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ROLE OF SELF HELP GROUPS (SHGs) IN FINANCIAL INCLUSION-A STUDY OF ANANTNAG DISTRICT, JAMMU AND KASHMIR

Dr. TANVEER AHMAD DAR*

ABSTRACT

Microfinance has come to play a major role in many gender and development strategies because of its direct relationship to both poverty alleviation and to the empowerment of women. Women are the most crucial elements of the social fabric and are playing a pivotal role in the socio-economic scenario in Jammu and Kashmir. Microfinance programs among the SHGs in India have been promoted for their positive economic impact and the belief that they empower women. Microfinance is the provision of thrift, credit and other financial services and products of very small amounts to the poor for enabling them to raise their income levels and improve their living standards. It is now being considered as one of the most important and effective mechanisms for poverty alleviation. There is a positive effect of microfinance on the socio-economic environment in rural areas. Microfinance institutions can help the people who engage in small-scale firms based on agriculture, micro enterprises, animal rearing activities, handicraft making, floriculture, food processing and fisheries to spread out their business by offering them different kinds of small loans. Over the past few years, Microfinance, through the formation of Self Help Group (SHG), has proved to be an effective channel for disbursement of credit in rural areas. The sample of the study consists of 277 respondents, which were selected by Multistage Random Sampling Method. The major objectives of the study are:- 1. To study the socio-economic conditions of members of Woman Self Help Groups of Anantnag District, Jammu and Kashmir. 2. To analyze the impact of microfinance on alleviating Rural Poverty at Anantnag District, Jammu and Kashmir. 3. To study the performance of Self Help Groups in providing microfinance services to the members of Anantnag District, Jammu and Kashmir. The study concluded that after joining the Self Help Groups, the women gained both social as well as economic empowerment in their lives. People join SHGs to meet their financial requirement because if they go to banks the rules and regulation is stringent and time-consuming whereas they get a loan here very easily. They are educated towards banking norms only after joining the group. The group also helped them in their personality development. They also arrange tours to various places and by this, it helped them to know about different places. It also helps them in understanding the group dynamic and their participation in social activities are improved after joining the group. Microfinance is appreciable in bringing confidence, courage, skill development and empowerment of women. Now, the Self Help Group members feel free to move with their groups and participate in various social welfare activities with good cooperation while interacting with the respondents.

Keywords: Microfinance, Women Empowerment, Financial Inclusion, Self Help Groups, Non-Governmental Organization.

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INTRODUCTION

Microfinance is a type of banking service that is provided to unemployed or low-income individuals or groups who would otherwise have no other means of gaining financial services. Ultimately, the goal of microfinance is to give low-income people an opportunity to become self-sufficient by providing a means of saving money, borrowing money and insurance. Microfinance is usually understood to entail the provision of financial services to micro-entrepreneurs and small businesses, which lack access to banking and related services due to the high transaction costs associated with serving these client categories. The two main mechanisms for the delivery of financial services to such clients are (1) relationship-based banking for individual entrepreneurs and small businesses; and (2) group-based models, where several entrepreneurs come together to apply for loans and other services as a group. Microfinance is a movement the object of which is “A world in which as many poor and near-poor households as possible have permanent access to an appropriate range of high-quality financial services, including not just credit but also savings, insurance, and fund transfers.” Many of those who promote microfinance generally believe that such access will help poor people out of poverty. For others, microfinance is a way to promote economic development, employment and growth through the support of micro-entrepreneurs and small businesses.

Financial services for the poor often referred to as microfinance, cannot solve all the problems caused by poverty. But they can help to put economic resources and power into the hands of the poor and low-income people enabling them to make their own financial decisions and thus solve the problem of poverty. The potential is enormous and so is the challenge. Inclusive finance, including products that encourage savings, appropriately designed loans for the poor and low-income households and for micro, small and medium enterprises and appropriate insurance and payment services can help people to enhance incomes, acquire capital, manage risk and come out of poverty (United Nations, 2006). The Rangarajan Committee Report-2008 has defined financial inclusion as it may be defined as the process of ensuring access to financial services and timely and adequate credit where needed by the vulnerable groups such as the weaker section and low-income groups at an affordable cost. Microfinance programs have the potential to transform economic power relations and empower the poor both men and women.

