

## **CHAPTER 2**

### **REVIEW OF LITERATURE**

#### **2.0. Introduction**

This chapter provides the available literature on the issues and impact of SHGs that have been reviewed. Several important concepts relating to the study and information have been reviewed to support the study. It also deals with concepts and presents a review of past studies having a bearing on the present study.

Literature allows scholars to have a clear picture or idea about the particular field or area of study with detailed knowledge about the study, studies conducted by other scholars related aspects reviewed and the researcher gathers various dimensions of the particular study conducted by a researcher. The literature also helped to fill up the gap in a particular area of study and suggested explorations of the possibilities of further research on the related aspects of the subject of study.

#### **2.1. Concept of SHGS and microfinance**

**Samamta, Narayanswamy, and Gowda, (2011)** defined SHG “as a homogeneous group of the poor which are voluntarily regulated of rural areas to save no matter what amount they can keep outside their earnings and jointly agreed to contribute to jointly finding a loan to members to meet their productive and extraordinary credit needs”.

**(Klaw and Luong 2010)** defined SHGs “as groups as a collection of individuals who share a common concern and who come together to offer and obtain support and information.”

The ‘**Tamil Nadu Corporation for Development of Women**’ (2007), defined SHGs as “small economic standardized groups, formed voluntarily contribute and save a mutual fund to be borrowed to its members for social and economic uplift of their families and community.”

**Singh (2013)** explained the concept of SHG as a casual/informal association of people who came together voluntarily for the advancement of social and economic objectives.

**Dwarika et al., (2009)** labelled SHGs as groups that are not registered and comprise the underprivileged group of people who eagerly contribute an agreed sum of money which participants lend at the small interest rate fixed by the group.

**Van Heck (2010)** discussed the characteristics of SHGs as voluntary membership education and training, participatory planning monitoring, and self-evaluation.

**Rajmohan (2010)**, noted that microfinance has advanced over decades in various forms and degrees of success, among the forms of microfinance, was SHGs, The results from these SHGs are promising and have become a focus of intense examinations as it is proving to be an effective method of minimizing poverty.

**Jerinabi (2003)** conducted a study in the district of Coimbatore Tamil Nadu on microfinance and the management of micro-credit by women in SHGs, the study revealed that microcredit through SHGs helped participants to improve their economic status.

## **2.2. Empowerment and SHGs**

### **2.2.1. Empowerment**

**The World Bank Report (2005)** gave the meaning of empowerment as the idea and exercise of power, challenges, and modification of the power structures and systems that exist that have maintained and reinforced this discrimination and gained access to and control over material and knowledge resources.

The **UNDP (1995)** developed the GEM (Gender Empowerment Measure) which emphasizes the variables that focus on women's partaking in society- decision making, political power, education, and health. 'Beijing Conference of 1995' emphasizes women's empowerment and points out some qualitative indicators like awareness and recognition of women's economic contribution within and outside the household, women's power over their work, decision-making and income, etc.

**Uma Narang(2012)** "Empowerment is a multifaceted process which includes many characteristics such as, increasing access to economic resources, enhancing awareness, social and political aspects. Currently, empowerment has become popular in developing nations and countries around the world."

**Serageldin (1991)** noted that the empowerment concept has become popular to allow the socially marginalized group of people to attain opportunities that were not available to them before. It is found that giving a voice to the disadvantaged, allows people to have opportunities and access to the tools and the materials they need.

**Narasaiah (2004)** argued that microfinance through microcredit has a crucial role in female participants by offering them new opportunities in society.

**Deivam (2008)** noted that microfinance not only had individual empowerment of women but there was empowerment in their households who were living below the poverty line.

**Nedumaran (2001)** studied SHGs and noted that SHGs increased the social condition of the members and the economic situation as well. They discussed that the number of participants after joining SHG has increased by 23 % in the district of Erode and Tiruchirappalli in India.

**Girija (1995)** discussed that SHGs provide women with self-employment and empowerment through group dynamics.

**Kumaran (1999)** studied the concept of SHGs and the benefits for the participants. He noted that SHGs are involved in income-generation activities and meet emergency credit needs. He further discussed that capacity-building, training, and bank linkages have further increased the confidence and ability of the groups.

**Gurumoorthy (2000)**, argued that women's empowerment contributed to the development and progress of the economy in any country, He noted several implications of SHGs, such as lending women money and inspiring them to be involved in entrepreneurial activities, emergency credit needs, he further explained that SHGs helps women to enhance or improve the equality of the status of members, decision-making, and helped in promoting and mobilize women to participate in planning and implementation of rural development's also promote the socio-economic progress of the community and society at large.

**Dharmalingam (2000)** discussed that women's empowerment through SHG assisted not only the individual(members) but as a group and the community through collective effort. They work to attain economic needs and social development. promoted by eight NGOs that received funds from donor agencies.

**Boraian (2003)**, “examined empowerment through SHGs in Andhra Pradesh and Tamil Nadu. SHGs were promoted by NGOs which received funds from donor agencies. The study found

that regular savings and credit have not helped women to meet their needs but enhance the flow of cash in the household and their groups.”

