

Neoliberal economy, Micro-finance and question of marginalized women: A case study of semi urban area of Delhi

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ABSTRACT

This paper focuses on the Neoliberal economy, micro-finance and marginalized women. The main analysis is based on field research in the semi urban areas of Delhi. In this area, a study of three different types of micro-credit models was undertaken, namely, the Self Help Groups Bank Linkage Model, the Government Linkage Programme and some Self Help Groups formed by a Women's Organization. The study documents the experiences of women after they have joined the Self Help Groups and attempts to study the broader questions related with the impact of Self Help Groups on the women's employment and livelihood. It shows that where women attempt to use microcredit for employment and livelihood, their options are limited by lack of access to marketing. It further shows that NGOs and MFIs involved in micro credit do not make any real efforts to support or enable employment and livelihood for SHGs members. The study is based on primary research. It includes a profile of the voluntary agencies and an analysis of the impact of their programme on women. Case studies of women beneficiaries are used to study the process. Coordinators and organizers of different SHGs were also interviewed for this purpose. The area of study is semi urban Delhi. To understand the women's profile and their status, an interview schedule was used. More than hundred women respondents were interviewed and the opportunity was also utilized to have informal discussions. Unstructured but in – depth interviews and discussions were also held with the organizational staff of various NGOs, MFIs operating in the study area.

Key Words : Women development, Micro credit, Women's employment, SHG, Micro-credit models, Marginalized women

INTRODUCTION

Micro-credit has several strengths. Even during the social banking phase, it is undeniable that bureaucratic functioning and haughty attitude of officials made banks highly unapproachable for the rural poor. Going into a bank branch has always been a forbidding experience for village people, especially women. The requirement of collateral, and the fact that credit would only be provided for productive purposes, make it harder for the poor to access bank loans. Banks do not provide credit even for basic necessities like health and

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education and with the advent of reforms, this limited access to credit has fallen even further. In such a context, micro-credit offers a new ray of hope for the rural poor.¹ It makes finance accessible and available for consumption needs. Freedom from the need for collateral is the other great attraction of micro-credit.²

Two broad approaches, namely self help groups bank linkage programme (the SBL model) and links with micro-finance non-banking institutions (MFI model), are used to link the micro credit with formal financial institutions sector in India. While the MFI model is the more favoured model internationally, the SHG bank linkage is the more popular model and is unique to India. This chapter analyses the main features and contours of the SHG bank linkage programme. In order to assess the ground level situation it also analyses the operation of the programme amongst the SHGs formed by NGOs in Madanpur Khadar- A semi urban area of Delhi.

SHG-Bank Linkage Programme (SBL):

The origins of the self help group bank linkage programme can be traced to a NABARD initiated pilot project of 500 SHGs in 1992. Thereafter the programme was expanded and it became one of the most important with NABARD playing a key role. Because of this, the RBI included Linkage Banking as a mainstream activity of banks under “priority sector” lending in 1996. NABARD however, does not work directly with the women but works through partner NGOs³ like MYRADA, PRADAN and DHAN. By March 2006, over 22 lakh SHGs had been provided with bank loans. They covered over 3 crore house-hold and had disbursed Rs. 11,398 crores to their members. In comparison, the loans to 162 MFIs in India were estimated to be around Rs. 1,600 crores in March 2006.⁴ As a result of these efforts the programme has become a major strategy for delivering financial services to the poor in a sustainable manner. By the end of March 2007, as many as 29.25 lakh SHGs had been given credit and 400 lakh poor families had got linked to banks.