Poverty is a multi-dimensional concept implying lack of income, lack of resources, deprivation of the means of livelihood and vulnerable to economic shocks. The inadequacy of traditional definitions of poverty, based on incomes and consumption was widely acknowledged and modern thinkers elucidated the new concerns of sustainable livelihood

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approach and the concept of social exclusion in the spectrum of poverty. The sustainable livelihood approach to the study of poverty has particularly emphasized the need for local participation. In this approach, each community can define criteria of well-being and the key elements of deprivation as they appear in the local context. In the 1970's the concept of social exclusion came into the literature on poverty to analyze the condition of those who are not necessarily income poor though many are that too (UNDP, 1997).

Sen, Amartya (1999) defined poverty as a lack of entitlements and capabilities. Entitlements refer to the set of alternative commodity bundles that a person can command in society using the totality of rights and opportunities that he or she faces. On the basis of this entitlement, a person can acquire some capabilities and he/she may fail to acquire some other capabilities. The capability is a kind of freedom, the substantive freedom to achieve alternative functioning combinations. Poverty is a global phenomenon and has varied genesis and dimensions. Poverty does not mean only human or income poverty but it also covers deprivation of human dignity caused by vulnerability to social and cultural shocks (Planning Commission of India, 2005).

There are about three billion people, half of the world's population, living on the income of fewer than two dollars a day. Among these poor communities, one child in five does not live to see his or her fifth birthday (Barr, Michael S, 2005). Poverty is a social phenomenon in which a section of society is unable to fulfill even their basic necessities of life. The term "Poverty" has been defined in different societies in a different way but all of them are conditioned by the version of the minimum or good life to be obtained in society (Neelamagam, 2011). As per the study conducted by Microfinance/Facts and Figures in 2006 showed that the ratio of the income between the 5 Percent richest and 5 Percent poorest of the population is 74 to 1 as compared to the ratio in 1960, which was 30 to 1 (Microfinance/Facts and Figures, 2006). To enhance international development, the United Nations Organization (UNO) announced the Millennium Development Goals, aimed to eradicate poverty by 2015. The failure of earlier poverty alleviation schemes of the government and the approach of the financial institutions to reach the real needy paved the way for the introduction of the microfinance schemes using "Thrift" and Credit Groups, otherwise popularly known as Self Help Groups (SHGs). "Thrift" refers to the savings mobilized by the Self Help Groups members and the "Credit" relates to internal lending between the Self Help Groups and the members. "Internal Lending" refers to the total resources (Savings and Microfinance received) available with Self Help Groups for lending to the members.

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In general, microfinance is a path towards empowering the most marginalized among the poor to take a change of their life cycle related requirements. It has been believed that through Microfinance, they are better positioned to access not only financial services but also resources such as group support, access to markets and other related benefits. While microfinance is looked upon as a financially viable approach to address the economic vulnerability, it has demonstrated the potential of building up the social capital of the poorest communities. In spite of all this provision is there, the Microfinance programme is not fully successful in alleviating poverty. Thus, the present study aims to analyze the role of Self Help Groups in financial inclusion in Anantnag district, Jammu and Kashmir. Microfinance is a movement whose object is “A world in which as many poor and near-poor households as possible have permanent access to an appropriate range of high-quality financial services, including not just credit but also savings, insurance, and fund transfers.” Many of those who promote microfinance generally believe that such access will help poor people out of poverty. For others, microfinance is a way to promote economic development, employment and growth through the support of micro-entrepreneurs and small businesses.

