

## PROMOTION OF FINANCIAL INCLUSION: SELF HELP GROUPS IN RAJASTHAN

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### ABSTRACT

*Microfinance through self help groups (SHGs) is playing a key role to eradicate poverty in rural India. The SHG model is also extensively practiced for rural development and women empowerment. Self help, as an approach for social development, stresses on autonomy, human agency and action. It activates people, bestow them voice and assembles them into organizations that will overcome obstacles towards involvement and empowerment. The core idea of self help is to form groups, largely on the concept of a community and the development of democratic relationships that will promote welfare. SHGs also serve as means of distributing microcredit to the members of the group. In this study various indicators identified to measure SHG performance were ranked on the basis of their mean value and standard deviation.*

**KEYWORDS:** *Self Help Groups, Microfinance, Microcredit, Rural Development, Women Empowerment..*

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### Introduction

Self Help Groups are novel and innovative organizational setup in India for the people promotion and welfare. All people in India are given chance to join any one of SHGs for training and development, so as to be prospective entrepreneur and skilled worker. The SHGs are promoted by the Government as if people in India may not be resourceful enough to be entrepreneurs. When the SHGs arrange training facilities to carry out certain kind of work which are suitable for people in India, bank must arrange financial assistance to carry out manufacturing and trading activities, arranging marketing facilities while the Governments will procure the product of SHGs, arrange for enhancing the capacity of people in terms of leadership quality and arranging for the management of SHGs by themselves so as to have administrative capacity. As a social movement with government support, SHGs become more or less a part and parcel of the society This proved to be a mutually beneficial relationship for both sides, as through this program, banks were able to tap into a large market of predominantly low-income households, with low transaction costs and high repayment rates.

The concept of self help groups had its origin in the co-operative philosophy and the co-operators by and large, including the National Federations in the credit sector, could not think of any better SHG than a primary co-operative credit society itself. SHG are small and economically homogenous affinity groups of rural poor, they are voluntarily coming together for achieving the following:

- To save small amount of money regularly.
- To mutually agree to contribute a common fund.
- To meet their emergency needs.

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