ROLE OF NGOs IN MICRO FINANCE THROUGH SHGs IN ANDHRA PRADESH

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ABSTRACT

Non-Governmental Organizations (NGOs) played a vital role in rural reconstruction, agricultural development and rural development even during pre independent era in our country. In the post independent period the NGOs became a supplementary agency for the development activities of the Government and in some cases they become alternative to the Government. After the introduction of microfinance through Self-Help Groups (SHG), they penetrated into each and every corner in India and actually the NGOs are responsible for converting the pilot project of microfinance into a major programme and the NGOs are responsible for making the microfinance through SHG as the largest programme in the world. This paper analyses the role of NGOs in sustainable rural development through microfinance. The study reported that NGOs are playing vital role in the formation of SHGs and motivating women to join the groups and linking the groups with the banks for micro finance. The Non-governmental Organizations played limited role in marketing the products of SHGs and release of subsidies in the study area.

The NGOs should play a key role in arranging exposure visits to other successful SHGs, tie up for marketing, release of subsidy from DRDA and arranging exhibitions for the products of SHGs, if proper marketing arrangements are not provided the members of SHGs may lose their motivation and the sustainability of the micro enterprises may be affected in the long run. The NGOs should play a key role in arranging exposure visits to other successful SHGs, tie up for marketing, release of subsidy from DRDA and arranging exhibitions for the products of SHGs, if proper marketing arrangements are not provided the members of SHGs may lose their motivation and the sustainability of the micro enterprises may be affected in the long run.