Review of the Related Literature

The primary data has been collected through the structured questionnaire and direct interview from a group of SHG members in Karur District was conducted. Census method was employed and 184 members in self help group have taken for the study. Based on the analysis and interpretation the researcher arrived at the major findings in this study and suggestions were given in such a manner that will be useful, relevant and significant to the present Indian scenario. Officials of Commercial Banks and RRB’s together account for 50 per cent of total participation followed by Co-operative banks at 45 per cent and the balance 5 per cent by NGO’s. Southern region accounts for over 2/3 of total proportion. Satya Sundaram (2005) stated that micro-finance in India is making steady and satisfactory progress. NABARD has set a goal of covering 10 million poor, i.e. one third of the country’s poor population through one million SHG’s by 2003. Thorat (2005) stated that micro-financial services provided to the poor in sustainable manner is consistent with high repayment rates. Which meant that if the services to the poor were provided in a sustainable manner than the beneficiaries would go in for repayments that are quite high in consideration to a staggered manner of provision of services.

(1) Andriopoulos, C. (2001)

Microfinance is gathering momentum to become a major force in India. The self-help group (SHG) model with bank lending to groups of (often) poor women without collateral has become an accepted part of rural finance. With traditionally loss-making rural banks shifting their portfolio away from the rural poor in the post-reform period, SHG-based microfinance, nurtured and aided by NGOs, have become an important alternative to traditional lending in terms of reaching the poor without incurring a fortune in operating and monitoring costs.

(2) Sharma Mona Devidutt (2014)

Microfinance programmes like the Self-Help Bank Linkage Programme (SHG) in India have been increasingly hailed for their positive economic impact and the empowerment women. This is based on the view that women are more likely to be credit constrained, have restricted access to wage labour market and have limited decision-making and bargaining power within the household. This article argues that true women empowerment takes place when women challenge the existing norms and culture, to effectively improve their well being.
(3) Bhagora, Ashish Eliyahbhai, (2014)

In country like ours, millions of deprived human resources, especially those working in the self employed or informal sectors tend to get trapped in the vicious cycle of poverty. In spite of all the labour they don’t get much of favour and remain vulnerable, asset less, indebted and trapped in the continuous process of decapitalization. Lack of capital is the major hurdle for the poor to uplift themselves higher in Socio-Economic stratum.

(4) Chaudhary, Sunil P., (2014)

“Microfinance” is often defined as financial services for poor and low-income clients offered by different types of service providers. In practice, the term is often used more narrowly to refer to loans and other services from providers that identify themselves as “microfinance institutions” (MFIs). These institutions commonly tend to use new methods developed over the last 30 years to deliver very small loans to unsalaried borrowers, taking little or no collateral.

(5) Pandey Poonam B. (2014)

Microfinance is the provision of financial services such as loans, savings, insurance, and training to people living in poverty. It is one of the great success stories in the developing world in the last 30 years and is widely recognized as a just and sustainable solution in alleviating global poverty. Microfinance organizations make it a priority to serve the particular needs of women, since a staggering 70 percent of all those living in extreme poverty are female.


Women are an integral part of every economy. All round development and harmonious growth of a nation would be possible only when women are considered as equal partners in progress with men. Empowerment of women is essential to harness the women labor in the main stream of economic development.
**Tools of Women Empowerment:** For the improvement of women empowerment there are some tools for empowerment of women which are given below.

(7) **Hermel, P. and Pujol (2003),**

Micro credit is emerging concept in our Indian economy. It plays a vital role to boost up the micro, small and medium enterprises with satisfying them financial needs. During the last two-three decades, Indian women have entered the field of entrepreneurship and these numbers are going on increasing.

Many factors like urbanization, technical progress, women education, etc., have profoundly changed these traditional conditions even in a developing country like, India. It is the responsibility of the central government to provide financial assistance and schemes with purpose of boosting the women empowerment. Women Entrepreneurs are also facing the various challenges and problems not only social concerned but also financially.

(8) **Hillman, G.P. (1994)**

Microfinance programmes are one of the most important interventions in developing country efforts to reduce poverty like India. Recent years have seen a huge growth of the sector in terms of numbers and size of organisations, numbers of clients and provision of subsidised donor funding. Impact assessment is more than just the monitoring of performance outcomes.

Microfinance has a very prominent role to play in developing economy. Microfinance is beneficial not only in urban areas but also in rural areas. There are nationalized and private banks in urban areas; the condition is not similar in the rural areas. Therefore, the rural areas require more prominence.


Micro finance gained attention in 1970 to provide small money loans to poor individuals who lack the capability of borrowing from established commercial banks. It was designed to assist poor individuals to create or expand small business and eventually move from informal sector to the formal sector.

(10) **Pandya, G. and Joshi, Shashank Y. (2014)**
Microfinance programs have been increasingly promoted in India for their positive economic impact and the belief that they empower women. Within the South Asian context, women empowerment is a process in which women challenge the existing norms and culture, to effectively improve their well-being. The article investigates the impact of microfinance on women’s empowerment, using 2000 and 2003 Indian household survey data.

Most microfinance programs target women with the explicit goal of empowering them. However, their underlying premises are different. Some argue that women are amongst the poorest and the most vulnerable of the underprivileged. Others believe that investing in women’s capabilities empowers them to make choices, which will contribute to greater economic growth and development.