If we look at the development of this programme, we see that it was started as an Action Research Project in 1989 which was the offshoot of a NABARD as seed money assistance for experimenting with credit management groups. In the same year the Ministry of Rural Development provided PRADAN with support to establish SHGs in Rajasthan⁵. Gaining experience through this, the pilot project was run by NABARD in 1992 and was designed as a partnership model between three agencies: SHGs, bank and NGOs. This was reviewed by a working group in 1995 and this led to the evolution of a streamlined set of RBI approved guidelines to banks to enable SHGs to open bank accounts, based on a simple

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1. Bharat Gyan Vigyan Samiti, A Guide Book of SHGs (Hindi), 2008, New Delhi, p.37
 2. National Bank for Agriculture and Rural Development, “Guidelines for Pilot Project for Linking Bank with SHGs”, 1992, , Mumbai.
 3. S.K.Das, B.P.Nanda and J.Rath, “ *Micro finance and Rural Development in India*”, 2008, New Century Publications, New Delhi, p. 42
 4. K.G.Karmakar, “ *Microfinance in India*”, 2008, Sage Publications, New Delhi, pp. 113-114
 5. National. Commission for Women, “*Research Study on Effectiveness of Women Self Help Groups in Micro Enterprises Development in Rajasthan and Tamil Nadu*”, 2008, New Delhi.

“interest” agreement. This was coupled with a commitment by NABARD to provide refinance and promotional support to banks for the SHG – Bank Linkage Programme.⁶ Initially there was a steady progress in the programme up to 1999 as only 32,995 groups were credit linked during the period 1992 to 1992. Since then the programme has been growing rapidly and the number of SHGs financed increased from 81,780 in 1999–2000 to more than 6.20 lakh in 2005 – 06 and 6.87 lakh in 2006 – 07.

In the above context it is pertinent to consider the growth of the SBL programme. The total number of SHGs in 1992-93 with a total savings of Rs 0.29 crore and a total amount deposit by NABARD of Rs. 0.37 crore. However, as table 1 shows, there is a yearly increase in the numbers of SHGs, their savings total amount and in deposited amount by NABARD year by year. The year 1999-2000 can be marked the most successful year for the development of SHGs the number reached over one lakh and the total bank loan reached upto Rs. 200 crore. The money deposited by NABARD reached upto Rs. 150 crores. It is clear that the period of the reforms spurred the growth of SHGs. As shown in Table 1 in the 2005-2006, the number of SHGs incresed by 2238565, bank loan amount reached upto Rs 1139755 crore and re-finance by NABARD reached upto Rs 4156.56 crore. Thus, we can say that India has been become a big centre for micro credit through the re-financing programme of ‘NABARD’⁷.

Sr. No.	Year	No. of SHGs	Bank Loan	NABARD Re-Finance (Rs.Crore)
1.	1992-93	255	0.29	0.27
2.	1993-94	620	0.65	0.40
3.	1994-95	2,112	2.44	2.30
4.	1995-96	4,757	6.06	5.66
5.	1996-97	8,598	11.84	10.65
6.	1997-98	14,317	23.76	21.38
7.	1998-99	32,995	57.07	52.06
8.	1999-2000	114,775	192.87	150.13
9.	2000-01	263,825	480.87	250.62
10.	2001-02	461,478	1,026.3	796.47
11.	2002-03	717,360	2,048.68	1,418.80
12.	2003-04	1,079,091	3,904.2	2,124.20
13.	2004-05	1,618,456	6,898.46	3,092.01
14.	2005-06	2,238,565	11,397.55	4,156.56

Source: Various issues of Progress of SHG – Bank Linkage in India , NABARD, Mumbai

Government Linkage Programme:

As in all developing countries, in India development was considered to be the government’s responsibility and it started several subsidy – linked credit programs where it

6. S.K. Das, B..P. Nanda, and J. Rath, “*Micro finance and Rural Development in India*”, 2008, New Century Publications, New Delhi, p.151.

7. K.G.Karmakar, “*Microfinance in India*”, 2008,Sage Publications, New Delhi, p.53

had a major role right from the stage of identifying of the borrowers to the disbursement of credit and subsidy. To overcome this, government started adopting participatory approaches to development particularly the Self Help Group approach. The entry of the government into the Self Help Group movement was through the Rashtriya Mahila Kosh which started funding NGOs for forming and nurturing Self Help Group. Later, the Indira Mahila Yojana came into existence, which also facilitated the group formation and nurturing process. Few states like Andhra Pradesh, Maharastra, Karnataka and Tamilnadu taken very successful initiatives in this regard⁸.

