

## **SUSTAINABLE GROWTH OF SELF HELP GROUPS: BANK LINKAGE PROGRAMME IN INDIA**

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### **ABSTRACT**

*Provision of credit to the poor has remained a formidable challenge for the banking system in India. Various measures such as nationalization of major banks, massive branch expansion, formation of Regional Rural Banks (RRBs), introduction of directed lending under the priority sector concept and specialized anti-poverty programme have been taken in this direction during the past. The latest innovation in delivery of credit to the poor has been through the mechanism of Self Help Groups. The Self Help Group- Bank Linkage Programme has emerged as the largest micro credit programme in the world. At the grass root level, the programme is being implemented by the commercial banks, cooperatives, and regional rural banks. During the period the linking SHGs with banks have construct a good Performance. Micro finance is the backbone of the rural peoples. The Bank Linkage Programme in the India has growing finance.*

**KEYWORDS:** *Financial Inclusion, Socio-Economic Indicators, Economic Growth, Micro Finance.*

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### **Introduction**

The Indian Economy continues to suffer from the problems of poverty, sectoral divergences in growth and employment opportunities and poor progress of various socio-economic indicators, despite higher economic growth in recent past. Attaining the objective of hundred percent financial inclusion is today one of the biggest challenges for Indian formal banking system. Greater financial inclusion shall be a catalyst for accelerating the pace of economic growth with equity financial inclusion can be relied upon to achieve inclusion growth which is one of the major objectives if eleventh five year plan. Therefore, financial inclusiveness and providing easy access to credit has always been the primary objective of the Government of India.

Self Help Supplemented with mutual help can be a powerful vehicle for the poor's effort to socio-economic upward transition. Participative financial services management is more efficient and responsive. Poor can save and are bankable. Poor not only need credit support but also savings and other services. Small affinity groups of the poor, with initial outside support, can effectively manage and supervise micro credit among their member. The origin of the concept of SHG Started and formed in 1975 and is a brainchild of Grameen bank OF Bangladesh which was founded by Mohammed Yunus. In India it was initiated by NABARD in 1986-87 but the real efforts was taken place after 1991-92. Thus the most notable among recent approaches to improve access to finance for the rural poor is the SHG- Bank Linkage Programme Championed by the NABARD. The Self Help Group was started as an action

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