



Self Help Groups: From Poverty to Prosperity

An empirical study of district Kanpur Dehat

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Abstract

Poverty and unemployment are the major problems of any under developed countries, to which India is no exception. In India, at the end of ninth five year pan 26.1% of the population was living below poverty line. In the rural area 27.1% of the population was living under poverty. The overall unemployment rate is estimated to 7.32%. The female unemployment rate is 8.5%. The rate of growth of women unemployment in the rural area is 9.8%. This is because of the low growth rate of new and productive employment. In the end of IX plan the rate of growth of implemented various schemes to reduce poverty and to promote the gainful employment. But the more attractive scheme with less effort (finance) is “Self Help Group”. It is a too to remove poverty and improve the rural development (Sabyasachi Das. 2003).

Uttar Pradesh having largest population in India is also considered to be a politically strong, enlightened and decisive force in India’s political gamut. Out of 58 years of Indian Republic hood, the state of Uttar Pradesh has pride of giving Prime Minister in one way or other, for 38 years. Despite all this, Uttar Pradesh is still considered as one of the poorest and most backward states of India. It is the most populous state having 16.44 percent of country’s population. The total population of the state, according to the census of 2001 is 16, 60, 52,859 out of which 8, 74, 66,301 are males and 7, 85, 86,558 are females. The Literacy rate in the state is 57.36% that comprises of 70.23% male literacy and 42.98% of female literacy. The rural literacy rate of the state is 36.66% (census 2001) in which women literacy rate is 19.02% while men literacy is 52.05%.

Poverty in the District Kanpur Dehat

The district Kanpur Dehat has about 43.1% of total population below poverty line. The incidence of poverty in the district Kanpur dehat is related to the occupational status of the households. Poverty is the highest among casual labour households, both in rural and urban areas, whereas regular and salaried workers are the lowest poor. In the urban areas, the incidence of poverty among casual labourers is nearly four times as high compared to salaried and regular workers. The access to well paid jobs is particularly restricted for certain groups, such as women and SC/ST, who form the bulk of the casual labour force and of those engaging in low paid activities.

The following table shows the total rural population and population below poverty line in the year 2004-2005-

Table 1. Population below Poverty Line in Kanpur Dehat

Total No. of rural house holds	Total No. of BPL house holds	Total rural population	Total BPL population	% BPL population	BPL Households				%			
					SC	ST	OBC	Landless	SC	ST	OBC	Landless
29161	18353	146365	89093	60.8	5483	0	9732	6324	6.1	0	10.9	7.0
8	2	8	9	%	2		9	2	5		2	9

Source: DESTO, The Statistical Year book, Kanpur Dehat, 2006

According to the table above about 60% of the total rural population lives below the official poverty line. It is quite well evident that a Regional disparity, the gap between the well to do and the poor of the district, still remains wide-open. In spite of several efforts by the Government, the rural population in the district is still living in a critical condition. Though the government has initiated various rural employment programmes have been initiated by the govt. the situation remains as it was. These programmes can only become successful if they are implemented with sincerity and without corruption. All previous programmes with great fan-fare have not yielded the desired results and the segmentation of rural population has further accentuated. In-fact the data pertaining to the poverty line in rural areas is just for cancellation of our planners. Nothing concrete has taken place for improvement of the situation of rural poor and so called land reforms and rural development programmes are working on paper only.

Origin and Concept of SHGs

The origin of SHGs is from the brainchild of Grameen Bank of Bangladesh, which was founded by Mohammed Yunus. SHGs were started and formed in 1975. In India NABARD is initiated in 1986-87. But the real effort was taken after 1991-92 from the linkage of SHGs with the banks. A SHG is a small economically homogeneous affinity group of the rural poor voluntarily coming together to save small amount regularly, which are deposited in a common fund to meet members emergency needs and to provide collateral free loans decided by the group. (Abhaskumar Jha 2000). They have been recognized as useful tool to help the poor and as an alternative mechanism to meet the urgent credit needs of poor through thrift (V. M. Rao 2002) SHG is a media for the development of saving habit among the women (S. Rajamohan 2003). SHGs enhance the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life. (Ritu Jain 2003). The basic principles of the SHGs are group approach, mutual trust, organization of small and manageable groups, group cohesiveness, spirit of thrift, demand based lending, collateral free, women friendly loan, peer group pressure in repayment, skill training capacity building and empowerment (N. Lalitha).