In India a number of micro- credit schemes have been introduced, first in form of cooperatives and later in form of loan meals for rural financing. Targeting women – specific programmes however started much later mainly by NGOs such as SEWA, PRADAN, MYRADA etc. the government later entered this arena through Rashrtiya Mahila Kosh, Indira Mahila Yojana, STEP and through NABARD. Of late the Rural Women’s Development and Empowerment project know as ‘Swashakti’ has reached a take off stage in nine States by involving NGOs fully for its delivery of various components of the project leading to holistic empowerment of women, by making them stakeholders along with the State Government Departments, Banks and beneficiaries.

There has also been a significant shift in the manner of funding the schemes. The Micro – Credit Rating International Ltd. (M- CRIL) in a study found that micro – finance had started to shift from being almost exclusively donor funded to being significantly finance through debts. Loan funds were sourced increasingly from apex level NGOs and development banks like NABARD and SIDBI, cooperative banks such as SEWA and even commercial banks⁹. The Reserve Bank for example has been actively intervening to ensure that development banks and commercial banks play a active role in financing the Self Help Group and small micro-banking loans and such other bureaucratic red-tapes¹⁰. The government promoted Self Help Groups through the following programmes in various parts of India to strengthen Self Help Groups movement: like, Development of Women and Children in Rural Areas (DWCRA) Groups, Anganwadi groups, Swarna Jayanthi Shahari Rozgar Yojana (SJSRY),and Swarnjayanthi Gram Swarozgar Yojana (SGSY) Swarnjayanti Gram Swarozgar Yojana (SGSY) which has been launched to eradicate unemployment problems and give economic assistance to the rural poor and downtrodden peoples; is one the major microfinance programme in the country¹¹.

Swarnjayanti Gram Swarozgar Yojana (SGSY) is the largest self – employment

8. National Commission for Women, “Research Study on Effectivness of Women Self Help Groups in Micro Enterprises Development in Rajastjhan and Tamil Nadu”,2004, 22 December,New Delhi, p. 17

9. NABARD, “Impact and Sustainability of Self help Groups Bank Linkage programme, Submitted to GTZ”, March .2008, *National Council of Applied Economic Research*, Final Report.

10. Ibid, pp .18 -19

11. Rabi . Ranjan, Paper Present on “Microfinance in India : A Spatial Analysis of SHG- Bank Linkage and SGSY Programs”,Department of Economics,21 – 24 . February, Jamia Milliyya Islamia University, New Delhi.

programme for the rural poor. The assisted families may be individuals or groups. However, the emphasis is on the group (SHG) approach. Since inception (1999- 2000), a total of 2270227 SHGs has been formed under SGSY till March 2006 and Rs 659210 lakh has been disbursed. Here also Andhra Pradesh (20 %) has the maximum number of SHGs formed followed by Uttar Pradesh (14%)¹². However, the growth of SHGs under SGSY programme is relatively less than the SHG – Bank Linkage programme of NABARD. The reason for the slow progress is that the SGSY is a process oriented scheme and the initial preparatory works, that is organization of poor, formation of SHGs, their training and capacity building, gradation of groups requires substantial time and follow up. Also the delay in sanction and disbursement of loans by Banks lead to slow progress of the SGSY programme¹³.

