A STUDY ON PERFORMANCE OF THE SHG BANK LINKAGE PROGRAMME IN GUJARAT

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ABSTRACT

Microfinance has evolved as an accepted institutional framework to provide financial services to the poor in the developing countries and Self Help Groups (SHGs) are considered as the vehicle for advancement of micro-credit to them. The "credit-plus approach" of microfinance through SHG not only provides small, timely and easy loan to the poor without any collateral but also inculcates saving behavior amongst them. The SHG-Bank linkage model is the indigenous model of micro-credit evolved in India and has been widely acclaimed as a successful model. SHG-Bank linkage programme is considered a promising approach to reach the poor and has since its inception made rapid strides exhibiting considerable democratic functioning and group dynamism. Against this theoretical backup, the present study deals with SHGs and its members. It reviews the performance of SHGs on various issues including theirs saving and credit mobilization and linkage with banks. The present study also analyses the progress of SBLP in terms of its outreach, regional coverage, agency wise coverage, lending performance of banks involved and saving mobilized by the SHGs. The study shows last five years status of SBLP in Gujarat.

KEYWORDS: Self Help Groups, Micro finance, Self help group bank linkage programme.