Chapter-I
Introduction

Chapter first deals with the background of the study, significance and importance of the study. It also includes objectives of the study, research methodology with data collection expected contribution of the study and details of the chapter scheme.

Basically the economy of India is rural in character and is thus considered as an agricultural economy. In India, the land represents the chief wealth of nation. Indian agriculture is still in the primitive form and the agricultural potential of the country is to be exploited. Agriculture constitutes primary occupation of about 70% of population of our country. For development of agriculture, the Government of India is making all efforts since 1950. But still the growth of agriculture is not impressive. This sector provides employment to 56.7% of country’s total work force and is the single largest self employment occupation. A large number of industries like - textiles, silk, sugar, rice, flour mills, and milk products are getting raw material from agriculture. The allied sectors like horticulture, animal husbandry, dairy and fisheries are more important in improving the overall economic development. Again the Indian Economy is faced with the problems of poverty, unemployment, illiteracy and increasing population
pressure and this imposes greater economic burden and leads to reduce per capita income.

India is ranking second largest populated country in the world. It has crossed 100 crores marks. As per the census of 2001, 70% people live in rural area. As women constitute 44% of population, she has right to claim near about 50% of various opportunities. Out of which most of women are housewives. If this disguised human energy have been activated properly it will definitely boost our economy.

According to Sister Benedicta F. Pinto, ‘Woman is the coordinate, not the subordinate, half of humanity. If men try to ascend the economic leader at the expense of women, progress will be partial. Raising the level of skill and directing aspirations of both men and woman is necessary for a developing nation”.

In Indian society there is very little value for the fact that in the totality of things, men and women have different qualities, they are complementary to each other and their relationship should not be one of superior and subordinate¹. While men have greater muscle power, women have greater capacity to care and nurture as Telegu writer Chelam wrote.

"Woman too has a body, it needs exercise
She has a brain; it needs knowledge.
She has a heart; it needs experience"

But how many care to give her all that?

How the change women's status came about in Indian society is for sociologists to study. But all social and political indicators point at a dismal picture of the position of women in India. Girls who were traditionally termed as goddess laxmi, the Goddess of property, are now viewed as burden and generally unwelcome as newborns in the family this is evident from the decline in their number as compared to men. With the exception of two decade i.e. 1941-51 and 1971-81 there has been a steady decline in their number as comported to men. Many young and infect girls die due to parents, neglect, thus, disturbing the wonderful balance nature has given.

Women Self Help Groups have proved to be far more stable than men's Self Help Groups. The reason may be that a human being finds greatest satisfaction in joining other in a meaningful way. Man can draw strength of association from his work place, or at market place or at any village level organization. But such opportunity does not normally fall in the way of women. It is also relevant that women have more stakes in the society then the men have the same. Women are mothers, wives, and home makers who provide the basic household necessities. A husband can desert home and children easily. The groups provide to the women a touch with the outside world and a platform for associating and sharing with others.
So the company Act provision and prohibit dealing with money by more than 20 people in any association. Since dealing with savings and lending can be teamed as a commercial can be termed as a commercial activity, the membership of the Self Help Groups is advised 20 or less than that.

Women’s development problems are complex problems and they need socioeconomic as cultural understanding. Indian society is traditional and hence empowerment of women is the need of an hour. Women and weaker sections are undergoing tremendous pressures because they have been denied from thousands of year for their right. Manu the Indian sociologist had denied the freedom to women and then onwards women was isolated to house and kitchen, This caused to men’s economic superiority. Generally, women are considered as inferior to men, they are dominated and degraded by the men. Women are kept away from the stream of economic activities.

Mahatma Gandhi once said. “The poor of the world cannot be helped by mass production, it can be achieved only through production of masses”. Facts reveals that women contribute her work in economic activities directly or indirectly, She work in agriculture and in industrial activities. But her contribution is neglected. Nowadays women are working significantly in business activities and proving herself as an important element in the
industrial field. Women stepped out from her traditional position and working hand in hand with men. But if we consider rural area, this is not a position today. The women are still away from the main stream, illiterate and are exploited.

There are different development schemes launched by state as well as central Government. However, there is no uniformity in these scheme and they are not properly implemented. The small saving groups in Maharashtra have shown that if women is economically strengthened she can have her political voice more effective than ever before. Women can be more progressive if she is economically well established. The present study will be an effort on these lines.

Self-help Groups (SHGs) are playing a major role in rural India today. The group-based model of self-help is widely practiced for rural development, poverty alleviation and empowerment of women. Self-help as a strategy for social development places emphasis on self-reliance, human agency and action. It aims to mobilise people, to give them voice and build people’s organisations that will overcome barriers to participation and empowerment. Central to the idea of self-help is the formation of groups, concept of a ‘community’ and the development of egalitarian relationships that will promote people’s well-being.
The self-help model in India facilitates institution-building in the form of people’s Organisations in the form of groups, clusters and federations. The poor, however, seldom organise themselves. It is an assisted self-help (Uphoff & Esman, 1984) process where the State, the financial institutions and the non-governmental organisations (NGOs) play an important role in mobilising and assisting the poor and the needy. While the policies of the external agents of development place emphasis on building institutions to assist the poor and women, the practice-oriented reality has to deal with the structural barriers that people, women and the organisations face. At the level of practice, the outcomes of self-help depend on building mutually beneficial relationships, negotiating power and gaining control.

India brims with Self Help Groups (SHGs). The National Bank of Agriculture and Rural Development (NABARD) estimates that by March 2010 over 43 million women will be linked to banks for financial services through 4.2 million SHGs. 'Linkage' is defined by NABARD as taking a loan from a bank, although banks in fact first become linked to SHGs by taking their deposits. Growth has been spectacular in the past couple of years: 'over 400 women per hour' according to the NABARD web-site. The hourly rate is actually more than this, with an increase in 2010 of 620,000 SHGs or over 9 million women SHG members.
Growth has been strongest in the southern region where SHG bank linkage first began, with three states (Andhra Pradesh, Tamil Nadu, and Karnataka) the top three in the country. The south accounts for 54% of SHGs (half of this in Andhra Pradesh alone) and 75% of bank credit. The rest of the country is beginning to catch up, at least in terms of SHG numbers, although the share of credit remains at one-fourth, both cumulative and current in India, Self Help Groups or SHGs represent a unique approach to financial intermediation. The approach combines access to low-cost financial services with a process of self management and development for the women who are SHG members. SHGs are formed and supported usually by NGOs or (increasingly) by Government agencies. Linked not only to banks but also to wider development programmes, SHGs are seen to confer many benefits, both economic and social. SHGs enable women to grow their savings and to access the credit which banks are increasingly willing to lend. SHGs can also be community platforms from which women become active in village affairs, stand for local election or take action to address social or community issues (the abuse of women, alcohol, the dowry system, schools, water supply).

But there are also some questions. How effective are the groups in managing their financial transactions? Are the groups sustainable? Do they help in mobilising women to take social action? How effective are such
actions? Who is really benefiting? Do the poorest benefit, do they not join at all or if they do join, are they more likely to drop out?

India is agro, and village based country. The 75% of the population was staying in villages, when India became independent in 1947. During he last 52 years 10% of the population has shifted to urban areas. However, the rural base of economy continues. In order to study these facts it has been observed that "A historical account may also give a clear understanding of the dynamics of the programmes, the changes which have occurred, the direction that these changes have given".

