

CHAPTER- I

INTRODUCTION AND

RESEARCH

METHODOLOGY

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CHAPTER NO - I

INTRODUCTION AND RESEARCH METHODOLOGY

1.1 Introduction:-

About 40% of the rural population and 23.62% of the urban population are estimated to be living below the poverty line. The urban and rural poor have been dependent on moneylenders for their financial needs, such as marriage in the family, illness or other emergency needs, as the formal credit system of banks, by and large, is beyond the reach of the poor. This provides an opportunity for moneylenders to exploit the situation. In India about 50% of total population constitutes women but women workers constitute only 16% of total population out of this 16% - 80% remains employed in unorganized sectors. Unless women contribute economically, the country can not progress. Indian women have adequate potential sparks which can be well fanned into flames with necessary guidance and training through Self Help Groups.

The prime need of the hour is to ensure that the poor live with dignity, sufficiency and responsibility. It is also recognized that the poor people are bankable and that they themselves are likely to have a better appreciation of their socio-economic situation. The activities of Self Help Groups have emerged as a sustainable approach to make credit facilities available to the poor at their door step in as simple and flexible manner.

The Self Help Group in India has come a long way, since its inception in 1992. Today Self Help Groups 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 Self Help Group members.

The Self Help Group – Bank Linkage Programme is the largest financial inclusion programme in the world. Members of Self Help Groups are encouraged to make voluntary savings regularly. Women whether rich or poor are good savers of money. Small savings of rural poor women were hidden in Pots, Jars etc. where brought out in the open through the platform of Self Help Groups and found a way to the bank or utilized for internal lending among the members of the group.

What Is Self Help Group (SHG)? :

The Self Help Group is voluntary association of people formed to attain a collective goal. People who are homogeneous with respect to social background, heritage, caste or traditional occupation come together for a common cause to raise and manage resources for the benefit of the group members. But the financial intermediation is not the only primary objective of the groups. The idea is to combine the access to low cost financial services with a process of self management and development.

Features of Self Help Group :

- 1) Self Help Groups may or may not register.
- 2) Number of members is between 10-25.
- 3) Homogeneous in terms of economic status and interest and an affinity group.
- 4) They are non-political and voluntary and follow democratic culture.
- 5) They hold regular weekly or fortnightly meetings.
- 6) One person from one family can become a member.

Functions of Self Help Groups:-

- 1) Conduct regular weekly or fortnightly meetings.
- 2) Promote savings attitude and habit among the members.
- 3) Indulge in credit management.
- 4) Build the common fund slowly and systematically and establish linkage with bank and government department.

Significance of Self Help Groups:

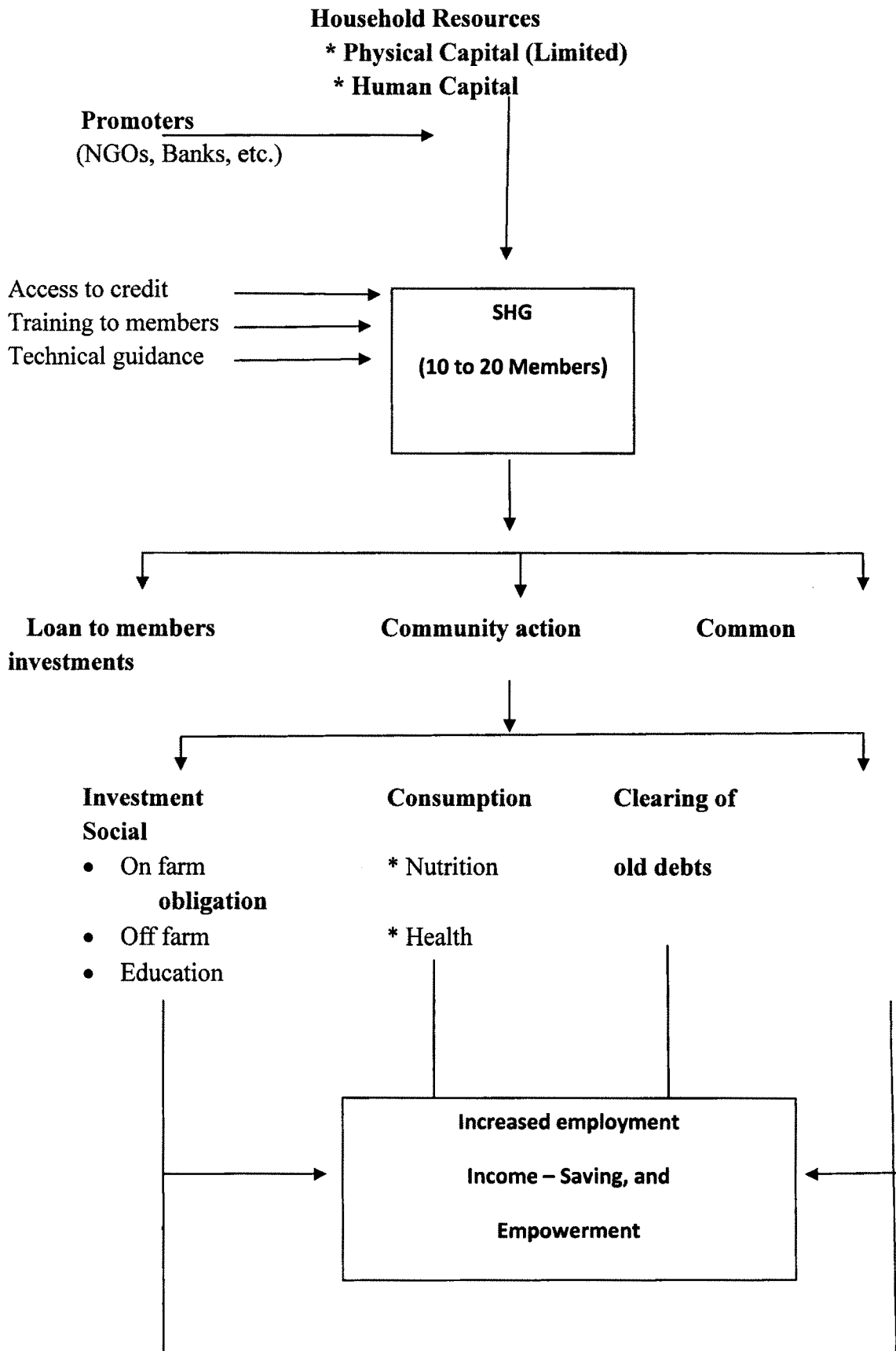
The Self Help Group movement is a noble mission on the lines of the microfinance movement which originated in Bangladesh under the leadership of Noble Laureate Mohamed Yunus. The innovative concept, that has roots in Bangladesh, has touched every part of the globe. In order to achieve the mission of reaching those families who did not have access to credit by any formal financial institution and therefore, were dependent on informal sources and moneylenders. The activities of Self Help Groups have emerged as a sustainable

approach to make credit facilities available to the poor at their door step in a simple and flexible manner.

Self Help Groups are necessary to overcome exploitation, create confidence for economic self reliance in the poor, particularly to women who are mostly invisible in the social structure. The Self Help Groups become the basis 'for action and change' and build a relationship of mutual trust between the promoting organization and the rural poor through constant contact and genuine efforts. Credit delivery through thrift and credit groups emerges as an alternative to the existing system of credit disbursement by the banks.

Self Help Groups are uniquely positioned to extend financial services to clientele of poorer and vulnerable sections than traditional bank clientele. They are modern version of co-operatives considered as a strong and desirable institutional set up in the informal financial sector for participatory credit. In the last two decades the strength of Self Help Groups in financial intermediation has tremendously enhanced. Micro finance model in India devises the flow of formal banking loans to the poor basically through Self Help Groups either directly under Self Help Group Bank Linkage Model predominantly covers the area of micro credit in India.

The micro finance in India is considered as a tool for socio-economic development over the past two decades. The term micro finance has attracted much attention in recent days, largely understood interchangeably with MFIs, owing to the huge cry made in media regarding the allegations made against them for resorting to threatening tactics towards recovery of loans from Self Help Groups. The MFIs in reality are only on lending agencies whereas the real backbone of micro industry in India is the informal setup called as Self Help Groups at the grass root level. Any sector having rapid growth will obviously look through a different lens; this is true even of the Grameen Model of Mohamed Yunus which bagged the coveted Nobel Prize to him. He first met an odd situation when in December 2010, a Norwegian television documentary followed by the Bangladesh media alleged him of diverting huge aid fund to a business concern and the Prime Minister of Bangladesh has made a scathing comment about the inner motive of Grameen model as 'sucking blood of the poor'.