Empowerment is the process of enabling or authorizing an individual to think, to behave, take action and control work in an autonomous way. It is the state of feelings of self-empowered to take control of one's own destiny. Empowerment can be viewed as a means of creating a social environment in which one can take decisions and make choice either individually or collectively for social transformation. It strengthens innate ability by way of acquiring knowledge power and experience.

In India, the trickle down effects of macroeconomic policies have failed to resolve the problem of gender inequality. Women have been the vulnerable section of society and constitute a sizeable segment of the poverty-struck population. Women face gender specific barriers to access education, health, employment etc. Among the poor, the poor women are most disadvantaged – they are characterized by lack of education and access of resources, both of which is required to help them work their way out of poverty and for upward economic and social mobility. This is due to the low social status and lack of access to key resources. Evidence shows that groups of women are better customers than men, the better managers of resources.

Economic empowerment results in women's ability to influence or make decision, increased self confidence, better status and role in household etc. Economic independence is necessary to overcome exploitation, create confidence for self reliance of the rural poor, particularly among rural women who are mostly invisible in the social structure. Empowering women puts the spotlight on education and employment which are an essential element to sustainable development. The empowerment of Rural Women is crucial for the development of the Rural India. Bringing women into the mainstream of development is a major concern for the Government of India that is why **2001** was declared as the "**Year of Women Empowerment**". The programmes for Poverty Alleviation have a women's component to ensure flow of adequate funds to this section.

Women self-help groups bring economic uplift

Many women self-help groups in rural India have motivated thousands of uneducated women to work in community like Anganwadi to achieve financial independence. This gives them individual identity and courage to stand up against domestic violence.

WOMEN SELF-help groups (SHG) in rural areas of India have brought several thousands of uneducated women out of the confines of their homes and enabled them to gain not only considerable economic independence, but also an identity and collective voice. The SHG model was initiated by the National Bank for Agriculture and Rural Development (NABARD) in the early 1990s. SHG model links informal groups of women in rural areas to the mainstream banking system. As these women are illiterate and lack confidence to transact with commercial banks, non-government and social welfare agencies step in as intermediaries.

Supervisors from these institutions ensure that the women have the means and the discipline to repay the loans and more importantly, they can conduct the transactions independently. So, they encourage the group to elect their leader and build common group savings for a few months. The group leader, who is educated enough to read and write, collects the members' savings and records it in registers. The members are told to borrow from the pool and pay back through regular,

periodic payments and keep a record of the transactions. Once this fund grows and the supervisor has endorsed the group's credit worthiness, the bank grants them loans.

Working of SHG'S

SHGs are working in democratic manner. The upper limit of members in a group is restricted to 20. Among them a member is selected as an 'animator' and two members are selected as the representatives. The animator is selected for the period of two years. The group members meet every week. They discuss about the group savings, rotation of sangha funds, bank loan, repayment of loan, social and community action programmes. They are encouraged to make voluntary thrift on a regular basis pooled resources to make small interest bearing loans to their members. The process helps them imbibe the essentials of financial intermediation including prioritization of needs, setting terms and condition, and accounts keeping. This gradually builds financial discipline in all of them. They also learn to handle resources of a size that is much beyond individual capacities of any of them. The SHG members begin to appreciate that resources are limited and have a cost. Once the groups show this mature financial behavior, banks are encouraged to make loans to the SHG in certain multiples of the accumulated savings of the SHG. The bank loans are given without any collateral and at market interest rates. The groups continue to decide the terms of loans to their own members. Since the groups own accumulated savings are part and parcel of the aggregate loans made by the groups to their members, peer pressure ensures timely repayment (Progress of SHG-Bank linkage in India 2003-2004, NABARAD).

Approach and Objectives of the Study

The role of institutional frame work is vital in determining the space of growth and the quality of growth. The World Bank has stressed the role of institutions in its Report of 2005 as institutions for poor. The challenge of economics development being a multi dimensional one it naturally needed multi dimensional policy. The policy of providing financial help to the group of deserving poor people in the form of Self Help Group also emerging as effective alternative for attaining the growth with inclusion in India. The growth story of India and its detail analysis will offer more insight in the social engineering of economic development.

Objectives and methodology of the Study

- 1) To study how the SHG has helped in creating employment in non-formal sector.
- 2) How the status of women in economic decision making has changed.
- 3) To study the impact of SHG on savings, standard of living and other benefits accrued. to SHG members.
- 4) To suggest appropriate policy mix for improving the role of SHG.
- 5) To study how the gains of SHG are shares amongst the members.

