

Chapter No. IV

The Remedial Measures for Strengthening SHGs – Bank Linkage Programme in Khatav Taluka.

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4.1 Introduction

The SHGs- bank linkage programme is being seen as a substantial alternative and also support to number of remedial policy measures launched in direction of generation self employment opportunities and performing enterprising activities for upliftment of poor and vulnerable society in India. SHGs –bank linkage programme not only provides the members with an opportunity to carry out economic activities for self – reliance and empowerment, but also help to discuss and analyze their social and economic situations to arrive at the root causes of their problems and strives to find and implement solution. Self help groups, therefore are acting as a forum for the collective voice of the poor and lower income groups people against common oppression and exploration to understand individual and common problems and improving their skills and capacities to manage resources. The SHGs – bank linkage programme helped understanding the importance of organisation, collective decision making and proving capable of augmenting savings to serve a wide range of objectives other than immediate investment and condition of proving themselves credit worthy. By taking into consideration, the overall importance of SHGs – bank linkage programme, as above and after analyzing and discussing some of the problems in SHGs – bank linkage programme in earlier chapter, in this chapter an attempt has performed to suggest strategical remedial policy measures for further strengthening the SHGs- bank linkage programme in Khatav taluka.

4.2 Awarding Better Opportunities of Training

The present entitled minor research project was conducted to focus on the crucial problems faced by the members, president and secretary of SHGs at different stages of organisation, registration and their further functioning mode in SHGs- bank

programme in Khatav taluka. The study revealed that at each stage, there was not enough provision of and provision for organising training and orientation programme to acknowledge the through overall phenomenal perspectives of SHGs-bank linkage programme in Khatav taluka. Especially , rural families having illiteracy, backward and traditional approach, and self inferior complex, felt themselves worthless and non capable of joining the collective activities. Hence, they avoid to join SHGs movement in rural area.

The members, president and secretary of sample SHGs, in questionnaires structured for them and in open ended dialogues with them instead on need of organising training camps for covering the orientation in following perspectives.

4.2.1 Acknowledging Process of SHGs formation.

The SHGs formation profile in Khatav taluka reveals that out of total below poverty line households about 4 per cent of SHGs have accommodated in SHGs movement. It indicates that large number of SHGs belonging to below poverty line are out of the stream of SHGs movement. For having inclusion of these SHGs, such families may be given orientation of process of SHGs formation. The overall process of formation of SHGs will help motivating the below poverty line households for participating in SHGs formation.

4.2. Training for Keeping Record Update

The overall success of SHGs depends upon their efficiency in maintaining SHGs record and updating it regularly. Due to the least awareness and negligence of president and secretary regarding maintaining record. SHGs groups deprives of tapping the micro-finance assistance and subsidy from concerned institutions. It

further impact into generating non-consistencies in augmenting saving and identification of such SHGs as non-working SHGs. The sample SHGs have revealed the need of time-to-time organisation of training camps devoted towards generating awareness of maintaining and keeping record of all the procedural and functioning perspective of SHGs.

4.2.3 Orientation and Workshops for Running Enterprising Activities

SHGs – bank linkage model / programme basically aims at generating self-employment opportunities and involvement in running business enterprising activities for upliftment of lower income group families. In these perspectives, it was found that, majority of SHGs were engaged in traditional business enterprising and productive activities in Khatav taluka. But those activities have limited scope for full time self-employment opportunities. Secondly there were less economic gains and higher risk. It impacted into occurring stagnancy stage in those activities. Hence, there the need of availing opportunities of orientation and workshops belonging to non-traditional, advanced enterprising activities may be performed by SHGs in rural are. Such type of programmes help generating confidence and motivation among SHGs for entering into number of gainful enterprising activities in Khatav taluka.

4.3 Enlarging Network of Micro – Finance Institutions.

The banking sector as a micro-finance institutions are assigned pivotal role in designing the scope and extension of SHGs –bank linkage programme. The present phenomenal existence of banking sector network in Khatav taluka reveal that, out of total 34 bank branches, 24 branches are located in 12 villages and rest of the 10 branches are located in 10 villages. It indicates that out of total 160 villages, there are

banking facilities in only 22 villages. It means that there is one bank for 7 villages, and each bank branch functions in radius of 10 to 15 kilometer. For rapid expansion of SHGs- bank linkage programme, SHGs opinioned that there should have banking facilities convenient to them and near their villages. Hence for rapid expansion of SHGs-bank linkage programme there is an urgent need of enlarging the number of micro-finance institutions i.e. number of bank branches in Khatav taluka.