A Typical SHG Model

Self Help Group – Bank Linkage Programme:-

In India, modern micro finance emerged with a strong orientation towards private sector solutions. The Self Help Group Model is the most common one envisaging a synthesis of formal financial system and informal sector where funds are extended through a mode of bank linkage. Though there are various schemes to purvey micro finance. It is implemented through commercial banks, regional rural banks and co - operative banks. During reform period of 1990s, it has been realized that commercial banks (and also RRBs due to their poor performance) are not the kind of financial institutions for social banking. Since then for the past two decades the task of financial intermediation to poor has been emphasized in India through deployment of credit with the involvement of private social agencies like NGOs, Self Help Groups and others. Formal institutional credit is deployed through such private agencies to facilitate overseeing and repayment. Microfinance has thus attempted to fill the void left between mainstream commercial banks and private moneylenders and has a fast growing enabler for access to financial services for the poor. While the success of grammeen bank of Mohamed Yunus has inspired the world. It has proved difficult to replicate the success. The microfinance movement in India started with the introduction of the Self Help Group – Bank Linkage Programme in the 1980s by NGOs and the same was later formalized by Government of India in the early 1990s.

The National Bank for Agriculture & Rural Development (NABARD) introduced the “Self Help Group - Bank Linkage Programme” as a pilot project in 1992. The pilot project was designed as a partnership model between three agencies, viz. the Self Help Groups, Banks & NGOs. This was reviewed by a working group in 1995 that led to the evolution of a streamlined set of RBI approved guidelines to banks to enable Self Help Groups to bank accounts, based on simple “Inter Set” agreement. This was coupled with a commitment by NABARD to provide refinance and promotional support to banks for Self Help Group – Bank Linkage Programme. Self Help Group – Bank Linkage Programme was started on the basis of S. K. Kalia committee. The Reserve Bank of India (RBI) had then advised commercial banks to participate actively in this programme. Subsequently, this programme was extended to all Regional Rural Banks (RRBs) and Co-operative banks. The Self Help Group – Bank Linkage scheme has the following objectives:

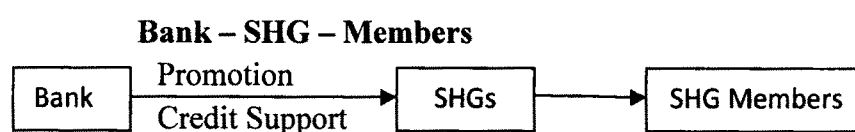
1. Develop mutual faith and confidence between bankers and rural poor.

2. Expand credit flow to the rural poor with less transaction costs.
3. Combine flexibility, sensitivity and administration capabilities and the financial resources of formal financial institutions.

Models of Self Help Group – Bank Linkage Programme

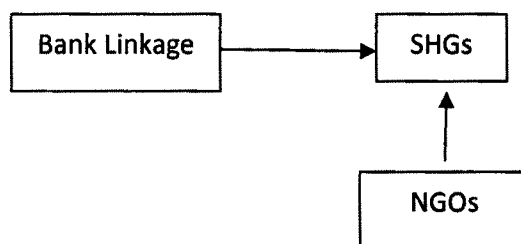
The strategy involved in this model is that of forming small, cohesive and participative groups of the poor, encouraging them to pool their savings regularly and using the pooled savings to make small interest bearing loan to members and, in the process, learning the nuances of financial discipline. Subsequently, bank credit also becomes available to the group to augment its resources for the purpose of lending to its members. The Self Help Group -Bank Linkage Programme has proved to be the major supplementary credit delivery system with a wide acceptance by banks, NGOs and various government departments. There are three models of Self Help Group – Bank Linkages that have evolved over time, especially in India.

Model I: Self Help Groups Formed and Financed By Bank



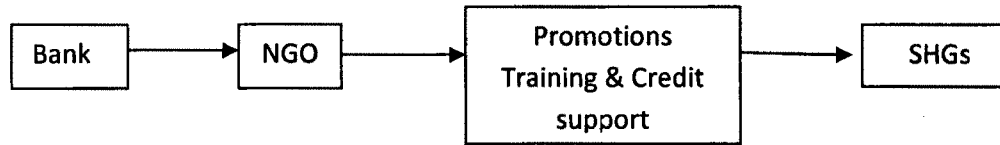
In this model, the bank itself acts as a Self Help Group Promoting Institution (SHPI). It takes initiatives in forming the groups, nurturing them over a period of time, opening their savings accounts and then providing credit to them after satisfying itself about their maturity to absorb credit.

Model II: Bank – (Facilitating Agency) – SHG – Members



In this model, groups are formed by facilitating agencies like NGOs, Government agencies, or other community-based organizations. The groups are nurtured and trained by these agencies.