**(Satya and Puhazendi,2001)**, noted that the involvement of the poor rural women in SHG has significantly contributed to social empowerment.

**Saroj & Singh (2015)**, conducted a study in Rajasthan, Ajmer District on SHGs and the role of microfinance in empowerment. They found that empowerment is vital for development. SHG proved to be necessary for escalating the conditions of women in society. The SHGs allowed women to know about their rights, and entitlements, and take part in various development programs and economic activities for their communities.

**Dwarakanath (2002)**, studied SHGs and reveals that the effectiveness of SHGs and empowerment is linked to awareness programs among rural people. he noted that women who participated in SHGs in Andhra Pradesh Ranga District successfully illustrated how to mobilize and manage the economy, assess the need for the loan, and enforce financial self-discipline.

**Narasaiah (2004)**, “studied micro-credit noted that contribution of female participants is the outstanding phenomena to society and among of the outstanding phenomena to this generation. He observed that microcredit plays a vital role in empowering women, providing women with the opportunity to realize their capability in all domains of society is increasingly important”

**Tripathy (2006)**, conducted a study on micro-credit and poverty alleviation and he reported that microcredit is emerging as one of the actual tactics to alleviate poverty.it effectively generates employment and increases the income of the families by providing them with the opportunity to work. He concluded that more efforts are needed to promote strength and microfinance institutions to enhance the war against poverty.

**Shrivastava and Baghel (2015)** conducted a study on the impact of SHG on the social and economic development of women in Chhattisgarh, Durg District. They used four major independent variables as indicators: Individual economic Indicators, Economic Indicators, community social indicators, and individual economic indicators, to assess the progress of women's socio-economic capacity. They found that the economic and social indicators had a positive significant effect on the women of Chhattisgarh.

**Modkey (2014)** conducted a study on micro-credit and SHGs, he noted that SHGs generate funds collected from groups and individuals regularly, Sometimes, the savings were generated and provided by the external agencies concerned with strengthening and promoting the SHG. He, therefore, concluded that SHGs provide access to loans and credit for the needy.

**Mohanan, (2000)** examined the role of NGOs and microcredit on empowerment, in his findings he discussed the importance of microcredit to women and their empowerment and the roles of NGOs in the domain of microfinance.

**Laskshmikantan (2000)** conducted a case study on SHGs and observed that SHGs helped to improve livelihoods and are effective in providing credit/loans to the members for emergency needs and used for income generation activities.

**Mohana Rao (2013)** studied SHGs. He found that SHGs had a positive contribution to the households of participants in terms of social development skills, confidence, and social empowerment.

**Joy (2001)** noted that “Andhra Pradesh has used SHGs as a device for empowerment and lessening poverty. Further noted that in Andhra Pradesh, the groups largely are the channels through which microcredit is used as a mechanism in helping them to pull out of poverty. The SHGs have empowered poor participants, more than 4.9 million of whom were mobilized into the SHGs”.

**Malcolm (2003)** studied SHGs and micro-enterprises started by SHGs in Warangal District Andhra Pradesh, found that SHGs and entrepreneurship-based SHGs have led to empowerment and generated employment is a critical milestone and road map to empowerment and conduit for loans.

**Gangaiah, (2006)** discussed that positive changes in value and attitude of SHG members are a clear display of socio-economic empowerment. They noted that SHGs reinforce socio-economic programs and the development of household communities, children, and women.

**Nayak (2007)** studied microfinance and SHGs in Odisha Kalahandi District, and discovered that households of Kalahandi benefited from SHGs; almost 89196 households benefited from Bank linkage programs and cooperatives.

**Anitha and Revenkar (2007)** in their study of SHGs and microcredit and empowerment, noted that the SHGs not only change their social status but also improve the economic status of women.

**Vinayamoorthy (2007)** conducted research on empowerment and SHGs in a few selected districts of Tamil Nadu and examined the income, savings, and expenditure of the participants after joining SHGs, they found that SHGs in empowerment were very successful.

**Frank & Tesoriero (2005)**, studied SHGs in the southern Indian state of Tamil Nadu, groups were assessed their success as a microcredit scheme and concerning their gender development. They concluded that women perceived changes in their identity in working as a group to influence changes in their village they were involved in social action programs.

**Pradeep Baisakh (2007)** conducted a study on SHGs in Odisha Kandhamal District and found that there was a positive sign of the empowerment of women as a result of the SHGs. The level of confidence of illiterate women has spiked up substantially and SHGs have balanced the situation of men and women.

**Debnarayan Sarker (2011)** conducted a study in East Bengal to assess the women's involvement in microcredit through SHGs if they experience any positive changes in women empowerment. He used some indicators to assess 'empowerment' such as power, entitlement, self-reliance, autonomy, participation, capacity-building, and awareness. Based on his finding, he reported that women participate in SHGs for a long period, more than eight years of women experience a higher level of empowerment, the study also concluded that women's savings and earnings had a positive significant effect on children and household nutrition.

