INTRODUCTION:-

Self-Help Group or in-short SHGs is now a well-known concept. It is now almost two-decade old. It is reported that the SHGs have a role in hastening country’s economic development. SHGs have now evolved as movement.

Mainly, members of the SHGs are women. Consequently, participation of women in the country’s economic development is increasing. They also play an important role in elevating the economic status of their families. This has led boost to the process of women’s empowerment.

In the recent years, empowerment has been recognized as the central issue in determining status of women. Since women become more potent source of development empowering them is prerequisite for overall development. By empowering women not only make them to share in the development progress but also bring out their lasting efficiency.

Empowerment of women is sinqua non to achieve the goals of social development. It is necessary that women must be brought in the main stream of national development. Programmes by empowering them to discharge all types of roles. Empowerment of women cannot be ignored. While devising various policies for socio-economic development. The economic status of women is now accepted as an indicator of an economy’s level of development. This does not mean that economic development necessarily results in improving the women who constitute about 50 percent of the population.

Empowerment is the recent approach articulated by the third world countries women. It seeks to meet women’s strategic gender needs due to their subordinate position to men, through bottom up mobilization around
practical gender need according to their accepted role in society. It aims at increasing women’s power in terms of their self-reliance and internal strength to determine choices in life and to influence the direction of change.

The empowerment of women through SHGs would lead benefits not only to the individual women but also for the family and community as a whole through collection action the development. These SHGs have collection action. Empowering women is not just for meeting their economic needs but also more holistic social development. The SHGs empower women and train them to take active part in socio-economic progress of the nation.

Formation of SHGs with women has empowered them largely SHGs are now gaining acceptance as an alternative system credit delivery for meeting the credit needs especially to the people who are the poorest of poor generally comprising small/marginal farmers and landless agricultural labors.

The origin of self-help group can be traced is from Grameen bank of Bangladesh, which was founded by Mohamed Yunus. SGHs were started and formed in 1975. In India NABARD initiated in 1986-1987. The absence of institutional credits available in the rural area has led to the establishment of SHGs. The concept of self help groups has been evolved to organize the rural poor to meet their productive and consumption needs out of their saving.

A self help group is a small economically homogeneous affinity group of the rural poor voluntarily coming to gather to save small amount regularly. Which are deposited in common fund to meet member emergency needs and to provide collateral free loans decided by the group.
India has adopted the Bangladesh model in a modified form. To alleviate the poverty and empower the women. The micro-finance has emerged as powerful instrument in the new economy. With availability of micro-finance, self-help group (SHGs) and credit management groups have also started in India. And thus the movement of SHG has spread out in India. In 1991-92 Nabard started promoting self help groups an a large scale. And it was the real take off point for the SHGs movement. In 1993, the Reserve Bank of India also allowed SHGs to open saving accounts in banks facility of availing bank services was a major boost to the movement.

The concept of SHG was not new to Maharastra. Beginning with a tiny amount of only 25 paise, the women of Maharashtra from Amaravati District had established on SHG long back in 1947.

Further in 1988, ‘Chaitanya’ Gramin Mahila Bal Yuvak Sanstha started promoting SHGs in Pune District, informally.

In Southern part of India, ‘SADHAN’, ‘DHAN’ foundation and ‘ASA’ worked to promote SHGs. But their thrust was on economic aspect only. Whereas in Maharashtra, the NGOs not only have catered to the economic needs of the participants, but also involved in the process of social development. Aim of ‘Chaitanya’ is also the same to empower the women in both ways, economically and socially. Presently, numerous NGOs and governmental institutions promote SHGs on a large scale.

CONCEPTUAL BACKGROUND :

Researcher will use the following concepts for his proposed Ph.D. research work.

SELF HELP GROUPS (SHGs) :-

The self help groups (SHGs) are voluntary association of 15-20 people formed to attain a collective goal. Members of SHGs who are homogenous with respect of socio-economic background. The genesis of
SHGs could be traced to mutual aid and trust in Indian rural society. Self Help Groups (SHGs) is the brain child of Noble Peace Prize Winner Prof. Mohammed Yunus who started Grameen Bank of Bangladesh as early as in 1976. Self help groups (SHGs) and Microfinance (MF) is the recent past has emerged as a potential instrument for poverty alleviation and financial inclusion and women empowerment. The basic principles of the SHGs are group approach, mutual trust of small and manageable group, spirit of thrift, demand based lending, collateral free, poor-friendly loan, peer group pressure in repayment, skill training, capacity building and empowerment (Lalitha 1998). In the decade of nineties and twentieths National Agriculture Bank for Rural development (NABARD), Government Organization, Non government Organizations (NGOs), Micro Finance Institutions (MFIs), initiates and started Self help groups for microfinance, micro credit activities for the objectives of poverty alleviation, women empowerment and financial inclusion. Government of India had decided to restructure the self-employment programmes, the earlier programmes were no long in operation. A new programme known Swarnjayanti Gram Swarozgar Yojana (SGSY) has been launched from April 1999. Broadly, the microfinance could be classified into the following model.

1) Grammen Model
2) The group approach.
3) Individual credit
4) Community Banking

In India, group approach model is very popular. The SHGs become the basis for socio-economic revolution and build as a relationship of mutual trust to among members and promoting organization credit delivery through thrift and credit groups.

