

A Study on SHG's Bank Linkage With Reference To Y.S.R. Kadapa District, Andhra Pradesh

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Abstract: Microfinance has made incredible growth in Andhra Pradesh over the years and it has become a family name in view of the multi-pronged benefits with regards to services for poor in the state. Self Help Group- Bank Linkage Program is widely accepted model in the sector of microfinance in Andhra Pradesh with an active participation of NGOs, State Development Institutions, Commercial Banks, Regional Rural Banks, District Rural Development Authority's (DRDA's) and like Panchayat Raj Institutions (PRIs). The SBLP has made a searching in the economy by renovate the formal banking services to rural poor and needy people particularly women group. Due to wide spread of rural banking network, the SHG-Bank Linkage Program is appropriate in the Indian context. This paper is an attempt to analyze the SHGs movement in YSR Kadapa District as these are helpful in order to reduce poverty and increase women empowerment.

This study is an analytical, exploratory and based upon both primary and secondary data which has been collected through field study and from different published reports, journals and existing available literature. The objective of this study is to assess the impact of self help group bank linkage program in YSR Kadapa District of Andhra Pradesh. The study results proved that SHG bank linkage program has been recognized as one of the most successful and rapidly growing Micro finance mode in YSR Kadapa district.

Key Words: Growth, Microfinance, Models, Self-Help Group, SHG-Bank Linkage Program.

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I. Introduction

YSR Kadapa is that the one among the most significant district in Andhra Pradesh and in this way the run of the mill characteristic, social and financial highlights of YSR Kadapa had the need and extension for a strong microfinance development. The main area rules the basically agrarian economy, with 2/3rd of the general population snare in to horticulture and associated exercises for their employments. Microfinance has made exceptional walks in Andhra Pradesh likewise as in YSR Kadapa additionally, throughout the years and it's become a commonly recognized name in sight of the multi-pronged advantages from microfinance administrations to poor people. The RBI has characterized Microfinance as arrangement of frugality, Credit and other money related administrations and results of very piece to the poor in rustic, semi-urban and solid regions for empowering them to help their salary levels and improving expectations for everyday comforts.

Microfinance alludes to little scale money related administrations for the two attributes and stores that are given to individuals that homestead or fish or crowd; work little or miniaturized scale endeavor where products are delivered, reused, fixed, or exchanged; give administrations; work for wages or commissions; gain pay from leasing modest quantities of land, vehicles, draft creatures, or hardware and devices; and to others and local gatherings in creating nations in both provincial and solid regions(Marguerite S. Robinson).

SHG –BANK LINKAGE PROGRAM: In the year 1992 the first SBLP Program had started and by the recommendations of Sk kalia committee authorities of government took steps to introduce SBLP programs. The main purpose of these programs was to facilitate financial facilities to poor people who were in rural areas. From the year 1992 this program rotten as micro finance to help poor. Linking banks to SHG shown tremendous growth in their life's this program removed disparities in certain communities and religions. From the year 1992 to 1999 this program not rapidly succeeded only 33000 groups were got credit from the banks. This program was further extended to all over India due to the growth and expansion of all Regional Rural Banks (RRBs) and cooperative banks. The central government and the state governments had shown very much interest on SHGs and facilitated finance through commercial banks, RRBs cooperative banks. NABARD and NGOs has been made provision of financial services to the poor. The SBLP targeted to reach 110 million of households by 2018.

II. Review of Literature

Mrs. Shashikala (2012) Conducted research on SHG bank linkage program in order To examine the role of NABARD in economic empowerment of women, analyze the synergy among NABARD/NGO and SHGs in the process of empowering women. He had founded the impact of NABARD's linkage program in increasing the income generating opportunities for rural women and further he had observed the NABARDs SHG Bank Linkage Program's influence on social empowerment of women. He had conducted his research in Mysore District, state of Karnataka he had suggested that Numeric trainings are needed for the poor women and to be benefited from the micro- credit scheme. Meetings and seminars may be organized where the members will get a chance to exchange their views and be able to develop their team spirit by interactions.