Table 2 : SGSY – State wise amount disbursed to SHGs per 10000 Rural Households									
Sr. No.	State	2000	2001	2002	2003	2004	2005	2006	Growth rate
1.	Andhra Pradesh	7.31	12.67	17.75	22.66	28.56	34.29	46.04	24
2.	Arunachal Pradesh	0.13	5.78	8.68	10.22	13.15	15.15	18.36	21.3
3.	Assam	0.98	2.15	4.66	13.18	29.47	50.18	69.74	78.5
4.	A & N Islands		5.07	11.23	13.3	13.05	19.41	20.14	25.8
5.	Bihar	1.14	2.32	3.57	5.6	7.95	11.42	17.56	40.1
6.	Chhattisgarh		2.16	5.39	9.18	12.47	18.96	27.59	52.9
7.	Damman& Diu		0.41	4.88	4.48	4.11	3.77	3.46	42.5
8.	Goa			1.69	3.12	3.86	8.16	12.63	49.5
9.	Gujarat	1.08	3.24	4.72	6.4	8.33	10.64	12.79	25.7
10.	Haryana	0.87	2.6	5.09	10.56	19.12	26.94	39.6	57.5
11.	Himachal Pradesh	3.4	14.1	26.93	35.59	48.63	59.64	74.84	32.1
12.	Jammu & Kashmir		0.4	1.41	2.62	5.15	7.34	9.97	71
13.	Jharkhand		0.83	2.44	4.34	7.38	13.05	23.11	74
14.	Karnataka	4.14	10.29	20.47	29.53	39.99	52.81	66.29	36.4
15.	Kerala	1.97	5.01	8.05	11.75	16.34	22.69	29.4	34.3
16.	Lakshadweep					0.59	0.57	6.14	118
17.	Madhya Pradesh	2.65	6.14	11.03	19.27	32.75	48.87	66.12	48.6
18.	Maharashtra	2.78	6.85	12.77	20.07	29.09	40.91	52.86	40.6
19.	Manipur							9.57	
20.	Meghalaya			1.22	2.8	8.18	12.39	18.44	72.1
21.	Mizoram		13.55	24.11	34.75	49.54	63.83	73.2	32.5
22.	Nagaland	3.22	6.99	10.26	12.63	20.43	19.89	24.62	23.3
23.	Orissa	2.11	6.19	9.82	14.68	25.94	43.53	63.46	47.4
24.	Pondicherry	0.5	0.74	11.49	28.04	40.31	46.25	71.81	114.5
25.	Punjab	0.46	2.2	3.21	5.58	8.15	10.01	12.9	34.3
26.	Rajasthan	0.18	0.33	0.91	2.59	5.45	10.93	16.93	92.6
27.	Sikkim	1.45	2.33	5.19	5.67	9.1	23.55	37.32	58.8

Table 2 contd...

12. NABARD, Annual Report, 2005 – 2006, Mumbai

13. Ibid.

Table 2 contd...

28.	Tamil Nadu	10.13	24.35	32.84	39.89	48.56	61.23	72.55	20
29.	Tripura		0.49	0.84	2.43	4.82	31.31	71.09	129.2
30.	Uttar Pradesh	0.12	0.43	3.62	11.01	23.52	40	62.79	129.5
31.	Uttaranchal		0.81	8.82	22.47	41.64	58.57	94.42	120.9
32.	West Bengal	0.01	0.14	0.34	1.12	3.15	6.15	8.62	99
33.	India	2.3	5.3	9	13.9	21.2	30.7	42.5	41.3
	CV	120	114	94	82	78	70	70	

Source: Computed from SGSY data, MoRD, GoI.¹⁴

The phenomenal growth of Self Help Groups (SHGs) indicates that the weaker sections of the societies are also capable of sharpening their micro –entrepreneurial skills with the help of their own savings and additional bank credit, as needed¹⁵. The table 1 and 2 can be seen at the end of chapters, it shows SHGs formation (cumulative) and Growth Rate of different year between 2000 to 2006, under different states in India. In 2000 the highest number of SHGs formed in Andhra Pradesh(135.6) under SGSY and lowest number of SHGs formed in Rajasthan only 0.9 The above data also shows the Growth Rate of SHGs under 2001 to 2006, SHGs Growth Rate is highest in Tripura (2001- 06) and lowest Growth Rate of SHGs in Lakshadweep, only 8.4%. (Table 2)

The Table 2 shows, state wise amount disbursed to SHGs per 10000 Rural Households (cumulative data) Year 2000 to 2006, SHGs amounts disbursed Growth Rate is high in Uttar Pradesh (129.5) and lowest in Tamil Naidu only 20. 0 percent data sheat also present India's label Growth rate of 41.3 per cent disbursed to SHGs per 1000 Rural household cumulative.