Model II : Bank – NGO – MFI – SHG – Members



In this model, the NGOs act as both facilitators and Micro Finance Intermediaries (MFIs). This model is likely to be found more conveniently by banks for credit linkage in the coming years, when very large number of Self Help Groups would be required to be linked by small sized branches of banks. Here, NGOs and formal agencies in the field of microfinance act only as facilitators. They facilitate organizing, forming and nurturing of groups, and train them in thrift and credit management. Banks gives loans directly to these Self Help Groups.

1.2 Objectives of the Study:-

- i. To analyze the performance of Self Help Group – Bank Linkage Programme in Shirol Taluka.
- ii. To study the benefits received by women members of Self Help Groups.
- iii. To study the problems in working of Self Help Group – Bank Linkage Programme in Shirol Taluka.

1.3 Hypothesis:-

Null Hypothesis

H₀ - Self Confidence, Income, Savings and other attributes of Self Help Group members has not been increased (Which means significant change) after joining Self Help Groups.

Alternative Hypothesis

H₁ - There is increase (which means significant change) in Self Confidence, Income, Habit of Saving and other attributes of Self Help Group members after joining Self Help Groups.

1.4 Statement of Problem:-

Rural women play a major role in developing the economy. Basically women's status in the society is not satisfactory. They depend upon their husband and parents. The credit facilities are not extended to women. Self Help Group is a suitable means for the empowerment of women.

Self Help Groups are seen to confer many benefits, both economic and social. Self Help Group enables women to grow their savings and to access the credit which banks are increasingly willing to lend. Self Help Group 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. (Abuse of women, the dowry system, schools, water supply.)

There are also some questions. How effective are the groups in grouping their financial transactions? Are the groups sustainable? Do they help in mobilizing women to take social actions? How effective are such questions? 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? A Self Help Group after completing a period of 6 months is rated by the branch manager of the bank to which it is savings linked on certain parameters. If the Self Help Group passes the rating exercise, the bank extends it a loan which is known as credit linkage. Therefore, it calls for continuous best practice by Self Help Group for getting repeat dosage of credit.

The methods of providing micro credit though target oriented credit programs were now being questioned. Failures in this sphere prompted policy makers to shift their emphasis to new micro finance approaches. The old paradigm of micro finance envisaged providing credit to poor people basically residing in rural and semi urban areas at subsidized rates of interest though public or government or financial institutions with donor support. The new 'micro finance' continues to target the rural urban poor households with emphasis on women borrowers. Provision of finance for creation of their assets and maintenance, bringing in greater quality of services was seen as significant

departure from earlier exercises in providing credit through financial institutions

An important step in the Linkage Programme would be the training of the field level officials and sensitization of the controlling and other senior officials of the bank. Considering the need and magnitude of training requirements of bank officers/staff, both at field level and controlling office level, the banks may initiate suitable steps to internalize the SHGs linkage project and organize exclusive short duration programmes for the field level functionaries. In addition, suitable awareness/sensitization programmes may be conducted for their middle level controlling officers as well as senior officers.

In the present study a detailed and through analysis has been made to critically assess the working of Self Help Group – Bank Linkage Programme with special reference to Public Sector Banks in Shirol Taluka.

1.5 Importance of the Study:-

Self Help Group in India can be evolved as mechanism or movement for women's development in individual and collective empowerment through improvement in both 'condition' and 'position' of women in India.

Before studying the Self Help Group – Bank Linkage Programme, it is very interesting to know the history of Shirol Taluka. Shirol Taluka is known as rural area excepting Jaysingpur and Kurundwad towns. It has good education system for women like – G. K. G. Kanya mahavidyalaya, L. P. Girls High school and also J. J. Magdum Engineering College for the quality education for girls as well as boys. It includes 53 villages. Jaysingpur is a flourishing town that specializes in tobacco industry and Ghodawat industry is a way to the rural people to develop themselves. Now at present there are 35 to 40 tobacco processing industries in Jaysingpur where there are near about 900 female workers working. And kurundwad is also a town to expand the income of people. It is helping the women to take up more responsibility through entrepreneurship (Self Employment) and also creating more jobs & job opportunities to poor women.

The Self Help Group – Bank Linkage Programme is the financial inclusion programme. The rate of interest charged by the bank for loan to Self Help Group

members is the prime lending rate (PLR) of the bank. This is one of the positive impact of the programme in reducing the interest burden of members and avoiding the exploitation of the poor by informal agencies, particularly money lenders, commission agents, etc.