**Vikas Batra, and Saumya Aneja (2012)** in their study on microfinance and SHGs, noted that SHGs played a major role in the development of the economy's contribution to employment generation and expansion of the entrepreneur base and distribution of wealth among members. **Sanjay Kanti (2012)**, noted that SHGs served the purpose of women empowerment, socio-economic betterment, and social solidarity. He observed that several scholars claimed that the SHGs movement helped to endow participants and lessen poverty.

**Guha Khasnubis and Hazarika(2008)**, noted that women's access to credit or microfinance has improved the food security and status of girl children.

**Hashemi et al. (1996)** conducted a study on microfinance and they noted that credit programs have been fruitful in providing cheaper cost means of transferring scarce resources to poor women.

**(Nanda,1999)** studied a project on rural microfinance in Bangladesh, concluded that women's way into microfinance and authority over resources potentially improve the health status and improved decision-making in a household.

**Rajagopalan (1989)** conducted a study on empowerment and microcredit, he found the linkages between women's empowerment and microcredit. The study used indicators of space available to them as individual participation in microfinance and the larger socio-economic



environment. The finding was positive, noting that SHGs started no more than three years had a significant positive impact on its members.

**Mayoux (1998)** studied microfinance and empowerment, in his study he used a participatory approach to integrate women empowerment into learning programs that contributed to empowerment, he found that microfinance programs are currently used as a strategy for easing poverty and empowerment.

**Nagayya (2000)** noted that an informal arrangement for credit supply to women through SHGs is convenient and fast and used as a promising instrument for promoting income-generating activities. He reviewed the initiatives taken nationwide with a view to institutional arrangements to support this program for the alleviation of poverty among the poor.

**Christen (2006)** studied SHGs and observed that SHGs are profitable to members, he noted that SHGs act as a device through which Banks can reach out to the rural communities effectively.

**Naidu (2006)** reported that the yearly income of the members of SHG has increased to a considerable amount than before joining the group.

**Vani and Malik (2006)** studied SHGs and micro-enterprises and they reported that SHGs fulfil, poverty reduction, employment generation, empowerment, and development of an enterprise. They noted that SHGs increased household economic enterprise and improved economic security SHGs had significant relevance in empowerment.

**Ritu Jain (2003)** observed that SHGs enhance the status of members in decision making and benefited the democratic social and economic aspects of life.

**Sahu & Tripathy (2005)** argued that SHGs have emerged as an instrument in the participatory process of development and empowerment, women are the vulnerable group in the society because of socio-economic restrictions.

**Loganathan and Asokan (2006)** noted that SHGs provide access to credit and help to promote savings for members. SHGs reduced reliance on private money lenders and empowered women.

**Jayacherian (2016)** in her study on the empowerment of women and SHGs in Kerala, argued that SHGs helped women to start-up micro-enterprises that have led to the empowerment of the participants, it has also helped participants to enhance their capability in extra micro-enterprises.

**Rajeshwari & Manimekalai (2014)** examined microfinance that was provided to participants of the SHGs by some NGOs, it was evident that through SHGs participants achieved social and economic empowerment. participants gained skills such as leadership skills, management of the business, organizational skills, etc.

**Punithavathy (2015)** studied the ‘micro-credit and empowerment’ of women participants through SHGs, he noted that micro-credit given to the SHGs helped semi-urban and rural households with an emphasis on female participants.

**Menanbigai (2017)** observed that SHGs have a positive role in modifying the economy of rural areas. Microfinance through SHGs helped to improve the living condition of the poor. SHG is considered a new way in the arena of rural development for poor people, it was noted that SHGs helped participants to improve their economic status of participants.

**Suranjana Mitra and Amit Kundu (2015)** conducted a study on microfinance and SHGs on the impact of SHG on the improvement of households, the study revealed that there were no improvements in the household of the participants despite acquiring loans with low interest. The reasons for the same were the lack of skill-based training programs.

**Satyasai and Puhazhendhi (2016)** examined the empowerment of rural households through SHGs in India, they reported that there was an improvement in the household such as net

income and self-confidence and there is a better treatment in the household. The study established that SHG has a positive influence more on the social aspects than on the economic facets.

**Kumaran, (2013)** studied SHG and the role they play in the socio and economic empowerment of the poor, social aspects were examined such as decision making, etc. The study reported that although several actions have been taken by the SHGs with financial institutions, the number of such groups is relatively few. Therefore, there was minimal improvement in the social and economic aspects of the households.

**Pandian et al,(2013)** examined SHGs and their impacts on rural women, the study revealed that the average intensity value was high for social empowerment which improved the status and partaken in the ‘decision-making’ and it has helped participants to tackle social barriers in their society, the study further noted that the economic empowerment was low among the participants of the SHGs because participants have inadequate access to resources outside the household.

**Krishnamurthy and Ramakrishna (2015)** evaluated the impact of SHGs in India on the economic and socio empowerment of rural participants in Tamil Nadu, the study observed that SHG was successful in terms of social and economic empowerment among the participants.

**Deshmukh Randive (2014)** “conducted a study on SHGs in India Andhra Pradesh, they reported that there was a growth in economic activities and assets of the participants accumulated after joining SHGS. Apart from the economic success SHGs had socially conscious among the participants which have resulted in better family planning and adoption of healthy habits.”

