

## SELF HELP GROUPS - A SILENT REVOLUTION IN TAMILNADU

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India is a land of villages. Women constitute half of total population in our country. In our society, women and children have significant priority in all development efforts. In patriarchal societies, the quality of life of women will be determined by the economic and social factors. owing to their gender, they could not reap fruits of development on par with men. The plight of a rural woman is far worse that of an urban woman. Apart from maintaining household activities, women participate in various economic activities. But their contributions have remained unrecognized. Moreover, it is the condition of poverty women suffer more; the excess burden of poverty has been borne by women because the responsibility of the survival of the household rests on the woman. Formulation and implementation of relevant strategies are needed to face the challenge of feminization of poverty. The strategy for poverty alleviation includes acceleration of economic growth with a focus on employment intensive sectors, access to basic minimum services for improving the quality of life of the people.

Some of the important initiatives that have been undertaken by the Government under the Ministry of Rural Development for the upliftment of women. It has special components for women in its programmes. For the development and empowerment of women, innovative programmes in the areas of welfare and support services, awareness generation and training cum- employment – cum – income generation were undertaken by the Ministry of Rural Development. Generation of income and wealth through rapid economic growth is one of the key components for achieving this aim. The objectives of all these efforts are to ensure that women are empowered of both economically and socially. Empowerment of women is a necessary basic condition for socio-economic development of our society.

### BACKGROUND

In India, One of the objectives of planned economic development has been the removal of poverty and improving the quality of its people. Successive plans have recognized the integral link between rapid economic growth and the quality of life of the mass of the people. Eradication of Poverty has been on the agenda of the Government since early fifties however, the strategy of direction on Poverty was formulated in the early seventies giving emphasis on the Programmes of the Poor. Specific programmes for various sections of the poor were formulated and it was introduced in the Fourth Five Year Plan, [1969-1974] when it was realized that the poor form a homogenous group and the different section of the poor faced different constraints and impediments. One of the important Anti Poverty Programmes of the country Like DWCRA, SGSY etc., was implemented<sup>1</sup>. The Sixth Five Year Plan (1980-1985) is a land mark in women's cause because it introduces the concept of women and development. The plan included women in development and the perspective shifted from a **Welfare Approach to Development Approach**. One of the self employment programme was launched in 1982 exclusively for women known as **Development Of Women and Children in Rural Areas (DWCRA)** Through the implementation of these programmes, the income level of the rural masses has increased to some extent, but these programmes would not able to achieve their target because of lack of administrative efficiency, unwillingness of the intended group to go through the complex procedure of borrowing and non productive utilization of borrowed capital. Due to poor recovery, of loan the schemes became nonviable. To

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<sup>1</sup> S.N.Mishra, *Poverty and its alleviation* (Newdelhi:Deep and Deep publication ltd., 2005)

rectify the situation, the self employment programmes have been restructures and renamed as swarnajayanti gram swarozgar yojana (SGSY) in 1999<sup>2</sup>.

Under the Eighth Five Year Plan, special programmes for women have been implemented to complement the general development programmes. These women specific programmes have given emphasis on generating employment, awareness and increase in health facilities. Women have enabled to function as equal partners and participants in the development process.

This approach on the Ninth Plan marks a shift from **Development to Empowerment of women**. The Ninth Plan (1997-2002) had made its commitment to the objective of “ Empowering Women as the Agents of Social Change and Development” It has focused on empowering women by making women economically independent and self-reliant. It has hoped the struggles would be realized through the National Policy for Empowerment of Women. SGSY launched from 1 April 1999 throughout the nation<sup>3</sup>. Preference in selection would be given to those swarozgaris, (poor families) who are on the threshold of crossing the poverty line. This is a holistic programme seeks to bring the assisted poor families (swarozgaris) above the poverty line by organizing them into **Self Help Groups** (SHGs) through the process of social mobilization, training and capacity building and provision of income generating assets through a mix of bank credit and government subsidy. The scheme is funded by the Centre and the States in the ratio of 75: 25

