PREFACE

Self Help Group movement has emerged and experienced an explosive growth as an inclusive and socio-economic movement. Andhra Pradesh has been in the forefront of the self-help movement in India. Alongside women’s own savings, major initiative in providing SHG members with bank credit was introduced in 1992. SHG-bank linkages appeared important and added value to the lives of SHG members, their families, and to institutional credit, in general. SHGs financed by banks had members belonging mainly to socially and economically disadvantaged sections. SHGs were promoted for disadvantaged women and the significant percentage of women from advantaged caste and wealth backgrounds was a matter of concern.

Access of finance by the poor and vulnerable groups is a prerequisite for poverty reduction and social cohesion. In fact, providing access to finance is a form of empowerment of the vulnerable groups.

In the Eleventh five year plan, an attempt has been made in a somewhat explicit manner to establish “two way linkages between human development and overall economic progress”. Institutions proving Microfinance could play a significant role in facilities inclusion as they are uniquely positioned in reaching out to the rural poor many of them operate in a limited geographical area have a greater understanding of the issues specific to the rural poor enjoy greater acceptability amongst the rural poor and have flexibility in operations providing a level of comfort to their clientele. The SHG-Bank Linkage programme can be regarded as the most potent initiative for delivering financial services to the poor is a sustainable manner.
SHG-Bank Linkage has emerged as an effective credit delivery channel to the poor clients/tenant formers, whose loan requirements are much larger but who have no collaterals to fit in to the traditional financing approaches of the banking system.

The SHG movement in India, especially in states like Andhra Pradesh, has come of age. It has acquired more prominence with a focus on the objective to alleviate poverty in rural areas also to empower women, particularly, the rural and semi-urban folks. The SHGs are now accepted as a sustainable social process to ensure ‘Empowerment at the Gross Root’, but social Empowerment is not possible without economic empowerment. Hence this study has done to know the performance, working and impact of the SHGs in Andhra Pradesh.