Progress of the Programme:

The NABARD introduced Self Help Group - Bank Linkage to discard the general perception of bankers that customers with no formal education or source of income or no use to the bank and thus are not welcome. Self Help Group – Bank Linkage Programme is an effective way of providing credit to very small borrowers. Statistics show that since the year 2000, the rate of growth in Self Help Groups linked under the programme is gradually falling in the year 1999-2000 this growth rate more than 245% whereas it fell below 38.3% in 2005-06. However, the higher growth in the late nineties may be due to initial penetration of Self Help Groups under the programme. Yet there is considerable scope for formation of new Self Help Groups and it should be worked upon.

With a view to studying the functioning of SHGs and NGOs for expanding their activities and deepening their role in the rural sector, in November 1994, RBI constituted working Group comprising eminent NGO functionaries, academicians, consultants and bankers under the Chairmanship of Shri S.K. Kalia, the Managing Director, NABARD. The Working Group was of the view that the linking of SHGs with the banks is a cost effective, transparent and flexible approach to improve the accessibility of credit from the formal banking system to the unreached rural poor, which is expected to offer the much needed solution to the twin problems being faced by the banks, viz. recovery of loans in the rural areas and the high transaction cost in dealing with small borrowers at frequent intervals. The Group, therefore, felt that the thrust of the policy should be to encourage the formation of SHGs and their linking with the banks and in this regard, the banks have a major role to play. The Working Group had recommended that the banks should treat the linkage programme as a business opportunity and they may design area specific and group specific loan packages taking into account inter alia the potential, local needs, available talent/skills etc.

Table No. 1.1
Cumulative Progress of Self Help Group – Bank Linkage Programme
(In Crores)

Year	Self Help Groups Linked	Bank Loan	Refinance Assistance
1992-93	255	0.29	0.27
1995-96	4757	6.06	5.66
1999-00	32995	57.07	52.06
2002-03	461478	1026.34	790.24
2005-06	2238565	13975.43	4153.83
2006-07	2924973	18040.74	5446.49
2007-08	3477965	22268.32	7061.99

(Source: Status of Micro Finance in India, NABARD – 2007-08)

The above table shows the cumulative progress in this area with the amount of refinance assistance during the respective periods. The growing role of the Self Help Groups through unique processes of socio-economic engineering is also important. So far, the Self Help Group movement in the country is mostly south-centric and it is yet to take off in the real sense in other regions of India.

These groups were highly flexible and adapted themselves to the members and yet managed to recover almost 95 –100 per cent of their advances. The National Bank of Agriculture and Rural Development [NABARD] in India was highly motivated by the extraordinary recovery rates of the SHGs. After the Micro Credit Summit, Micro Credit was seen as an effective weapon of dealing with poverty. A completely new strategy, which combined flexibility, sensitivity and responsiveness of the informal credit system and technical, administrative capabilities and financial resources of the formal credit system, was initiated by the National Bank for the first time in 1990 on an experimental basis.

NABARD had promoted 2122 SHG linkages in 16 states in India. At present 16 commercial banks and 12 RRBs are involved in the linkage project. On the other hand informal saving and credit mechanisms continued to exist the world over. They not only existed but also continued to provide qualitative services to the under serviced markets without jeopardizing their financial capabilities and viability. Most promising examples of micro credit institutions in South Asia were: Grameen Bank of Bangladesh, Bank Rakyat Indonesia [BRI], Production Credit for Rural Women [PCRW] and Bank pertanahan [Malaysia].

In India we have SEWA [Self Employed Women's Association], Working Women's Forum [WWF], Mysore Resettlement and Development Agency [MYRADA] and a large number of Non Governmental Organizations [NGOs]. These new micro finance institutions used the concept of self help groups, credit management groups, manila mandalies or sanghms to undertake saving and credit activities. These groups were voluntary association of homogenous people at grass root level formed to save and mutually contribute a common fund to be lent to group members as per group decision. Co-operatives and SHGs were guided by the principle of self-help and mutual help. But unlike the co-operatives, SHGs were informal homogenous groups comprising of mostly lower income class of people. Such group members were trained by NGOs to build financial resources through regular savings for lending to needy members. NABARD's pilot project had been a successful endeavor, which led to the formulation of a policy of SHG approach to lending at the National level for the banking sector. Efforts have just begun; the process of rooting in the new micro finance approach requires careful administering and follow-ups. Given the formal structure of the banking sector and the informal and flexible operational system of the NGOs the basic question is

how to ensure and enhance the linkages between two very distinct and contrasting institutions.

