

MICRO CREDIT PROGRAM RUN BY SELF HELP GROUPS – A STUDY IN MYSORE DISTRICT

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ABSTRACT

Micro credit as an alternative source of credit for the poor has received a great deal of attention in recent years. It is the program that provides credit for the self employment and other financial and business services (including savings & technical assistance) to very poor person. Self Help Groups (SHGs) are formed on voluntary basis and perceived appropriately as people's institution, providing the poor with the space and support necessary to take effective steps towards standard of living in private and in society

The micro credit can help the poor to increase income, build viable businesses, and reduce their vulnerability to external shocks. It can also be a powerful instrument for self-empowerment by enabling the poor, especially women, to become economic agents of change. Recent research has revealed the extent to which individuals living around the poverty line are vulnerable to shocks such as the illness of a wage earner, weather, theft, or other such events. During the last decade India has been experiencing an emergence of an increasing number of Self-Help Groups (SHGs) as an alternative to institutional credit for the poor.

This paper attempts to examine whether the Self-Help Groups (SHGs) as an alternative to institutional credit for the poor will succeed in giving much-needed access to credit to the poor. It also attempts to study the role of Micro credit in Self-Help Groups (SHGs) in Mysore District, Karnataka and discuss the utility of the loans taken by the SHGs; and, identify the problems faced by the SHGs.

KEYWORDS: Micro Credit, Self Help Groups, Self Empowerment, Institutional Credit