

A Study on Impact of Self Help Group –Bank Linkage Programme in the Upliftment of Poor with Special Reference to SKDRDP, Harohalli Region, Ramanagara District

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Abstract

In developing countries like India and other countries poverty and unemployment are the main problems. In recent days many SHGs are playing as a effective tool for alleviation of poverty. . A growing number of poor people among them mostly are women. In India even today 26.1 of total population live below poverty line. In India many SHGs are linked to banks for delivery of micro credit to Self Help Group members. In 1976, prof. Mohammed Yunus of Bangladesh started Women's groups in Bangladesh and developed thrift and savings among the poorest. The main aim of this paper is to study the role of SKDRDP in the upliftment of poor of rural area of Harohalli region of Ramanagara District. This study is on the basis of primary as well as secondary data. Primary data is collected by discussion, schedule and personal interview through providing questionnaires to samples of 50 rural women's of SKDRDP. Secondary data is through annual reports from the Government bodies like Reserve Bank of India, NABARD, research papers in journals and magazines. SKDRDP as a NGO as started many programs in order to empower the women of rural area. In Karnataka SKDRDP is playing a very important

role especially in rural areas of this state. It is observed that many people are joined this group and that it has linkage with bank and availing loan at low interest rates and this made success of SKDRDP.

Key Words: *Self Help Groups, SHG-Bank Linkage, SKDRDP, Women Empowerment, Socio-economic condition*

Introduction

In the present day world poverty is the major problem in all developing countries. In India over 121 crore people 83.3 live in rural areas and other people live in urban areas, where 22% of the population is considered below the poverty line. In recent days Self Help Group play a important role in the eradication of poverty. Major poor people of Indian population are the members of Self Help Group and they are effectively engaged in the savings and credit, as well as in other activities of SHG. Central government of India and state government of India are introducing more programmes for rural upliftment. But rural poverty and unemployment is still a major problem in India. A SHG is a small group of association to improve d members financial security is a primary objective.

Self-help group is the informal group found by the community of women with the number of 15or20 members in the group poorest group and have conversation regarding social and economic issue self-help groups function on the basis of co-operative principles and provide a great support to each member of the group SHGs is organized by financially weaker section of the society in order to empower those poor people .In group of SHG collective action of the member is taken into consider .This will help to saving of the rural people particularly women to for a group for a mutual benefit .

Prof. Mohammed Yunus started women's groups in Bangladesh in the year 1976. He started to develop savings of poorest women's. The savings made by the Bank is now developed into bank named Bangladesh Grameen Bank. In the year 1998 the bank had 1138 branches in states and 39572 branches in villages and with the members of 2367503. Among them 124571 were men. The savings of that bank was US \$ 202.73 million. Due to the success of Bangladesh Grameen

Bank the concept of micro credit emerged in India. In southern India organizations such as PRADAN, MYRADA, ASSEefa, and MALAR were started in rural credit system. PRADAN had 7000 women membership and the saved amount was Rs 48 lakhs. MALAR had 15000 women membership and they saved Rs 86 lakhs.

Review of Literature

U.M Gopal Krishna, Dr.Aliya Sultana, Dr.T.Narayana Reddy(2017) this paper deals with the significant development of Self Help Groups in India and the saving habits of the SHG members and the growth of the SHG-Bank Linkage programme in recent times. It observed that even today in many rural villages do not have banking system and this will create a problem so that savings cannot be made by the Women's.

Dipankar Malakar, Hemchandra Goutam (2016) this paper reveals that 60% of respondents have made savings after joining the SHG and even income also has increased among them The study reveals that 41% of respondents agree that rate of interest charged by the banks is high for them and 76% of respondents responded that the loans provided by banks are insufficient for investment in high profit generating activities.

R.L Vinodhini, P. Vaijayanthi (2016) the study is to know the growth of rural India on their economic conditions by joining SHG. The paper reveals that SHG has improved in reduction of poverty by considering more on poor people and improvements in growth of females. This can be further continued by taking nonmember women so it will be helpful for study and demographic factors can also be included in order to the differences and even individual factor must be consider.

Eli Kumara Das, Mrs. Dharitri Baishya (2015) the paper study the role of SHG in savings and in investment of particular area based on descriptive data. The activities of SHG are mainly concentrated on economic activities such as cultivation. Study reveals that operating efficiency of The SHG varies due to internal problems and leadership members of the group get loans for consuming as well as investing purposes to improve the status of women.

Rahul Sarania (2015) this study is to determine the Self Help Groups financial status improvement of women's. This study is conducted in order to know the comparison between the

before and after joining of Self Help Group and standard of living of the Self Help Group member. They have suggested that Self Help Group must also look up on the effectiveness of the micro credit usage and the purpose of the credit and also suggested to create self-employment of women to do their own business.

