999 to March 2001, the number of SHGs in NER increased. Within the NER, Assam and Meghalaya in 2001 accounted for majority share of the SHGs credit links (at about 58 and 34 per cent respectively) as against the very low share of states like Manipur (7 per cent), Sikkim (1 per cent) and Tripura (1 per cent) in the total number of SHG credit linked. The remaining states of Arunachal Pradesh, Nagaland and Mizoram did not have any SHGs credit linked under this program by 2001. Until 2001 more than 90 per cent of the SHGs credit linked in the NER was from the two states of Assam and Meghalaya. In order to reduce the regional imbalance in formation of SHGs in 2001-02 special focuses was given to NER and other backward areas in Orissa by encouraging collaboration with large number of small non-government organization partners and microfinance agencies for enhancing the coverage of the program. The effort resulted in the improvement in the share of cumulative number of SHGs credit links in NER which increased from 0.2 percent in 2001 to 2.8 per cent 2006 along with an improvement in the cumulative loan disbursed from 0.2 to 1.5 per cent during the same period. The period also recorded the highest annual growth rate in the cumulative number of SHGs credit linked and cumulative loan disbursed in the region by 165 and 184 per cent respectively, which are much higher than the all India average. However, the high growth rate achieved by the program in NER during the period has to be considered against the very small number of SHGs credit linked in the region by 2001. While

there has also been a significant increase in the number of SHGs credit linked across all the NER states during 2001-06, the period is also marked by bias and unequal growth and coverage of the SHG in favor of Assam. Among the worst performing states in NER in the period is Meghalaya. However, states like Mizoram and Nagaland, where the progress of the program was very slow till 2005, has recorded significant increase in SHGs credit linked during 2005-06. Along with an increase in the bank loan disbursed to SHG, the amount of credit per SHG in NER and all other regions increased during the period 2001–06 suggesting that there has been a widening and deepening of the SHG in the country. In 2006, the highest credit per SHG is reported from the southern region at Rs 70549 compared to the all India average of Rs 50914. The eastern region reported the lowest credit per SHG at Rs 23721, while for NER it was Rs 26505 which is almost half of the all India average. However, for the states of Nagaland and Mizoram the credit per SHG (at Rs 81517 and 65811 respectively) is much higher than the all India level. In the period 2001 to 2006, there has been an expansion in the coverage of the program (new states have joined the program) accompanied with an increase in new SHGs credit linked as also with the amount of credit disbursed to SHGs during. The NER recorded the highest annual growth rate of 179 per cent in new SHGs credit linked in the period 2002–06. Within NER, Assam recorded a steady and consistent increase in the number of new SHGs provided with bank loans. Tripura is another state which witnessed a steady increase in number of new SHGs credit linked during this period. Assam topped the performance in terms of the highest number of new SHGs that were credit linked followed by Tripura and Manipur. Accordingly, the distribution of the new SHGs that have been credit linked to banks during 2002–06 in NER indicates that about 91 per cent of these new SHGs that have been credit linked under the program during this period are from Assam, followed by Tripura (3.2 per cent) and Manipur (2.4 per cent). In Mizoram, Nagaland and Meghalaya, the year 2005–06 saw a significant increase in the number of new SHGs credit linked under the program over the previous period. For example, in Meghalaya and Nagaland, 85 and 78 per cent of the total new SHGs credit linked during 2002–06 was in year 2005–06. Similarly in Mizoram, 97 per cent of the new SHGs credit linked during the period 2004–06 was in the year 2005–06. Therefore, in these three states, and to some extent in other states in NER, there is a marked improvement in the progress of the program since 2004–05. In NER, SHGs are formed under three different models – Model I, Model II, and Model III. In Model