FINANCIAL EMPOWERMENT POLICY:-
Financial empowerment is enabling access to or delivery of banking services at an affordable cost to the vast sections of disadvantaged and low income groups. Despite encouraging policies and having a wide network of rural banking in India, which implemented specific poverty alleviation programmes though Bank credit, a very large number of poorest of the poor continued to remain outside from the field of formal Banking system. Self help groups programme are intended to reach poor segments of society as they lack access to financial services. Fisher-Sriram (2002) points out that, formal financial sector unsuccessful to recognize the divergence between the hierarchies of credit needs and credit availability.

The Government of India initiatives during seventies and fourth five year plan (1969-74) document focused on small and marginal farmers and agricultural labourers. And now Elevenths five year plan (2007-12) not only focused but emphasis and define the importance of financial inclusion for inclusive growth. The major objectives of the eleventh plan are income, generation, poverty alleviation, financial inclusion, education etc. Reserve Bank of India (RBI) issued guidelines for total financial inclusion and credit requirement of self help groups. Member as envisaged in the paragraph 93 of the union budget 2008-09 where in it was stated as under ‘banks will be encouraged to embrace the concept of total financial inclusion’. A World Bank- NCAER (National Council for Applied Economic Research) survey (2003) on ‘Rural access to finance’, indicating that 70 percent of the rural poor do not have a bank account and 87 present have no access to credit from a formal source of banking. The Rangarajan Committee (2008) has defined financial inclusion as financial services at affordable cost for weaker section, and major recommendation of the committee include launching of a National Rural financial Inclusion Plan (NRFIP) is proposed to be
constituted. Andhra Pradesh which has the biggest financial inclusion (greater than 75 percent) in the country has one of the lowest rural poverty rates of 11.2 percent. Macro data also confirm the positive co-relation between financial inclusion and poverty reduction. INAFI (International Network of Alternative Financial Institution- India) as a network of development NGOs is committed to the financial inclusion. Its members are involved in promoting financial inclusion and poverty reduction. INAFI (International Network of Alternative Financial Institution- India) as a network of development NGOs is committed to the financial inclusion. Its members are involved in promoting financial inclusion through their large microfinance programmes of SHGs Bank linkage.

Microfinance and self help groups activities has been long recognized and practiced in India as a toll for extending banking services to poor and at the same time financially inclusion of weaker section of the society.

**POVERTY ALLEVIATION:**

Poverty line is a financial figure, below which an individual would be considered to be unable to access a minimum acceptable quality of life in terms food, shelter, clothing, and health. Poverty in India has predominantly rural characters. The narrow materialist conceptualization of poverty was as an inability to meet the minimum income requirements or basic needs. Deaton (2007) finds property in India declined from 36.2 percent in 1992-94 to 28.8 percent in 1999-2000. Poverty occurs when people experience severe form of deprivation, the nature of those deprivations remains, however, a keenly debated topic As Amartya Sen has observed, “Poverty must be seen as the deprivation of basic capabilities rather than merely as low income.” (Sen.,1999) The poverty comes in many forms and causes multiple harms. In India poverty estimates is differ from various sources such as planning commission
(27.5 per cent), N.C. Saxena Committee (50 per cent), Suresh Tendulkar Committee (37.2 per cent) Arjun Sen Gupta Committee (77 per cent) at different time period. Unfortunately, though the actual status on poverty in India as of date in ambiguous, with considerable skepticism attached to official figures. The microfinance as a tool in poverty reduction and empowerment particularly in rural areas, has gained credence in development dialogue the world over (Joy and Murthy, 207). Poverty is a multi-dimensional concept though some facts of poverty may be more crucial than others, Illiteracy, low income, unemployment, malnutrition, frequent illness, high infant and child mortality and lower life expectancy and all associated with poverty and majority in rural areas.

Self help groups programme proved that it is an effective tool for poverty alleviation programme. HGs which poor need for their basic requirement is not available in the formal credit system. In these circumstances, HGsservices not only fulfill their productive needs but also satisfy their consumption needs. Overall HGs can help low income people to reduce risk, improve financial activities, raise productivity, increase their income and improve the quality of their lives and empower them for economic growth in India.

SHGs Programmes have become a popular mechanism for poverty alleviation, financial inclusion in many developing countries including India.

**WOMEN EMPOWERMENT:**

Empowerment of woman is a crucial factor in the eradication of poverty, as the woman are the key contribution to the economic at all levels woman participation combating poverty though both remunerative and un-remunerative work at home and the work place the formation of self help groups has provided a lot of confidence among members of self help groups. A large member of woman in the country is gaining self-
reliance with the help of self-help groups. In India, self-help groups represent a unique approach to financial inclusion. Self help groups-Microfinance activities helps the poor, women is not just obtaining loans but also inculcating in them habits of savings, credit and investing in micro insurance and money transfer services. Members of self help groups participate and improving access to micro credit management, marketing skills, and capacity building to promote financial inclusion, and empowerment.

Kudumbashree (prosperity of the family) is an ambitious poverty alleviation and women empowerment programme started by Government of Kerala in 1999 with the aim of eradicating absolute poverty. Under this programme, women empowerment was seen as the key to bring out families of the poverty trap and micro credit activities through self help groups.