



### IMPACT OF SELF HELP GROUP IN SOCIO-ECONOMY DEVELOPMENT AND ROLE OF NABARD

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#### ABSTRACT:

*Women should be considered in the wider context of the successful microfinance program, as the family nucleus, which is important for social improvement and development. The Microfinance Program focuses specifically on empowerment of women in rural areas, which not only give them competitiveness for their business but also benefit them and their families. Over the past three decades, women from all over the world have made significant changes in the organization of family, society, economy and urban life as they enter into labor efficiency. Impact on women's performance and abilities and help to make decisions, increase confidence in the work environment, enhance household*

*standard of living. Therefore, microfinance gave poor women a good platform to explore their skills and knowledge to increase the level of empowerment in the community.*

**KEY WORDS:** social improvement and development .

#### INTRODUCTION:

Savings groups or small-groups are now a well-known concept. It is almost two decades old now. Savings groups (SHGs) play a major role in eradicating poverty in rural areas today. It is reported that savings groups play a role in hurting the country's economic development. Savings groups have now evolved as a movement. The members of the savings group are mainly women. As a result, women's participation in the country's economic development is increasing. They also play an important role in raising the financial status of their families. About fifty percent of the total human resources in our economy are women. This has led to the process of women's empowerment. Yet women are subject to men because they are subject to many social and cultural constraints. The situation is more acute in rural and backward areas. Emphasis should be given to women development activities for poverty alleviation, economic growth and lifespan. Savings group promotes lower savings among its members. SHG (SHG) is a small NGO of poor people, mostly from the same socio-economic background.

Poverty alleviation is an important issue for developing countries in the world. The development of the country depends on the level of employment of the community and the growth of the society which is dependent on the empowerment of women as the women play an important role in the development and development of the family which will help to develop Nation. Poverty alleviation is an important issue for developing countries in the world. Traditional development theories believed that the economy would benefit the poor through the so-called trickle-down effect. Which suggests that even among the poor, both men and women will reap the fruits of the same economic high rate. However, this has been proven through real development and despite the various development measures and constitutional legal guarantees almost all areas have women in leadership. The socio-economic development of rural areas is of crucial importance as integrated development and social justice. Independent India has placed high priority on poverty alleviation, reduction of inequality and elimination of privileges and balanced regional growth through a coordinated process of financial planning. But there is no doubt that India has made significant strides in agriculture, industry and services, and improvements have come at the level of consistency. The role of microfinance in eradicating poverty was emphasized in strengthening micro-credit organizations at a meeting of the United Nations Economic and Social Council in 1997. He also acknowledged the importance of reaching credit for developing the agricultural sector of the below poverty line and taking up micro enterprises for self-employment.

#### **FUNCTIONS OF SHG:**

Usually there are 10 to 20 women in the savings group. Women save some money. It is Rs. 100 to 500 monthly meetings are held every month, where formal and informal discussions are held, excluding loan disbursement and repayment. Women share their experiences in these groups. Minutes of these meetings are documented and accounts are written. The President, Secretary and Treasurer of any savings group have three official positions. If savings groups are linked to some NGOs, they participate in other social activities of those NGOs. Of late, significant changes have been taking place in the organizational structure of various microeconomic groups. There are thrift groups, credit management groups, income generating groups, self-help groups and mutual help groups. Sometimes the organization itself, which promotes savings groups, provides the loan facility. These are called micro-finance institutions. Allhouses are living in a 'poverty line' type and their income is less than Rs, 40,000 every year. National Bank for Agriculture and Rural Development will create a fund of Rs. 16 billion to help women savings groups in economically weaker districts of the country. It focuses specifically on SC / ST.

#### **SHG MOVEMENT IN INDIA:**

India has adopted the Bangladesh model in a modified form. Micro-finance has emerged as a powerful tool in the new economy to eradicate poverty and empower women. With the availability of micro-finance, savings groups (SHGs) and credit management groups have also started in India. And thus the movement of savings groups has spread in India.

#### **SHG BANK LINKAGE (2016-17):**

It has been twenty-five years that the bank linkage program has driven the rural poor, especially and especially rural women. Taking a major leap from the pilot in 1992, the SHG Bank Linkage Program has now become a community-based microfinance initiative with 85.77 lakh

savings groups catering to over one million rural families as of March 31, 2017. There was a net increase in the savings of 6.73 lakh lakhs attached to the savings groups during the year 2016-17, showing that the major part (70.4%) was the SHG-BLP urging to connect the poor households in the less developed states with the development process. Coordinating efforts of NABARD and NRLM to increase the coverage of eligible savings groups under the NRLM fold has increased the number of savings groups by about 2.9 lakhs a year. There are 85.4% women groups in the area of savings groups and this is the main program for empowerment of poor rural women in the country. Table 1 shows the savings, credit distribution and credit dues of the total savings groups under NRLM and NULM in the last three years.