SGSY will emphasis on group approach. The main objective of this programme is to **organize the poor into Self Help Groups** (SHG) for their capacity building. The numbers of members of SHGs generally range **between 10 to 20** and each group selects among its member a leader called animator. For the purpose of management of its own activities, the leader of a group conducts meeting weekly. The SGSY is implemented with emphasis on social mobiliasation and formation of SHGs. The list of Below Poverty Line (BPL) household identified though BPL census, duly approved by the gram sabha forms the basis for assistance of families under SGSY. It is envisaged that 50% of the groups formed in each Block should be exclusively for women. The SGSY programme is conceived as a progress oriented programme for the poor. The SGSY is implemented with emphasis on social mobilization and formation of SHGs. Under the programme emphasis is also laid on training, capacity building and provision of rural infrastructure. Self help groups have been instrumental in empowerment by enabling women to work together in collective agency.

Remarkably self help groups were considered as to be one of the strategies to mark the beginning of major process of empowering women. The Indian government adopted self help groups to uplift the rural poor women focusing on the following aspects:

They are:

**Direct involvement of women in programming and management**

**Effective collaboration with community organization**

**Organizing and strengthened of women’s self help groups**

**Organizing women in different groups to undertake certain productive activities to earn their livelihood and to develop rural community.**

It has been envisaged under the programme of SHG development, support of facilitators like Non-Governmental Organization (NGO), Community based organizations etc, may be sought for initiating and sustaining the group development process. In order to give an impetus to the groups, a revolving fund of Rs 25, 000 provided from the bank. Financing can be done for only to 4 to 5 key activities selected by block level. SGSY committing can be utilized for group formation and imparting training and ensuring loan recovery.SGSY targets at elevating 30 per cent of BPL families in five years. SGSY is a bold and creative initiative taken by the Government on the eve of new millennium for Poverty Eradication in our country. Women self help groups have proved themselves to be very effective in improving the standards of accountability of various public agencies and in bringing about substantial social transformation.

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<sup>2</sup> Rishi muni devivedi, *Poverty and Development programmes in India*,(New Delhi: New Century Publication .., 2005)

<sup>3</sup> Ibid., p.83

Taking into account this fact, Government of Tamilnadu have framed various policies, designed specific intervention and implemented many programmes to eradicate poverty and to provide education to vulnerable section of the society.

One of the prominent in the state as Tamil Nadu Corporation for Development of Women [TNCDW] was established in 1983 which aims at the socio-economic empowerment of women.<sup>4</sup>TNCDW introduced new initiatives like entrepreneurship development programme, vocational and skill training etc.

#### **MAHALIR THITTAM (MaThi) in Tamilnadu**

Tamilnadu has become the prominent state in India to launch the state-wide programme fully funded by state government. Hence the State sponsored program came to be “**Mahalir Thittam**” (women’s programme). With an aim to convert have-nots into haves, the families living below the poverty line have been targeted to address the problem of poverty through women. The state government wanted to continue with the programme at any cost.

As a prelude the corporation is implementing the **Mahalir thittam** among poor rural women to promote saving habits and nurture entrepreneurial skills and aptitudes, promote exposure to banking transactions and to free from the clutches of local Money Lenders. This scheme is being implemented in partnership with Non-Governmental organization (NGOs) and Banks. Under the scheme, SHGs are formed and monitored through NGOs affiliated with the Tamilnadu corporations for development of women. They have taken up the responsibility of providing credit to women’s groups.

#### **Self Help Groups**

The SHG movement has emerged as a powerful and vibrant movement spread over the length and breadth of the state. The concept of self help groups serves the principle of “**by the women, of the women and for the women**”. The origin is from the brain child of **GRAMIN BANK of Bangladesh**, which was fund by the economist **prof. Muhammad yunus** of Chittagong University in the year of 1976<sup>5</sup>. This is exclusively established by the poor. **All for all** is the principle behind the concept of self help groups. It is mainly concerned with the poor and it is **for the people, by the people and of the people**. SHGs has got the great potential in creating awareness on day to-day affairs, promoting in savings habit, developing self and community assets, increasing the income level, increasing the social power etc. However, SHG when combined with savings and credit, have enabled women to benefits economically by monitoring their contributions and in the process have empowered them to become agents of change. Self help groups have been instrumental in empowerment by enabling women to work together in collective agency.