Profile of Madanpur Khadar : Field area for case study:

The Delhi Government re-established slum dwellers of Alaknanda and Ambedkarnagar of South Delhi at Madanpur Khadar in year 2001¹⁶. Madanpur Khadar is divided into several blocks it represents slum population thoroughly. Delhi Government allotted land to slum dwellers as compensation on equal basis, for constructing a new colony while aiming at uplifting their lives so that they can start afresh. This place belongs to underprivileged and poor section of the society. Madanpur Khadar consists of a total population of 3260 households having 15000 people and consisting of 8200 males and 6800 females¹⁷. Almost all people are working in unorganized sector, very few have their own business- like selling eggs, vegetables, other eatables etc. But some of them are also working in factories. These people have migrated from other states such as Bihar, Bengal and Orissa. Here women are working as mostly working as domestic help and few of them have their own small business like papad making, spices, packing and sewing.

14. Rabi Ranjan, Paper Present on "Microfinance in India: A Spatial Analysis of SHG – Bank Linkage and SGSY Programs", Department of Economics, 21 – 24 February, Jamia Millia Islamia University, New Delhi.

15. Kurukshetra, "Deal with Saving and Credit Groups as a System", Vol.51 No.10 August 2003.

16. Census of India, Town Primary Cencus Abstract for Slum Area , 2001, New Delhi

17. The Hindu , *M.C.D.Dovelopmental Plan*, 2004, Tuesday, July, 13, New Delhi.

While conducting this study gender discrimination is quite visible here as a larger number of women are working in comparison to men¹⁸. On the one hand women work all day in other's houses as domestic help, on the other hand their men are involved in non-productive activities like gambling, smoking, drinking and other idle activities at home while they enjoy the women's earnings. Though few families have both working members¹⁹, but overall the situation of women is not satisfactory. We can say that the main reason of this situation is unemployment, low income and illiteracy. The literacy rate in Kalkaji Block (Madanpur Khadar) is 79.1% which has 64.69 per cent female literacy rate and 82.46 per cent male literacy rate²⁰.

It was also found that female literacy rate is very low (in Madanpur Khadar near about 42%)²¹. Almost 90% women are sending their children to school. Earlier they were working with their parents. Few children are studying in private schools with home tuitions. Whereas few parents are not capable to send their children to schools as their economic condition are not stable. But there are some parent who are trying hard to educate them. Education facility is not appropriate here. As a resident of that area, Basanti, said "Schools are far away from this place, so parents feel insecure and are not sending their girls to schools"²². Her comment reveals that this place is not secure for women. The insecure environment of areas was also evident while the scholar asked for an autowallah to go there. His response was- "Madam local people beat us and robe our money, valuables, so we avoid going there in the night"²³.

In addition to this the social and the basic infrastructure of Madanpur Khadar is very poor. no power connections, Since the reestablishment of slum in 2001, residents lived in dark almost for three years till they were given power in 2004²⁴. Further the conditions of health and sanitation are abysmal and the impact of this is felt on women. For example there are no clean toilet and even though the Delhi Government has built a toilet here, people have to pay for it. The women of the area raised their voice against this in their SHG meetings and ensured that women and children will not have to pay more than one time. Apart from this people are subject to regular health problems and there is no primary health care facilities or hospitals in the area²⁵. In 2008, several NGOs put their AIDS and family planning camps

18. According to SHGs Members Interview and its Families Income Profile, Madanpur Khadar, New Delhi

19. Ibid,

20. Kalkaji Block Report, S.D.M.Office,2005, New Delhi.

21. Deepalya NGO Survey, Madanpur Khadar 2008, New Delhi.

22. Basanti , Coodenator of Bhawna Group, Deepalaya NGOs, 2010, Madanpur Khadar, New Delhi, 5 January

23. Ramesh Sah, Auto Driver, Kalandikunj Area, 2010, 5.30.P.M, New Delhi, 17 January

24. The Hindu, 2007, "Delhi Development Authority took efforts to ameliorate the situation and after visit of Chief Manister Sheila Dikshit and Ramvir Sing Bidhuri, an MLA of Badarpur the colony got electricity. Before this the colony was deprived even of basic amenities and the residents were living in hell like conditions", 2007, June 29, Friday,p.4

25. Observation of Area, January, 2010, Madanpur Khadar, Delhi.

over here for few days²⁶. But it is the government's responsibility to provide them proper health facilities.