The following table 1.1 describes about the region wise distribution of bank loan to SHG in the year 2014-15 to 2016-17, and it was observed that for the north eastern region total SHG are 18791, disbursement of loan was 15795 lakh rupees and the disbursement of average loan to per SHG is 84056 rupees in the year 2014-15, and in the year 2015-16 total SHG are 26037, disbursement of loan was 21969 lakh rupees and the disbursement of average loan to per SHG is 21969 rupees, and in the year 2016-17 total SHG are 28961 and total loan disbursement was 28421 and the disbursement of average loan to per SHG is 98134 rupees. For the Northern region total SHG's are 43848, disbursement of loan was 42873 lakh rupees and disbursement of average per SHG is 97777 rupees, and in the year 2015-16 total SHG's are 38106 and disbursement of loan was 48298 and disbursement of loan to per SHG was 126746 rupees, and in the year 2016-17 total SHG's are 46657 and disbursement of loan was 51414 lakh rupees and average loan disbursement was 12394 rupees to per SHG. For the central region total SHG are 109231, and disbursement of loan was 110909 lakh rupees and average loan disbursement was 101536 rupees in the year 2014-15, whereas the total SHG's are 84282, and disbursement of loan was 119067 rupees whereas the average loan disbursement to per SHG was 141272 rupees in the year 2015-16, and in the year 2016-17 the total SHG's are 82012 and total loan disbursement was 67958 lakh rupees with the average loan disbursement for per SHG was 82864.

In the Western region total SHG's in the year 2014-15 are 97341, and disbursement of total loan amount was 117080 lakh rupees and disbursement of average loan to per SHG was 120279 rupees, whereas in the year 2015-16 total SHG's are 112525 and disbursement of total loan amount was 188632 lakh rupees and average per SHG disbursement of loan was 167632 rupees, and the total number of SHG's are in the year 2016-17 are 106825, and total loan disbursement was 148819 lakh rupees and average loan distribution of per SHG was 139311 rupees. In the Eastern region the total number of SHG's are 351800 and disbursement of total loan amount was 329602 lakh rupees, with the average loan disbursement of per SHG was 93690 in the year 2014-15, whereas in the year 2015-16 the total SHG's are 412576 and disbursement of total loan amount was 349489 lakh rupees with the average loan disbursement to per SHG was 84709 rupees, and in the year 2016-17 the total number of SHG are 497063 and disbursement of total loan was 473172 lakh rupees with the average loan disbursement to per SHG was 95194 rupees.

In the southern region total number of SHG's are 1005227 and total disbursement of loan was 2141972 lakh rupees with the average loan disbursement of per SHG was 213083 rupees in the year 2014-15, whereas the total number of SHG's in the year 2015-16 was 1158797 and total disbursement of loan was 3001235 lakh rupees with average loan disbursement to per SHG was 258996 rupees, and in the year 2016-17 total number of SHG's are 1136692 and disbursement of total loan was 3102332 lakh rupees with the average loan disbursement to per SHG was 292926 rupees. In the all India total numbers of SHG's are 1626238 and disbursement of total amount was

2758231 lakh rupees with the average loan disbursement to per SHG was 169608 rupees in the year 2014-15, whereas the total number of SHG's are 1832323 and total loan amount disbursement was 3728690 lakh rupees with the average loan disbursement to per SHG was 203495 rupees in the year 2015-16, and the total number of SHG's are 1898120 and total loan amount disbursement was 3878116 lakh rupees with the average loan disbursement to per SHG was 204314 rupees.

**Table 1.1 Region wise Distribution of Bank Loan to SHG (2014-15 to 2016-17)**  
(Total loan disbursed rupees in Lakh; Average loan disbursed in rupees/ SHG)

Sr. No.	Region	Year								
		2014-15			2015-16			2016-17		
		SHG	Loan Disbursement	Average	SHG	Loan Disbursement	Average	SHG	Loan Disbursement	Average
1.	North Eastern	18791	15795	84056	26037	21969	84375	28961	28421	98134
2.	Northern	43848	42873	97777	38106	48298	126746	46567	57414	123294
3.	Central	109231	110909	101536	84282	119067	141272	82012	67958	82864
4.	Western	97341	117080	120279	112525	188632	167636	106825	148819	139311
5.	Eastern	351800	329602	93690	412576	349489	84709	497063	473172	95194
6.	Southern	1005227	2141972	213083	1158797	3001235	258996	1136692	3102332	272926
7.	All India	1626238	2758231	169608	1832323	3728690	203495	1898120	3878116	204314

Source: Nabard, 2016-17

## CONCLUSION:

From the above study it is concluded that SHG's serve as an important way for banks to provide financial services to the microfinance sector in the country by increasing the resources from banks and other institutions and increasing the debt to members of Savings Group / JLG. Indian microfinance sector has witnessed an unprecedented growth in the last few years. The number of microfinance services companies has increased by hundreds.

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