SHG is silent revolution in Tamilnadu through TNCDW. The seed for the revolution was sown in November 1989 in two blocks in Dharmapuri District with the external funding from International Fund for Agricultural Development (IFAD) as pilot basis<sup>6</sup>. Only one bank the Indian bank, [leading bank] was extending credit and other banking services. After the success of pilot projects in the state it was extending to Salem and south arcot district and this was followed by Madurai and Ramnad districts in 1995-96. Encouraged by the success of the pilot project, the Government of India also accorded importance to the Programme of self-help groups as a tool for empowerment of rural people, increasing outreach of the banking system and alleviating poverty.

Self help groups (SHGs) formed in rural India usually consisted of fifteen and twenty members hailing from a certain locality with similar socio-economic backgrounds. The unregistered groups operated on the principles of mutual trust, cooperation and interdependence. Preference in memberships was offered to the poorest of the poor. The leaders were selected from members of the group. Where there was nobody to help the helpless mass the concept of “Self help” could be introduced. One of the significant features of self help is to

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<sup>4</sup> N.Lalitha., *Emerging Partnership in Rural Development*, 1<sup>st</sup> edition (New Delhi: Dominant Pubklishers Ltd.,2005)p 38-42

<sup>5</sup> Ibid.,

<sup>6</sup> G.O.No 97., Government of Tamilnadu Dec 1989

make people not to rely on the government or non-governmental organizations to improve the infrastructure facilities needed in the village. Hoping to achieve this target SHG women are making collective efforts.

Self help groups are small homogenous groups consisting of 12-20 women from BPL families voluntarily organized to promote savings. They are groups of poor women which primarily came into existence to mobilize financial resources through their own savings and lend the same amongst themselves to meet the credit needs of their members. The specific **objectives of SHGs are to**<sup>7</sup>

- ❖ **Improve savings habits among women;**
- ❖ **Increase the total family income**
- ❖ **Fulfill the economic needs through self employment of women.**
- ❖ **Utilize the Bank Loan and Government Welfare Schemes;**
- ❖ **Help the members to escape from the clutches of “Money Lenders” and**
- ❖ **Mobilize financial resources**
- ❖ **To develop group activity so that various welfare and developmental programmes can be implemented in a better way with the participation of women groups**
- ❖ **To build up trust and confidence among the rural women**

Self help group is a small group of rural poor which is voluntarily ready to contribute to a common fund to be lent to its members as per group decision, which works for group's solidarity, awareness, social and economic empowerment in the way of democratic functioning. The self help group movement became a silent revolution within a short span in the rural credit delivery system. As SHGs were initiated to combat the weaknesses in private credit formal financial institution have been able to mobilize savings from the persons or groups who were normally expected to have savings and also to recycle the same effectively. SHGs pool resources amongst the members and thus meet the credit needs of the poor. SHG have emerged from the felt needs of the people and they have evolved their own method of working. It helps in creating a platform for sharing of experiences collective knowledge, building problem, solving and resource mobilization and other institutions. In SHGs the autonomy of the women groups is undermined and all decision making is entirely in their hands. This group helps women to build confidence in themselves as decision makers, planners and to work collectively in a democratized manner. The SHG activity is a win-win situation, wherein the poor women get access to credit as well as make profit.

#### **Characteristics of SHGs**

The following are the characteristic features of SHG are:

- Small size
- Identical interest, homogeneity
- Intimate knowledge of members of intrinsic strength, needs and problems
- Flexible and responsive
- Simple documentation
- Collective leadership
- Group solidarity, self help, Awareness, social and economic empowerment.