The rural development scenario is also fast changing due to these changed aspirations and fragmented public opinion. About changed rural development scenario, it has been observed that "Rural prosperity requires adequate employment opportunities for the people, encouragement to them for consuming larger amount of goods and services produced in the rural areas and the expansion of production potential in rural regions for these items, which could be needed by the rural population".

India being an agrarian society, Rural development was a key problem in the post Independence period.
The first five year plan was implemented during 1951-56. During this plan period, community development scheme was launched. Further National extension service was also launched to bridge information gap.

Out of the total expenditure planned 44.6% was made an agriculture sector. The national growth rate reached to 3.6 and per capita increased as 1.7%. The rural development was a major trust of the first five year plan.

The Third plan, which was launched during 1961-66. In this period applied nutrition programme was launched in 1962. Further Intensive agriculture area programme was also launched for enhancing the agricultural development. During this plan period farmers training and education scheme was also launched. Further high light, of this plan period were well construction programme rural work programme and composite programme for women and pre school children.

The Eight plan was launched during 1992-97. The plan was the beginning of privatization. As India accepted to regulations, privatization and liberalization was included as a part of process of globalization. This was the beginnings of the withdrawal of expenditure from public sector to private sector. In this period social service sector was given more priority and 12% of the money was spent on this sector. Two important achievements were implementation of Jawahar Rozgar Yojana and
employment Assurance scheme. These two have benefited rural development and employment generation.

The Ninth plan was launched from 1997-2002 among the various salient features, priority was given the safe drinking water, availability of primary health service facilities, universalisation of primary education and public housing assistance to shelter less poor families, connectivity of villages habitations and streamlining of the public distribution system with a focus an the poor.

The specific objective of the Ninth plan included priority to agriculture and rural development with a view of generating adequate, productive employment and eradication of property.

The Tenth plan launched from 2002-2007 the plan envisaged specific considerable targets covering economic, social and environmental dimensions of development, including targets on reduction in poverty ratio, universal enrolment of children schools, raising literacy rates, decline in front mortality and maternal mortality rates, raising employment growth rate, improving coverage of villages in terms of access of safe drinking water etc.
This in the tenths plan period agriculture and rural development was again given priority and special funds have been allocated for implementation of rural development.

The central Government laid great emphasis on monitoring and evaluation of all rural development programmes in general and poverty alleviation, employment generation scheme in particular being implemented in various state's.

Over the years, the government initiated programmes which aimed at improving productivity in agricultural and of the rural artisan improvements in different areas, and at the implementation of special programmes for the weaker sections and welfare of the creation of employment opportunities for rural poor. The basic objective of all the programmes implemented by the Government was an integrated development of the former the agricultural labour and the rural poor, artisan.

The Government has launched a number of special rural development programmes. They can be classified into sectoral employment, area and target group approaches.
1.1 Origin of Self Help Group Movement

The concept of SHG serves the Principle “by the women, of the women and for the women” The origin of SHG is from the brainchild of GRAMIN BANK of Bangladesh, which was found by the economist, Prof Mohammed Yunus of Chittagong University in the Year 1975 This was exclusively established for the poor. Self Help Group is a small economically homogeneous and affinity group of rural poor which is voluntarily ready to contribute to common fund to be lent to its members as per group decision, which works for group’s solidarity, self- group, awareness, social and economic empowerment in the way of democratic functioning. The Self Help Group movement became a silent revolution within a short span in the rural credit delivery system in many parts of the world. It has been documented that nearly 53 developing countries including that have taken up this on a large scale. In 1997, World Micro Credit Summit at Washington convened the developed and the developing countries to tackle the serious problem of poverty by using micro credit as a tool to empower the poorest sections. A global movement has been launched to reach 100 million of the world’s poorest families by the year 2005.
1.2 Meaning of Self Help

Self help is one of the most fascinating yet frustrating aspects of development. It is a dynamic process that transcends the narrow boundaries of any given aspects of development. The purported benefits from self help are multifarious. Self-help is a fundamental tenet of recent expounded strategies of basic needs and self-reliance. Self help is both a means and a goal within the strategy of basic needs. It is a means with which to achieve goals of minimum requirements of private consumption i.e., adequate food, shelter and clothing and community services i.e., safe drinking water, sanitation, public transport, health and education. It is also identified as a tool, people should participate in making the decisions which effect them. As SHGs were initiated to combat the weakness in private credit formal financial institutions have been able to mobilize savings from the persons or groups who were normally expected to have savings and also recycle the same effectively. SHG pool resources amongst the members and that meet the credit needs of the poor. SHGs have emerged from the felt needs of the people and they have evolved their own methods of working. SHGs helps in creating a platform for sharing of experiences, collective knowledge, building problem, solving and resource mobile satisfaction and other institutions. In SHGs the autonomy of the women groups is never undermined and all decision making is entire in their hands. This groups
helps women to build confident themselves as decision makers, planners and to Work collectively in a democratic manner.

Tremendous amount goes into these groups, it may be worth notion of that most developmental groups tend to spend 4—10 hours a month in the early stages. The SHG activity is thus a win-win situation wherein the poor women get access to credit as well as make profit.

1.3 Persons/Institutions help in the formation of SHGs.

DADA, Non Govermental organisation (NGO) Social Bank personal, Farmers Clubs under the Vikas Volunteer Vahini (VVV) programme of NABARD play a very important role in the formation of SHGs.

1.4 Concept of Self Help Group.

Self Help Groups is mainly concerned with the poor and it is for the people, by the people and of the people. SHGs, a mini voluntary agency for self-help at the micro level has been a focus on the weaker sections particularly women for their social defense SHGs has got great potential in creating awareness on day-to-day affairs, promoting in savings habit, developing self and community assets, increasing the income level, increasing the social power etc The concept of SHGs generates confidence, self-scrutiny and self—reliance.
Self Help groups (SHGs) formed in rural India usually consisted of fifteen to twenty members having from a certain locality with similar socio-economic backgrounds. The unregistered groups operated on the principles of mutual trust, cooperation and interdependence. Preference in memberships was offered to the poorest of the poor, handicapped, widowed, deserted and delist. The leaders were selected from members of the group. Where there was nobody to help the helpless mass, the concept of “Self Help” could be introduced. Hence, it would enable them to comprehend the need and to design the remedial measure accordingly. One of the significant features of “Self Help” is, to make people not to rely on the government or non-governmental organisations to improve the infrastructure facilities needed in the village. Hoping to achieve this target, SHG women are making collective efforts.

"A Small autonomous non-political group of people living near to each other and source common concerns, work together for their personal, social and economies development is called self help groups.

"Self - Help group is a Homogeneous group of poor, women users. This group is a voluntary one formed on areas of common interest so that they can think, organize and operate for their development is called SHG"
1.5 Objectives of the Self Help Groups (SHGs)

The following are the main objectives of self help groups:

- To inculcate the habit of saving and banking habit among the rural women.
- To build up trust and confidence between the rural women and the bankers.
- To develop group activity so that various welfare and developmental programmes can be implemented in a better way with the participation of these women groups.
- To achieve women and child welfare programme goals by actively involving these women groups in Universal Immunization Programme, small family norm, Universal elementary education etc.

