

## **PREFACE**

*Microfinance has gained a lot of significance and momentum, both theoretically and practically in the last decade. India now occupies a significant place in global microfinance through promotion of the Self Help Groups and the native SHG-Bank Linkage Programme (SHG-BLP) model. In the past, the poor had little access to credit due to the problem of collateral, inappropriate system and inadequate procedures followed. The beneficiaries did not feel the responsibility of repaying the loan; Bankers too did not have the time or mechanism to monitor the repayment process. Poor recovery and lack of responsibility of repayment had made the scheme non-viable and ineffective. However, Micro finance through SHGs is now recognized as a key strategy for addressing issues of poverty alleviation and women's empowerment. The Indian model of microfinance offers greater promise and potential to address poverty and marginalization as it focused on building social capital and ensuring empowerment through access to financial services and linking with the mainstream.*

*Credit goes to Prof. Yunus of Bangladesh who for the first time in the world had proved that without any help from the Republic, the volume of vulnerability can be reduced with just a tiny amount of money and participatory method on the part of the poor people. His model is now a world accepted model and is being prescribed by the United Nations for the development of the poor of this planet.*

*In our country the first initiation was made for the formation of the SHGs by the NGOs in a scattered way and this initiation was confined to the southern states only. It has been observed that the active role on the part of the Republic since 1<sup>st</sup> April 1999 has been started with the adoption of the Swarnjayanti Gram Swarogar Yojana (SGSY) which admits the formation of the SHGs as its inherent part. To examine how far the working of the SHGs helps to reduce the vulnerability on the one hand and on the other hand to find out the impact of the micro finance on women empowerment are the main objectives of the present research work.*