Methodology

The study uses both primary and secondary data. The SHG in Kanpur Dehat are promoted by State Bank of India which is Lead Bank of the Kanpur Dehat district. The study of impact of SHG is undertaken for Kanpur district in which 6150 SHG were working of which 150 were selected.

While selecting the SHG we have followed the criteria of availing the loans from SHG. A care was taken to include the features such as caste and level of income. Detail information was gathered through the field visit by using questionnaire.

Growth of Self-Help Groups in District Kanpur Dehat

In 2002 when the concept of self-help groups was introduced with the objective of empowering rural women in four districts of U.P., the idea evoked apprehension instead of enthusiasm. Six years down the line, over two lakh women in 50 blocks of 12 districts are active members of self-help groups with savings of nearly rupees five crore and credit worth of Rs 30 crore. A research study was conducted in the district Kanpur Dehat between the time-period of 1999-2005. The study has been carried out in Six Blocks of Kanpur dehat that were selected randomly and from each block 05 villages were selected randomly for the purpose of survey.

Thirty villages were selected for the study by purposive sampling, taking into account the composition of the population. Five villages each were taken up in **Akbarpur block**, Sandalpur block , Malasa, Amraudha, **Derapur and Maitha** block.

For the purpose of the study, 150 Self help Groups in Six blocks of the district were contacted to obtain information about the benefits received (5 beneficiaries per village) 72 of them had received productive assets for use and 48 of them had received cash in order to start a business venture. The majority of the beneficiaries received pump sets for irrigation purpose. Initially there was a slow progress in the programme up to 1999 as only 32,995 groups were credit linked during the period 1992 to 1999. Since then the programme has been growing rapidly and the number of SHGs financed increased from 81,780 in 1999-2000 to 6.20 lakh in 2005-06 and 6.87 lakh in 2006- 07 (table below).

Table 2. Progress of Self Help Group in Kanpur Dehat

Year	No. of SHGs financed during the year (in lakh)	Cumulative no. of SHGs financed (in lakh)
2001-02	1.98	4.61
2002-03	2.56	7.17
2003-04	3.62	10.79
2004-05	5.39	16.18
2005-06	6.20	22.38
2006-07	6.87	29.25

Source: Ministry of Rural Development, U.P. Govt

Current Status of the Asset / Self-Employment Scheme of Self Help Groups

65% of the beneficiaries groups reported that the asset is intact or that the material / equipment purchased is in use and functional. 22.5% beneficiaries reported that the assets have perished or the equipment is no more in use.

1. Earning from use of Asset

Of the 156 beneficiaries reported that the asset / equipment is intact and in use, 74 reported that the annual gross income from the use of the asset is below Rs. 3, 500/-, 60 have stated that they earn between Rs. 3, 500/- and Rs. 6, 400/- per year, few beneficiaries have a gross income of more than Rs. 6, 400/- per year from the use of the asset / equipment.

2. The training process

The trainees were given only skill training, meaning training in technical skills. No inputs were given on entrepreneurial skills to motivate them to become self-employed and to start a small business to their own. Most of the trainees were satisfied with the training provided.

Table 3.No. of Groups Received Training

Training	No. of Beneficiaries Groups in Block					
	Akbarpur	Derapur	Maitha	Malasa	Sandalpur	Amraudha
For 3 months	06	01	02	02	08	07
3-6 months	11	19	12	16	08	10
More than 6 months	08	05	11	07	09	08

Source: By interview during the study

Some beneficiary groups of Maitha, Akbarpur and Derapur block received training for a duration of less than 10 weeks (3 months), 76 beneficiaries groups received training for a duration ranging from 11-20 weeks and 48 had training for more than 20 weeks.

3. Starting a Business

It was found that all the trainees, except few, are ready to start their own business and those who were not ready, were the persons not satisfied with the training. However only 54 persons of Maitha and Akbarpur block have received a loan to start a business..