1.6 Characteristics of SHGs

The following are the chief characteristic features of SHGs:

- Small size
- Identical interest/social heritage/common occupation, homogeneity, affinity.
- Intimate knowledge of members of intrinsic strength, needs and problems
• Flexible and responsive
• Democratic in operations
• Simple documentation
• Collective leadership, mutual discussions
• Group solidarity, Self Help, awareness social and economic empowerment.

### 1.7 Benefits of SHG

The benefits of SHGs are as follows:

- A via-media for development of savings habit among the poor.
- An access to large quantum of resources.
- A window, for better technology skill up gradation.
- Availability of emergent, consumption/production credit at the door step.
- Access to various promotional assistance.
- Assurance of freedom, quality, self-reliance and empowerment.

### 1.8 Function of the Self help Groups

In view of carrying out the empowerment of women, the SHGs are expected to take on certain function which are essential documentation on
the happenings of the SHGs and their involvement with the wider society is considered to be vital. Small savings details are maintained by the members themselves.\textsuperscript{11}

\textbf{1.9 Formation of Self help groups:}

SHG is a group of rural poor who have volunteered to organize themselves into a group for eradication of poverty of the members. They agree to save regularly and convert their savings into a common fund known as the group crops. The members of the group agree to use this common fund and such other funds that they may receive as a group formation will keep in view the following broad guidelines.

(i) Under the Swarnjayanti Gram Swarozgar Yojana, generally a self help group may consist of 10 to 20 persons. However, in difficult areas like deserts, hills and areas with scattered and sparse population and in case of minor irrigation and disabled persons, this number may be from 5-20. The difficult areas have to be identified by the state level Swarnjayanti Gram Swarozgar Yojana committee and the above relaxation in membership will be permitted only in such areas.\textsuperscript{12}
(ii) Generally all members of the group should belong to families below the poverty line. However, if ever if necessary, a maximum of 20% and in exceptional cases, where essentially required up to a maximum of 30% of the members in a group may be taken from families marginally above the poverty line living contiguously with BPL families and if they are acceptable to the BPL members of the group. This will help the families of occupational groups like agricultural labors, marginal farmers and artisans marginally above the poverty line, or who may have been excluded from the BPL to become members of the self help group. However the APL members will not be eligible for the subsidy under the scheme. The group shall not consist of more than one member from the same family. A person should not be a member of more than one group. The BPL families must actively participate in the management and decision making, which should not ordinarily be entirely in the hands and APL families. Further APL members of the self help group shall not become office bearers (Group leader, Assistant group leader or treasurer) of the group.
The group should devise a code of conduct or group management norms to bind it. This should be in the form of regular meetings (weekly or fortnightly), functioning in a democratic manner, allowing free exchange of views, participation by the members in the decision making process.

The group should be able to draw up an agenda for each meeting and take up discussions per the agenda of group.

The member should build their corpus through regular saving. The group should be able to collect the minimum voluntary saving amount from all the members regularly in the group meetings. The saving so collected will be the group corpus fund.

The group corpus fund should be used to advance loans to the members. The group should be developing financial management norms covering the loan sanction procedure, repayment schedule and interest rates.
(vii) The members in the group meetings should take all the loaning decisions through a participatory decision making process.

(viii) The group should be able to priorities the loan applications, fix repayment schedules, fix appropriate rate of interest for the loans advanced and closely monitor the repayment of the loan installment, from the loonies.

(ix) The group should operate a group account preferably in their service area bank branch, so as to deposit the balance amounts left with the groups after disbursing loans to its members.

(x) The group should maintain simple basic records such as minute's book, attendance register, loan ledger, general ledger, cash book, and bank pass book and individual passbooks.

50% of the groups formed in each block should be exclusively for the women. In the case of disabled persons, the groups formed should ideally be disability specific wherever possible however, incase sufficient number of people for formation of disability specific groups are not available a group
may comprise of persons with diverse disabilities or a group may comprise of both disabled and non disabled persons below the poverty line\textsuperscript{14}.

**1.10 Registration of (SHG) Self help group:**

By and large, the SHG will be informal group. However, the groups can also register themselves under the societies registration Act, the state co. operative Act or as a partnership firm. The Self Help Groups can be further strengthen and stabilized by federating them at, say village or block or district level depending upon the number of self help groups and their spatial distribution. DRDAs may facilitate in planning of network of SHGs by federating them at appropriate level, once SHG have reached the stage of maturity and have stabilized. This would facilitate regular interaction, pooling of surplus with the groups, exchanges of experiences including flow of information from DRDAS and other departments, bulk access to credit from various micro finance Institutions and help them to plan for desired backward and forward linkages including marketing of their products\textsuperscript{15}.

A large number of DWCRA groups have been formed and assisted by DRDAs in the last. Likewise, there are a number of self help groups formed by NABARD other banks, Rastrtiya mahila Kosh (RMK) Non Government organization (NGOs)Women and children development department under the Swa Shakti and Swayamsidha etc. The DRDAs
should put in concerted efforts to strengthen and consolidate these groups as some level of synergy already exists and then take steps to form new groups. Further there is a need to develop data base on the self help groups formed and existing under various programmes in the district. The DRDAs may act as nodal agency for developing the data base, which should include self help groups formed under all the schemes. This would ensure convergence of various scheme as well as better planning for training and other requirements of Self Help Group's

1.11 Role of Non Government Organizations

**Information Land Development of Self Help Group:**

The experience across the country has shown that group formation and development is not a spontaneous process. A facilitator working closely with the communities at grassroots level can play a critical role in the group formation and development. The quality of the groups can be influenced by the capacity of the facilitator. The facilitator may or may not be an official. In some cases, NGOs cannot only work as the facilitators but also help in training and capacity building of facilitators being used by DRDAs may support such sensitive support mechanisms in the shape of NGOs or community based organization, (CBO) Network of community coordinators/Animators or a team of dedicated functionaries of the Government aments who are fully engaged in the task of initiating and sustaining the group
development process\textsuperscript{16}. The community coordinators / Animators could be from the community or may be from outside the area. They could be leaders members of Self Help Groups, or persons having experience or training in the field of community organization and social mobilization. The selection of facilitator / community coordinator and their training and capacity building for involvement information development and training of Self Help Groups is critical for the success of the programme. The District Swarnjayanti Gram Swarozgar Yojana Committee may therefore select suitable organizations / Societies / Individuals as facilitators / community coordinators in the programme based on their past experience in SHG for motion, community organization or any other similar work involving participatory approach communication skill ability to stay with the people in the rural area etc. They would have to stay for a period of 2-3 years with the group to ensure continuity as well as to enable the groups to mature into a self managed peoples organization facilitators involved in the process of group from action and development should have a well defined exit policy and by which time community should either become self reliant or be willing to pay for their services for further continence and management of the group. The emphasis should be to from groups in geographical clusters to facilitate better training and management\textsuperscript{17}. A community coordinator/ animator could take up the responsibility of Managing 10-15 Self Help
Group in a geographical cluster consisting of 4-5 villages with in a radius of 4-5 kms. The DRDAs may organize straining and exposure programmes for the facilities should interest with them regularly to get feedback about groups.

The DRDAs may devise a memorandum of understanding (MOV) or contract to be used for entering into an agreement with NGOs/ CBOs/ community coordinators / Animators being involved as facilitators for group for motion development and training. The MOV should clearly define the role of facilitator in group formation and development. Further, payment to the facilitator should be specifically linked to the stage of development of the group and overall performance. The DRDA shall regularly monitor the progress of group through periodic evaluations.\textsuperscript{18} The involvement of facilitators in the programme will be purely contracted basis and DADA shall take all precautions to ensure that there are no legal obligation on the Government in future. A detailed instruction on operationalization of involvement of facilitators in the process of social mobilization and group for motion is being issued separately.