Statement of the problem

India is the country which consists of 29 states. Even today our country is facing poverty problem. Ramanagara is the district of Karnataka which consist population growth rate about 50.6% in 2011 census and literacy rate of 69.2% and incidence of poverty were 10.5. It is one of the districts which contain many villages with many rural people. It is our duty to uplift those people who are the economically weaker section of the district. This can be and make them self-employed and generating income for their livelihood this can be possible through Self Help Group Bank Linkage problem.

Objectives

1. to study the concept of Self Help Groups
2. To evaluate the success of SHG Bank Linkage Program
3. To measure the impact of SHG-BLP on poverty alleviation

SHG - Bank Linkage Programme (SHG - BLP)

It is the largest microfinance programme in the world because of its sheer size and population it touches. What is equally remarkable is that it is also the most widely participated developmental programme in the country and perhaps in the world for the large number of channel partners, their grass root workers, Govt. agencies and banking outlets involved.

Lending to SHGs should be included by the banks as part of their lending to the weaker sections. As per the RBI's latest report as on May 2016 stated that Priority Sector Lending norms, bank credit to members of SHGs is eligible for priority sector advance under respective categories viz., Agriculture, Micro, Small and Medium Enterprises, Social Infrastructure and Others. The recovery rates of loans are good and banks have found that the transaction cost of reaching the poor through SHGs is considerably lower rather than direct lending by the bank. In India, SHGs

first emerged within the Mysore Resettlement and Development Agency (MYRADA) in 1985.

The National Bank for Agriculture and Rural Development (NABARD) provided MYRADA with a grant of 1 million to enable it to invest resources in identifying affinity groups, building their capacities and matching their savings after a period of 3-6 months. In 1990 RBI accepted the SHG strategy as an alternative credit model. In 1992, NABARD issued guidelines to provide the framework for a strategy that would allow banks to lend directly to SHGs. SHG-Bank Linkage Programme was launched in the year 1992. The Tamil Nadu Women's Empowerment Project, an IFAD-supported project implemented through the Tamil Nadu Women's Development Corporation, was the first project in the country, around 1990, to incorporate the SHG concept into a state-sponsored programme. Since then, SHGs have been associated with women. The Self Help Group - Bank Linkage Programme (SHG-BLP) was an innovation harnessing the synergy of flexibility of informal system with the strength and affordability of formal system. Three radical innovations were introduced through the RBI or NABARD guidelines on SHG-BLP as a acceptance of informal groups as clients of banks – both deposit and credit linkage Introduction of collateral free lending, and Permission to lend to group without specification of purpose, activity or project This savings led and door step credit delivery mechanism based on social collateral started making immediate inroads backed by an enabling policy environment and support from some national level institutions and multilateral agencies.

Successes of SHG Bank Linkage programme are as follows

SHG - Bank Linkage Programme has traversed twenty-five years of unabated journey towards empowering the rural poor, in general and rural women in particular. Taking a big leap from a pilot in 1992, SHG Bank Linkage Programme has now become the largest community based microfinance initiative with 85.77 lakh SHGs as on 31 March 2017 covering more than a hundred million rural households. There was a net addition of 6.73 lakh savings linked SHGs during 2016-17, a major portion (70.4%) from priority States indicating the urge for connecting the poor households in less developed States with the development process through SHG-BLP. NABARD and NRLM to enhance the coverage of eligible SHGs under NRLM fold has resulted in a net addition of nearly 2.9 lakh SHGs under its fold during the year. The domain of SHGs

consists of 85.4% women groups and is the mainstay programme for empowerment of the poor rural women in the country.. SHG - Bank Linkage Programme is a strong intervention in economic enablement and financial inclusion for the bottom of the pyramid. A proven platform initially conceived for increasing the outreach of banking services among the poor has since graduated to a programme for promotion of livelihoods and poverty alleviation. All the major parameters viz. the number of SHGs with savings bank accounts, amount of credit disbursed during the year, the bank loans outstanding as well as the quantum of savings outstanding had shown positive growth during the past three years.

The number of savings linked SHGs has shown a huge jump of 8.53% during the year. The increase is highest during this decade. With the expanding coverage of SHG-Bank Linkage Programme in Eastern and North Eastern Regions and other priority States during the last three years, there has been perceptible correction in the Southern bias of the Programme Bihar, Maharashtra, Rajasthan and West Bengal account for 63% of the net addition of SHGs during the year. The share of Southern Region in terms of number of SHGs declined to 43.4% in 2016-17 from almost half (48.3%) in 2014-15. There was a slight decline in the percentage share of SHGs in Southern Region as well as Central Region during 2016-17 over the previous year in spite of an absolute rise in number of SHGs. Major States like Telangana, Maharashtra, Gujarat, Chhattisgarh, Uttarakhand, West Bengal, Bihar, Jharkhand, and Rajasthan have recorded higher growth rate.