Financial Progress of Self Help Groups in District Kanpur Dehat (2002-06)

After its inception, the programme in the study area i.e. Kanpur Dehat, is showing continuous progress. As per the records ministry of Rural Development of Uttar Pradesh the following Tables are presented:

Table 4.Details of Funds Received (Rs in Lakhs)

Year	Annual Allocation	OB as on 1st April	Central Funds received	State Share received	Mis. Reciepts	Total Funds Available	Total Expenditure	% Total Available
2002	260.97	71.31	97.87	32.62	0	201.8	200.93	99.57
2003	360.77	29.43	135.2	22.54	17.63	204.8	200.29	97.8
2004	451.31	79.53	169.24	28.2	3.25	280.22	278.83	99.5
2005	451.31	33.85	162.08	54.04	21.28	271.25	268.46	98.97
2006	451.31	33.85	338.16	54.04	21.28	447.33	301.26	67.35

Source: Ministry of Rural Development, U.P. Govt

Table 5.Expenditure Details

Year	Expenditure (in lakhs)					
	Subsidy	Revolving Fund	Infrastructural development	B.O Training	Skill Training	N.G.O./ Acilitators
2002	169.19	1.1	11.5	12.47	1	5.67
2003	122.34	11.3	41.8	19.28	0	5.57
2004	176.26	17.8	60.6	14.15	0.62	9.4
2005	155.35	34.8	36.26	22.25	0	19.8
2006	304.91	49.5	53.2	22.25	14.6	29.8

Source: Ministry of Rural Development, U.P. Govt.

The above two tables, 1 and 2 represents the details of funds received and the expenditure. The Annual allocation of the programme increased to its double from 2002 to 2006. It was Rs. 260.97 lakhs in 2002 but it increased to Rs. 451.31 lakhs in the year 2005-06

Total Funds available also increased from Rs. 201.8 lakh in 2002.to Rs. 447.33 lakh in 2005-06.

The expenditure details show an increasing trend in the subsidy disbursment too as it increases from Rs. 169.19 lakh in 2002 to Rs. 304.91 lakh in 2006. The expenditure on the infrastructural development also increased to Rs. 22.25 lakhs in 2006 from Rs.12.47 lakhs in 2002.

Table 6. Physical Progress of Self Help Groups in Kanpur Dehat (2002-06)

Year	No. of SHGs Formed		SHGs Passed Grade I		SHGs Passed Grade II		SHGs taken up Eco. Activity	
	Total since 1/4/99	During current Year 2006	Total since 1/4/99	During current Year 2006	Total since 1/4/99	During current Year 2006	Total since 1/4/99	During current Year 2006
2002	2699	381	1038	27	146	21	126	125
2003	6238	1685	1364	147	342	110	286	132
2004	6006	115	1564	368	395	141	364	169
2005	6150	0	2144	308	725	222	649	193
2006	6150	0	2316	585	806	288	721	36

Source: Ministry of Rural Development, U.P. Govt

The total no. of Self-Help Group formed since 1999 till 2005-06 under the scheme, are 6150 and about 2316 of the self-help groups had passed Grade I while 806 self-help groups had already passed Grade II. A total of 721 economic activities had been taken since 1999.

Table 7. Physical Progress in Kanpur Dehat

Year	Total No. of Members	No. Of Members of SHGs assisted for Economic activities				
		Total	SC	ST	Women	Disabled
2002	2417	1386	691	0	554	51
2003	1880	1585	793	0	634	48
2004	3239	2028	1014	0	812	62
2005	3107	2412	1208	0	968	73
2006	5160	3996	2060	0	1615	127

Source: Ministry of Rural Development, U.P. Govt.

In the year 2002, 1386 Self-help Groups were assisted under the scheme. This no. increased to 2028 in 2004, further this no. increased to 3996 in the year 2006 respectively. The participation of SC categories and women is also noteworthy. Participation of women in Self-help Groups increased to 1615 in 2005-06 from 554 in 1999-2000, but still it did not reached the target of 50% women participation. The no. of women participants in Individual swarozgaries also increased to 468 in 2005-06 from 413 in 1999-2000. About 127 disabled persons under the Self-help Groups were assisted in 2005-06 and 36 disabled Individual swarozgaries were assisted in the year 2005-06.