For establishing effective linkages it is necessary to understand and identify NGOs with saving and credit groups. It is also important to confirm the participation of banks in the program, remove barriers and build bridges of awareness and knowledge. The present research endeavor is an attempt at enhancing linkages, by creating an awareness of the individual operational mechanisms of SHGs, NGOs and Banks and the Self Help Group-NGO-Linkage program.

RBI encouraged by this experience recommended adoption of the SHG Bank Linkage Program at the national level and asked all the banks to make it a part of their corporate strategy. Self Help Groups [SHGs] SHGs are 'small economical homogenous affinity groups of rural poor, voluntarily formed to save and mutually contribute a common fund to be lent to its members as per group decision' As a developmental organization it mobilizes, utilizes and monitors economic and non-economic inputs, SHGs with not more than 20 members. Registration of SHGs according to the bylaws formed by the group members. Member's monthly savings was to be used for loaning. The repayment schedule and the loan installments were to be fixed after mutual agreement amongst members. SHGs were required to adopt a democratic way of functioning with each member having the freedom to express her/his views on functioning of SHGs.

Table No. 1.2**Progress of SHG – Bank Linkage Cumulative Delivery of Credit (1992-93 to 2009-10)**

Year	Number of Self Help Groups credit Linked to Banks (Cumulative)	Number of Self Help Groups credit Linked to Banks (Annual Addition)	Bank Loan Disbursed (Cumulative ₹. Crore)	Bank Loan Disbursed Annual Addition (Cumulative ₹. Crore)
1992-93	255	255	0.3	0.3
1993-94	620	365	0.6	0.3
1994-95	3122	1502	2	1.4
1995-96	4757	2635	6	4
1996-97	8598	3841	12	6
1997-98	14137	5719	24	12
1998-99	32995	18678	57	33
1999-00	114775	81780	193	136
2000-01	263825	149050	481	288
2001-02	461478	197653	1,026	545
2002-03	717360	255882	2,049	1023
2003-04	1079091	361731	3,904	1855
2004-05	1618476	539385	6,898	2994
2005-06	2238565	620089	11398	4499.5
2006-07	2711016	1105749	17968	6570.39
2007-08	3938786	122770	26817	8849.26
2008-09	5548372	1609586	39071	12253.51
2009-10	7135194	1586822	53524	144453.30
Average Growth	431583 Units		28705 Crores	
Coefficient of variation	127.22%		149.45%	

(Source: Status of Micro Finance in India, NABARD – 2009-10)

The above data shows the growth of Self Help Groups. On an average 4.3.lakh units have been added to the existing units and an average of ₹. 2900 crores micro credit have been extended by the formal banking system through this informal credit channel. Further, a study of variability of Self Help Group progress in India both in terms of units as well as in financial terms will throw more light on the nature of growth of this sector. The coefficient of variation of Self Help Group growth (127% and 149% respectively) underlines that the rate of growth of Self Help Groups and the amount of loans disbursed to them has been highly skewed.

Over the Past eight decades, co-operatives have increased considerably. In India, the cooperatives follow the three tier federal structure with State Central Co-operative Banks (SLDBs) at the helm, Central Co-operative Banks (CCBs) at the intermediate level and the Primary Agricultural Credit Societies (PACs) at the grass root level. The Co-operatives in India were introduced under a state directive and not voluntary action a mark of true spirit of co-operation. It took twenty years to salvage the movement, but then the great depression of 1920s set in. The co-operatives as a consequence suffered a great setback and the first signs of weakening were witnessed then. Since then co-operatives have been virtually crippled by over dues. Overtime, the inability of PACs to gear up to emergencies, bureaucratic interferences and in experienced inefficient members had affected the financial viability of these organizations. Besides, poor management, dominance of rich or strong village group's heavy dependence on CCBs and SCBs had brought PACs to a dubious state. Public Sector Banks also introducing various finance scheme and government programmes the poor as under –

1. **Integrated Rural Development Program [IRDP]** – India's largest anti-poverty program, concentrating on households living below poverty line.
2. **Differential Rate of Interest [DRI] Scheme** – Disburses loans to lowest income group of people at merely 4 per cent.
3. **Development of Women and Children in Rural Areas [DWCRA]** - Has been specially designed for women and children. – Women are organized into groups of 10-15 for credit disbursals.
4. **Council for Advancement of People's and Technology [CAPART]** – Operates through voluntary agencies and supplements government efforts

in reaching poor rural women. Grants are given to voluntary agencies to implement projects for providing income generating opportunities.