Whether the support machinery (SHG promotion institutions) is offered by NGOs or DRDA itself, what is critical is the capacity of the support machinery. DRDAs will have to play a very crucial role in
facilitating development of the capacity to nature and statement of the capacity to nurture and strengthen the groups.

1.12 **Self Help Groups Linkage with the Banks:**

During the stage of group formation, the Self Help Groups should be brought into contact with the local banks through opening of savings bank account preferably in their service area branch. This has a dual purpose. The Self Help Groups being to realize as opportunities and also the mode of dealing with the banks. Likewise, the bankers get to familiarize themselves with the Self Help Group establishments of these linkages at the early stage will ensure the formation of strong Self Help Groups which will be mutually beneficial. Further, the group could also avail credit from the bank as per their requirements under the self help group bank linkage programme of NABARD. The BDO and the banker may visit the SHG as often as they can and explain to the members and the opportunities for self employment. They may also explain to them about the process of graduation into taking up full fledged self employment activity. Training and capacity building programmes for the Self Help Groups in different stages of development may be organized periodically on a continuous begins at different levels (i.e. at the village, cluster of village, Block and district) for this, besides inviting experts in the relevant field form out side, the District
should have their own team of trained resource persons taken from different fields. The DRDA should involve the Bank functionaries also in the training programme of Self Help Groups.

1.13 Grading of the Self help groups:

The formation stage may last for about six months or more depending upon the literal cases, awareness levels, Socio economic background of the people being organized, as well as the capacity of the facilitator involved in the process of social mobilization and group formation. At the end of the formation stage, which may be about six months or more, it is necessary to subject each self help group to a test to assess whether it has evolved into a good group and is ready to go into the next stage of evolution. This is done through a grading exercise. The objective of this exercise is to identify the weaknesses, if any, and help the group to overcome the same through training and capacity building inputs so as to develop into a good group. Grading exercise thus should help to focus attention on weak groups so that DRDAs can assist then to overcome weaknesses and graduate into good groups. Grading of the group should also enable the DRDAs to establish linkages for the good group with the banks in case the self help group has been in existence prior to the Swarnjayanti Gram Swarozgar Yojana under other programmes and have completed six months from the
date of formation and it is being brought under the Swarnjayanti Gram Swarojgar Yojana, such groups may be subjected to first grading immediately, without waiting for another six months.

The DRDAS will have to play an effective role in grading exercise. The capacity of DRDA personnel will have to be enhanced to take this exercise professionally. Guardian of the self help groups could be done by the same agency that is involved in the promotion and development and Self Help Groups or any independent agency contracted to undertake the grading exercise. The cost in incurred for conducting grading exercise through an independent agency may be incurred under the scheme. It is desirable that the grading exercise is undertaken by an independent agency as it will have objectively, and acceptance by financial Institutions etc.

A number of Government and non Government organizations working with Self Help Groups across the country have evolved every effective strategies for grading the Self Help Groups. The grading criteria should be consistent with the characteristics that are agreed to be essential for strong, self managed and vibrant SHGs. In other words, clarity on the features to be promoted in an Self Help Groups should become the starting point for any grading exercise.
1.14 Evolution of Self Help Groups through various stages:

Social mobilization is not a spontaneous process; it has to be induced. DRDAs are expected to initiate and sustain the process and social mobilization for poverty eradication by formation development and strengthening of the self help groups (SHGs). Issues are key to poverty eradication should become entry points for DRDAs to organize the poor into Self Help Groups. There could be different entry points for different Self Help Groups depending on the local situation. The groups that are formed with thrift and credit as an entry point have demonstrated that, the poor can secure greater access to credit and other support services for enhancing their income levels.

Different Stages:

(1) Group formation, development and strengthening of the group to evolve into self managed peoples organization at grassroots level. In our society members are linked by various common bonds like caste sub caste, communist blood relation place of origin activity etc.

(2) Group stabilization through thrift and credit activity amongst the members and building their group corpus. The group takes
internal loaning to member from their group corpus. The group should & save regularly and begin to lend, provider. Opportunities to acquire to skills. The group institutionalizes the need to introduce sanctions for deviant behavior, which could include delay in repayments, arriving late or absenting from meetings.

(3) Micro credit, the group corpus is supplemented with revolving fund sanctioned as cash credit limit by the banks or the group could also have access to credit under the SHG bank linkage programme of NABARD.

(4) Micro enterprise development, group takes up Economies activity, of their choice for income generation. This phase would include entrepreneurship development as well as skill development training of the members of the groups such groups may require intensive training and capacity building inputs enable then or reach higher levels of income generation.

1.15 Micro Finance Institutions:

Bangladesh has been acknowledged as a pioneer in the field of micro finance. Dr Mehmud Yunus, professor of economics in chitgaon
university of Bangladesh, was in initiator of an action research project Grameen Bank. The project started in 1976 and it was formally recognized as a bank through an ordinance issued by the government in 1983. Even then it does not have a scheduled status from the central bank of the country the Bangladesh Bank\textsuperscript{21}. The Grameen Bank provides loans to the landless poor, particularly women to promote self employment. At the end of December 2001 it had a membership 23.78 lakh and cumulative micro-credit disbursements of TK 14.653 crore. Bangladesh Rural Advancement committee (BRAC) Association for social Advancement (ASA) and Proshika are the other principal micro credit finance institution (MFIS) operating for over two decades and their activities are spread in all the districts of that country. BRAL is the largest NGO of Bangladesh with a total membership of 41.38 Lakh. Initially set up in 1972 as relief organization, it now addresses the issues of poverty alleviation and empowerment of poor, especially women, in the rural areas of the country. This institute also works in the field of literacy, legal education and human rights; BRAC has worked significantly in the fields of education, health nutrition and other support services.

PROSHIKA, derives its name from three Bengali words namely partisan (training) Shiksha (education) and Kaj (action) PROSHIKA is also active in the areas of literacy, environment, health and organization building
while ASA and Grameen Bank are pure MFIS. The Micro finance practices of these institutions revolve around five basic features;

- Firstly, these institutions primarily have women as their forget group.

- Secondly they adopt group approach for achieving their forgets. The group approach focuses on organizing the people into small groups and then introducing them to the facility of Micro financing. The MFIS of Bangladesh place a great deal of importance to group solidarity and cohesiveness.

- Thirdly, savings are an essential precondition in all these MFIS for availing credit from them.

- Fourthly, the officials of the Bangladesh MFIS remain present in the weekly meetings of the groups and collect the savings update the pass books and even disburse the loans and

- Lastly, the systems and procedures of the MFI are quite simple and in tune with the requirements and capabilities of their clients.