**Selvaraj and Palani (2013)** “assessed the ‘socio and economic’ empowerment of the participants through SHGs and their impact, they noted that there was an improvement in income among the participants and social and economic condition has enhanced after they joined SHG”.

**Satyasai & Puhazhendhi (2015)** examined how the SHGs were performed on the socio-economic condition of the participants in Tamil Nadu. They reported that the SHG has positively backed the social-economic growth and empowerment of the participants of the rural areas.

**Wallace (2014)** noted that the role of SHGs is well considered in poor countries for women's growth and empowerment especially in collective groups or cooperatives in rural areas.

**Sing (2015)** conducted a study on empowerment through SHG and discussed equal opportunities in power-sharing and involvement in decisions at all levels for the accomplishment of the empowerment to be ensured. SHGs helped in designing and implementing a macro-economic and social approach for the participants' such as health which includes both nutrition and health services to be adopted.

**Basanta Chutia(2015)** assessed the impact of SHGs on socio-economic development, the study revealed that SHGs are functioning well in organizing the poor women segment into a self-serviced economic opportunity. SHGs have helped participants to be involved in business for the women participants.

**Rasmeet and Kavita (2016)** conducted a study on SHGs and poverty alleviation in the Jammu region, they reported that SHGs brought social empowerment rather than economic empowerment. The impact has brought confidence, courage, development skills, and empowerment among the women participants. It resulted in their further participation in various social activities.

**Krishna & Ramakrishna (2012)** “analysed micro-credit for the poor in rural areas through SHGs in Visakhapatnam, they revealed that SHGs were successful in achieving empowerment and economic growth, SHGs had a positive impact on the participants in respect of ‘social and economic’ such as enhancement in partaking in the development programs, there was an improvement on decision making, communication skills, and self-confidence and the living standards of living of the beneficiaries has also increased”.

**Padmaja and Rao (2015)** conducted a study on SHGs in Tirupati, they noted that participants contributed to their household income through activities such as agriculture and allied sectors, businesses, etc. The participant especially women were actively participating.

**Chiranjeevi (2013)** argued that women participants have developed self-confidence and self-esteem through SHG, it has also helped to improve the economic situation of the participants, and gender issues, as well as social issues, have improved.

**Preeti and Vikrant (2014)** studied SHGs and their impact on the empowerment of the participants, the study revealed that participants after joining SHGs have become, political, and economic empowered. SHG is playing a significant role in upsurge empowerment. They also noted that SHGs created confidence for social, and economic self-reliance among the women and provided confidence and decision-making power to female participants in their households.

**Dwaraknath (2017)** examined rural empowerment through SHGs in the Gujarat Anand district, he reported that SHGs have a powerful vision of rural women for overall human and community development. SHG has helped rural poor participants and given the way forward for decision-making power for the participants in the household. It has also created greater awareness among the participants about social, and political conditions prevailing in and around the study area.

**(Tanks 2005)** studied SHGs and noted that SHGs are identified as institutions that offer rural people the support necessary towards achieving grander control of their lives, he observed that SHGs in south Asia have the following features: They are economically homogeneous and are formed voluntarily, Membership in SHGs ranges between 10-20 people. They have well-stipulated rules and hold regular meetings.

**(Mohindra 2003)** noted that SHGs are recognized as a source of women's social solidarity. They are considered a women community and are recognized as powerful instruments for resisting society's patriarchal norms.

**Mahinda (2003)** conducted a study on SGHs and empowerment, in his finding of study he reported that SHGs have been renowned as an influential and popular way to achieve women's empowerment.

**(Kilby and Jakimow,2006)** noted that SHGs have emerged as a popular approach for empowerment with over one million SHGs in India.

**Puhazhendhi & Satyasai (2014)** evaluated the condition of living of the participants of SHG after they were linked with the bank,560 households, and 223 SHGs from 11 states participated, the central, southern, northern, western, and eastern regions out of the country was covered. The study reported that participants, after joining SHG there was an improvement in self-worth and communication and an increasing awareness of social evils was assessed through indicators such as a decrease in family violence.

**Gurumoorthy (2012)** studied the microfinance paradigm for poor rural women, and he noted that there was a lack of capital for rural women, they faced barriers such as loan policies and procedures that make credit impossible to access for women, he argued that microcredit can help women to take up farm-allied activities and some business activities.

**Gurumoorthy (2012)** observed that SHGs distribute micro-credit to rural women participants to involve them in small scale-businesses. SHG has helped to uplift the condition of women participants in decision making, economic and social, and cultural dimensions of their livelihood. SHGs have encouraged women to actively participate in the socio and economic development of the nation.

**Sabyasachi Das (2014)** noted that the micro-credit and SHGs model has had a significant role for years and has come as an alternative way for the poor who earlier were regarded as who can attain bank loans. The SHG model does not only provide micro-credit but is aimed at capacity building. The study revealed that it has a different advantages of excellent recovery rate and improvement in the level of income.

**Setupandi (2014)** conducted a case study on the function of SHG, he observed that there was a potential among the women participants of SHGs through mutual understanding and help to become micro-enterprises.

