SHG – BANK LINKAGE PROGRAM IN KARNATAKA STATE

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ABSTRACT
The provision and delivery of credit to rural poor is a complex problem in servicing with minimum documentation, reaching the unbanked and bearing high transaction cost. To address this problem in 1992 NABARD launched SHG- Bank Linkage Program. The core objective of the SHG-Bank Linkage Program is to provide the poor with enhanced financial access to meet their credit requirements. This program is also used as an effective tool to address the socioeconomic issues. Many research studies shows that financing through SHG reduced the transaction cost, reduced financial risk, regularity in repayment of the loan and also empowered the women socially and economically. This paper explores the status and progress of SHG-Bank Linkage Program in Karnataka State, India. The present paper also highlights the promotion and issues in SHG-Bank Linkage Program.

KEY WORDS: SHG- Bank Linkage Program, Self Help Group, Karnataka & NABARD