Table 8. District Wise Subsidy & Credit (In Lakhs) (Format 3 Division Wise)

YEAR	Credit Disbursed to			Subsidy Disbursed to		
	SHGs	Individual	Total	SHGs	Individual	Total
2002	277.2	206.2	483.4	97.02	72.17	169.19
2003	317	59	376	95.1	27.24	122.34
2004	304.2	181.65	485.85	142.96	33.3	176.26
2005	482.4	139	621.4	120.6	34.75	155.35
2006	879.12	152.9	1032.02	259.74	45.17	304.91

Source: Ministry of Rural Development, U.P. Govt

The Table above shows the amount of Credit and subsidy disbursed to the Self-help Groups and Individual Swarozgaries from the year 2002-03 to 2005-06. In the year 2002 the credit disbursed to the Self-help Groups was Rs. 277.2 lakhs while the credit disbursed to Individual Swarozgaries was Rs. 206.2 lakhs. This increased to Rs. 879.12 lakhs to SHG and Rs. 152.9 lakhs in 2005-06. The total amount of subsidy disbursed in the year 2002-03 was Rs. 169.19 lakhs, comprising of Rs. 97.02 lakhs to SHG and Rs. 72.17 lakhs to Individual swarozgaries. This amount increased to Rs. 304.91 lakhs in the year 2005-06, comprising of Rs. 259.74 lakhs to SHG and Rs. 45.17 lakhs to Individual swarozgaries.

Blockwise Physical Progress

The Blockwise progress of the programme since its inception in the year 1999 to 2005-06 is mentioned in the following Table.

Table 9. Blockwise Physical Progress

Development blocks	No. of SHGs Formed	Account opening		SHGs Passed Grade I		SHGs Passed Grade II		SHGs taken up Eco. Activity	
		Total vesince 1/4/99	Total since 1/4/99	Total since 1/4/99	During 2005	Total since 1/4/09	During 2005	Total since 1/4/99	During 2005
	Rasulabad	645	539	58	281	51	64	23	204
Maitha	692	632	138	302	64	140	55	284	64
Akbarpur	692	406	42	228	29	69	25	172	19
Derapur	591	516	13	230	14	88	15	175	32
Jhinjak	588	329	9	154	20	58	9	126	11
Sandalpur	608	415	16	175	26	62	16	156	21
Rajpur	494	386	24	210	18	58	8	158	19
Amraudha	657	311	22	157	18	50	6	148	18
Malasa	490	252	21	156	26	31	11	153	26
Sarvankhera	693	218	14	197	20	55	18	125	23
Total	6150	4004	357	2090	286	675	186	1704	299

Source: Ministry of Rural Development, U.P. Govt

The table shows that the maximum no. of SHG i.e. 693 were formed in the block Sarvankhera; Akbarpur and Maitha rates second with 692 SHG formed since the inception in 1999. In the Six blocks selected for the study purpose, in Maitha block maximum economic activities (284) were taken up and in Derapur about 175 economic activities were taken up.

Table 10. Blockwise Credit Disbursement During The Financial Year 2005-06

Development blocks	Credit disbursement during the financial year 2005-06							
	Target	Application applied				Credit disbursal		
		Opening balance	In financial yr	Total	In a month	Cumulative supply	Percentage	Total since 1/4/99
Rasulabad	47	0	24	24	2	23	76.67	63
Maitha	53	0	50	50	0	40	121.2	120
Akbarpur	47	6	22	28	0	23	76.67	58
Derapur	45	0	20	20	0	18	64.29	73
Jhinjak	45	11	8	20	0	9	32.14	50
Sandalpur	41	12	10	22	0	3	11.54	53
Rajpur	47	10	6	16	0	7	23.23	48
Amraudha	47	1	9	1	0	5	16.67	39
Malasa	47	2	9	11	0	11	36.67	28
Sarvankhera	47	0	15	15	0	13	43.33	40
Total	466	42	173	216	2	152	51.53	572

Source: BDO, headquarters, Matti, Akbarpur

According to the above table The Credit disbursal for the financial year 2005-06 in the study area was Rs. 152 lakhs as against the target of Rs 466 lakhs. About 51.53% of credit was disbursed in the year 2005-06. Maitha is the only block that has nearly touched the target of 53 and in the other blocks only 50% (approximately) credit was disbursed.

The Value/Benefits of Self Help Groups

SHG have members, who own those institutions – they are the owners, managers, and users of those institutions. It is a unique model with many challenges and many more opportunities. Above all, the SHG has given the poor women an identity, access to information, and bargaining power. Some benefits to members are:

- Providing platforms for the poor women to discuss and resolve their problems;
- Helping members manage cash flow deficits (maintaining food intake and overcoming emergencies), leading to improvement in quality and productivity of their only capital/resource-human capital/ resource;
- Helping members avoid money lenders, especially to meet food and health emergencies;
- Helping members invest in asset creation, diversify their occupations, and improve their risk-bearing capacities;
- Promoting leadership qualities among their members;
- Fostering women, even from conservative communities and regions, to interact with outsiders, particularly officials, including men; and
- Establishing the linkage between banks and marginalized citizens, especially the women.