REVIEW OF LITERATURE

Gaonkar (2001) has studied the impact of SHGs on women in Goa. For this purpose, the data was collected from 5 women SHGs situated in Bardez and Bicholim taluks in Goa. The study revealed that SHGs made a lasting impact on the lives of the poor and their quality of life was improved in terms of increase in income, savings, consumption expenditure, self-confidence, productive use of free time, getting opportunity to improve hidden talents and getting more importance in the family. It was found that individual loans were mostly utilized for productive purposes and the repayment of these loans was 100 percent. The study concluded that the SHGs movement could significantly contribute towards the reduction of poverty and unemployment in the rural sectors of the economy.

Gurumoorthy (2000) revealed that the Self Help Group (SHG) is a viable alternative to achieve the objectives of rural development and to get community participation in all rural development programmes. It was an organized set up to provide micro-credit to the rural women on the strength of the group savings without insisting on any collateral security for the purpose of encouraging them to enter into entrepreneurial activities and for making them, enterprising women.

Harper (2002) has studied the differences, outreach and sustainability of the SHG banking system and Grameen banking system of providing microfinance. SHG bank linkage and Grameen banking systems dominated the microfinance markets in India and Bangladesh respectively. In SHG bank linkage system 10 to 20 members formed a group and this group

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became an autonomous financial organization, received loans from the bank in the group name and the group members carried all saving and lending transactions on their own behalf. Thus, SHG was effectively a microbank. But in Grameen banking system microfinance participants organized themselves into groups of five members and each member maintained her individual saving and loan account with microfinance organization and the main function of the group was to facilitate the financial intermediation process. It was also found that both systems were best suited to their prevailing environments. SHG bank linkage system was more flexible, independence creating and imparted freedom of saving and borrowing according to the member's requirements, so was suitable in the Indian context. But Grameen banking system was more rigid, autonomous, over disciplined and dependence-creating system which was suitable in Bangladesh where people were relatively more homogeneous, very poor and had less experience of democracy. It was also found that SHGs were probably less likely to include poor people than Grameen Bank groups but neither system reached the poorest. It was also found that SHG members were free to manage the group financial affairs so they were more empowered but at the same time more vulnerable. Grameen groups were much better protected against internal and external threats. Their members were less vulnerable but also less empowered.

Manjula B.G, (2012) said that there is a significant impact of microfinance activities on the improvement of the living standard of the family not only in economic term but also in the social term. She concluded that there is a noticeable and positive impact of microfinance activities on the living standards, empowerment and poverty alleviation among the poor people in society.

Sangwan (2008) empirically ascertained the determinants of financial inclusion and studied the relevance of Self Help Groups (SHGs) in achieving financial inclusion. For the purpose of the study, the cross-section data of 42 Regions from different states and UTs of India was used. The coverage under financial inclusion was assessed in terms of the percentage of adults having credit and saving bank accounts. In order to find out the determinants of financial inclusion, a multiple regression technique was applied. The empirical evidence of the impact of bank branch density, level of income, literacy and SHG membership on financial inclusion was estimated with this technique. It was found that as on March 2006, the financial inclusion of adults above 19 years of age was 63 percent in terms of savings accounts and 16 percent in terms of credit accounts and about 37 percent adults in India did not use financial services. The regression equations estimated with cross-section data of States revealed that the branch density had a positive and significant coefficient with the percentage of adults having to save as well as credit accounts. The coefficient of per capita

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income was also positive and significant. Literacy percentage had a surprisingly negative relationship with both percentages of saving as well as credit accounts of adults. It may be partly because of a lack of financial education among the educated ones. The results substantiated that the persons having low income and less geographical access to the bank (e.g., agricultural labourers, marginal and small farmers, migrant labourers, tribal and women) were excluded from the financial inclusion. The regression equations were also estimated by including the percentage of adult covered in SHGs, the variable had a positive association with the level of financial inclusion especially in credit accounts. It suggested that SHGs could play a significant role in achieving financial inclusion especially for women and low-income families.