#### **Membership requirements**

- size of the group is normally restricted to 15-20 members to facilitate participatory process
- members of a group should be at least 18 years of age
- members should be aware of rights and obligations of membership
- members must share understanding on objectives and vision of group
- finally, membership by mutual selection is a solitary means to build group solidarity

#### **Meeting**

Meeting is a forum for group action and facilitates information sharing among members. Meetings are to be convened at regular intervals as per the convenience of the members. Attendance if members taken before commencement of meetings enable effective member participation. All activities in self help group revolve

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<sup>7</sup> N.Lalitha op.cit., p.52

around meeting at which members' access savings and credit services, share experience, learn from each other and also receive education and training

### **STAGES OF SHGs**

There are stages of evolution of SHGs<sup>8</sup>:

- **Group Formation**
- **Capital Formation through the Revolving Fund and skill development**
- **Taking up Economic Activity for Income Generation**

### **FORMATION of SHGs**

To begin with SHG have to stabilize the regularity of meetings, participation of members, maintaining of books, regular transactions of savings and leading among members with little outside support. The process of stabilization is influenced by the span of SHG, awareness of members, leadership, and interaction among members, training programmes and common activities undertaken by the group. It begins with an assessment of member's strength. People are motivated to collect information on initiatives they have taken in the past to resolve problems and to initiate collective and group action. Information on income and borrowings and on the availability and use of natural resources and skills and markets. The members are saving money regularly. An account is open in the nearest bank. Basic records such as attendance register, minutes book and savings ledgers are maintained. They regularize and increase savings. They start and repaying of loans. They begin to interact with other groups, government and private institutions. Groups are linked to the banks and them to avail bank loans. SHGs join the cluster and block level federation in the panchayats NGO are expected to reduce their direct interaction with the SHGs. The SHGs engaged not only in productive economic activities but also in social empowerment and capacity building of rural women SHG ensured the feeling among members achieving the group and accorded a social identity to the rural women. It also enabled them for collective bargaining while keeping up their dignity

They are participating in all functions of the group. Each member gets the chance to speak obviously and freely in a small group. There should not be any discrimination among the members based on caste religion or political affiliations. The leaders were selected from members of the group. The Government of India also accorded importance of self-help groups as a tool for empowerment of rural people, increasing outreach of the banking system and alleviating poverty. Similarly the members attended grama sabha meetings and their partnership in decision-making processes was strengthened. Various state governments are trying to activate gram sabha for ensuring social audits and accountability. Simultaneously, the central government is trying to amend the existing acts to bring more effectiveness to the system.

At present, SHGs got Marvelous growth. Hence, this government proposed to issue an identity card to all the women SHGs under Mahalir Thittam for getting recognition in the society and to have easy access in offices of government department and banks. The identity cards contain details of all members, information about group savings loans, training etc<sup>9</sup>. Mutram magazine- readers of mutram had gained knowledge pertaining to women related issues. . Women are sure to find their social identity and voice of their own with greater confidence. Many women were ready to take up the role of ladder if anew group formed. Though they know about mutram, this had to be read by others and many were silent listeners only, still not all members were aware of mutram.

### **Revolving fund**

This scheme was started in 2006-07 and has been well received by SHGs in urban areas. A grant of Rs.10, 000/- will be given to eligible urban SHG in the below poverty line category as in the case of rural SHGs who are given 10,000/ under SGSY scheme.

### **SHG-Bank Linkage Programme**

As soon as the SHG is formed and a couple of group meetings are held, a self-help group can open a savings bank account with the nearest commercial or regional rural bank or a co-operative bank. This is

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<sup>8</sup> Sawalia Bihari verma, *Role of Self help groups, and Panchayat Raj institutions in promoting Rural India*, (Delhi: Indus Valley publication., 2004)

<sup>9</sup> G.o.No 123 Government of Tamilnadu

essential to keep thrift and other money of the SHG safely and also to improve the transparency levels of their transactions. In all these programmes finance has been the central focus. Given that finance is backbone of all economic activities, in alleviating poverty the financial institutions and micro credit assume significance. During the growth the linkage with the banks are intensified. NGOs enable them to venture into productive activities. Each SHGs has to become individual institutions and the federations have to manage to supervise the SHG.

