



Dynamics in Self-help groups and banks in Punjab

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ABSTRACT

The present study was undertaken to know the contribution of different banks (Commercial Banks, Regional Rural Banks and Cooperative Banks) in formation of Self Help Groups (SHGs) in Punjab. The data for different regions and states of India collected by National Bank for Agriculture and Rural Development (NABARD) were analyzed for the state of Punjab which agriculturally advanced state with the help of statistical tools like frequency and percentages. The findings revealed that Rajasthan (61.89%) and Andhra Pradesh (45.3%) have formed maximum numbers of Self-Help Groups among northern and southern region. Indian Overseas Banks in Punjab has formed maximum numbers of SHGs amongst public and private sector commercial banks. Redarding Regional Rural Banks, Punjab Gramin Bank contributed more than 70 per cent in formation of SHGs. The cooperative banks have formed 4096 SHGs, more than 10 per cent of the SHGs have been formed in Jalandhar and Fatehgarh district as compared to other districts.

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INTRODUCTION

The Self-Help Groups (SHGs) are viable alternatives in achieving the objectives of women empowerment. Individually poor woman tends to be erratic and uncertain in her behaviour. Group membership smoothes such rough edges making her more liable. Participation of woman in SHGs makes a significant impact on their empowerment both in social and economic terms. It helps to bring about awareness among rural women about savings, education health, environment, cleanliness, family welfare etc. and make themselves reliant. SHG is a powerful instrument for lowering risks and cost of lending to the poor particularly women (Shete, 1999).

SHGs can be defined as supportive, educational usually change oriented mutual aid group that addresses a life problem or condition commonly shared by all members. Its purpose may be personal or societal change or both (Kamaraj and Muralidaran, 2004).

NABARD defined SHG as a homogenous group of rural poor voluntarily formed to save whatever amount they can conveniently out of their earnings and mutually agree to

contribute to a common fund which they lend to group members for productive and emergent credit needs. SHGs have made tremendous strides in India over the years and it has become movement throughout the country. SHG-Bank linkage approach stresses the importance of links between commercial banks, on the one hand and non-governmental organizations (NGOs) and SHGs on the other hand as a mechanism for channelizing credit to the poor on a sustainable basis (Madheswaran and Dharmadhikary, 2001).

NABARD has taken the lead in propagating the SHGs as a strategic channel for extending micro-finance especially from commercial banks, Regional Rural Banks and Cooperative Banks (Karmakar, 2008).

At present, a large number of SHG promoting Institutions (SHGOIs), banking agencies and micro finance Institutions (MFIs) are pursuing this programme for the upliftment of the poor. This programme is also main contributor towards the financial inclusion process in the country. It has been encouraging the voluntary agencies, bankers, socially spirited individuals, other formal and informal entities

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