Singh (2001) conducted a study on the socio-economic impact of the microfinance programme in Uttar Pradesh. In order to study the impact, rural areas of Kanpur district were selected on account of the highest number of credit linked SHGs as compared to other districts in the state. For the purpose of the study, out of 11 SHGs linked with RRB, one group in Beridayria village was selected. It was found that in a pre-SHG situation most of the members were dependent on income from labour but in the post-SHG situation, their main source of income was dairy. The survey showed that simple and quick credit delivery with lower interest rates in SHGs replaced the money-lenders. During pre-SHG some of the loans were taken for consumption purpose but in the post-SHG situation, the loans were mainly taken for income generating purposes. The study showed that the average value of assets increased by 46 percent and the annual income per household increased by 28 percent in post-SHG periods. The most interesting feature of SHGs was compulsory savings even by cutting the necessary expenditures. Recovery rate was quite high which ranged from 95 to 100 percent. The study also revealed that the commercial banks were not prompt in linking SHGs for loans.

Snigdha Chakrabarti, (2012) found that inefficiency of education and employment policies formulated in India for women required to bring about behavioral changes among women to fight against the norms of patriarchal society. Significant regional variations were also observed. They suggested that priority should be given to an awareness campaigning program to change social norms and spread of education and information systems may play a significant role in doing so. The regulatory authority may involve non-governmental organizations (NGOs) in this context.

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OBJECTIVES

1. To study the socio-economic conditions of woman Self Help Group members of Anantnag district Jammu and Kashmir.
2. To analyze the impact of microfinance on alleviating rural poverty in Anantnag district Jammu and Kashmir.
3. To study the performance of Self Help Groups in providing the microfinance services to the members of Anantnag district Jammu and Kashmir.

RESEARCH METHODOLOGY

The Anantnag district has 8 blocks namely Dachnipora, Khoviripora, Breng, Shangas, Qazigund, Shahabad, Achabal and Quimoh. Out of these 8 blocks, three blocks namely Dachnipora, Khoviripora and Shahabad were selected based on the higher concentration of self-help group members. The sampling of the study is said to be a multi-stage random sampling method. And 140 respondents from Dachnipora, 96 from Khoviripora and 41 from Shahabad block were selected randomly and a total sample of 277 respondents from Anantnag district for the present study.

ANALYSIS AND DISCUSSION

Table-1
Distribution of Number of Years in Self Help Groups Status

S.No.	Details	Frequencies	Percentages
1.	Less than 2 Years	175	63.2
2.	2-5 Years	64	23.1
3.	More than 5 Years	38	13.7
Total		277	100

Source: Computed from Primary Data

Table-1 shows the distribution of the number of years in Self Help Groups. Out of the 277 respondents, 63.2 percent of respondents have worked less than 2 years in Self Help Groups followed by 23.1 percent of respondents have worked as self-help groups from 2-3 years and 13.7 percent of respondents have worked as self-help groups from more than 5 years.

Table-2
Opinion about Functioning of Self Help Groups

S.No.	Details	Frequencies	Percentages
1.	Good	236	85.2
2.	Bad	41	14.8
	Total	277	100

Source: Computed from Primary Data

Table-2 shows the classification of respondents based on the functioning of Self Help Groups. Out of the 277 respondents, 85.2 percent of the respondents said that the

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functioning of the Self Help Groups was good and 14.8 percent of the respondents said that the functioning of the Self Help Groups was bad.

Table-3
Maintaining of Register and Records

S.No.	Details	Frequencies	Percentages
1.	Yes	245	88.4
2.	No	32	11.6
Total		277	100

Source: Computed from Primary Data

Table-3 shows the opinion of the respondents about the maintaining of proper registers and records. Out of the 277 respondents, 88.4 percent of the respondents said that the Self Help Groups were maintaining registers and keeping records and 11.6 percent of the respondents said that Self the Self Help Groups were not maintaining registers and records.