(11) Patel, Madhukant & Brahmbhatt, Mamta, (2014),

Micro Finance is the supply of loans, savings, and other basic financial service to the poor. CGAP To most, microfinance means providing very poor families with very small loans (micro credit) to help them engage in productive activities or grow their tiny businesses.

The Indian microfinance sector presents a strong growth story. Its growth performance was impressively sustained through the liquidity crunch and continued at an increased rate in the second half of 2009.

(12) Patel, Parul I., (2014),

Micro finance is providing the facility of financial services such as deposits, loans, payment services, money transfers and insurance to low income group and poor portions and their Tiny and small enterprises. It is an effective tool for making the banking services accessible to the rural community, where facility of banking is not easily available to all these people.

Micro finance provides the facilities is the provision of broad range of financial services such as deposits, loans, payment services, money transfers and insurance to poor society and low income family for their micro enterprises. It is an effective tool for making the banking services accessible to the rural community, where the facility of banking is not easy to rural fallow and poor persons.

(13) Politis, J. D. (2005),
The World Bank’s definition of empowerment within the South Asian contexts and makes comprehensible distinctions between community driven development, efficiency improving activities that are culturally considered to be women’s domain and activities which truly empower women.

In most of the developing countries today, more and more emphasis is laid on the need for development of women and their active participation in the main stream of development process. It is also widely recognized that apart from managing household, bearing children, rural women bring income with productive activities ranging from traditional work in the fields to working' in factories or running small and petty businesses.

(14) Raval Hetal J. (2014)

Microfinance programs target both economic and social poverty. To assess the effectiveness of these programs, Microfinance Institutions (MFIs) need to measure the impact of such programs on the borrowers. The theme of this paper pertains primarily to social impact assessment studies. As opposed to studies on economic impact, information on social impact indicators is usually limited and descriptive and cannot be used as a basis for numerical reasoning, quantification, forecasting and making predictions of how microcredit programs transform livelihoods.

(15) Shah, Twinkle Hareshbhai, (2014),

The fight against poverty is interest in as a social goal and many governments have some dedicated institutions or departments. In general, the government can directly help those in need. However, another method in helping to fight poverty is to use microfinance system. Microfinance tries to fight global poverty and bring opportunities to the world's poorest people.

(16) Vyas, Sagar (2008)

Micro-finance programs targeting women have become a major plank of donor poverty alleviation strategies in the 1990s and funding is set to further increase into the next century under governments, Non-Governmental Organizations (NGO’s), some initiatives and donor agencies activities.

Although women’s access to financial services has increased substantially in the past 10 years, their ability to benefit from this access is often still limited by the disadvantages they experience because of their gender. Some MFIs are providing a decreasing percentage of loans to women, even as these institutions grow and offer new loan products. Others have found that on average women’s loan sizes are smaller than those of men, even when they are in the same credit program, the same community, and the same lending group.

(18) Buch Heeral Tallinkumar (2014)

Gender biases in property and inheritance laws and in other channels of acquiring assets also leave women and children at greater risk of poverty. Finally, the "feminization of poverty" is a phenomenon that is unfortunately rising. Women are increasingly the ones who suffer most from the poverty.


The concept of women empowerment was introduced at the International Women’s Conference at Nairobi in 1985. The term empowerment was defined as a distribution of social power and control of resources in favor of women. Women are an integral part of every economy. All round development and harmonious growth of a nation would be possible only when women are considered as equal partners in progress with men.


Micro finance is emerging as a powerful instrument for poverty alleviation in the new economy. In India, Microfinance scene is dominated by Self Help Group (SHGs)-Bank Linkage Programme for providing financial services to the “Unreached Poor” which has been successful not only in meeting financial needs of the rural poor women but also strengthen collective self help capacities of the poor, leading to their empowerment.

(21) Acharya, Sangeeta (2014)

A microfinance institutions is generally defined “As an institution that provides financial service to the poor”. The term micro finance refer to the provision of financial service to lower income group which also include self employment people.
(22) Desai, Mona & Patel, Rupal, (2014)

Micro finance means finance to individual or a priority sector or a small unit. Micro finance means transfer of resources and mobilization resources from upper level to lower level for more and stable development.

(23) Chaudahari, Babubhai, (2014)

Empowerment is not something which could be made available in the form of a capsule to those women we think are in need of it. It was not just a concept that could be defined with the help of some universally accepted parameters.

(24) Joshi, Manisha P. (2014)

A microfinance institution is generally defined “As an institution that provides financial service to the poor”. The term microfinance refers to the provision of financial service to lower income group which also include self employment people.


Empowerment of women defined their attitude values and behavior in relation to their own real interest. They have autonomy because they claim their freedom from existing male hierarchies whether they live in traditional society or modern industrial schemes.

(26) Patel, Madhukant & Brahmbhatt, Mamta (2014)

Throughout the world, poor people are excluded from formal financial systems. Exclusion ranges from partial exclusion in develop countries to full or nearly full exclusion in laser developed countries.


Micro finance is emerging as a powerful instrument for poverty alleviation in the new economy. In India, microfinance scene is dominated by self help group bank linkage programme for providing financial service to the Unreached poor which has been successful not only in meeting financial needs of the rural poor women.