1.16. Scenario of Micro Finance Institutions in India

India has adopted the Bangladesh's model in a Modified from. To alleviation the poverty and to empower the women the micro finance has emerged as a powerful instrument in the view economy. With availability
of Micro finance self help groups (SHGs) and credit management groups also started in India. And thus the movement of Self Help Groups has spread over in India\textsuperscript{22}. In India, banks are the predominant agency for delivery of Micro Credit in 1970, Ilaben Bhat, founder member of 'SEWA (Self employed women's Association) in Ahmedabad, had developed a concept of women and Micro finance, the Annapurna Mahila Mandal in Maharashtra and working women's forum' in Tamilnadu and many National Bank for Agriculture and Rural Development (NABARD) - sponsored groups have followed the path laid down by 'SEWA,' 'SEWA' is a trade union of poor self employed women workers. Since 1987 'Mysore Resettlement and Development Agency' (MYRADA) has promoted credit Management Groups (CMGs) CMGs are similar to self help groups. The basic features of this concept promoted by MY RADA are:

(1) Affinity

(2) Voluntarism

(3) Homogeneity and

(4) Membership should be limited to 15.20 persons. Aim of the CMG is to bestow social empowerment to women\textsuperscript{23}. In 1991-92 NABARD started promoting self help group on a large scale and it was the real take off point for the Self Help Groups movement. In 1993, the Reserve Bank of India also allowed
Self Help Groups to open saving accounts in banks facility of availing bank services was a major boost to the movement. The movement of Self Help Groups was nourished in the states of Gujrat, Maharashtra, Andrapradesh, Rajasthan, Tamilandu and Kerala. Now nearly 560 banks like NABARD, bank of Maharashtra, State Bank of India, Co-operative Banks, Regional rural banks, the Government institutions like Maharaahtra Arthik Vikas Mahamandal (MAVIM) District Rural Development Agency (DRDA) Municipal Corporations and more than 3,024 NGOS are collectively and actively involved in the promotion of Self Help Groups movement.

1.17 Self Help Groups Models in India:

In India three different models of linkage of Self Help Groups to the financial Institutions have emerged. They are

**MODEL: I** - Banks them, from and finance the Self Help Groups 16%

**MODEL: II** - Self Help Groups are formed by NGO\textsubscript{s} and other agencies but financed by banks (75% of all Self Help Groups financed).

**MODEL: III** - Banks finance Self Help Groups with NGO\textsubscript{s} and other agencies as financial enterprises (9%)
The second model is the most popular model almost three-fourths of all the Self Help Groups come under this model only 20% of the Self Help Groups are covered under the first and 8% under the third model respectively.

1.18 Functioning of Self Help Groups:

As soon as the Self Help Groups are formed and a couple of group meetings are held, a Self Help Groups can open a saving Bank account with the nearest commercial or Regional Rural Banker a cooperative Bank. This is essential to keep the thrift and other monies of the Self Help Groups safely and also to improve the transparency levels of Self Help Group transactions. Opening of S.B. Account, (Saving Bank Account), in fact is the beginning of relationship between the bank and the Self Help Groups. The Reserve Bank of India has issued instructions to all banks permitting them to open S.B. Accounts in the name of registered or unregistered Self Help Groups.

By initially managing their own common found for some time, Self Help Groups members not only take care of the financing needs of each other, but develop their skills of financial management and intermediation as well lending to members also enhances the knowledge of Self Help Groups member in setting the interest rate and periodic loan installments, recovering
the loan, etc. Thus the establishment of Self Help Groups makes the rural population familiar with financial terms and financial planning.

1.19 The Self Help Groups Movement in Maharashtra:

The concept of Self Help Groups was not new to Maharashtra beginning with a tiny amount of only 25 paise the women of Maharashtra from Amravati District had established one Self Help Group along back in 1947.

Further in 1988, 'Chaitanya' Gramin Mahila Bal Yuvak Sanstha Started promoting Self Help Groups in Pune District informally in southern part of India, 'SADHAN' 'DHAN' Foundation and 'ASA' worked to promote Self Help Groups But their thrust was on economic aspects only. Whereas in Maharashtra the NGOs not only have catered to the economic needs of the participants, but also involved in the process of social development. Aim of Chaitanya' is also the some to empower the women in both ways, economically and socially presently, numerous NGOs and Governmental Institutions promote Self Help Groups on large Scale.
1.20 Indicators of a Good Self Help Group's:

(a) Homogeneous memberships:

As far as possible the membership of a Self Help Groups may comprise people from comparable socio-economic back ground. Though difficult to define in clear terms, a major indicator of homogeneity in membership is absence of conflicting interest among members.

(b) No Discrimination:

There should not be any discrimination among members based on caste religion or political affiliations.

(c) Small Membership:

Ideally, the group size may be between 15 and 20 so that the members are participative in all activities of the Self Help Groups. In smaller Group members get opportunity to speak openly and freely. However, the membership may not be too small that its financial transactions term out to be insignificant.
(d) **Regular Attendance:**

Total participation in regular group meetings lends strength to the effectiveness of Self Help Groups. To achieve this, the Self Help Groups should place strong emphasis on regular attendance in the group meetings.

(e) **Transparency in Functioning:**

It is important that all financial and non-financial transactions are transparent in a Self Help Groups. This promotes trust, mutual faith and confidence among its members. Maintenance of books of accounts as also other records like the minutes book, attendance register, etc are important.

(f) **Set of Byelaws:**

The Self Help Groups may discuss and finalize set of byelaws, indicating rules and regulations for the Self Help Groups functioning and also roles and responsibilities of members. It is better to have a written set of byelaws. The self help promoting institution (SHPI) and bank may guide the Self Help Groups in this.

(g) **Thrift:**

The habit of thrift (small savings) is fundamental to the Self Help Groups and helps in building up a strong common fund.
(h) **Utilizing Savings for longing:**

Once a Self Help Groups has accumulated sizeable amount in the form of savings say for a period of about 3-6 months, the members may be allowed to avail loans against their savings for emergent consumption and supplementary income generating credit needs\(^{26}\).

**1.21 Role of Self help groups:**

The basic objective of self help groups is to develop saving capability among the poorest sections of the society, which in turn will reduce dependency on financial institutions and development self reliance. It was also observed, in earlier, every poverty alleviation programme initiated by the state had failed in capacity building of the rural masses\(^{27}\). Therefore, they become more and more dependent on financial support. At this moment, Government must realized that it would provide basic minimum facilities to the people particularly marginalized section with primary education to all women, men and children, primary health, rural roads, safe drinking water, sanitation and strong public distribution system.

In the above context, the concept of self help groups (SHGs) is the most exciting discovery in the context micro-finance. The Self Help Groups are informal groups of persons joining together in order to share a common
concern or programme. These groups are formed voluntarily and managed democratically. In most of the cases their membership consists of homogeneous individuals. Members usually fell the need to SHG for various causes. The objective of the Self Help Groups is the common good for the members and possibly of others around them.

There is a vital difference between the Self Help Groups and an NGO in that the domain of the Self Help Groups is within its immediate surroundings. Any group of individuals can decide and form an Self Help Groups and start functioning the same day.28 If they have some funds; they can pool them as savings and can start using them. This is unlike the NGO which has to have at least 7 members, an executive committee a resolution for important decision, and a general body decision for every policy departure. This is also unlike a cooperative society, which has to have at least 11 members need to have its written bye-laws, and to be and registered.

1.22 **Self Help Group in India:**

Self-Help Groups are emerging as major agents of development and empowerment of weaker section in the third world. In India, since the beginning of the ninth-plan most of the development programmes are channeled through SHGs. In all the part of the Country, self-help groups are organized by governmental and Non-governmental organizations. The
government, banks and Non-governmental organizations (NGOs) facilitate them by providing revolving fund, organizational base and training, credit etc. It is worthwhile to call SHGs of mass movement of scale for development and empowerment of the poor and down trodden in the country.