Table-4
Details of Self Help Group Members Type of Business

S.No.	Details	Frequencies	Percentages
1.	Handicraft	121	43.7
2.	Canteens	18	6.5
3.	Tea Shops	26	9.4
4.	Vegetable Shops	40	14.4
5.	Others	72	26
Total		277	100

Source: Computed from Primary Data

Table-4 shows the distribution of Self Help Groups on the basis of types of their businesses. Out of the 277 respondents, 43.7 of respondents were doing the business of handicrafts. 6.5 percent of the respondents were running the canteens, 9.4 percent of the respondents were running their tea shops, 14.4 percent of the respondents were having vegetable shops and 26 percent of the respondents were having the other types of businesses.

Table-5
Details of Self Help Group Members Undergone Training Programme

S.No.	Details	Frequencies	Percentages
1.	Yes	186	67.1
2.	No	91	32.9
Total		277	100

Source: Computed from Primary Data

Table-5 shows the details of the Self Help Groups undergoing training programmes. Out of the 277 respondents, 67.1 percent of the respondents said that they were going for training purposes and 32.9 percent of the respondent said that they were not going for any training programmes.

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Table-6
Details of Self Help Group Members Type of Business

S.No.	Details	Frequencies	Percentages
1.	Government	99	35.7
2.	NGO's	162	58.5
3.	Educational Institutions	9	3.3
4.	Others	7	2.5
Total		277	100

Source: Computed from Primary Data

Table-6 shows the details of the Self Help Groups undergoing training programmes organized by different bodies. Out of the 277 respondents, 58.5 percent of the respondents said that they were going for training purposes which were organized by NGO's, 35.7 percent of the respondents said that they were going for training purposes which were organized by Government, 3.3 percent of the respondent said that they were ere going for training purposes which were organized by educational institutions and 2.5 percent of the respondents said that they were going for training purposes which were organized by the government and 2.5 percent of the respondents were said that they were going for training purposes which were organized by other institutions.

Table-7
Opinion Regarding Improvement of Income through Microfinance

S.No.	Details	Frequencies	Percentages
1.	Strongly Agree	123	44.4
2.	Agree	98	35.4
3.	Neutral	43	15.5
4.	Disagree	13	4.7
5.	Strongly Disagree	0	0
Total		277	100

Source: Computed from Primary Data

Table-7 shows the opinions regarding the impact of microfinance in the improvement of their savings. Out of the 277 respondents, 44.4 percent of the respondents strongly agree that there was improvement in their income by the joining the Self Help Groups, 35.4 percent of the respondents agree that there was improvement in their income by the joining the Self Help Groups, 15.5 percent of the respondents said that there was no improvement after joining the Self Help Groups, 4.7 percent of the respondents did not agree that there was improvement in their income by the joining the Self Help Groups.

Table-8
Decision Making Power of Self Help Group Members

S.No.	Details	Frequencies	Percentages
1.	Yes	187	67.5
2.	No	90	32.5
Total		277	100

Source: Computed from Primary Data

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Table-8 shows the opinion of the women self-help group members regarding the decision making power increased after joining Self-help group. Out of the 277 respondents, 67.5 percent of the respondents said that their decision making power was increased 32.5 percent of the respondents said that their decision making power was not increased.