I, the SHGs are formed and financed by banks. In Model II the SHGs are formed by agencies other than banks such as non-government organizations (NGOs) and community based organizations (CBOs), but is financed by banks. Whereas, in Model III NGOs act as intermediaries and are financed by the banks to lend on to the SHGs. Within the NER states, banks have emerged as an important self-help promoting agencies. In Assam, in 2006, 79 per cent of the SHGs were promoted and financed by the banks themselves; while in Tripura and Sikkim more than half of the SHGs credit linked (51 and 75 per cent respectively) have been promoted by banks under Model I. In the remaining states, such as Meghalaya (77 per cent), Manipur (68 per cent), Arunachal Pradesh (100 per cent) and Nagaland (93 per cent), majority of the SHGs credit linked have been formed by NGOs under Model II. Apart from Meghalaya where about 14 per cent of the SHGs have borrowed from NGOs (Model III), there are very few SHGs in other NER states that have been formed and financed by NGOs. The review of the progress of the SHG in NER in the period 2001–06 shows that despite a slow start in the program in the region, with some states like Mizoram joining as late as 2003–04, the program has recorded rapid growth particularly in Assam, Tripura and Manipur in terms of SHGs financed and loan disbursed. However, in Meghalaya, the progress of the program has been very slow in spite of the spurt in the implementation of the program in the late 1990s. There is a need to review the performance of Self Help Groups Bank Linkage program in the NER, identify factors that impede its progress and take corrective measures to improve its performance throughout the entire region.

### **SHGs IN ASSAM**

The seed of the association with women's issues was sown way back in 1987. Science activists from all over the country met at Bhopal to discuss the issue of science popularization. It emerged that, without basic literacy, popularization of science among masses will always remain a dream. The science forum formed the All India Peoples Science Network (AIPSN). The constituent science societies formed Gyan Vigyan Samiti in their respective states to work for eradication of illiteracy with the Bharat Gyan Vigyan Samiti (BGVS) at the centre to co-ordinate the whole concept. In Assam, the premier organization, Assam Science Society decided to initiate the literacy movement in the state by forming Gyan Vigyan Samiti Assam (GVSA).

GVSA initiated literacy in the state in 7 blocks of 6 districts in 1991. After completion of the first phase of literacy, Total Literacy Campaign (TLC), it was found that most of the learners and volunteer instructors (VIs) were women; this fact was collaborated by the evaluation conducted by Gauhati University (74% women's participation). After completion of TLC, during the 2nd phase of literacy under Post Literacy Program (PLP), the women wanted to learn and do a lot more. The women's wing of GVSA, SAMATA, organized activities at District, Block and Panchayat levels under Samata Vigyan Mela in 1995. From 1996 – 1998, more than 200 Panchayat level melas were organized to create awareness among women. These activities created Panchayat level women leaders. Meanwhile, towards the end of 1997, Samata activists from Assam attended a regional Samata Camp at Dhanbad, where we came to know about Self Help Groups for women under the Malar Groups. During the time, there was growing demand from our women neo-literates and Samata activists to do something. GVSA decided to organize SHG for women at grass root level in the state. Coincidentally, ARIASP approached GVSA with a proposal for organizing workshops on Women Empowerment. With this help GVSA organized the first workshop on small savings towards formation of Self Help Groups for women in January 1998. GVSA invited 6 women per panchayats from 21 panchayats on the basis of involvement in literacy campaign from different parts of Assam. In a series of workshops, the participants after thorough discussion and inputs from various sectors chalked out a set of rules and regulations and finalized the aims and objectives for formation and governing of SHGs under the name of PROCHESTA. The first group of team leaders was trained by FWWB, Ahmedabad in the later part of 1998. The formation of groups spread horizontally like wildfire in rural areas of the state. This forced Prochesta to organize panchayats and state level workshops on various aspects of SHGs like thrift & loans, formation, nurturing, accounts keeping reporting etc. In April 1999 Prochesta was registered as a society under the Societies Registration Act of 1860. The management structure was finalized and Board of Directors was constituted in due course. State Resource Centre Assam, Zila Saksharata Samitis and Assam Science Society were other organizations to help Prochesta. Now Prochesta has 2932 women SHGs comprising 37850 members in 14 district of Assam. Cumulative Loan Disbursement to SHGs is 300.24 lakh. It has been realized in many parts of the world that an effective way to tackle poverty and to enable communities to improve the quality of life is through social mobilization of disadvantaged people,

especially into Self Help Groups (SHGs). The concept of Self Help Groups is based on the idea of community participation, as sustainable community development requires the active participation of the entire community. Popular participation ensures that the benefits of development are equitably distributed. To further this, proposals are made for the decentralization of the authority so as to ensure redistribution of wealth, improved access to education and other social services. Consequently the focus of self-help groups is to develop the capacity of the disadvantaged, particularly women, and to organize them, so that they can deal with socio-political and socio-economic issues that affect their lives. Three years ago, women were reluctant even to attend Gram Sabha Meetings. Of late the attendance of women at the meetings went up by 65 percent. The message of the importance of social audit was disseminated through the training for the SHGs. The women began attending the meetings and learnt representing their grievances. They are able to give priorities for their needs and to reorganize themselves into networks at the Panchayats level decide their agenda. The SHGs have become the tool for institutionalizing convergence between various welfare departments.