5. **Jawahar Rojgar Yojana [JRY]** – A wage employment scheme, operating to create employment opportunities.
6. **Training for Rural Youth and Self Employment [TRYSEM]** - Provides training to youth in rural areas.

Self Help Group Bank Linkage Programme is one of the financing Schemes especially for Women. It is known as a financial inclusion for women. Financial inclusion goes beyond opening of bank accounts; it is a comprehensive set of services that needs to be offered to the clients so that they can choose based on their needs from the services. The financial products services for the weaker sections and low income groups need to be in such a way that they unleash hidden potential to save, enhance the credit absorption levels to go beyond basic consumptive credit needs and insulate them from a wide range of risks and vulnerabilities. Financial inclusion has been defined by RBI as the “provision of affordable financial services” to those who have been left unattended or under-attended by formal agencies of the financial system. These financial services include “payments and remittance facilities, savings, loan and insurance services”

The SHG-bank linkage program has proved as useful channel for credit delivery system with a wide acceptance by banks, NGOs and various government departments. The following tables show the agency-wise savings of SHGs and loan disbursed to SHGs.

Table No. – 1.3

Savings of SHGs with banks (Agency-wise position as on 31st March 2012)

Amount (Rs in lakh)

Sr. No	Name of Agency	Total Saving of SHGs with Banks as on 31st March 2012	
		No of SHGs	Saving Amount
1	Commercial Banks	4618086	415298.04
2	Regional Rural Banks	2127368	130013.93
3	Cooperative Banks	1214895	109829.49
Total		7960349	655141.46

(Source: Annual Report, NABARD, 2011-12)

Table No.1.4

Banks Loans disbursed to SHGs (Agency-wise position during 2011-12)

Amount (Rs in lakh)

Sr. No	Name of Agency	Total Saving of SHGs with Banks as on 31st March 2012	
		No of SHGs	Saving Amount
1	Commercial Banks	600807	994204.49
2	Regional Rural Banks	304809	502605.15
3	Cooperative Banks	242262	156667.23
Total		1147878	1653476.87

(Source: Annual Report, NABARD, 2011-12)

NABARD has a key role to play in initiating and nurturing India's unique SBL programme. It was largely responsible for the RBI. Beginning as a pilot in 1992 with 500 SHGs, by March 2006, over 22 lakhs SHGs had been provided with bank loans. They covered over by three crores households and disbursed Rs.11,398 crores to their members. In comparison, the loans outstanding of 162 MFIs in India were estimated to be around Rs.1,600 crores in March 2006. While in 2001, the proportion of rural bank credit disbursed through SHGs was less than 1 %, this figure has risen to over 6 percent. The following table shows the SHG bank linkages results in terms of saving and loan amount from 2006-07 to 2010-11.

1.6 Research Methodology of the Study:-

For the present study the pilot work had been conducted by the researcher. During pilot study the researcher had contacted the members of Self Help Groups for understanding their status in general. For the particular study the researcher had adopted the following procedure.

During pilot study the researcher had contacted the members of Self Help Groups for understanding their status in general. For the particular study the researcher has adopted descriptive research to analyze performance, impact and problems of the Self Help Groups linked with public sector banks

The present study is a survey study of Self Help Groups linked with public sector banks in Shirol Taluka.

For the present study the data related to Self Help Groups performance and its impact on Self Help Group members has examined. To examine the thrift mobilization and credit disbursement the structured questionnaire has been prepared to convert the different aspects of problem.

Sources of Information:-

The study is based on both primary and secondary data. The information had been collected from the primary as well as secondary sources.

1) Primary data:-

It was collected through a pre – tested particularly structured - Questionnaire, Discussion and Personal interview by approaching the Self Help Group members and bank officers personally.

2) Secondary data:-

The data were also collected from the secondary sources like – Government reports, Annual reports of NABARD, Census book, Journals and research work done by other research scholars and bank records & reports.

Techniques of Sampling:-

There are 53 villages in Shirol Taluka (out of which Jaysingpur & Kurundwad two towns are known as urban areas). For the selection of sample the multistage stratified sampling method was used for this study.

Sampling Size

The following Table shows the Public Sector Banks and number of Self Help Groups in Shirol Taluka.