**Rimjhim Mousumi Das (2004)** observed that Microfinance through SHGs has become a rescue for the poor to bring them up to economic, social, and emotional fit. His study also revealed that microfinance not only provides credit but also deals with savings and insurance. The most successful province for microfinance is southern India.

**Susy Cheston and Lisa Kuhn (2004)** argued that microfinance has been very effective in reaching women participants, microfinance has provided opportunities to empower participants and to lessen the possible negative impacts some women participants experience.

**Tripathy (2005)** noted that SHGs have arisen as a vital gadget in the development and empowerment of participants. Female participants are marginalized groups within our societies because of socio-economic limitations. They remain backwards and lower on the social hierarchical ladder, microfinance through SHG is the alternative to lifting them out of poverty.

**Soundarapandian (2014)** Analyzed SHGs and microfinance and their roles in rural settings and in developing rural entrepreneurship, he observed that there was a significant positive growth rate of SHGs and there are several different forms of microfinance and variation among states and SHG linkage was not possible because of the variations.

**Sunita(2013)**, studied SHGs in Saras, she observed that in the post SHG of the women participants, there were changes among the participants such as monetary gains, skill development, and social aspects.

**Deshmukh, (2014)** conducted a study on SHGs in the Andhra Pradesh state he noted that SHGs have been used extensively as an instrument for reducing poverty and empowerment and upsurging livelihood.

**Kilby & Jakimow (2006)** noted that “participation in SHGs, women can participate in activities that they were traditionally restricted to do. SHG has provided participants with opportunities that significantly change their lives. They further classified these changes into four: capable to invest in the education of children, increased in physical mobility, changes in decision making and they can earn money.”

**Sharma, (2001)** conducted a study on SHG, observed that participants of SHGs were empowered, SHG participants were taking part in economic activities and involved in decisions in the household, the level of participation has increased significant changes were also noted in terms of increase in income, assets, and savings. SHGs make the process of development participatory, democratic, independent, and sustainable.

**In (2004)** “the Indian Institute of Public Opinion surveyed the performance of micro-financing through SHGs the main purpose was to assess the reason why the formal financial institution was not available for the poorest to provide credit needs, and to evaluate the progress of micro-financing programs in India. It was reported that through SHG linkage programs the needs of credit the rural poor were provided with loans through financial institutions through SHGs”.



**Dunford (2006)** studied microfinance and reported that microfinance helped poor women to increase income, and savings and improve health and nutrition, and empowerment. The positive impacts of microfinance have grown quickly and become more compelling, it is evident that with cautious confidence, microfinance has the potential to help the accomplishment of the Development Goals.

**Sanyasini (2007)** in his study argued that access to finance while participating in a microfinance program has considerable benefits for the households. There was a strong indicator of the influence of microfinance on women, even though the majority of women were uneducated but they were able to save, borrow, invest and repay and manage their SHG affairs, the financial services, contributed to the household finances and improve their potential in the household and their lives.

**Loganathan (2008)** noted that microfinance has a larger constructive effect on household welfare such as 'per capita household expenditure', education, and non-land household assets. Participating in microfinance women were able to start up small-scale businesses that have empowered them economically. SHG helped to create self-awareness and give a feeling of self-confidence, solidarity and social security among the participants' which have helped to increase income and respect within their household.

**Thelma, (2002)** Observed that "microfinance has helped to minimize the susceptibility of poor households through the property, income encouraging participants by giving them govern over assets and improved self-esteem, he further noted that the participants of SHGs who increase their income had gained greater respect within the household and the decision-making had been enhanced by their better economic standing."

**Shamshad Akhtar (2009)** studied microfinance and reported that microfinance has helped in extending finance to the poor. SHGs have played a noteworthy role in transforming the livelihood of the poor through economic empowerment, he further noted that in Asia the beneficiaries of microfinance have increased of which the majority of participants are women, microfinance in Asia is the largest overall recorded microfinance worldwide.

**Gajbhiye (2012)** studied SHG on the empowerment and its impact on women in Gandhinagar, the main purpose of the study was to assess the socio-economic and empowerment of rural women, the outcomes of the study indicated that there was a drastic reduction in dependency on moneylenders from 25 % to 6 % after joined SHGs, the study also revealed that there was a noticeable change that has happened in the level of participation of the participants in the decisions within the family.

**Lopamudra et al.,(2012)** analyse the role of SHG on the empowerment of participants of SHGs in Pondicherry. The study concluded that SHG played a very noteworthy role in ‘empowerment’ as well as promoted the development of the nation economically.

**Devi (2012)** examined SHG and empowerment in Tamilnadu Chennai, the main purpose of the study was to analyze the economic gains derived by the members post SHG involvement. The study showed that SHGs empower participants financially and help them withstand problems in the community. The problem faced by the majority was the economic hardship, which made it difficult to attend to help their household.

**Sharma (2012)** investigate SHGs and the socio-economic empowerment of participants and their impact on uplifting their status before joining the SHGs and how SHGs have had helpful in socio-economics after joining SHG. The results showed that the empowerment of the participants has elevated after joining SHG and has made an important contribution to the socio-economic of participants and poverty easing among its members.