1.23 SHGs in Maharashtra State:

The SHG bank linkage program launched in 1992 as an experiment in providing hassle free institutional credit to hither to unreached rural poor, has achieved phenomenal success over the last one and half decade. The program is now acclaimed as the largest micro finance program in the world. The program implementation received a further boost during 2006-07 in India and the Maharashtra State was no exception to this.

**Table 1.1- SHGs in Maharashtra State**

(As on 31st Mar.2007)

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Years</th>
<th>SHGs</th>
<th>%</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2003-04</td>
<td>10,470</td>
<td>5.29</td>
<td>24</td>
</tr>
<tr>
<td>2</td>
<td>2004-05</td>
<td>32,611</td>
<td>16.49</td>
<td>211</td>
</tr>
<tr>
<td>3</td>
<td>2005-06</td>
<td>60,324</td>
<td>30.50</td>
<td>85</td>
</tr>
<tr>
<td>4</td>
<td>2006-07</td>
<td>94,386</td>
<td>47.72</td>
<td>56</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,97,761</td>
<td>100.00</td>
<td>-----</td>
</tr>
</tbody>
</table>

*Source*: (Regional review meet, at Beed, Back ground paper, pp.3)

It can be seen from table 1.1 that there were 1,97,761 SHGs were formed in the Maharashtra State from the year 2003-04 to the year 2006-07.

It is also observed from table 1.1 that SHG bank linkage program witnessed
significant growth in the state of Maharashtra. During the year 2006-07, 9,42,386 new SHGs were credit linked against 60,324 SHGs formed during the year 2005-06 showed a growth rate of 56%.

It is revealed from table 1.1 that highest number of SHGs i.e. 94,386 (47.72%), were formed in the year 2006-07, where as lowest number of SHGs were formed i.e. 10,470(5.29%) in the year 2003-04. In all the remaining years SHGs were formed in the Maharashtra State between these two extremes. Progress of SHGs formation is positively on going in the Maharashtra State percentage of growth indicates this.

1.24 Comparative progress of SHGs between all India- Maharashtra state:

The SHGs bank linkage program had a good beginning in the state of Maharashtra as good quality SHGs were promoted under IFAD assisted Maharashtra Rural credit project (MRCD). The MRCD had positive impact on promotion, nurturing and credit linkage of SHGs in the state. Although the quantitative growth was not as comparable to southern state in the initial years. Maharashtra used to occupy 4th or 5th position among all the states in India. During 2002-03 and 2003-04 the pace of SHG linkage had slide down in the state as compared to progress in India and the states slipped down to 9th position in 2003-04. However, growth of the program has witnessed significant progress during last 3 years with linkage of 94386 new SHGs.
Maharashtra stood at 2\textsuperscript{nd} position in all India during 2006-07. In fact, pace of growth of the program in the state was much faster than all India position during last 3 years. With increase in credit linkage of SHGs, the share of Maharashtra in cumulative all India linkage has also increased, it can be seen from table 1.3.

**Table 1.2- Comparative progress of SHGs between all India-Maharashtra state.**

(As on 31\textsuperscript{st} March, 2007) (No. of SHGs)

<table>
<thead>
<tr>
<th>S.No</th>
<th>Years (as on 31\textsuperscript{st} March)</th>
<th>Cumulative credit linkage</th>
<th>Share of Maharashtra state (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>All India</td>
<td>Maharashtra</td>
</tr>
<tr>
<td>1</td>
<td>2004</td>
<td>1079091</td>
<td>38535</td>
</tr>
<tr>
<td>2</td>
<td>2005</td>
<td>1618476</td>
<td>71146</td>
</tr>
<tr>
<td>3</td>
<td>2006</td>
<td>2238525</td>
<td>131470</td>
</tr>
<tr>
<td>4</td>
<td>2007</td>
<td>2924973</td>
<td>225856</td>
</tr>
</tbody>
</table>

Source: (Regional review meet, at Beed, Back ground paper, pp.3)

The data given in table 1.2 revels that in the year 2007 the position of cumulative credit linkage of SHGs were 225856, on the other hand all India position shows that 2924973 SHGs. It can be seen from table 1.2 that share of Maharashtra state shows 7.2% of all India position.

It is disclosed from table 1.2 that in the year 2004 Maharashtra states constituted 38,535 cumulative number SHGs credit linked. On the other side,
all India position reveals that there were 1079091535 cumulative number SHGs were credit linked. It is revealed from table 1.2 that from the year 2004 to 2007 the share of Maharashtra state with compare to all India level showed significant and positive growth.

1.25 SHGs Marathwada region (District wise)

It can be seen from table 1.3 that in all the districts of Marathwada region i.e. Aurangabad, Beed, Jalna, Latur, Nanded, Parbhani, Osmanabad and Hingoli number of SHGs credit linked during 2006-07 were 13.781 and cumulative number of SHGs credit linked as on 31st March 2007 were 36265.

**Table 1.3- SHGs Marathwada region**

(As on 31st March, 2007) (No of SHGs)

<table>
<thead>
<tr>
<th>S.No</th>
<th>District</th>
<th>No of SHGs Credit linked During 2006-2007</th>
<th>cumulative number of SHGs Credit Linked as on 31st Mar 07</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Aurangabad</td>
<td>1435</td>
<td>4822</td>
<td>13.30</td>
</tr>
<tr>
<td>2</td>
<td>Beed</td>
<td>2147</td>
<td>5118</td>
<td>14.11</td>
</tr>
<tr>
<td>3</td>
<td>Jalna</td>
<td>1188</td>
<td>2962</td>
<td>08.17</td>
</tr>
<tr>
<td>4</td>
<td>Latur</td>
<td>2686</td>
<td>6332</td>
<td>17.46</td>
</tr>
<tr>
<td>5</td>
<td>Nanded</td>
<td>2056</td>
<td>7552</td>
<td>20.82</td>
</tr>
<tr>
<td>6</td>
<td>Parbhani</td>
<td>1414</td>
<td>2675</td>
<td>07.38</td>
</tr>
<tr>
<td>7</td>
<td>Osmanabad</td>
<td>2192</td>
<td>5618</td>
<td>15.49</td>
</tr>
<tr>
<td>8</td>
<td>Hingoli</td>
<td>663</td>
<td>1186</td>
<td>03.27</td>
</tr>
<tr>
<td></td>
<td><strong>Total Marathwada</strong></td>
<td><strong>13781</strong></td>
<td><strong>36265</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

**Source:** NABARD, Regional review meet, Back ground paper, at Beed P.No.11)
The data given in table 1.3 reveals that as far as number of SHGs formed is concerned, Nanded district was topping in the list. Nanded district constitutes 7552(20.82%) cumulative number of SHGs credit linked as on 31st March 2007. Out of the aggregate 36265 SHGs credit linked in the Marathawada region, where as lowest number of cumulative SHGs credit linked as on 31st March 2007 was concerned, Hingoli district constitutes 1186(3.27%) SHGs of the aggregate 36265 SHGs were formed in the Marathawada region.

1.26 Progress of SHGs in Jalna district:

It can be seen from table 1.4 that Jalna district had 2984 SHGs as a whole up to 31st Dec. 2006. As far as Jalna block is concerned, there were 487 (16.32%) SHGs formed up to 31st Dec. 2006 and at the beginning on 31st Dec. 1999 there was only 62 SHGs. On the other hand, highest number of SHGs were formed during the year 1995 i.e. 92 and lowest number of SHGs were formed during the year 2006 i.e. 40.