Table No. 1.5

Public Sector Banks and Self Help Groups linked with these Banks

Sr. No.	Name of the Bank	Number of Branches	Number of Self Help Groups
1.	Bank of India	2	200
2.	Bank of Maharashtra	1	80
3.	Bank of Baroda	2	20
4.	Union Bank of India	2	40
5.	State Bank of India	3	60
	Total	10	400

(Source: Field Survey)

The above table no. 1.5 shows the public sector banks in Shirol Taluka and number of Self Help Groups linked with each bank. Bank of India has 2 branches and 200 Self Help Groups are linked with these 2 branches. Bank of Maharashtra has 80 Self Help Groups linked with 1 branch which is located in Jaysingpur. Bank of Baroda has 2 branches and 20 Self Help Groups are linked with these 2 branches. Union Bank of India has 40 Self Help Groups linked with 2 branches located in Shirol Taluka. 60 Self Help Groups linked with 3 branches of State Bank of India. Thus there are total 10 branches and 400 Self Help Groups are linked with these 10 branches in the study area.

Table No. 1.6

Sample Size

Bank Branches	Number of Self Help Groups from Each Branch
5 (50%)	40 (10%)

The above table no. 1.6 shows the universe of the study. The population of the study is homogeneous therefore to avoid the repetitive answers from the respondent members of Self Help Groups the researcher has been selected 10% sample. There are total 10 public sector banks in Shirol taluka. From the 10 banks 5 branches of each bank were selected for the study. And from those 5 branches, 40 Self Help Groups has been selected and from that 40 Self Help Groups 721 members has been selected for the survey.

1.6.6 Scope of the Study:-

Shirol Taluka is known as rural area excepting Jaysingpur and Kurundwad towns. It has good education system for women. Tobacco industry and Ghodawat industry is a way to the rural people to develop themselves. Now at present there are 35 to 40 tobacco processing industries in Jaysingpur where there are near about 900 female workers working. And kurundwad is also a town to expand the income of people. The present research study is based on the data collected for the period 2011-12 from the Public sector banks and respondent members of Self Help Groups in Shirol Taluka.

1.6.7 Data Analysis and Interpretation:-

The methodology of the study includes the collection of primary and secondary data. After the field work over the data were processed with the help of different techniques. Single response questions were done with the help of statistical tools, ratios, growth rates, averages and percentages, etc. along with the above techniques for the interpretation of collecting data various types of tables, graphs were prepared whenever required.

1.8 Limitation of the Study:-

The study is confined to the geographical limits of Shirol Taluka. The Self Help Group members are already pre-occupied with their domestic duties. It was very difficult to make them willing to answer in the questionnaire.

1.9 Chapter Scheme: -

The research study is divided into five chapters. These are as follows –

Chapter – I Introduction and Research Methodology.

Chapter – II Review of related literature.

Chapter – III Performance of Self Help Groups.

Chapter – IV Analysis and Interpretation of Data

Chapter – V Conclusions and Suggestions.

- **Chapter I** deals with Introduction, Importance, objectives and research methodology of the study.

- **Chapter II** deals with review of related literature in this chapter researcher has take the review of books, thesis, newspapers, thesis articles in journals and periodicals etc. on Self Help Groups and its role in women empowerment.
- **Chapter III** deals with the credit requirement, motives in joining Self Help Groups. Reasons of forming Self Help Groups and details of internal lending of Self Help Groups.
- **Chapter IV** deals with thrift and credit activities, loan disbursement, recovery of loan and loan outstanding, and loan outstanding. This chapter also analyzes the effects of Self Help Groups bank linkage programme on its members. And by using 'Paired t' Test Hypothesis Testing has been done in this chapter.
- **Chapter V** deals with conclusions and suggestions.

Conclusion:-

Through India multi-agency approach has been in existence to purvey credit to the rural sector, majority of the marginal groups still have no access to credit from formal sector banking institutions subsidized and targeted credit programmes like priority sector lending have made little impact on rural poor house-holds. The Self Help Groups become the basis 'for action and change' and build a relationship of mutual trust between the promoting organization and the rural poor through constant contact and genuine efforts. Self Help Groups- Bank Linkage offers triple benefits to Banks, Self Help Groups, Non Government Organizations and other facilitators of three emerging models, Bank facilitator agency and Self Help Group members Model in India with regard to regional spread of Self Help Group Bank Linkage Programme.

The research methodology of the study consists of sources of information which are primary and secondary sources of information. Techniques of sampling and sample size are the essential contents of the study. Without sampling size and proper technique data collection should not possible. The main part of the study is data analysis and interpretation. Scope and limitation of the study shows the area of research work done by the researcher.

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