



The Impact of SHGS on The Rural Poor

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ABSTRACT:- Self Help Groups are Small economically homogeneous and affinity groups of rural poor .voluntarily formed to save and mutually agree to contribute to a common fund to be lent to its members as per group decision .These groups are usually formed by Government or non –Governmental organisations with emphasis on both thrift and credit activities .All financial decisions are taken by the group through a consensual approach. The Self Help groups consist of the members who are poor ,having low savings capacity and who depend on money lenders or private sources for meeting their consumption needs and other pressing obligations.

Key words:- Self Help Groups ,finance awareness, women welfare, Technical assistance.

I. INTRODUCTION:

Self Help Groups are small economically Homogeneous affinity groups of rural poor .voluntarily formed to save and mutually agree to contribute to a common fund to be lent to its members as per group decision .There are several developmental agencies that have promoted and inspired formation of diverse kinds of thrift and credit groups in Andhra Pradesh to channelize the various poverty alleviation and social developmental programmes .These groups are widely interms of their membership,size,decision ,making process, methods of group action etc. The characteristics of different types of micro credit groups operating in the state are detailed below.

The credit needs of the rural poor are determined by a complex socioeconomic milieu. Despite rapid pace of expansion of financial system encompassing spheres of social and mass banking, the dependence of the rural poor on money lenders still continues in many areas, especially for meeting emergent needs of rural poor. Under the circumstances ,a non – formal agency for credit supply to the poor ,in the form of self help group could emerge as a promising partner to the formal credit system. There are several formation groups as SHGs, They are DWARA, Podupu Laxmi, Annal committees etc.¹

1.1 DW CRA:

Groups with maximum membership of 15 women are formed by Department of Rural Development under Development of women and Children in Rural Areas programme. Under the programme Banks also extend credit facilities to such groups for meeting incremental fund requirements.

1.2 Podupulaxmi groups:

Podupulaxmi groups are DW CRA groups functioning on lines of SHGs. Thrift is an entry point activity for this groups which is part of rotation among the group members as micro loans based on the priorities decided by the group members.

1.3 Avvalcommittees:

Committees are woman thrift and credit groups formed in tribal areas of Adilabad district under the aegis of integrated Tribal Development agency These groups have rudimentary elements of SHGs

II. THE OBJECTIVES OF SHGS ²

- TO In culcate the savings and Banking habits among members.
- To secure them from financial, technical and moral strengths.
- To gain economic prosperity through loan credit.

- To enable availing of loan for productive purposes and repaying the same over a period of time and in the process.
- The self help groups consist of the members who are poor, having low savings capacity and who depend on money lenders or private sources for meeting their consumption needs and other pressing obligations.

In other words, Typical self help group will comprise of likeminded individuals who regularly save small amounts of money. The loans are need based and provided in time. The group members take collective decision on all matters keeping in view the welfare and prosperity of the members. The Procedures for sanction of loan adopted by the groups are very simple and loans are provided on the basis of mutual trust among the members.

2.1 Criteria for selecting SHGs

- ❖ The group should have been in active existence for at least a period of six months.
- ❖ The group should have successfully undertaken savings and credit operations from its own resources
- ❖ The group is maintain proper accounts \ records.
- ❖ The SHG members should preferably have homogeneous back ground and interest.
- ❖ There should be a genuine need to help each other and work together among the members.

2.2. Monitoring of Self Help Groups

Collection of relevant information on the implementation of the project is of crucial importance as the pilot project has strong potential for developing into an alternative credit delivery system for rural poor. The monitoring indicators could include, inter alia ,number and spread of self –help groups ,amount of credit disbursed ,number of loans ,deposit mobilization and repayment performance of self –help groups ,expenditure on awareness training programmers lost of management etc.³

III. STUDY FINDINGS:

Strength of SHGs is reflected in group cohesion and vibrant behavior.

- Improvement in access to credit
- Financing of Unique and non Traditional activities
- Improvement in loan volumes of SHGs through internal capitalization
- Quality of loan appraisal and community assets.
- Simplified loaning procedure and documentation
- Excellent recory performance of loans extended to SHGs.

IV. CRITERIA FOR SELECTION OF SHGS⁴

- The group should have been inactive existence for at least a period of six months.
- The group should have successfully under taken savings and credit operations from its own resources.
- Democratic working of the group where in all members feel that they have say should be evident.
- The Group is maintaining proper accounts records.
- There should be genuine need to help each other and work together among the members.
- The SHGs members should preferably have homogeneous back ground and interest.

V. METHODOLOGY OF THE STUDY

This is an empirical study of developmental and welfare programmes and the primary data has been collected from various group leaders ,sarpanches ,DWCRA Women ,unemployed youth etc. To collect data, Interview method has adopted, For this purpose an Interview schedule was prepared and operated .Mostly the respondents left to express freely about their experiences and views.

Besides personnel Interviews, the Researcher attended DRDA,DPO,MPDO,and Concerned Nodal offices etc. The Researcher Intervied Banking Officials ,MPDO Officer,DWCRA Supervisor etc. The researcher also Interviewed Director of the B.C welfare corporation.

In addition to primary data, secondary data was also consulted and utilised purposefully. The Secondary data includes Books, Articles, and Government Committee reports, Seminar Papers, Reports and News Papers etc.

VI. CONCLUSION

In Conclusion we can say that by the formation of SHGs, the people will get awareness in all aspects like in socioeconomic and political also. Particularly the women benefited a lot through the formation of DWCRA.By these DWCRA; The Women achieved tremendous results in various fields. They have established their own professions with the help of DWCRA Formations. These type of groups provided social awareness to

the women. State Government is endeavoring to cover all the poor women through self help and DWCRA groups in next teams on a priority basis. State Government is providing maximum help to theDWCRA and SHG groups through attaching the funds. Developing the status of life of the poor women in the rural areas is the main motto of these formation of the groups.

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