Table-9
Improvement of Saving of Self Help Group Members

S.No.	Details	Frequencies	Percentages
1.	Strongly Agree	123	44.4
2.	Agree	107	38.6
3.	Neutral	24	8.7
4.	Disagree	23	8.3
5.	Strongly Disagree	0	0
Total		277	100

Source: Computed from Primary Data

Table-9 shows the opinions regarding the impact of microfinance in the improvement of their savings. Out of the 277 respondents, 44.4 percent of the respondents strongly agree that there was improvement in their income by the joining the Self Help Groups, 38.6 percent of the respondents agree that there was improvement in their income by the joining the Self Help Groups, 8.7 percent of the respondents said that thaws no improvement after joining the Self Help Groups, 8.3 percent of the respondents said that respondents said that agree that there was improvement in their income by joining the Self Help Groups,

Table-10
Structural Improvement in Life/Family of Self Help Group Members

S.No	Details	Frequencies	Percentages
1.	Yes	179	64.6
2.	No	98	35.4
Total		277	100

Source: Computed from Primary Data

Table-10 shows the opinion about the self-help group members regarding any structural improvement in the life /family after joining self-help groups. Out of the 277 respondents, 64.6 percent of the respondents strongly agree that there was an improvement in their income by the joining the Self Help Groups, 35.4 percent of the respondents agree that there was an improvement in their income by the joining the Self Help Groups

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Table-11
Reasons for Joining the Self Help Groups
(Total Number of Respondents 277*)

S.No.	Details	Yes	No	Total
1.	Easy to Get Credit	178 (64.3)	99 (35.7)	277 (100)
2.	Low-Interest Rate Charged	175 (63.2)	102 (36.8)	277 (100)
3.	Lengthy Installment Period	237 (85.6)	40 (14.4)	277 (100)
4.	Socio-economic Status	253 (91.3)	24 (8.7)	277 (100)
5.	Economic Independence	211 (76.2)	66 (23.8)	277 (100)
6.	Able to obtain the Required Amount	225 (92.1)	22 (7.9)	277 (100)
7.	Emergency Purpose	228 (82.3)	49 (17.7)	277 (100)
8.	Savings	244 (88.1)	33 (11.9)	277 (100)
9.	To meet Family Income	248 (89.5)	29 (10.5)	277 (100)

Source: Computed from Primary Data

Table-11 shows the details of the reasons for the respondents to join the self-help groups. In case of easy to get credit, out of 277 respondents, 64.3 percent of the respondents said that they joined the self-help groups because it is easy to get credit and 35.7 percent of the respondents said that they did not join the self-help groups because it is easy to get credit. In case of lengthy installment period, out of 277 respondents, 85.6 percent of the respondents said that they joined the self-help groups because it is having the lengthy installment s for repaying the amount and 14.4 percent of the respondents said that they did not join the self-help groups because of lengthy installment period. In case of socio-economic status of the respondents, out of 277 respondents, 91.3 percent of the respondents said that their socio-economic status was improved by joined the self-help group and 8.7 percent of the respondents said that their socio-economic status was not improved by joining the self-help groups. In case to meet their family income of the respondents, out of 277 respondents, 89.5 percent of the respondents said that they meet their family income needs by joined the self-help group and 10.5 percent of the respondents said that they did not meet their family income needs by joining the self-help groups.

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Table-12
Changes after Joining the Self Help Groups
(Total Number of Respondents 277*)

S.No.	Details	Yes	No	Total
1.	Improved Socio-economic Status	184 (66.4)	93 (33.6)	277 (100)
2.	Interested Savings	189 (68.2)	88 (31.8)	277 (100)
3.	Investment in Business	181 (65.3)	96 (34.7)	277 (100)
4.	Standard of Living	229 (82.7)	48 (17.3)	277 (100)
5.	Growth in Business	210 (75.8)	67 (24.2)	277 (100)
6.	Meeting Emergency Needs	182 (65.7)	95 (34.3)	277 (100)
7.	Meeting Children's Education Expenses	212 (76.5)	65 (23.5)	277 (100)
8.	Not Accessing Bank	246 (88.8)	31 (11.2)	277 (100)
9.	Not depended on money lender	240 (86.5)	37 (13.5)	277 (100)
10.	Meeting Spouse Money Requirement	249 (90)	28 (10)	277 (100)
11.	Improved Status at Home	204 (73.6)	73 (26.4)	277 (100)
12.	Increased Outside Exposure	232 (83.7)	45 (16.3)	277 (100)
13.	Command Over One's Own Life	268 (96.7)	9 (3.3)	277 (100)
14.	The growth of Family Income	210 (75.8)	67 (24.2)	277 (100)
15.	Bargaining power	213 (77)	64 (23)	277 (100)
16.	Improved Decision Making Power	232 (83.7)	45 (16.3)	277 (100)
17.	Increased Intelligence	218 (78.7)	59 (21.3)	277 (100)
18.	Self Confidence	202 (72.9)	75 (27.1)	277 (100)
19.	Regular Income	216 (78)	61 (22.02)	277 (100)
20.	Eradicated the Poverty	213 (77)	64 (23)	277 (100)