4.4 Developing Marketing Facilities.

For having active gainful performance and involvement in number of non-traditional enterprising activities to be handled by SHGs in rural area, there is an immense need of developing marketing infrastructure in Khatav taluka. In present circumstances there exists very limited scope for marketing the product of SHGs, involved in performing micro-enterprising activities. To provide effective SHGs, marketing stalls and showrooms can be established in every village and local government marketing facilities to product of SHGs.

4.5 Establishing Community Management Resource Centres.

To look after the number of management perspective of activities of self-help groups registration to product marketing stages of SHGs at village level, establishing Community Management Resources Centres (CMRCs) would be highly beneficial in awarding positive enthusiasm among the SHGs. It would help in providing time-to-time guidance to member of SHGs in varied perspective. For strengthening SHGs-bank linkage programme in a sustainable manner (MRCs) would work as basic platform for organisation, registration, decision making and mitigating hurdles in SHGs movement in rural area. Especially women SHGs may be availed an

opportunity of receiving the guidance regarding productive investment and improving the social participatory role in exchanging the view and experiences to each other through the CMRC.

4.6 Formation of Joint Liability Groups

The NABARD had introduced a pilot project for formation and linking of Joint Liability Groups (JLGs) during 2004-05 in 8 states of the country through 13 Regional Rural Banks through the mechanism of joint liability approach.

A JLGs is an informal group comprising 4 to 10 individuals coming together for the purpose of availing bank loan either singly or through the group mechanism against mutual guarantee. The tenant farmers who do not have proper title of their land holding will be eligible for formation and financing through JCGs. The JCGs movement will ensure greater inclusion of such vulnerable groups in rural area. It was observed in that the JLGs movement had not rooted in Khatav taluka. There are larger number of the tenant farmers and other vulnerable groups in Khatav taluka. The JLGs system of formation of SHGs will prove beneficial for enlarging the SHGs movement in Khatav taluka and help encouraging the vulnerable and marginalized to joint SHGs movement.

4.7 The Formation of Homeogenous SHGs.

At present, under the model of SHGs – bank linkage programmes, people belonging to different caste, socio-economic status and behavioral trends comes together for the information of SHGs in rural area. Though unity in diversity has been a major aspect in India, the diversity in members of SHGs has been impacting adversely on the strenghtening SHGs, and creating hurdles in reaching towards

concrete decision making and overall activities of SHGs aimed at launching the SHGs-bank linkage programme. Therefore the SHGs having diversities in members inclusion in Khatav taluka have insisted for having homogenous SHGs formation. The formation of SHGs having homogenous characteristics of members would help creating better environmental perspective pertaining to augmentation of saving and selection of enterprising activities mostly familiar to them. Therefore, homogenous members of rural households may be awarded the facility of forming homogenous SHGs in rural area.

4.8 Increasing Efficiency of Government Functionaries.

Especially, in the area below poverty line SHGs, government functionaries at tehsil and district level in Maharashtra plays important role in assisting the below poverty line SHGs by the way awarding subsidy in these SHGs. The government functionaries at tehsil and district level acts as co-ordinator between below poverty line SHGs and banking sector SHGs – bank linkage programme in Maharashtra. The number of below poverty line SHGs comparing to the SHGs belonged to above poverty line SHGs is nominal in Khatav taluka. It indicates inefficiencies of government functionaries in formation of SHGs belonging to below poverty line facilities. Hence, for having rapid expansion of SHGs movement in Khatav taluka, need is being insisted on improving efficiency of government functionaries.

4.9 Conclusion

The some of the crucial problems revealed in SHGs – bank linkage model in Khatav taluka, needs to be mitigated for awarding the gains of SHGs-bank linkage programme to lower income group families. The remedial policy measures suggested

in this chapter, are the outcome of entitled minor research project. Along with there measures, village level formation of federation of separate SHGs belonging to below poverty line and above poverty line families, in centive package of interest subsidy to SHGs having shown excellent performance, establishing marketing chain with urban markets for the product of rural SHGs, are some of the another set of measures, if implemented regularly will lead towards rapid extension of SHGs bank linkage programme in Khatav taluka.