The Comparative Statement and Characterizes of Surveyed Women:

It has been often stated that poor women are eager and enthusiastic about forming self help groups and the social composition of the surveyed population shows this:

Table 3 : Social composition				
Social Group	Bank Linkage	Government linkage pro.	Women Organisation	Percentage
General	4	4	4	10.90%
O.B.C.	17	10	7	30.90%
S.C.	24	17	23	58.18%
S.T.	-	-	-	0%
Total	45	31	34	100%

Source: Primary data

The table above shows that out of the 110 women surveyed 64 members are from scheduled castes that makes 58.18 per cent, while there are 34 OBCs or 30.90 percent. There are only 12 members or 10.90 per cent from the general caste. The survey showed that the SC women were mostly illiterate and socially and economically backward. The educational status of the women is shown below.

Table 4 : Educational Status of SHG					
Status	Bank Linkage	Government Linkage	Women Organisations	Total	Percentage
Illiterate	43	37	58	138	35.84%
Below Primary	21	15	31	67	18.71%
Primary	30	24	30	84	23.46%
Middle	19	12	26	57	15.82%
High School	3	2	3	8	2.23%
Intermediate	0	0	3	3	0.83%
Graduate	0	1	0	1	0.27%
Total no. of members	116	91	151	358	100%

Source: Primary data.

The table above shows that the number of illiterate women is large. This is visible in all three models. Mostly women are educated at primary level. Only one woman has degree level education among all three models. Among 357 members, only 8 women are educated at high school level and 3 women at intermediate level. Thus, we find that women of SHG'S are less educated. They might have facing difficulty over getting any job. Though, SHG'S are getting popular among them because it is helping them to become more economically independent than they were before. This can be judged from the table on income levels of these women in comparison to their male counterparts.

26. Deepalaya NGOs Report, 2008, Madanpur Khadar, New Delhi.

Table 5: A comparison between male and female income of all women surveyed				
Income of male	Number of men	Percentage	Number of Women	Percentage
Below – 1000	0	0	2	1.81
1001 - 2000	9	8.18	70	63.63
2001 - 3000	40	36.36	25	22.72
3001 - 4000	31	28.70	2	1.81
4001 - 5000	12	11.11	1	0.90
5001 - 6000	8	7.40	0	0
6001 - 7000	3	2.77	0	0
7001 - 8000	2	1.85	0	0
8001 - 9000	0	0	0	0
9001 - 10,000	2	1.85	0	0
Nil	3	2.77	10	9.09
Total	110	100	110	100

Source : Primary data

The above table shows that the income of female members provides an important contribution to the family income in lower income groups. While a majority of the male spouses earn Rs. 2000 to 5000 per month more than 80 per cent of the women earn from Rs. 1000 – 3000 per month. They use a part of this money to save in the SHGs and are able to borrow money whenever is necessary. The nature of borrowings is shown in the table below:

Table 6 : Purpose of borrowings					
	Bank linkage programme	Government linkage programme	Women organisation	Total	Percentage
Consumption	4	0	0	4	4.39%
Marriage	5	1	4	10	10.98%
Education	8	2	6	16	17.58%
Business	9	5	13	27	29.67%
Health	7	4	4	15	16.48%
Others	10	1	8	19	20.87%
Total no. of members	43	13	35	91	100%

Source : Primary data.

We can see that out of the 91 women interviewed for the purpose of borrowing, a majority take loans for education, health, consumption and other household purposes. Around 21 or 29.67 per cent of them have taken loan to start a new businesses, but these women are largely concentrated in the model where SHGs are provided matching grants for self employment. Alternatively, women who are involved in businesses prior to the formation of SHGs also takes loans for their businesses. But it is clear that self-employment through SHGs can only be successful if it is subsidized and promoted by the government in terms of capital, technical and marketing support. In the absence of this SHGs can only women to reduce their burden of distress loans .

