In a country like India with a vast rural, poor population, where increasing unemployment is becoming a big problem in SGSY program, the concept of SHG and microfinance will certainly go a long way in fighting poverty and unemployment.

The SGSY program (i.e. poverty alleviation program) guidelines state that it is a credit, subsidy program and that credit is the major part and that subsidy is the minor part.

The benefits and success of the SHG pattern has encouraged several agencies and even government departments to route some other program through SHG, with element of subsidy e.g. SGSY. SHG mainly depends on savings through thrift and internal resource mobilization and external financial assistance as a supplemental source. The subsidy is perhaps against the principle of self help. Timely and adequate credit is more important than subsidized credit for the upliftment of poorer section.

The response of the people in formation of SHG and their working can be analysed with the help of Talukawise and districtwise performance. It is to be noted that the contribution of banks in the growth of SHGs rather than SGSY is really striking.

Against this background to meet the credit needs of the rural poor SHG’s are re-emerging in both the developed and developing countries irrespective of rural or urban areas.

The SHG bank linkage program of NABARD by way of microcredit, also has become, as has been claimed by even RBI, quite effective in improving the credit delivery system. However, one of the major concerns in this regard is the issue of sustainability of SHGs. In order to find out the level of sustainability of SHGs who were given microcredit by banks and also to identify the factors responsible for their attained level of sustainabil-
ity a pilot study was conducted through field investigation by conducting interviews-cum discussions, with the members of the selected SHGs.

SHGs can be formed either by the banks themselves or by NGOs or by government agencies. After stabilization of micro savings and internal lending operations, SHGs are graded and linked to commercial or co-operative banks or microfinance institutions for receiving credit.

Microfinance has now became a major financial institution focusing attention on the day to day credit requirements of people of small means and small economic activities and enterprices; properly used with discipline it will turn out to be the most effective catalyst for development for the common man, where development essentially means self reliance through self employment with social pride.

This thesis includes seven chapters on SHGs about progress of SHGs in marathwada region, nature, scope, objectives and research methodology, profile of beed district economy, performance appraisal of self help groups in Beed district, role of promotional and financial agencies assisting with self help groups in Beed district, problems and difficulties faced by SHGs and findings and recommendations of the study. These chapters covered in different manner with references of functioning of SHGs, NGOs, banks, government departments and other concerned.

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