**Kamini** (2012) conducted a study on empowerment through SHG in Coimbatore, India, the objective of the research was to assess the material, cognitive, social, and relational dimensions of empowerment, the study reported that involvement in SHG allowed addressing problems i.e. lack of social services such as water, etc.

**Shahshikala & Uma** (2011) examined the role of microfinance such as SHG on the empowerment of the participants in the Mysore district in Karnataka. The study discloses that SHGs have been utilized as the cause for empowerment, socio-economic and empowerment of the underprivileged. The tendency of savings, independence in economics, self-confidence, asset accumulation, social cohesion and freedom from debt, and employment opportunities were derived by the SHG.

**Janagan** (2011) conducted a study on SHG and empowerment in India, the study highlighted the level of participation of rural participants in SHGs and the level of empowerment of the participants. The study aimed to know the SHG and the impact on the empowerment of the participants. This study then comes up with recommendations to improve collaborative efforts, to serve these groups more effectively.

**(Amutha, 2011)** scrutinized the empowerment of the participants of SHG, the study found that the participants were 'economic and socio' empowered by participating in economic activities. SHGs were fairly successful in developing entrepreneurship among participants and empowerment in rural parts.

**(Sudipta, 2011)** they examined the participation of members in SHG and whether their participation has a positive impact on empowerment, several indicators of empowerment were used such as self-reliance and power, etc. The research reported that partaking in microcredit such as SHGs for a longer period contributed to a greater level of empowerment. This research also found that participants of SHGs' incomes from the saving and credit have a positive and significant impact on their household nutritional status.

**Kotishwar et al.** (2010) analyzed the SHGs on the empowerment in Andhra Pradesh, the main purpose of the study was to assess and analyze the credit system for the organization of savings, and delivery of credit to the participants. The study discovered that SHGs performed tremendously well in finance as intermediation in the form of small credit.

**Lakshmi et al.** (2011) studied SHG and women empowerment in south India, Tamil Nadu. The results disclosed that SHGs have had a constructive effect on both the ‘economic and social facets of the SHG participants.

### **2.3. Impact of microfinance and SHGs on Households**

**Kabeer (1998)** studied microfinance and establish that the microfinance program has an affirmative impact on increasing assets and income. She stated that women have a propensity to spend their earnings on household consumption and security-related assets such as land while male borrowers invested further in other productive activities.

**(Tesoriero,2005)** noted that partaking in SHGs helps the members to work independently, increase confidence, increase knowledge about saving, borrowing, and debts, along with diminishing dependence on private money lenders.

**Lokesh & Chandrashekar (2009)** reported that SHG’s movement helped people to achieve their desire and needs and determine their destinies through the principle of voluntary participation. Participation in the SHGs helps to increase income, gain political knowledge and develop interpersonal relationships and help with participating in political activities.

**Rahman (1999)** “SHG members are now earning and contributing to their household which has led to a reduction in vulnerability. noted that access to credit reflects on the positive bearing in family income, investment, and social empowerment”.

**(Mahmud, 2003)** studied SHGs and concluded that members spent more time on income-earning work in his findings, he noted that partaking in SHGs and micro-credit program expands women's access to resources like mobility and self-employment.

**Deivam (2008)** studied SHGs in Tamil Nadu on empowerment and SHGs and observed that SHGs lead to benefited households and the community. He noted that the profile of the SHGs almost 84%, of them, were women. He further explained that SHGs provide income from the sale of the products produced and add to the household income of the SHG members, who mostly live below the poverty line.

**Sami (2008)** examined SHGs and micro-credit in India in the context of rural development. He found that microfinance is the best approach for minimising poverty and empowerment, which can be adopted into a cooperative system through strategic and legal support, within cooperative functioning.

**Karttikeya & Baista (2008)** “studied microfinance in India, they attempted to give a comprehensive understanding of microfinance in India, they looked at various institutions involved in microfinance and different models adopted, its strength, weaknesses as well as challenges, they used secondary data and in-depth interviews of experts involved in microfinance to gather data. They found that microfinance sustained in the long term profitably, they further concluded that in the sustainable development and rural economy, the focus must be on the development of rural infrastructure and the rural economy, to ensure that there will be activities that require financing.”

**Chatterjee (2008)** studied empowerment and the SHGs in the ‘socio-economic’ of its members in Bengal, the study reported that microfinance(SHG) provided to SHGs is very productive and has a favourable bearing on income generation and employment. He concluded that SHGs provide a great possibility for empowerment.

**Sharma (2009)** studied the function and formation of SHGs in Himachal Pradesh, he found the successful function of SHGs formed by women of rural villages in terms of the indicators, frequency of meetings conducted, the ratio of members borrowing from groups, amount of money borrowed, the amount saved, the proportion of group linked to the banks.

**Alam & Nizamuddin(2012)** studied SHGs and microfinance in empowerment, they examined women empowerment through SHGs in Haryana, Mewat District, and they noted that the main motives for joining SHGs were not to get credit only. After joining SHGs women were economically empowered. The study discovered that SHGs have a greater impact on the ‘socio-economic’ aspects of the participants.