In order to give the SHG-BLP a leg-up, Village Level Programmes on SHGs were continued by NABARD with the support of banks and NRLM in 13 priority States. The aim was to foster better understanding of mutual requirements between banks, SHGs and SHPIs at ground level and to sort out issues like saving linkage, credit linkage and repayment, etc. at the ground level. These programmes were organized in priority States such as Assam, Bihar, Chhattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Jammu and Kashmir, Maharashtra, Madhya Pradesh, Odisha, Rajasthan, Uttarakhand, Uttar Pradesh and West Bengal during the year. NABARD supported more than 23500 village level programmes during this year. SRLMs and State Government departments also participated in the programmes. Banks reported increased

credit linkage, account opening of new SHGs and improved repayment of bank loans with the help of these programmes. These programmes resulted in better interface between bankers and SHGs leading to increased credit flow and appreciation of each other's needs. It has been decided by NABARD to regularize this intervention in priority States. Skill development is an important tool for improving the employability and enhancing productivity of the working poor and thereby reducing poverty and exclusion. Rural poor women typically face difficulties or discrimination in accessing good quality training. Keeping the above in view, NABARD continued with Micro Enterprise Development Programme (MEDP) to nurture the entrepreneurial talents of members of matured SHGs to set up and run micro enterprises as a livelihood option in farm or non-farm sector. Around 15552 skill up-gradation training programmes have been conducted under this initiative covering about 4.40 lakh members of matured SHGs up to 31 March, 2017. During the year, NABARD mainstreamed Livelihood and Enterprise Development Programme with a view to create sustainable livelihoods among SHG members and to create maximum impact of skill up-gradation. These programmes are implemented in small batches for a maximum of 150 SHG members in a cluster of contiguous villages on a project basis covering 15 to 30 SHGs. The programme provides for livelihood creation in agricultural & allied activities as well as rural non-farm sector activities. As on 31 March 2017, 139 proposals have been sanctioned to various agencies across India.

Scheme for promotion of women SHGs in backward districts of India- NABARD, in association with the Department of Financial Services, Ministry of Finance, and Govt. of India continued to implement a scheme for promotion and financing of Women Self Help Groups in 150 identified backward and Left Wing Extremism (LWE) affected districts of the country.

Table No 01: Showing age and Opinion regarding support from respondents with poverty alleviation programme

Age \ Opinion	18-25	26-35	36-45	46-55	Total
Yes	5	18	21	6	50
No	0	0	0	0	0
Total	5	18	21	6	50

H₀- There is no significant difference between the age groups and supporting respondents regarding poverty alleviation programme

H₁. There is a significant difference between the age groups and supporting respondents regarding poverty alleviation programme

Calculation of Chi – Square

$$\text{Chi-square} = \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

E_{ij}

$$\begin{array}{l}
 1. \frac{(5-5)^2}{21} = 0 \quad \frac{(18-18)^2}{5} = 0 \quad \frac{(21-21)^2}{18} = 0 \\
 2. \frac{(6-6)^2}{0} = 0 \quad \frac{(0-0)^2}{6} = 0 \quad \frac{(0-0)^2}{0} = 0 \\
 3. \frac{(0-0)^2}{0} = 0 \quad \frac{(0-0)^2}{0} = 0
 \end{array}$$

Chi-square value = 0

d.f = (2-1) (4-1) = 3

Table value = 15.086

Inference:

Since chi square value is less than the table value H_0 accepted. So we can conclude that there is no significance difference between age and supporting respondents regarding poverty alleviation programme

Table No 02: Showing satisfaction level of respondents regarding poverty alleviation programme of SHGs Women

Opinion	No. of Respondents
Yes	50
No	0

From the above table we can analyze that all respondents are satisfied regarding poverty alleviation programmes of SHGs Women

Conclusion

Self Help Group is playing as a very important role in all over India. It has created an employment opportunities and saving habits of rural people of our country. Many Ngo's are linked with banks and given awareness about the banking activities to the rural people. SKDRDP as a NGO as started many programmes in order to empower the women of rural area. In Karnataka SKDRDP is playing a very important role especially in rural areas of this state. It is observed that many people are joined this group and that it has linkage with bank and availing loan at low interest rates and this made success of SKDRDP. It has created many programmes and activities to encourage the rural people to participate in SKDRDP SHGs to support their families and to increase their standard of living. It also giving many training programmes to produce products from their group so that is helping them to earn the money and promoting saving habits among members. Though many members are involved in SKDRDP still SKDRDP

has to create awareness in all over Karnataka to join their group and it has to give loan for self-employment and training programme to start the business.

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