Although the above are the significant achievements of SHGs, SHGs must have clarity of vision, strategy, and an action plan. They must have a focus and take on those responsibilities that they can perform effectively. Multiple agenda could undermine their ability to achieve their goal. Capacity building at the SHG level is still limited. For SHGs to take on newer roles there is a need for training and support as their role evolves. Government and NABARD must invest significantly in capacity building of SHGs.

Finding of the Study

The working of SHG has benefited the members in various ways.

1) Impact on Employment

The linkage between poverty and unemployment is as good as the two sides of the same coin.

1. The percentage of females spending their time in house work has been reduced from 37 % to 19 % indicating that they are finding gainful employment after joining the SHG.
2. The activities where the employment has increased are Milk business, lady tailor Shopkeeper and Floor Mill indicating the fact that more absorption is found in jobs with small skill which are more suitable for females with low skill.
3. The proportion of employment with multiple activities is also significant. It shows that the females are adopting the job which suits their needs.

2) Impact on Level of Income

The more visible positive impact of impact of SHG is observed in the form of increase in level of income after joining the SHG group.

1. The average income of the respondents indicated an increase of 105 % during the period of 5 years. It gives growth of 21 % increase in income.
2. The gap in the income of the SHG members have widened during the period under study as reflected in increase in the variance.
3. The members of SHG were benefited positively in terms of finding better opportunity of income. But the activities in which they have joined have benefited differently due to their skill, initial capital and knowledge about the opportunities.

Impact on Standard of Living

The improvement in income due to gainful employment is reflected I increase in use of modern instruments such as use of cooking gas, cooker, TV, phone, cycle motorcycle in the family. These changes can be seen as physical indicator of improvement in the standard of living of the SHG members. The SHG members are using modern instruments in increasing number as their income permits. The additional income is in the hands of women which is the major factor for this positive change. The SHG members have improved their standard of living by enjoying the modern amenities.

Impact on Status in Family

The SHG movement has not only resulted in improvement in economic standard of the poor families but more importantly it has resulted increase in social status of the families on various parameters.

It is observed that 85 % members have experienced increase in standard of living after joining the SHG. These social improvements are in the form of getting self employment and utilizing their spare time in productive way, providing education to their kids, pleasure of self reliant economic life, expressing views even with male participants whom are not possible to quantify but have immense impact on improving quality of life.

Impact in Participation in Social Life

The benefits of SHG movement to the members have resulted not only at individual level but at the social level also. The process of economic liberalization has improved the level of income and so also their economic status and participation in social life. It is presented in the following table.

After joining the SHG the participation of women members extended to the membership of other institutes. In this regard we observed following trends.

- 1) The participation in local government bodies such as village panchayat. From the sample members 28 % members have not benefited in terms of participation in other institutes. But 68 % members have got opportunity to participate in other institutes.
- 2) The joining in local government bodies is a remarkable benefit as it influences the status and moral of the other women.

The increase in institutional participation helps the women to play an active and decisive role.

Conclusion

The training of SHG female members can be more rewarding as these people have ability to work in adversities. The habit of thrift and low cost of operation can act as asset to these entrepreneurs. The search on new avenues of self employment needs constant research and understanding of changes. The education system which is now suffers from various flaws can be made productive by incorporating success stories of SHG and some training of business modalities.

The SHG are dominated by females and it has helped in improving the quality of expenditure. The improvement in standard of living is the result of spending the additional income on family needs. If the same amount of income is given in the hands of male earner there is possibility of increase in spending of personal needs rather than the family needs. This gender dimension of expenditure is also one more dimension of SHG success.

The experience of SHG shows that SHG can act as a vehicle to transform the lives of the poor and make the growth process inclusive. The large section of the society which is poverty ridden in developing countries like India cannot share the fruits of development with traditional model of state lead industrialization. The process of growth can become inclusive if it is demand driven. The

demand for growth should come from masses is the pre condition for growth. This is ensured through SHG. The SHG can act as an alternative institutional asset up to tackle the problems of unemployment poverty and gender justice.

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