Source: Computed from Primary Data

Table-12 shows the changes of the respondents which have occurred in their life after joining the Self-help groups. In the case of socio-economic status, out of 277 respondents, 66.4 percent of the respondents said that their socio-economic status was improved and 33.6

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percent of the respondents said that their socio-economic status was not improved. In case of savings out of 277 respondents, 68.2 percent of the respondents said that their savings were increased by joining the Self Help Groups and 33.6 percent of the respondents said that their savings were not increased after joining the Self Help Groups. In case of investment in business out of 277 respondents, 68.2 percent of the respondents said that their investment in business was increased by joining the Self Help Groups and 33.6 percent of the respondents said that their investment in business was not increased after joining the Self Help Groups. In case of meeting children's education, out of 277 respondents, 76.5 percent of the respondents said that they can meet their children education expenses by joining the Self Help Groups and 23.5 percent of the respondents said that they cannot meet their children education expenses by joining the Self Help Groups. In case of the standard of living of respondents, out of 277 respondents, 82.7 percent of the respondents said that standard of living was increased by joining the Self Help Groups and 17.3 percent of the respondents said that standard of living was increased by joining the Self Help Groups. And in case of eradicated the poverty among the respondents, out of 277 respondents, 82.7 percent of the respondents said that by joining the Self Help Groups there was the eradication of poverty and 17.3 percent of the respondents said that by joining the Self Help Groups there was no eradication of poverty.

CONCLUSION

People join SHGs to meet their financial requirement because if they go to banks the rules and regulation are stringent and time-consuming whereas they get a loan here very easily. They are educated towards banking norms only after joining the group. The group also helped them in their personality development. They also arrange tours to various places and by this, it helped them to know about different places. It also helps them in understanding the group dynamic and their participation in social activities are improved after joining the group. Women members learned to come from the home and take active participation in social activities organized by all groups together in a block. Self Help Groups contribute to solving the problems of inadequate housing and urban services as an integral part of poverty alleviation programmes. The challenge lies in finding the level of flexibility in the credit instrument that could make it match the multiple credit requirements of the low-income borrower without imposing the unbearably high cost of monitoring its end use upon the lenders. A promising solution is to provide a multipurpose loan or composite credit for income generation, housing improvement and consumption support. Here we can conclude that SHGs helps in financial inclusion of rural mass. They also help in including the excluded section of the society.

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SUGGESTIONS

1. The members of the Self Help Groups should be more active, enthusiastic and dynamic to mobilize their savings by group actions. In this process, Non-Governmental Organizations (NGOs) should act as a facilitator and motivator.
2. The bank should give adequate credit to the Self Help Groups according to their needs.
3. The procedure of the banks in sanctioning credit to Self Help Groups should be simple and quick.
4. Marketing facilities for the sale of products of Self Help Groups may be created.
5. Periodical exhibitions at block-level may be organized where the products of Self Help Groups can be displayed.
6. Meetings and Seminars may be organized where the members will get a chance to exchange their views and be able to develop their group strength of interactions.
7. Active involvement with district administration, professional bodies, non-governmental organizations and voluntary organizations is a precondition for the successful conception of microenterprises in terms of skill training, designing products, providing new technology and access to markets.

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