### **STUDIES RELATED TO KAMRUP DISTRICT**

Handlooms have traditionally played a vital role in the rural economy of Assam. More than 70% women working at loom, weavers constitute the largest female workforce in Kamrup District. Weaving is also often taken up by most of the rural women as a seasonal or part time occupation. Weaving is primarily a subsidiary occupation for women and earning from weaving are usually used by them to improve the living condition of their family. The silk constitute an important part of raw materials used by the weavers. The product manufactured by the weavers are highly traditional and therefore the market base for the product is very limited. In Kamrup district more than 4500 SHG have been working in weaving sector under SGSY. The major items produced by the weavers are *Gamosha* and *Mekhela Chadar*. Eri Showls, Muga and Silk are also produced. But diversified production activities are almost absent. The raw materials used by the weavers either natural like cotton, eri, muga, tassar and mulberry. Keeping in view DRDA, Kamrup has taken a programme for modernization of the Handloom sector and diversified the product. At present DRDA, Kamrup has created 4 Nos. weaving training centre at Kamalpur, Bihdia, Bagibari and



Chaygaon area. Installing advanced loom with modern technology and equipment for providing improved design and product diversified training to the SHGs members. In this regards, DRDA, Kamrup has engage M/s Purbanchal Multi Corner Development Society as co-partner which was affiliated by the CSB, Bangalore, Ministry of Textile, and Govt. of India as trainers cum commercial expert. More than 400 SHGs members have been trained up at the training centers out of which 40% weavers grow commercial weavers, 20% grow private enterprise and 10% grow wage runner. As a result, now they got a good marked at National level and International level. In the meantime their products exhibited at different exhibition such as SARAS, CAPART mela at State level and national level and got good response. They were also able to get supply order from the private entrepreneurs. Nagaon, a village situated 25 Km away from Guwahati. This a village of Agricultural as well as business people falls under Bihdia Jajikona Dev. Block. Nagaon as an adjoining village to Baihata Chariali witnesses a good market for all kind of good. Interestingly the Northern and Western part of Baihata Chariali purely falls under Nagaon village. Although Mini Township touches the people of the village, poverty and unemployment till today rules the life cycles of a good number of families. Accordingly, in response to the ambitious SGSY Scheme launched by the Govt. of India during 1999-2000, which aims at uprooting poverty by linking the BPL families with credit, a good number of Self Help Groups had cropped up and out of which a SHG named Nagaon Swa Saharya Got may be identified as a successful one. The SHG was formed in 23/08/2000. This is a SHG of 15 women. This SHG highlight a wonderful point in that it represents window, divorcee young unemployed and some energetic unemployed women. Mistress Akida Bora a devotee. President and Miss Safia Saikia Secretary assuming the leadership of the SHG left no stone unturned to unite the members and engage them in group successor in being graded during January, 2002. And as a result of their gradation they received Rs. 10,000/- (ten thousand) as revolving fund from Kamrup DRDA, Assam. They then made full utilization of the quoted amount of revolving fund in income earning activity like cow rearing, embroidery works, handicraft and poultry. After satisfactory utilization of revolving fund that ran quite a few months, the concern bank UBI, Baihata Chariali Branch came forward and linked them with a cash credit of Rs. 25,000/- with this cash credit of Rs. 25,000/- the group opens a new chapter of group activity. Specially embroidery and poultry. The SHG took the required pains in making the repayment of cash credit. Indeed they made the