**Singh and Singh (2012)** studied the social impact of microfinance on SHG participants in Manipur state. They looked at various indicators such as self-confidence level, decision making in the household, social awareness, access to better health and services as well as skill development. They noted that microfinance is recognized worldwide as an effective apparatus for poverty elimination. They observed that there was a momentous upsurge in the indicators shown by SHGs participants after joining the microfinance program. They concluded that indicators such as (self-confidence level, ability to make decisions, and access to better health services ) for measuring the social impact of microfinance had a constructive attitude after joining SHGs.

**(Sharma, 2001)** studied SHG and empowerment he noted that through participation in SHGs, women were empowered, it was evident from the findings of his study, he reported that SHG participation upsurgues and decision making and economic activities in the household and the community, Significant changes were noted in terms of an upsurge in income, assets, savings, borrowing capability and income-generating activities.

**(Akhhar, 2008)** reported that “microfinance global initiatives and campaigns had helped to improve the conditions the vulnerable households, it has changed the welfare of the poor through economic empowerment, he noted that the number of beneficiaries has increased significantly in Asia has now reached 113 million which about the widely held of the participants are women”.

**Puhazhendhi (1999)** in Tamilnadu studied the function of SHGs performance, and the economic impact of participants and sustainability, he noted that SHGs helped towards social change, the positive outcome has led to empowerment and promoted SHGS.

**(Manjula,2000)** studies SHGs and in his finding reported that poor women participants of SHG of increased abilities and potentials to utilize and build their knowledge system and develop scientific awareness of their political-economic, and physical environments’ have helped them to be freed of their isolation and encouraged a feeling of community realization in them.

**Natarjan (2007)** studied micro-credit through SHG, he found that SHGs through micro-credit have come up with the diversification of household economic activities, increased productive activities, and improved economic security. He further noted that SHG is a suitable gadget to ease poverty in the masses by empowering them in all dimensions of their livelihoods.

**Vijay(2001)** studied SHGs and issues related to the change of the position of women in the household through empowerment. He used the participants and non-participants of SHGs to differentiate and understand the status of women. The inferences of the study reported that empowerment had taken place among different classes. women had learned to make personal decisions and developed the capacity to exercise a substantial amount of control over the socio-economic and political conditions that regulate their immediate welfare.

**Nedumaran (2001)** researched in Tamil Nadu on the performance of SHGs and the bearing on the 'socio-economic' effect, this study used before and after analysis to compare the situation of the 'socio-economic' of participants. According to the study, there was an outstanding outcome in the socio-economic improvement of participants in the post SHG status quo. The socio-economic situation of the participants of SHGs improved after being involved in SHGs.

**Satyasai and Puhazhendi (2002)** studied SHGs in India and the results of their study indicated that in households there was an upsurge in assets, and the majority has shifted from poverty to a better way of living after joining SHGs. The results also indicated an improvement in social empowerment through indicators such as an increase in the level of confidence, treatment within the family, communication skills, and other behavioural characteristics.

**Eswaran and Punithavathy (2002)** argued that SHG through micro-credit empowered participants and it continues to improve households in urban as well as rural areas, especially women.

**Rao (2003)** researched SHGs and social changes the purpose of the research was to identify the areas where women of SHGs had become empowered. He noted that SHGs. According to the finding of the study, he found that participation in SHGs and group activities promoted self-esteem among the participants and it has further encouraged participation in 'decision making in the household.

**Kanaga (2004)** in his study noted that participants of SHGs gained economic empowerment and social empowerment through awareness participation towards various issues, acquainting with banks, and co-operatives.



**(Meenanbigai,2004)** his study reported that SHGs perform a tremendous task in transforming the economy of rural households, SHG has helped to change and improve the livelihood of the participants by fulfilling credit needs.

**Suranjana Mitra and Amit Kundu (2010)** conducted a study on the impact of microfinance and SHGs, on the improvement of the household of participants, the study found that there is no impact in terms of the improvement of the households despite acquiring loans with low interest.

**Nirmala,(2008)** in her study on SHGs argued that the socio-economic condition of participants has changed after being involved in SHGs, the study reported that SHG has an encouraging impact on participants in the community.

**Sushil Mehta (2011)** conducted a study on SHG in the Jammu area, according to the finding of the study, the participants after joining SHG's condition of living improved, and the value of assets also increased. He further explained that the participant's confidence levels have increased tremendously, there was also a decline in domestic violence among participants and communication had also improved after joining SHGs.

**(Edwin Gnanadhas, 2011)** in his study on SHG and empowerment, he observed that women after joining SHGs have become economically independent and stronger.

**Anila, (2012)** studied, SHG the results the study reported participants are economically independent because their income levels have increased after joining SHGs.

**Chandrasekar (2012)** in his study on SHG and empowerment noted that participants especially women after joining SHG become economically and socially empowered, participants of SHGs are independent after joining SHGs, and they are making decisions in their households, there was also an increase in assets and properties after joined SHGs.The poverty level has decreased among participants after joining SHGs.

**Das, (2012)** conducted a similar study in Assam, the results have shown that the socio-economic condition of the participants after joining SHGs has improved. The living standards and income has improved among the participants.

