

Self-Help Group (SHG) Phenomenon in India: A Note**K Dinker Rao**

SHGs have done well with regard to financial inclusion defined as providing savings services, which the poor value most, but have got to perform in terms of credit extension. APL (Above Poverty Line) SHGs have done well in terms of credit extension. However, much is expected of BPL (Below the Poverty Line) SHGs in the Eleventh Plan – poverty alleviation by strengthening safety net schemes and women's empowerment. Whether SHGs will live up to the demands of the Eleventh Plan or not, they are already a phenomenon, thanks to their number, spread and because they are women's SHGs. They deserve to be nurtured for the savings services crucial to the poor.

Like Non-Government Organisations (NGOs), Self Help Groups (SHGs) seem to have become the last resort to developmental pursuit. Self-help, or in other words co-operation, is a survival institution of the poor in many contexts of life, joint labour in housing and farming, grain-golas for food deficit during lean periods, and critical fund for emergencies, only to name a few avenues (NABARD 1989). In recent times, the role of SHGs in providing Micro Finance (MF) services needed by the poor has drawn maximum attention thanks to the efforts of Asia-Pacific Rural and Agricultural Credit Association (APRACA), German Agency for Technical Co-operation (GTZ), Mysore Rehabilitation and Development Agency (MYRADA) and National Bank for Agriculture and Rural Development (NABARD) (Quinones 1997).

SHGs can act as intermediaries for financial inclusion of the poor. Aply, this role has to be played by SHGs, wherein members are below the poverty line (BPL). The BPL SHGs have come into vogue only after Swarnajayanti Gram Swarozgar Yojana (SGSY), which espouses group approach and replaced in 1999-2000 the more popular erstwhile Integrated Rural Development Programme (IRDP). Though urban poor also remain outside the purview of formal financial institutions, financial exclusion is viewed more of a rural syndrome. The BPL SHGs of SGSY have a role to play in this context.

Though MF, which denotes financial services required by the poor, covers (i) mobilisation of the small savings, ensuring their safe custody, (ii) credit for productions consumption, emergency life cycle needs i.e., marriage, ceremonies etc, (iii) investments, (iv) insurance and transfer facilities, the most important of these is the first viz. savings (Rutherford 2006). It provides services related to