repayment of cash credit in full to the satisfaction of bank authority. Being satisfied with their activities the bank official came forward and agreed to sanction a loan for Rs. 1.50 lakh in embroidery and poultry farming. After getting loan from bank the group started their activities commercially. Now the group has earned Rs. 5000/- to Rs. 6000/- every month by selling hens and doing embroidery works and raised additional income for their family. The group also repayment the bank loan regularly. The village Satarapara is an economically backward village situated in the west side of the Rampur Development Block of Kamrup District of Assam. The village is inhabited by nearly 240-house hold. Out of these 130 families of the village are living below poverty line. More than 70% people living there depend on agriculture for their livelihood. Women folk besides doing their house hold works are also engaged in the weaving activity especially in Eri Spinning and Weaving. In the year 2002 the awareness camp organized by the Rampur Development Block to encourage the people to form Self Help Group under SGSY Programme to take up economic activities i.e. weaving to enhance their family income raised hope of rays to these people. Motivated by this awareness campaign 9 women and 3 nos. unemployed youth under the leadership of Pradip Kalita formed an ASOMI SHG under SGSY Programme. Initially they started their saving regularly and deposited their saving amount at the PNB Branch Rampur. After saving a suitable amount they started internal loaning among the group members for purchase of Eri Cocoons and cotton yarn producing of Eri clothes and different cotton clothes. Over a few months there had been marked improvement of the SHG and being satisfied with performance of the SHG, DRDA Kamrup provided them with revolving fund of Rs. 10,000.00 for their capacity building. In the mean time they availed training facilities for improved weaving and designer training organized by the DRDA, Kamrup. Being satisfied with their activities the Bank Official came forward and agreed to sanction a loan of Rs. 2.50 Lakh with DRDA subsidy of Rs. 1.20 Lakh in the weaving activities in the month of May 2004. After getting loan from bank they started the weaving activity commercially and produced different handloom products such as Eri Muga Than, Eri Shawl, Woolen Shawl, Muga, Eri Stole, Woolen Jacket, Muga Jacket, different shirts with ethnic design and Salwar Pieces and raised additional income for their families. Moreover the Asomi SHG also participated in different State Level and National Level Exhibition for sale of their products and got good response. They were also able to get large quantity of supply order for different Muga, Eri, Silk and cotton items

from private entrepreneurs participating at different SARAS Exhibition held at Delhi, Jaipur, Lucknow, Srinagar, Hyderabad, Goa, Tripura etc. Another 14 SHGs of this village who are also engaged for production of different handloom items, 'Asomi SHG' has taken leading part among these SHGs for providing marketing facilities for their products. Now most of the women weavers of the village have engaged themselves in the weaving activities as full time activity. More than 120 SHGs had taken weaving activity as main economic activity. Now these SHGs organized themselves to form a Block level federation of SHGs in the particular Block for straightening the SHGs movement. "ASOMI" has taken the leading part of this process. "RUPANTAR" as federation of SHG is the first block level federation under DRDA, Kamrup of the state of Assam. Now Asomi SHG is self-sufficient and earning well and has been able to raise themselves above poverty level. Their success story brought rays of hope to other poverty-stricken people, which motivated them to form self Help Groups to further their activities. "Baruajani" a small village situated just at a distance of 4 kms from Kamalpur Dev. Block to the south direction of NH-31. About 90 families live in the village out of which 40% of the families are found BPL families. Agriculture is their main livelihood. In addition to that 50% of the people do the business of mat making. Mat making is their traditional business and they earn their livelihood by doing this business. As soon as the block authority approached them and suggested to form SHG under SGSY, they agreed and about 10 nos. of SHG were formed in the village. "Baruajani Nava Milon SHG" is one of the SHG who formed the SHG on 7th August, 2001 with 11 members and opened a saving account at AGVB, Kamalpur Branch. After opening the account they also taken up the mat making schemes as their key activity and decided to take it commercially. In due cause they obtained revolving fund of Rs. 10,000/- (Rupees ten thousand) only along with cash linkage of Rs. 25,000/- (Rupees twenty five) only on 7th February, 2007. After that they were given a loan of Rs. 1, 20,000/- (one lakh twenty thousand) only out of which Rs. 60,000/- (sixty thousand) only was Govt. subsidy on 11-03-2005. It is a matter of pride to say that this is a peculiar village with this peculiar business of mat making. They do it by using the raw materials called "Mathaban". Mathaban is a marshy plant grows in lake and other low lying area of Assam. They collect it locally. Some time they go to the other places of Assam for collection of this raw material. The size of the mat they produced length 6.5 ft. and breath 2.5 ft. to 3 ft. They sold the products at the rate of Rs. 120/- , 80/- and 50/- respectively. Both males and females