Kalpendra Das (2014) from the observations he had founded that the loans extended by the bank to the SHGs were very small. He founded that inadequate bank loans restricted the SHGs in extending sufficient amount of loans to their members. In his observations he found that majority of the members facing pressure due short period of repayment of their loans. Hence he suggested that banks should give long term loans to the members. A well marketing system influences on the viability of any micro enterprise

Basudeb Bhattacharya (2016) made a study on managing finance for rural poor: a study on bank linkage program with the objectives of analyze the percentage of credit, overdue, recovery and prudential norms of SHG bank linkage program at aggregate level He had founded that Due to target oriented scheme and to fulfill the same, credit was liberally available but due to non availability of specific purpose for utilization of loan and this leads to defaults. He suggested that here had a need to build flexibility into the implementation of the Scheme; poverty line should clearly be defined as per need and define criteria for pulling the existing approaches, if necessary, and implementing alternatives that work in raising BPL families above poverty line.

George K.V (2017) conducted a comparative research on SHG-bank linkage program and financial inclusion in Chennai and Kerala states of India He had founded that the rate of interest charged by SHGs on group loans was varying from group to group regarding that he had suggested that there should be some uniformity regarding the rate of interest on group loans. He had identified that majority of the loans taken by the members were used for non productive purposes regarding that he suggested awareness should be created among them regarding the effective utilization of loans from the group and banks.

III. Objectives of the Study

1. To study the performance on financial aspects of select SHGs in Kadapa District
2. To examine the issues of select SHG's with regard to Bank Linkage in Kadapa District
3. To assess the impact of Bank Linkage on select SHG's
4. To refer proper suggestions to increase the performance of the SHG's

IV. Research Methodology of the Study

This study was conducted on 243 SHG members of different groups located in YSR kadapa district and the sampling of the study was random sampling method. The population for the study was SHG members of select group members. The attempt was made to measure the impact of SHG bank linkage program on the different issues with the assumption that "the program does not have any impact on saving and poverty elevation of SHG member. The present study is based on primary and secondary data collected from Bank report, annual reports of NABARD, news paper, govt. Websites, reference books and papers Published on SHG Bank linkage program and those are evaluated in an analytical manner in order to satisfy the predetermined objectives and research based questions. For analyzing the data weighted average method and percentage method was used.

Limitations of the Study

- ❖ The study is completely based on the opinions of the SHG members
- ❖ This study is confined to select members in YSR Kadapa District
- ❖ Most of the SHG members not properly responded

V. Data Analysis

Objective: 1 Finding

Table: 1 Performance Analysis on Financial Aspects of the SHG members after joined in SHG

Variables		SA	AG	Nu	DA	SDA	Mean	Stdv	%
v1	Income per month increased after joined in SHG	98	76	21	24	24	3.82	1.32	70.57
v2	Savings per month increased after joined in SHG	62	100	43	19	19	3.68	1.16	67.18
v3	Expenditure decreased after joined in SHG	78	108	31	15	11	3.93	1.05	73.35
v4	Internal lending decreased after joined in SHG	112	64	36	25	8	4.08	1.14	75.20
V5	Loan repayment behavior increased after joined in SHG	148	57	13	15	10	4.30	1.09	82.71

V6	Investing the amount for entrepreneurship	35	47	46	41	74	2.70	1.44	42.59
Total frequencies		87.5	87	32.75	20.75	15.5	3.88	1.17	73.80

SA: STRONGLY AGREE, AG: AGREE, NU: NEUTRAL, DA: DIS AGREE, SDA: STRONGLY DIS AGREE

Source: From the Field Study

Table 1 shows the opinion of the respondents towards the financial aspects of the SHG members. The above dimension was examined under 5 sub- variables (v1 to v6). With regard to the variable one Income per month increased after joined in SHG (v1), 70.57 % of the respondents accepted with the statement. With regard to the variable (V2) Savings per month increased after joined in SHG 67.18% of the respondents accepted with the statement. With regard to the variable three (v3) Expenditure increased after joined in SHG 73.35% of the respondents agreed with the statement. With regard to the variable four (v4) Internal lending increased after joined in SHG 75.20% of the respondents agreed with the statement. With regard to the variable five (v5) Loan repayments behavior increased after joined in SHG from the analysis it was founded that overall 82.7% of the respondents had increased their Loan repayment behavior. With regard to the variable five (v6) Investing the amount for entrepreneurship 42.59% of the respondents accepted as they utilizing the amount for entrepreneurship.

