ABSTRACT

Achieving financial inclusion through formal banking system is a cumbersome assignment. The growth of financial sectors depends heavily on the availability of adequate financial services like credit, insurance and remittances to the majority population at an affordable cost. The concept of microfinance came into existence as an alternative solution to provide financial services to common section of the society. Micro-finance interventions are well-recognized throughout the world as an effective tool for poverty alleviation and improving socio economic status of rural poor. In India too, micro-finance is playing a dominant role for reducing poverty and empowering rural women. It is the microfinance only who meets the requirement of poor rural people for poverty alleviation, procurement of agricultural and farm input. Microfinance is a programme to support the poor rural people to dissolve its debt and maintain social and economic status in the villages. In order to extend supplementary credit strategies for reaching the unreached poor in rural areas, National Bank for Agriculture & Rural Development (NABARD) launched its pilot phase of the SHG bank linkage programme in 1992 after consultation with the Reserve Bank of India (RBI). RBI directed all the commercial banks to participate & extend finance to Self Help Groups (SHGs) and subsequently Regional Rural Banks (RRBs), Co-operative banks, NGOs also extended finance to SHGs. The rural villagers of Odisha have undergone an incredible social upliftment through the rebellion of microfinance. The value and acceptance of women has also been increased significantly and is examined through a series of case studies. In this paper an attempt has been made to highlight the progress of SHG-Bank linkage in the state of Odisha through Microfinance.

KEY WORDS: SHGs, Microfinance, SHG-Bank Linkage Programme (SBLP)

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