are habituated in making this product. Now they have been motivated and use to take it in large scale as a result their income is also increasing more and more than before. Barujani Nava Milon SHG is formed a dedicated SHG and found active. They sold their products in local markets and it is a matter of glad to learn that customers purchase this product from their house. They participated in different state level and National level Exhibition for sale their products and got good response. They also able to get large quantity of supply order from private entrepreneurs participating at different SARAS mela held at Hyderabad, Tripura and Delhi. They have been able to generate their extra income by doing this and become able to support their families. Thus they are earning satisfactorily by attending the local market and outside the state of Assam. This SHG become an ideal SHG of the village as well as in the block area and to the other SHGs also. They are repaying the bank loan etc. In the conclusion we do hope of its bright future and this mat making business will be recognized handicraft if this production is done by using scientific technology and modernized to avoid its old method of mat making that prevailed in the village now. So that they can be able to earn a sustainable income from this business. Buragohai SHG, Talukdarpara was formed on 3rd August, 2003 by NGO Jaharjyoti, Assam under Rampur Development Block. The SHG comprises 11 female members belongs to BPL category. Group leader- Sri Namita Mazumdar and Secretary- Sri Anita Kalita intensively have been doing work hard with other members to alleviate their poverty. That's why, they have economic activities from the primary stage of their SHG. The SHG have been holding weekly meetings and there all members contributed their weekly fees subject to make a fund to meet up member's needs in order to take financial help for economic activities as per SGSY norms. In the name of Buragohai SHG SBI accounts No. 7460 (PNB, Rampur Branch), the president and the Secretary jointly transacted the account. The SHG have received Rs. 10,000/- as revolving fund from DRDA, Kamrup on 6th April, 2004. Because of the positive attitude of members they were able to have a revolving fund within a very short time although their corpus fund was not a big one. Receiving revolving fund, total fund of SHG provided equally as internal lending to the members for their economic activities. Utilizing SHG's fund most of the members are able to have an optimum benefit which was courageous to them for further works. In view of their courage, ability and performance a term loan amounting Rs. 1.00 lakh (including 0.50 lakh subsidy) had sanctioned and disbursed by PNB, Rampur Branch on 01-08-2005. All the members of the SHG have the

opportunities to make them benefited were than before. As such they have been involving to produce variety handloom items, i.e. Chaddar, Mekhela, Gamocha, Endi Swal etc. The SHG have participated “Nilachal Mela” in the year of 2004 and attended an exhibition with products at Hotel Brahmaputra Ashoka organized by PNB authority in current year where their products were highly appreciated. Now the members of Buragohai SHG are able to make a profit of Rs.1, 06,800/- approximately during the period of two year. The village Bamunigaon is an economically backward village situated 7 Km away to the west from Chaygaon Dev. Block. The village is inhabited by nearly 149 house hold. More than 80% people living there depend on agriculture for their livelihood. Women flock besides their house hold works are also engaged in weaving, Goat rearing and pig rearing activities, some others are engaged in small business like banana, bittle nut and other horticulture products. In the year 2002, 15 Nos. of BPL women belong to ST category formed a SHG named ‘TRIMIRTY’ at Bamunigaon village under SGSY programme. They selected piggery farm as key activity. Smt.Tarulata Rabha and Smt. Dipali Rabha are president and Secretary of the group respectively. Initially they started their saving regularly and deposited the amount at PNB, Balagaon branch. After saving a suitable amount they started inter lending among the group members for pig rearing. After 6 months they were qualified for 1st grading test and DRDA, Kamrup provided them with revolving fund for their capacity building. In the meantime they availed pig rearing training facilities organized by Chaygaon Dev. Block. Being satisfied with their activities Bank officials came forward and agreed to sanction Rs.2.50 lakh as loan with Govt. subsidy of Rs.1.25 lakh in the month August, 2003. After getting loan from bank they started the piggery activity commercially the group purchased 18 Nos. of crossbreed female pigs and 3 Nos. of crossbreed male pigs. This multiplied to 125 piglets within the year. The group sold 70 Nos. of four months old pigs and earned Rs.60, 000/-. They also selling pork and earned Rs.95, 000/- and raised additional income for their family. Moreover the group have purchased 3 Nos. of looms and take 5 bighas of cultivated land on contact basis for salli crop (Rice) cultivation as additional activities. Now TRIMIRTY SHG is self-sufficient and earring well and has been able to raise themselves above poverty line. Their success story brought rays of hope to others poverty stricken people which motivated them to form SHG to further their activities.