**Minimol, (2012)** evaluated the possible bearing of SHGs he found that there was less improvement as a 'result of the absence' of participation among members, he also found that the levels of income of members have increased but not to a greater extent, the study showed that participants especially women are facing major problems such as inadequate support from their families.

**Ahamad Tauffiqu, (2014)** noted that microfinance through SHGs has changed the socio-economic status of women in the household, he concludes that SHGs led to increasing decision making among women participants as well as enhancing skills and courage.

**Simojoki, (2003)** in his study on SHG and microfinance argued that the microfinance programs mainly focused on women and post SHG the participants, the income level has increased, they have control of their earnings and expenditure, they were also able to make a personal decision. SHGs helped in the social and personal empowerment of women.

**(Mamun, 2005)** studied SHG and micro-credit he noted that SHGs through micro-loans helped to empower women, SHGs promoted skills of women and helped them to fight for their human rights in the households and society, also helped in the decision making for the family and the society. It was found that social development is more powerful than the economic one. SHGs provide an opportunity for women to advance their skills and get economic benefits in their local areas.

**Mohammad, (2007)** analysed the influences of microfinance on the living situation of the poor and minimised poverty in Bangladesh. It was established that microfinance through SHGs has helped to uplift the living, and social conditions of participants. It has increased their decision-making power in society and family.

**(Kaliappa and Singh, 2012)**, they conducted a study on SHG in Uttarakhand, they found that SHG is poorly linked to targeting the beneficiaries of the poor, to improving economic phenomena, it is just a general way of uplifting the economic state of affairs in rural areas.

**(Uma, 2012)** noted that SHGs have a possible impact on the empowerment of participants and this possible way is considered to be a potential way of reducing poverty. The main purpose of empowering women through SHGs is to realize their identities, power, and potential in all dimensions of their lives, the idea of SHG helped rural women participants to uplift their livelihoods.

**Klaus and Liu, (2009)** concluded that SHGs participated benefited not only social but economic as well, members enjoy gains in asset accumulation, better nutrition benefits are not limited to those who have been wealthier to start with, there is a momentous asset accumulation among the poorest of the underprivileged participants.

**Jaya, (2011)** in her study of SHG reported that SHG enhances the livelihood of the poor, she noted that ‘capacity building and empowerment’ were used as a tool for strengthening the democratic institutions to empower participants. SHG helped by creating the opportunity for employment and SHG participants had a very significant impact on their livelihoods.

**Chandrashekar, (2009)** in their studies, observed that SHGs enhance the ‘socio-economic’ phenomenon of participants and the country at large. SHGs have an essential role in society and help to increase decision-making and improve the status of the participants.

**Chandarsekar and Prakasha (2012)** studied SHGs in India and concluded that SHGs helped to improve the social and economic empowerment of women, SHG helped to increase personal income and it was noted that participants after joining SHGs were taking part in social activities in their area.

**Singh (2001)** conducted a study in Uttar Pradesh on SHGs, the study stated that participants after joining SHGs assets have increased and the annual income of the households has increased as well. It was noted that the maximum loan was taken to start up small-scale businesses SHGs replaced the money lenders because SHGs offer loans at lower interest when they are needed at any time and for any purpose.

**Gangaiah, et. al (2006)** observed that the microfinance offered by SHGs had a favourable effect on employment and income generation. It was noted that the loan disbursed to the rural women participants has improved the living of the household of the participants. The majority of the beneficiaries utilized the credit for business or investing and improving their educational and health status.

**Natarjan (2007)** reported that SHG has contributed to the modification of household economic status, increased productive activities, and improved economic security. Microfinance and SHGs are perceived as a gadget to lessen poverty by empowering participants in all aspects of their livelihood. Therefore, SHGs through micro-enterprise are a viable tool for promoting rural free enterprise which will further help to alleviate poverty and mitigate unemployment in rural areas.

**Abdul and Yasmeen (2007)** conducted a study on SHGs and found that SHGs have arisen as the most effective strategy in the process of participatory development and empowerment of women participants. Many participants have benefited from greater exposure and awareness, generator control over self, leading to the capability to make informed choices. They get a platform to express, share their problems and increase social acceptance.

**Vinayagamoorthy (2012)** assessed SHGs and empowerment and observed that the revenue of the household improved after joining SHGs, but the savings were increasing at a slow pace because the incremental expenditure was higher.

#### **2.4. Research Gap**

Many studies on SHGs have been done in various parts of India, this literature includes some research that has been done at the national level and other parts /regions of India by several scholars. Much of the research was based on ‘primary data’, even though numerous research has been conducted in India and Gujarat in particular on various dimensions and several aspects such as empowerment etc, comprehensive studies mainly covering the impact of SGH on socio-economic empowerment of the participants of rural households are fairly less. There is a huge gap, contemporary research attempted to seal this gap and this study topic was chosen specifically by a research scholar to bridge that gap. However, this research focused on the socio-economic empowerment of the participants of rural households and brought to attention the effects of various empowerment strategies brought by the SHGs to the household of the participants/beneficiaries.

