

Impact of Microfinance Through Self Help Group Bank Linkage Programme – A Study in Nalgonda District of Andhra Pradesh

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ABSTRACT

The present study entitled “Impact of Microfinance Through Self Help Group Bank Linkage Programme - A study In Nalgonda District of Andhra Pradesh” was undertaken mainly to assess the socio-economic impact of micro finance through SHG bank linkage programme in Nalgonda district of Andhra Pradesh. The study covered two mandals, 8 SHGs and 80 member households. Both conventional and statistical tools were employed to analyze the data and arrive at valid results. The intervention of SHG has resulted in a shift in the saving amount to higher levels. The average value of assets registered an increase of about 81.25 per cent of the sample households. The lower Gini concentration ratio indicated that the net income was more evenly distributed in the member households during post-SHG period. Maximum income was generated from dairying (Rs.3041) followed by tea & tiffin centre (Rs.2083). The regression estimates of income due to SHG indicated significant impact of microfinance on SHG member households in terms of contributing a major share to the gross income of the member households. Though the performance of SHGs was outstanding, there were certain areas which need to be improved. There was lack of initiative in sharing the responsibilities of the leaders, when required. Therefore, it has to be ensured that leadership rotation or election of leaders is strictly to be practiced for future sustainability of the group. The study observed that a large number of SHGs have already been promoted. Therefore, presently all efforts should be concentrated on nurturing and strengthening of existing groups. There is a need for documentation, an effective Management Information System (MIS) and build up of database on SHGs at the district level.

Key words : Economic Activities, Microfinance, Self Help Group, SHG Bank Linkage.