Table 1.4-Progress of SHGs Jalna district
(As on 31st December, 2006) (No. of SHGs)

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the block</th>
<th>99</th>
<th>2000</th>
<th>01</th>
<th>02</th>
<th>03</th>
<th>04</th>
<th>05</th>
<th>06</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jalna</td>
<td>62</td>
<td>74</td>
<td>51</td>
<td>72</td>
<td>50</td>
<td>46</td>
<td>92</td>
<td>40</td>
<td>487</td>
<td>16.32</td>
</tr>
<tr>
<td>2</td>
<td>Badnapur</td>
<td>24</td>
<td>19</td>
<td>52</td>
<td>66</td>
<td>24</td>
<td>46</td>
<td>36</td>
<td>25</td>
<td>292</td>
<td>09.78</td>
</tr>
<tr>
<td>3</td>
<td>Ambad</td>
<td>56</td>
<td>63</td>
<td>27</td>
<td>46</td>
<td>38</td>
<td>30</td>
<td>63</td>
<td>25</td>
<td>348</td>
<td>11.66</td>
</tr>
<tr>
<td>4</td>
<td>Ghansawangi</td>
<td>41</td>
<td>36</td>
<td>60</td>
<td>80</td>
<td>29</td>
<td>32</td>
<td>66</td>
<td>29</td>
<td>367</td>
<td>12.30</td>
</tr>
<tr>
<td>5</td>
<td>Partur</td>
<td>59</td>
<td>40</td>
<td>26</td>
<td>48</td>
<td>52</td>
<td>54</td>
<td>47</td>
<td>15</td>
<td>341</td>
<td>11.43</td>
</tr>
</tbody>
</table>
As far as Badnapur block is concerned, it is observed that there were 292 (9.78%) SHGs were formed up to 31\textsuperscript{st} Dec.2006. On the other side, only 24 SHGs were formed as on 31\textsuperscript{st} Dec. 1999. Highest number of SHGs i.e. 66 were formed during the year 2002, on the other hand, lowest number of SHGs were formed during the year 2000 i.e. 19.

It is observed from table 1.4 that Ambad block constituted 348 (11.66%) SHGs up to 31\textsuperscript{st} Dec.2006. In the year 1999 Ambad block constituted 56 SHGs as a whole. Highest Number of SHGs was formed in Ambad block in the year 2000 and 2000 i.e. 63, on the other side, lowest number of SHGs were formed during the year 2006 i.e. 25.

It is found from table 1.4 that Ghansawangi block constituted 367 (12.30%) SHGs up to 31\textsuperscript{st} Dec.2006 in the block. In the year 1999 there were 41 SHGs were formed in the block. Highest number of SHGs were formed in the year 2002 i.e. 80, where as lowest number of SHGs were formed in the year 2006 i.e.29.

As far as progress of SHGs is concerned, Partur block constituted 341 (11.43%) SHGs up to 31\textsuperscript{st} Dec.2006. Majority of the SHGs were formed i.e.
59 in the year 1999. Lowest number of SHGs were formed in the year 2006 i.e. 1.4.

It can be seen from table 1.4 that Mantha block constitutes 368 (12.33%) SHGs up to 31st Dec.2006. In the year 1999 Mantha block constitutes 62 SHGs. Majority of the SHGs were formed in the year 2005 i.e. 64, where as lowest number of SHGs were formed in the year 2006 i.e. 20.

As far as Bhokardan block is concerned, 372 (12.47%) SHGs were constituted up to 31st Dec.2006. In the year 1999 there were 45 SHGs formed in the block. Highest numbers of SHGs were formed in the year 2002 i.e. 80. On the other hand, lowest number of SHGs was formed in the year 2004 i.e. 17.

It revealed from table 1.4 that Jafrabad block constitutes 409 SHGs up to 31st Dec2006. In the year 1999 there were 69 SHGs were formed in the block. Highest number of SHGs were formed in the year 2000 i.e. 76, where as lowest number of SHGs were formed in the year 2004 i.e. 26.

It is also observed from table 1.4 that Jalna district have 2984 SHGs up to 31st Dec. 2006 and highest number of SHGs were formed in the year 2002 i.e. 479, where as lowest number of SHGs were formed in the year 2006 i.e. 207.
It can be also observed from table 1.4 that as far as growth rate of SHGs in Jalna district is considered, in the year 1999 there were 419 SHGs were formed and in the year 2000 SHGs formed were goes to 439 it reveals growth of positive 5.02%. In the year 2001 number of SHGs formed was 321 and it reveals negative growth i.e. –26.87%. On the same time in the year 2002 and 2005 number of SHGs formed reveals positive growth i.e. 49.22% and 55.05% respectively, while number of SHGs formed in the year 2003, 2004 and 2006 reveals negative growth i.e. –26.65%, -08.90% and –55.67% respectively. Hence, progress of SHGs in the Jalna district shows positive and negative growth itself.

**1.27 Block wise progress of SHGs in Jalna district**

The Govt. of India has accorded national priority for SHG bank linkage program since 1999 for covering rural poor through SHGs. The SHGs gained momentum in the Jalna District. As per official record of the District Rural Development Agency (DRDA) Jalna, Self Help Groups (SHGs) as on 31st March 2006 was 2777, during the year 2006-07 the cumulative figure of SHGs having bank linked rose to 2984 SHGs. A number of Non Government Organizations (NGOs) have been promoting Self Help Groups (SHGs) in the Jalna District. The block wise progress of SHGs in Jalna district as on 31st Dec.2006 is given in table 1.6.
<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the Block</th>
<th>SHGs formed up to 31st Dec. 2008</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jalna</td>
<td>487</td>
<td>16.32</td>
</tr>
<tr>
<td>2</td>
<td>Badnapur</td>
<td>292</td>
<td>09.78</td>
</tr>
<tr>
<td>3</td>
<td>Ambad</td>
<td>348</td>
<td>11.66</td>
</tr>
<tr>
<td>4</td>
<td>Ghansawangi</td>
<td>367</td>
<td>12.30</td>
</tr>
<tr>
<td>5</td>
<td>Partur</td>
<td>341</td>
<td>11.43</td>
</tr>
<tr>
<td>6</td>
<td>Mantha</td>
<td>368</td>
<td>12.33</td>
</tr>
<tr>
<td>7</td>
<td>Bhokardan</td>
<td>372</td>
<td>12.47</td>
</tr>
<tr>
<td>8</td>
<td>Jafrabad</td>
<td>409</td>
<td>13.71</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>2984</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: (DRDA office record 31st Dec. 2008)

It can be seen from table 1.5 that as far as number of SHGs promoted is concerned, Jalna block is toping in the list followed by Jafrabad block. Jalna block constituted 487(16.32%) SHGs of the aggregate 2984 SHGs in the district. And the lowest number of SHGs had started in Ambad block i.e. 348(11.66%) SHGs of the aggregate 2984 SHGs in the district as on 31st Dec. 2006.

