

PREFACE

The aim of this thesis is to identify impact of Self Help Groups and Bank Linkage Program on Improvement in Credit facilities and Income growth of Economically Weaker Section in Uttar Pradesh. For the long time Economically weaker section population living in rural and urban area had difficulty in procuring small loans for their everyday needs and had turn to local money lenders who would offer loans at very high interest rates and taking that loans would engulf the person into never ending loan cycle and leaves him or her with very low or no savings for future.

With the intervention of government in financial inclusion area and upliftment of poor population, NABARD launched its SHG-BLP program in 1992 and since then it has worked for the upgradation of credit services for the economically weaker sections by bringing them into financial inclusion first and then providing them credit facilities at reasonable rates.

Finance has become an essential part of an economy for development of the society as well as economy of nation. For, this purpose a strong financial system is required in not only in under-developed countries and developing countries but also developed countries for sustainable growth. Through Financial inclusion we can achieve equitable and inclusive growth of the nation. Financial inclusion stands for delivery of appropriate financial services at an affordable cost, on timely basis to vulnerable groups such as low income groups and weaker section who lack access to even the most basic banking services. In this thesis, the attempts are made to understand financial inclusion and its

driver self help group and bank linkage program and its importance for overall development of society and Nation's economy. The relevant data for this study has been collected with the help of from various Research journals, Articles, reports of RBI, reports of NABARD and online resources and primary data is collected through schedules getting filled by the SHG members who have been benefitted by the SHGBLP programs.

Poverty in India is widespread with the nation estimated to have one third of world's poor. Microfinance has been proposed as a possible solution for the maximum outreach and alleviation of poverty in the rural poor especially the disadvantageous sections of the society namely women, small and marginal farmers, and landless farmers. In terms of financial exclusion India's world rank is 4th with 135 million people. In 1992 NABARD launched a scheme to organize poor people into a group of 10-20 persons and linking that group with the banks . The scheme was broadly a replica of Bangladesh Grameen Bank. Under this scheme poor, preferably the women are organized in SHGs with the help of Banks, NGOs, Panchayat members and banks financing these SHGs were made eligible for concessional refinance by NABARD. SHGs are believed to be the vehicle for women empowerment and poverty alleviation. What started as a pilot program has now become a movement for social Empowerment particularly for rural poor women.

However the program has not spread evenly throughout the nation but lot of research work has been attributed to the concept. This research work will make an attempt to explore the various aspects and impacts of Self Help Groups on socio-economic empowerment of women, studied under different researches. In a patriarchal society, like

India, women live a very underprivileged life. In order to improve the condition of women, the government of India has adopted the strategy of Self Help Groups(SHGs). In this research , an attempt is made to analyse the role SHGs play in the empowerment of Indian economically weaker section . The SHG is the association of 15-20 members of the same socioeconomic background working collectively to solve problems on the principle of self-help, harmony and mutual coordination. In this study research was conducted on 506 respondents from different SHG groups of Uttar Pradesh. The results indicate that SHG strategy helps in the upliftment of the financially weaker section by giving them credit facilities through easy loan process and also helping them in to utilize that loan amount efficiently.