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# Promotion of Micro Finance through Self Help Group-An Analysis

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### Abstract

Self-help groups are the constructed groups which work constructively to resolve the financial related conflicts via mutual discussions on per collective leadership. They are known as an important source of micro-finance service provided to the poor. They act as a go-through for formal banking services to reach the poor, especially the women folk in rural areas. As for as Shri Kshetra Dharmasthala Rural Development Self-help groups are concerned, as a charitable units the groups play an unique role in bringing reformative changes in view of rural development. The unit aims at the financial empowerment of the rural folk. This kind of service is being rendered since the last three decades especially in Karnataka state. More than 27,18,000 families in Karnataka state are being benefited by the above cites Micro-finance scheme. Indeed, the volunteers of the Self-Help Groups require having a sense of leadership qualities, organizational skill as well as managing capacity up to the expectation of the needy poor people in respective regions. The objective of the scheme is to bring little changes through improving the financial condition as per the living standard of the rural folk.

**Keywords:** Self-help groups, collective leadership, financial empowerment, organizational skill, living standard of the rural folk, etc.

### Introduction

Self-help groups are the constructed groups which work constructively to resolve the financial related conflicts via mutual discussions on per collective leadership. They are known as an important source of micro-finance service provided to the poor. They act as a go-through for formal banking services to reach the poor, especially the women folk in rural areas. As for as Shri Kshetra Dharmasthala Rural Development Self-help groups are concerned, as a charitable units the groups play an unique role in bringing reformative changes in view of rural development. The unit aims at the financial empowerment of the rural folk. This kind of service is being rendered since the last three decades especially in Karnataka state. Of course, when the governments expect such a valuable services from the religious or charitable trusts; these kinds of services are reflected as a token of selfless service. Indeed, in the present scenario, the valuable service being provided with the divine blessings of the Chief Patron of Sri Kshethra Dharmasthala is remarkable.

### Review of Literature

The scheme cited in this article is a stepping stone to many a poor people who are leading their daily life in below poverty lines. The scheme titled Microfinance has tied up with nationalized banks especially in rural areas. The scheme is made for the upliftment of the poor, marginalized, privileged, impoverished and downtrodden people of all sections of the society, and it is irrespective of religion, caste and creed as well. Shri Kshetra Dharmasthala Rural Development has been

a project which is flexible and transparent in its operation, it is accurate in independent function, quick in decision making through nurturing the social and moral values on the basis of humanitarian principles. Since, the inception of the scheme/project, it is a noteworthy to acknowledge that the service being rendered is very helpful to reduce poverty, discrimination through creating awareness among the common people to know the value and necessity of social justice and socio-economic stability. The self-help groups presently engaged to provide their timely financial for the poor folk especially in some districts like Dakshina Kannada, Udupi, Uttara Kannada, Coorg, Shimoga, Chickmagalur, Dharwad, Haveri, Gadag, Tumkur, Belgaum, Mysore, Chamarajnagar, Koppal, Davangere, Chitradurga, etc. More than 27,18,000 families in Karnataka state are being benefited by the above cites Micro-finance scheme. Indeed, the volunteers of the Self-Help Groups require having a sense of leadership qualities, organizational skill as well as managing capacity up to the expectation of the needy poor people in respective regions. The objective of the scheme is to bring little changes through improving the financial condition as per the living standard of the rural folk.

### Findings

Above 3 lakh Self-help groups comprising 3.5 million volunteers have made a remarkable magic in the life of poor in rural areas. The executives and officers of the Micro-finance scheme encourage the people of below poverty line to come forward to use the financial benefits and repay the loan

within the stipulated time, and this also is convincible for the borrowers to lessen their unnecessary risk to wait at large scale banks. If the scheme has to be successful; the workers in the group are required a supportive training to impart their timely knowledge and skill to their fellow workers to serve in the interest of the poor, especially, to empower the financial condition of the women folk. Pragathibandhu and Janavikasa are the two groups respectively work as male and female groups. People those who engage in coolly work on the basis of daily wages can avail loans as housing loan, agricultural loan, diary loan, small scale poultry loan and the like. These loans become remedies to improve the living condition of the poor and backward people in rural areas. In this context, Banks come forward to have a coordinial compact with the Self-help groups granting loans on minimum rate of interest. Borrowing loans and repaying the same are subject to the conditions of the finance scheme and its procedure.

### Conclusion

Thus, the service being provided by Sri Kshethra Dharmastala Rural Development Self-help groups for the financial empowerment of women folk in particular and the poor and downtrodden in general is up to the expectation of the needy, and also banks also are working with the self-help groups by releasing small scale loans in the name of micro-finance to the people who come seeking the financial help. Even, the system made for recovery of loans or repayment also easy and trustworthy. In all the respect, the compact made between banks and self-help groups is like a bridge between two sectors wherein business traction being taking place is up to the extent of financial stability of the poor people. Hence, the service provided by self-help group, especially in Karnataka state is very proud to governments as for as the annual revenue collection is concerned. This is known as revenue profit of the government.

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