**1.28 Significance of the present study**

Women’s development has manifold aspects in the process of change. Indian society cannot totally change unless and until women is
well educated and well employed. In the demographic structure of Indian population the position of women is declining to per thousand male population. In order to avoid future complications women must be properly elevated and her participation in development must increase. In present study, analysis about working women in rural areas can be made which are now financially strengthened due to self help group. The Government is looking its best to improve the lot of women. It has started “Swarnjayanti Gram Swarozgar Yojana in April 1999, this scheme is making women economically independent by providing them self employment opportunities to fight against poverty at grass root level and generate income at household level. Under this scheme, Self Help Group (SHGs) is formed. Women’s contribution of work helps to increase family income and per capita income of the nation.

Multiple agencies such as public sector banks, National Bank for Agriculture and Rural Development, Non-Government Organisations, State Government Agencies like Panchayat Samitee, Z.P., Municipal Corporation, DRDA etc. and concerned Central Government Departments are involved in the promotion of Self Help Groups. Self Help Group (SHG) is a group of 10 to 20 poor women belonging to different families. Below Poverty Line (BPL) has proven its importance for undertaking collective business activities, generating employment and income. The SHG and Banking linkages programme has emerged as a primary micro finance for the poorest of the poor people living in rural as well as urban areas. At present, there are 16,18,476 EHG's operating in India as on 31st March 2005. More than 90% of the total
SHGs are women SHGs. All these SHGs are linked with 32,294 bank branches. Around 24.25 million households have been assisted with bank loan of Rs. 68.98 billion in India.

At present, NABARD has been working as a pioneer institution assisting RRBs, commercial banks, cooperative banks and NGOs for effective implementation of SHG programme in India. In the context of increasing poverty and growing number of unemployment, the SHGs programme has a very crucial role to play in solving problems of poverty in rural and urban area of our country.

This study has been undertaken to relevant of SHGs programme in Jalna district. Jalna district is one of the 8 district of Marathwada Region which is most economically backward district in Marathwada. This study aims at to find out whether women are really assisted with these SHG and trying to upgrading economical and social condition of the member? To what extent these groups are successful in collecting savings, fulfilling the economic needs of the groups members, employment and income generation and assets creation?

1.29 Scope of Study

The present study is a critical review of the performance evaluation of women Self Help Group programme and its impact on economic development process in Jalna district. The study was stress on the concentration of the points to find out the performance of SHGs, its business activities, role in creating the employment and increasing
the family income of the members of SHG and dependents of SHG. The study was based on an intensive analysis of data for a period of (1998-99 to 2005-06) eight years. The study depends on the annual reports of DRDA, SHG, Banks and Government circulars.

The performance evaluation was based on the study of profitability of SHG, Regular repayment of loan, Gradation of the Group, testing ratios like profitability ratio, fixed capital turnover ratio, working capital turnover ratio, current ratio, Fixed turnover ratio etc. and preparation of financial statements.

1.30 Objectives of the Study

The principal objectives of the study are enumerated as under:–

1) To take review of the emergence of SHGs programme in Jalna district.

2) To compare SHG programmes in different taluka in Jalna district.

3) To evaluate the SHGs implementation, operational efficiency.

4) To study the role of NABARD, DRDA, Banks and NGOs in implementation of the SHGs programme in Jalna and to recommend some suggestions for improvement of there working.

5) To make an appraisal of the progress of SHGs in Jalna district.

6) To study the problems and difficulties faced by SHGs and suggest some remedies to over-come the problem
7) To study socio-economic impacts of SHGs programme of the members of the groups

8) To examine the utilizations of funds

9) To present the information *data* for the collateral to or incidental with either above cited objectives

**1.3.1 Methodology of the Study**

**Table 1.6 Self Help Groups (SHG) at Glance in Jalna District**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the Block</th>
<th>SHGs formed up to 31st Dec. 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jalna</td>
<td>487</td>
</tr>
<tr>
<td>2</td>
<td>Badnapur</td>
<td>292</td>
</tr>
<tr>
<td>3</td>
<td>Ambad</td>
<td>348</td>
</tr>
<tr>
<td>4</td>
<td>Ghansawangi</td>
<td>367</td>
</tr>
<tr>
<td>5</td>
<td>Partur</td>
<td>341</td>
</tr>
<tr>
<td>6</td>
<td>Mantha</td>
<td>368</td>
</tr>
<tr>
<td>7</td>
<td>Bhokardan</td>
<td>372</td>
</tr>
<tr>
<td>8</td>
<td>Jafrabad</td>
<td>409</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>2984</strong></td>
</tr>
</tbody>
</table>

The type of research is based on descriptive and analytical study. Descriptive method includes the survey and fact finding relating to the working of Small Help Groups. It also includes the creation of information through questionnaires and personal interviews. Under analytical methods it consist of analysis of working performance of
SHGs; financial statements, Bank reports, testing the ratio etc. Again working performance of different SHGs located in Jalna district was studied in different dimensions i.e. manufacturing marketing

**Primary-Data:** Essential data has been collected from structured questionnaires. Moreover, the personal interviews of randomly selected SHGs leader, beneficiaries and promoting NGOs head was undertaken.

The study is continued to the women self help groups in jalna district. The jalna district covered eight block viz Jalna, Aurangabad, Badnapur, Mantha, Partur, Bhokardan, Ghansawangi & Jafrabad. As on 31\textsuperscript{st} march 2007, the cumulative numbers of women self help groups in jalna district was 2984. in order to study the impacts of establishing women’s self helps groups, The groups completing two years period were selected for studding purpose out of 2984. women’s groups 75 (2.5%) groups were selected by sample random method. As for as a selection of groups members is concerned, four members were deliberately selected from each groups the number of selected members was 300, from eight blocks of Jalna district.

**Secondary Data:** The secondary data has been collected from the office records of DRDAs, Banks, the annual reports of NGOs, the
books, the journals, survey reports of Z.P. and Panchayat sanistee, Govt. publication and websites.

**Statistical tools:** Relevant statistical tools and tests required for the study was applied. Data analysis has been made basically by compiling and tabulation of data. Wherever deemed fit, graphs, charts and schedules was used. Appropriate tools such as percentage, ratios, averages was used for analyzing of the data.

**Limitations:** The major limitations of the study was that SGHs are not necessarily registered group so there was possibility of incomplete records or non-availability of record regarding their functioning. Again as study relates especially to women SHGs the members where reluctant to give information due to shyness. Through this study covers only Jalna district, efforts was given to examine each and every aspect of SHGs at micro level.

**1.32 Presentation of the Study**

For the purpose of convenience the study is divided into six Chapters.

- The first Chapter first deals with the background of the study, significance and importance of the study. It also includes objectives of the study, research methodology with data collection expected contribution of the study and details of the chapter scheme.
• The chapter second presents the review of literature on the present research topic. In this chapter the review has been taken of different research articles & different scholars and academicians.

• The third chapter deals with the economy profile of Jalna district its gives the detail about the population gender-wise, caste-wise, poverty wise and also the industry profile and banking in the Jalna district.

• The fourth chapter deals with the organization structure of SHG and various government policy and how these SHG are formed.

• The fifth chapter deals with performance appraisal of SHG in Jalna district.

• Six chapter deals with Summary, conclusion and important suggestions.

• 1.33 Expected contribution from the Study

This study will be useful to the Government Officials for taking the appropriate decisions and framing the proper policies regarding the self saving groups and their use in the socio-economic development in Jalna district. This research work will also be use by the research scholars, professors, academicians, N.G.O's and all other peoples who are directly and indirectly involved in this self saving groups.
References:


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