Observations:

In the context of the above comparison, it is now possible to arrive at a few general observations from a study of the ground situation. The first proposition to be evaluated in our study was if the SHGs can improve women's access to low interest credit. In Chapter 2 it has been seen that the inequality of access to credit remains between women and men. While the growth of SHGs has increased the deposits of the women in banks their share of credit is still quite less in comparison with the general rate of borrowing. In this context the bank linkage model examined in Chapter 3 has played an important part improving the access of women to credit in comparison with the two other models described in Chapters 4 and 5. Though the group plays the role of the mediator between the woman and the bank, the woman herself has a voice in this group, and does not have to face the same problems that she may face in individual borrowing.

Banks also present themselves as a planner institution for the associated groups, but the rate of lending for SHGs (18% to 24% per annum) is higher than the normal rate of interest charged in banks (9%). This is an obstacle for women to seek loan and the bank ends up making profit while taking advantage of financial crisis among women. Further it was also observed that problems of access to banks have also led to the growth of mediators (such as Deepalaya) as banks are not involved with SHGs directly. In many cases mediator group between banks and SHGs, are private players who charge commission for the same. Apart from this it was also observed that NGOs also earn commission as a mediators between bank and person that directly or indirectly affects members of the SHGs. Banks are not taking required step to prevent this exploitation and have not fulfilled the demands of the women's groups to provide low interest credit to SHGs.

In comparison to this the process of inter-loaning is much smoother in the government linkage model as access to credit is linked to self employment and some or the other government programme. However the main objective of this programme is not to monitor inter-loaning, inter-loaning is seen as a way of linking the developmental programmes to women. Economically, this model seems to benefit women more than any other form of micro finance studied in this dissertation. Members of the SHG in Jahangirpuri are able to get employment and regular salary. But like in the case of the bank-linkage model, here too, the government is relying on NGOs to link them with the women. In many cases the NGOs works as a placement agency and receives a big amount as commission and that NGOs are not paying regular credit to the members and are earning profits as seen in the case government linkage programme in this chapter. At the same time it has also been observed that government has shown little will to provide technical and marketing assistance to SHGs and is again relying on NGOs. In the Jahangirpuri case the Swami Shivananda Memorial Trust is playing this role. Our analysis of this model in Chapter 4 also shows that while the government linkage model provides a better income to women in this specific case, its success will depend on the nature of the NGO on which the government depends. This has an uncertain and sometimes adverse impact on the poverty eradication programme. It is thus necessary that the government has a way of regulating the role of the NGOs in the micro-credit sector.

This can only be done if itself plays an important role in directly channalising government schemes and funds to women. This is necessary for the upliftment of weaker section of the

society, which is in majority in the country. Government should establish a regulatory system of SHGs at districts and block level, which will be involved with development of SHGs, training, distribution of products and other activities directly. If it happens, people of remote areas in the country will become aware of SHGs. They will use it as a tool of their development.

While both the bank and the government linkage models see micro-credit and SHGs from an economic point of view the analysis of SHGs made by women's organisations shows that the impact of micro credit must be judged in its non-economic aspects as well. In Chapter 5 we have seen that the idea of the SHGs of HIMMAT in Madanpur Khadar was inspired by the idea of not only making women economically self dependent, but also linking them with the larger women's movement. One strength of this model is that it keeps women free from external exploitation and works on mutual economic co-operation within the group. But this may also be considered its limitation because women belong to poor families and are not able to sustain their economic activities and rely on other sources for their borrowings. In the wake of this it is not savings, but their links with the women's movement, that provide women the unity that is required to make the group survive. In comparison, with other models, the analysis of HIMMAT has also shown that the functioning of SHGs is helping to make women aware of socio-political circumstances. Overall we can say that this model has the potential to build the social and economic self confidence among poor women, it can only do so with economic assistance. For this the women's movement will have to see how it can align these groups with government assistance, while they still use them as ways of organizing women against the unjust policies of the government.

They are also exposing them to new knowledge and helping them to intervene in their own family life and local situation. But this process is impacted by the lack of basic amenities in their local areas. While women go out into the world for their social and political work their daughters are forced to drop the school to complete the house hold activities in absence of their mothers. At the same time women are also getting into conflicts with their male spouses both within the family as well as in the larger local area. They have to face many social constraints at family and social level. Thus unless combined with social reform and government assistance micro-credit can also become a tool for the exploitation of women instead of improving their actual situation.

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