- Facilitating SHGs to access credit from formal banking channels. SHG-Bank Linkage Programme has proved to be the major supplementary credit delivery system with the wide acceptance by banks, NGO's and various government departments.

In India, NABARD has taken initiative to set up an action research project in 1987. This was aimed at providing financial services to the marginalized and neglected poor.<sup>10</sup> In 1987, NABARD made an attempt to search for alternative mechanism to improve the access of the poor for financial services in a cost effective and sustainable manner. This search led to the development of a delivery mechanism that encompasses financial relation ship between informal Organization of the poor like the self-help groups (SHGs) and formal organizations like banks. Consequently in 1992 NABARD gave a fillip to the movement when it started the SHG-Bank linkage programme<sup>11</sup>. This was the first major attempt to link the mainstream financial institutions with the informal groups thereby, linking them with the market.

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<sup>10</sup> N.Lalitha and R.Dayanandan, *NABARD and Rural transformation* (Delhi: Dominant publishers ., 2005)  
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### SHG-NGO-BANK LINKAGE

There are 3 models for overall development<sup>12</sup>

**SHGs formed by NGO and Linked to Bank-** In this model, NGO would organize the poor into SHGs, undertake training for awareness building, entrepreneurship and skill trains, help in arranging inputs, extension and marketing, introduce saving and internal lending, help in maintenance of accounts and link them with the bank for credit requirements. Banks directly provide loans to SHG with recommendation of the NGO. In this, NGO acts as facilitators.

#### Model II—NGO forms SHGs and proper financial intermediation role as on lender to SHG after sourcing loans from Bank

In this, besides acting as facilitator, the NGO works as financial intermediary. Here the loan is given to NGOs by the bank of on-lending the SHGs/ individuals. In this linkage, NGO would be legally responsible for repayment and would bear the risk of non-payment. Involvement of NGO in micro credit system would have positive influence as they are grass root agencies with good information about borrowers. At the same time, NGO would be in a position to help rural poor, particularly women to bring them above poverty line and create rural employment.

#### Model III Bank-SHG Association

In this case, banks directly promote self help groups. Here bank assumes to play the role of NGOs, and ensure linkage with SHGs.

This SHG-NGO bank integration is very much essential to credit delivery, for self employment and other business activities which could be an effective vaccine against poverty. The ultimate goal of this linkage programme is not just promotion of SHGs but the focus is poverty eradication

The mode of development assistance is shifted from individual enterprises to group activities. This shift was aimed at higher economies of scale of enterprise operation leading to better competitive products and collective bargaining power through higher level of accessibility to market, credit, infrastructure and other necessary linkages.

#### Present Status of SHGs

The SHG movement, which was started in 1989 as a spark in the horizon, has emerged as powerful and vibrant movement illuminating the lives of poor women across the length and breadth of the state. The following table gives the details of SHGs in Tamilnadu as on 31.3.2008<sup>13</sup>

##### Details of SHGs in Tamilnadu

<b>Total number of SHGs</b>	<b>3,66,311</b>
<b>Total number of Group members</b>	<b>58.89</b>
<b>Number of Rural groups</b>	<b>2,59,525</b>
<b>Number of Rural Group members</b>	<b>41,97,705</b>
<b>Number of Urban groups</b>	<b>1,06,786</b>
<b>Number of Urban Group members</b>	<b>16,92,093</b>
<b>Total savings[Rs in Crores]</b>	<b>Rs.1,767</b>
<b>Urban Savings [Rs. In Lakhs]</b>	<b>Rs.4,275</b>
<b>Rural Savings [Rs. In Lakhs]</b>	<b>Rs.1,340</b>

#### Nature of the Activities

The activities of self help groups are not uniform in entire state. It varies from district to district and even among groups. Generally activities being carried out on the basis of availability of raw material. It can be decided by group members. They will be given training by the state government and they will receive stipend for training period. Generally,

