

SHG-MICRO-FINANCE MECHANISM OF POVERTY ALLEVIATION AND ITS PROBLEM: WITH REFERENCE TO THE OUTCOME OF SOME EMPIRICAL STUDIES

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ABSTRACT

Since last three decades, one of the major objectives of policymakers is to remove poverty from India. For this purpose, various initiatives like enhancing the growth rate initiating various Poverty Alleviation Programmes have been taken up. It has also been realized by the policymakers that increase in GDP alone is not the solution of poverty as all sections are not able to avail the benefit of economic development. Due to this reason, various Poverty Alleviation Programmes (PAPs) have been initiated targeting a specific group from the economically weaker section at the grass root level. But, still, results were not very encouraging. In the next step, Inclusive growth is adopted as a strategy of poverty alleviation in which major emphasis is given for the inclusion of excluded sections, particularly the women and the poor, in the development process. NRLM or National Rural Livelihood Mission is such a programme, the major objective of which is to organize the poor into SHG (Self Help Groups) groups and make them capable of self-employment. Various research outcomes concerning SHG-Microfinance showed that there is a positive impact of SHG- Micro-finance approach on the alleviation of poverty. Based on these outcomes, these papers strived to analyze the effectiveness of the SHG-Microfinance Mechanism and tried to point out some inherent limitation of the mechanism in the ground of reality based on experience and finally concluded with some suggestions.

KEYWORDS: *Self Help Groups (SHGs), SHG-Microfinance Mechanism, Poverty Alleviation Programmes (PAPs)*