### **WOMEN SHGs IN KAMRUP DISTRICT:**

The Kamrup (Rural) District is situated between 25.46 and 26.49 North Latitude and between 90.48 & 91.50 East Longitude. It is bounded by Udalguri and Baksa districts in the North, Meghalaya in the South, Darrang and Kamrup Metropolitan in the East and Goalpara and Nalbari district in the West. It has a total geographical area of 1346.26 sq. mile, (which is equivalent to 3486.8 sq. km.) The demographic pattern of the Kamrup District is a heterogeneous one. Various ethnic groups like the Koch-Rajbongshi, Kalitas, Brahmins, Gosains, Rabhas, Boros, Garos, Hajongs, religious and linguistic minorities i.e. Muslim and both Hindu and Muslim Bangalies etc. are the main ethnic groups that inhabit in the district. All these different ethnic groups subscribe to different religious faith viz. Hinduism Christianity, Islamic and Buddhism etc.

In Kamrup the SHGs were started in the year 1999, but the concept penetrated down only in recent years. Now there is a greater amount of socio-economic emancipation among the members of the SHGs. Hence there is a need for evaluating the social and economic impact of the SHGs on their members. In Kamrup districts previously women remained within their house and identified as house wives. Though tradition taught those many things to do which are the parts of their culture but due to economic distress they were unable to do betterment for their own and others. Studies conducted by State Bank of India (SBI) found that women in this district are suffering economically and needed support and service to improve their conditions. Bank assisted them to start SHGs with proper guidance and assistance. Idea of doing something provided me an opportunity to know something. The operational situation of the Bank, NGO and the people opened the space to think over the process of empowerment, especially women in SHGs. The concept of SHGs is not a new thing. SHG play a major role in poverty alleviation in rural areas and creates consciousness among the poor women who are neglected and ignored. Microfinance covers the socio-economic condition, educational attainment of the member's family, their supporting system, availability funds and loans, training facilities and marketing process of products. Few years back village called Chandrapur and Dimoria of Kamrup, women remained within their house that is they were only house wives. But after struggling, when women found themselves in a critical and retched condition economically and socially, able to understand their situation, their need forced them to

start talking with each other and to collect some amount of money by which they can, themselves within the group to help and to get return from that particular to another in a needful and systematic way with a very little amount even it is less than 30 rupees per month. This willingness forced the women to join into self-help groups. Here NGO also assisted and guide them for proper functioning. Various NGOs conducted studies in various district of Assam during 2007-09 and observed that women are actively mobilized and participate SHGs. One of the NGO, New Gram Seva Santha (NGSS) has taken up some activities and these are group cultivation of vegetables, lending pig to individual member, rendering group services during peak season, commercialization of agriculture for the development of women's Self Help Groups (WSHGs) for the empowerment of rural women. It is observed that these groups were equipped with the required knowledge for running day to day SHG activities, harvested the produce and sold it in the market with a good profit margin. A good number of NGOs are working in this field for the formation of WSHGs in the Kamrup district and these NGOs are Bandhan, Prochesta, New Gram Seva Santha (NGSS), Manav Seva Sangha, World vision India AMRI ADP, Borluit Association etc. Among the various districts of Assam Kamrup District occupies a predominant position in the starting of the WSHGs.

The present study deals with the SHGs formed in Kamrup district. The empirical findings of this study would pave the way for taking certain policy decisions for strengthening the WSHGs and hence the study has been undertaken in Kamrup district. In Kamrup district one can find many women SHGs. In many a houses women are engaged in SHGs. One of the powerful approaches to women empowerment and rural entrepreneurship is the formation of SHGs especially among women. This strategy had fetched noticeable results not only in Bangladesh but world over. Women Self Help Groups are increasingly being used as a tool for various developmental interventions. A Self Help Group is conceived as a sustainable people's institution that provides the poor rural women with space and support necessary for them to take effective steps towards achieving greater control of their lives. The SHGs approach has proved successfully not only improving the economic conditions through income generation but in creating awareness about health and hygiene ,sanitation, and cleanliness, environmental protection, importance, of education and better response for development schemes.