Objective: 2 Finding

Table: 2 The issues of select SHG's with regard to Bank Linkage

Variables		SA	AG	Nu	DA	SDA	Mean	Stdv	%
v1	More number of visits to banks	92	70	23	36	22	3.71	1.34	67.90
v2	Bank manager's transfer	54	112	43	12	22	3.67	1.14	66.87
v3	Complex withdrawal procedure	92	66	33	22	30	3.69	1.37	67.28
v4	Service bank is located at far off places	112	64	36	25	8	4.08	1.14	75.20
V5	Stringent documentation process	148	57	13	15	10	4.30	1.09	82.71
V6	Bank manager's attitude towards linkage	76	40	18	41	68	3.06	1.64	51.54
V7	Time taking to grant loan	82	82	23	36	20	3.69	1.29	67.48
Total average frequencies							3.74	1.29	68.72

SA: STRONGLY AGREE, AG: AGREE, NU: NEUTRAL, DA: DIS AGREE, SDA: STRONGLY DIS AGREE

Source: From the Field Study

Table 2 shows the opinion of the respondents towards the issues of select SHG's with regard to bank linkage. The above dimension was examined under 7 sub- variables (v1 to v7). With regard to the variable one more number of visits to banks (v1), 67.90% of the respondents accepted with the statement. With regard to the variable (V2) Bank manager's transfer 66.87% of the respondents accepted with the statement. With regard to the variable three (v3) Complex withdrawal procedure 67.28% of the respondents agreed with the statement. With regard to the variable four (v4) Service bank is located at far off places 75.20% of the respondents agreed with the statement. With regard to the variable five (v5) stringent documentation processes to get loan 82.71% of the respondents felt they have been facing the problem. With regard to the variable (v6) Bank manager's attitude towards linkage 51.54% respondents agreed with the statement. With regard to the variable (v7) Time taking to grant loan majority of the respondents said that the bank taking time to grant loan to the members.

Objective: 3 findings

Table 3 To assess the impact of Bank linkage on select SHG's

Variables		SA	AG	Nu	DA	SDA	Mean	Stdv	%
v1	Bank linkage programs increased Training skills to the members	54	45	55	58	31	3.13	1.34	53.39
v2	Bank linkage programs increased Human development skills	63	46	48	49	37	3.20	1.41	55.04
v3	Bank linkage programs increased Management skills	45	67	71	35	25	3.29	1.22	57.40

v4	Facing problems to developing the skills of members	112	64	36	25	8	4.08	1.14	75.20
V5	Had support from SHPI to establish SHG	61	67	64	35	16	3.50	1.20	62.55
	Total average frequencies						3.44	1.26	60.71

SA: STRONGLY AGREE, AG: AGREE, NU: NEUTRAL, DA: DIS AGREE, SDA: STRONGLY DIS AGREE

Source: From the Field Study

Table 3 shows the opinion of the respondents towards the impact of Bank linkage on select SHG. The above dimension was examined under 5 sub- variables (v₁ to v₅). With regard to the variable one Bank linkage programs increased Training skills to the members (v₁), 53.39 % of the respondents accepted with the statement. With regard to the variable (V₂) Bank linkage programs increased Human development skills 55.04% of the respondents accepted with the statement. With regard to the variable three (v₃) Bank linkage programs increased Management skills 57.40% of the respondents agreed with the statement. With regard to the variable four (v₄) Facing problems to developing the skills of members 75.20% of the respondents agreed with the statement. With regard to the variable five (v₅) had support from SHPI to establish SHG 62.55% of the respondents accepted that they had the support to establish SHG's from the banks.

VI. Suggestions

Based on the survey of objective one majority of the members financial performance has been increasing every month so it is acceptable but majority of the employees not investing their group funds for entrepreneurs' hence banks and other financial institutions and development authorities should encourage them to start entrepreneurship in their respective areas. With regard to the objective two it has been suggesting that More number of visits to banks, Stringent documentation process, Complex withdrawal procedure should be minimized so as to speedy process of grant loans to the members. With regard to objective three it has been suggested that the bank managers, other financial institutions and rural development authorities should develop the skills of the members through frequent training and they should develop internal capabilities and capacity of the members proper training on market development skills should be provided based on the observation it is also be suggesting that industrial tours and meeting with business experts increase the knowledge of business skills.

VII. Conclusion

Women Empowerment in the rural areas increase the employment opportunities so that their financial capacity will increase. the only problems to start entrepreneurship is lack of skills, lack of proper education and fear of uncertainty and monotonous nature of members hence; bank managers and rural development authorities should suggest them what to start , where to start, how to start business and how government encouraging startups, government upcoming policies regarding women empowerment, and respective development authorities should inform them in which areas government giving subsidies etc in order to increase performance of the SHG members.

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