

Self-help-groups-retail linkages : A profitable proposition

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ABSTRACT

It is time to think for the future of Self-Help-Groups. They cannot be confined to operating as credit groups only. Efforts are being made largely for developing Self Enterprising Groups to give stability to these groups. However, a major challenge is that 'Who will buy?' An attempt has been made by the author to place a viable solution in the form of SHG-Retail linkages. The paper attempts to present a primary architecture of such linkage and discusses the viability of this option.

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Key words : Micro-finance, Self-Help-Groups, Self-enterprising groups, Retailers, Linkages

Micro-finance is one of the widely innovated philosophies of date. A lot of experimentation is being done in this field (Lazar and Palanichamy, 2008). In India, Self-Help-Groups act as a modest vehicle of micro-finance. Among the SHGs, almost 82-85% SHGs are women SHGs. It is accepted by all as an effective mechanism of poverty alleviation and women empowerment (Manimekalai and Rajeshwari, 2002; Lalitha and Nagarajan, 2002).

India has witnessed a threefold increase in population over the last half a century but the economy has not been able to cope up with this rate of growth. Being heavily dependent on agriculture, livelihood in rural areas could not provide employment for everyone. In the absence of significant industrial growth, there has been severe unemployment and underemployment, resulting in poverty. For most of the poor, fight for survival has been a life long mission and natural resources have been the main source of livelihood.

During this long struggle, women have suffered the most. Especially in the rural areas they have to cope up with day-to-day basic needs such as fetching water, collecting fodder and fuel, grinding food grains and nursing their children and sick, apart from attending to livestock and agriculture chores. They are deprived of basic education and confined to their houses. They are treated as idle and are not expected to participate in decision making.

The important role of women in the welfare of the family is being realised gradually. As the socio-economic progress of the community has a direct link with the empowerment of women, the development programmes for women are receiving greater attention. The task now is to ensure effective participation of women in sustainable development of the community. For this, micro-finance is a breakthrough. It is being implemented extensively across the nation.

Statement of problem:

Micro-finance has come a long way with the core target of meeting the credit needs of the poor and financially weaker segments of the society. By means of Self-Help-Groups, extensive efforts are made to bring the women also within the mainstream. Across India, we come across SHGs that are functioning for more than 10-15 years. However, operation of majority of them is confined to the extent of saving and withdrawing. This is making the entire effort monotonous. At the same time, there are instances of closing down of groups for want of further direction. The sustainability of these groups is now a matter of botheration. Hence, it is necessary to bring forth certain solutions which can give better direction to these groups.

Objective of the study :

The paper attempts to achieve the following objectives to understand the philosophy and evolution of SHGs, to examine the changing needs of SHGs (especially women SHGs) and to provide with viable solution for further growth of SHGs.

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