<sup>12</sup> Ibid p-23-27

<sup>13</sup> Official records of TNDCW

- **Pickle making**
- **masala making**
- **handicrafts**
- **vermicelli**
- **tailoring**
- **coir making**
- **baking, book binding**
- **Leather products.**

### **Marketing**

The SHGs who are involved in production of various goods are given a platform to market their product by way of exhibitions conducted by TNCDW at Block level, District level, Regional level, State level and National level. And they are proposed to conduct specific product wise exhibitions to promote SHG products and to provide marketing infrastructure facilities mainly for urban SHG on the need based proposals. They have sales outlet Centers named as “**Poomalai Vaniga Valagam**”<sup>14</sup>The Prices of products are cheaper than the other products. Quality is also good. Thereby the y was earning profits for their products. The prices also moderate and thereby it has been attractive on the SHG products.

### **Awards**

To encourage the SHG to participate in the activities of mahalir thittam in an effective manner, the Government has announced state level awards [**Manimegalai awards**] to the best SHG<sup>15</sup>.

These wards will also be given to the SHGs at the district level which function successfully and have contributed towards the empowerment of women. At the block level will best SHG will be given a certificate. These awards will be given away during important government functions like international women’s day.

**Award for 5 best PLF at state level @ 100000 each.**

**Award for 10 best SHGs at the state level @ Rs. 50,000/ each**

**Award for 1 best panchayat level at district level@ 50,000/each**

**Award for 3 at district level @ 10,000/ each**

### **Achievements**

- **Self-Esteem** -More than 70 percent women feel that their self confidence has considerably increased after join the groups. <sup>16</sup>The members perceived that about two –thirds of their husbands, relatives and neighbours had enhanced respect for women members.
- **Literacy**- literacy of women is closely associated with their empowerment. Majority of the members were trained to sign their names.
- Women were given training not only in income generating activities but also to develop their other entitlements.
- **Confidence to empower other- women** are exhibited a high level of confidence in regard to sustaining family economically.
- **Fears got over-** collective and integrated activities of the SHG has helped majority of women to overcome their fears. They got rid of fear while speaking with men.
- **Community causes** Members of SHG have worked in the cause of community development. Women members were largely involved in community works

### **Benefits**

The benefits of SHGs are as follows

- A media fro development of savings habit among the poor
- an access to large quantum of resources
- a window for better skill up graduation

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<sup>14</sup> Annual reports of TNCDW 2000-05

<sup>15</sup> G.O. No 123

<sup>16</sup> interview with self help groups members in Kanchipuram district



- availability of emergent, production credit at the door step
- access to various promotional assistance
- Assurance of freedom , quality and empowerment

### **Advantages to SHGs**

**Decision-making:** Members make decisions collectively. SHG concept offers opportunity for participates decision-making on conduct of meets, thrift and credits. The participative process makes the group a responsible borrower.

**Financial services:** SHGs provide the needed financial services to the members at their doorstep. The rural poor need different types of financial services, viz. Savings, consumption credit, production credit, insurance, remittance facilities etc. The platform of SHG provides the possibility to coverage these services

**Supplementary to formal banking:** SHG linkage does not supplant the existing banking system, but it supplements it thus taking full advantage of the resources and other advantages of the banking system.

**Cutting costs:** SHG linkage cuts costs for both borrowers and banks. The poor have a net advantage of 85% as compared to individual borrowing

### **Success of SHGs**

There are number of reasons for the successful of SHGs

1. The concept of SHG has fully honoured the needs, wisdom and discipline particularly of low income women, who were living under extreme economic pressure and uncertainties to manage their financial operations according to their day to day as well as their income generating needs
  - They have gained risk management capacities; enjoy a new dimensions of social security.
  - Loans allowed them to add new micro-entrepreneurial activities to the family source of income, and building up additional productive and financial assets.
  - They feel liberated from exploitative labour relationships and financial bondage's of money lender
  - **Low cost and interest charged to SHGs:** When Microfinance through SHG – banking is taking up as an additional new business proposition in the existing banking system NABARD can offer the services for introduction of linkage banking at cheaper rates.
  - Refinancing to banks at 100% at a concessional rate of interests and financial assistance given to banks to function as promoting institutions.
  - Workshops, training programmes, seminars at different levels for bankers and NGO employees in order to build trust and confidence between the banks and the rural poor
  - Because of NABARD, they established linkages; they mobilized SHG-members and assisted in forming groups that do not necessarily represent the poorest of the poor in the villages but those who had no bank access. All SHGs have one orientation in common. They want primarily access to regular bank services that had been so far refused to the individual poor families and want to start an internal saving and lending activity in support of their members.
  - Though there are achievement in social development through SHGs, poverty eradication may hopefully be an indirect outcome of the SHG

SHG- Banking as a financial market intervention targeting poorer people should also focus on providing secure and convenient deposit facilities to groups and individual members of groups.

### **Conclusion**

Self help groups have become agents of empowerment promoting agencies in rural India. They have gained the momentum as a movement and they can make sustainable development a reality in rural areas. There should not be any discrimination among the members based on caste religion or political affiliations. Each member gets the chance to speak obviously and freely in a small group. They are participating in all functions of group.

SHGs are gaining popularity in rural areas. These SHGs are considered a new lease of life for women in villages for their social and economic empowerment. Empowerment among rural women through self-help groups can be significant step and a milestone in the history of rural development in our country. It has become a modern economical weapon for the poor women to fight against poverty and economic depression.

These groups have become a ladder for the poor women to go up not only economically but also socially. It generates employment opportunities and creates a conducive social and economic infrastructure by empowering women and confirms the economically best and optimum utilization of resources. SHGs that really showed result in both empowerment and development.

The SHG members seemed to maintain their tenor- they worked, they earned, they spent, and they saved. But, they are not stereo types, there is a sufficient to get an insight into their variations in activity and activity oriented performance in order to identity. Forming and nurturing small, homogeneous and participatory self-help groups (SHG) of the poor has today emerged as a potent tool for human development. This process enables the poor, especially the women from the poor households, to collectively identify and analyses the problems they face in the perspective of their social and economic environment. It helps them to pool their meager resources, human and financial, and prioritize their use for solving their own problems.

Empowering women is not just for meeting their economic needs abut also through more holistic social development. Empowerment is closely linked to economic independence, nothing succeeds better than the self help and when efforts are supported by the government and private agencies the results could be extremely good. Today there are two lakh self help group women focused on economic activities like savings, collective marketing, promotional of individual enterprise and in the process of moving into the main stream of the society. A social movement has begun wherein the rural women started saving money by forming themselves into small groups and come together to decide all issues which affect their lives. SHG may be rated as the most successful anti-poverty programme and contribution to women's empowerment. Thus women empowered by economic independence can contribute to society and at the same time improve their standard of living. This can be aimed at reforms in societal life and finally towards bringing about revolutionary change in every sphere of life and in basic values. SHG are organized to manage their economic activities and are gaining empowerment in direction which is appropriate to their needs, interest. SHG help to gain confidence from an increase in their relative financial independence and security. The increase in the literacy skills of SHGs members is another indicator of social change and development. Better communication skills are another indicator of development, thus bringing about development of women.

Almost all these strategies, including micro-credit programmes have created a special niche for women to participate. The Government of India has been trying to make women visible through several of its schemes. The elected women representatives participate in the panchayat more effectively. The process of visibility has been quicker because of self-help groups and micro-credit programmes.

### **Suggestions**

SHG- Banking as a financial market intervention targeting poorer people should also focus on providing secure and convenient deposit facilities to groups and individual members of groups.

There are number of ways by which women's empowerment and financial sustainability could be improved

- Repayment schedules and interest rates to maximize impact on incomes;
- Registrations of assets used as collateral or purchased with loans in women's names or in joint names
- Incorporating clear strategies for women's graduation to large loans
- Range of savings facilities, which include higher interest deposits with more restricted access
- Making them to read and write
- Providing good marketing outlets for their products
- Motivating them to increase their income by undertaking successfully economic activities as individual and as groups