

SHG and Financial Inclusion of the Rural Poor: Significance of Cooperative Model in Rural Bengal

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The increasing importance of micro credit in improving and ameliorating the conditions of downtrodden and particularly women is being recognized today. It is argued that Self-Help Groups (SHGs) can not only enhance the spectrum of social justice for this target group, poor people are also empowered themselves economically and politically through SHGs. The linkage between SHGs and Banking service was a 'landmark model' initiated by NABARD in 1992. In West Bengal cooperative bank played a vital role with its three-tier system to achieve the goal of financial inclusion of rural poor people into the mainstream economic system through formation and proper nourishment of SHGs. This paper deals with the relative success of cooperative led SHGs to provide social justice to marginal section of our society. Secondary data has been used to analyse the comparative success of cooperative bank. The paper concludes that the abolition of money lending system, establishment of formal credit system, mobilization of small domestic resources and empowerment of the poorer section has been possible at large scale due to the active support of three-tier cooperative model in West Bengal.

Key Words : Self Help Group; Micro finance; Micro Credit; Co-operatives within Co-operative; Poverty; Unemployment; Empowerment;

Introduction:

India has taken several measures to combat poverty in various plan programmes after independence and got relative success because poverty is something perennial to Indian society where majority of people are illiterate and forced to accept status of landless labourer within the purview of acute unemployment. In various five years plan government gave immense priority in poverty alleviation and still today we are fighting against the menace of poverty but still the problem persists. In this 21st century Self-help Group (SHG) has emerged as a means to tackle extreme poverty and unemployment and to empower rural poor from chronic disease of social inequality. From socio-cultural point of view it could be analysed that deep root of poverty has been spread throughout the whole social structure of Indian society and culture although we all know that population explosion is origin of all social problem. We all know the hard reality of our society that till today there are many backward villages where women are treated as an ornament of the family and reproductive machine. They won't have the permission to go outside the home for taking any kind of economic activities. In such a situation dependency ratio was very high in India and poverty was taken by most of the poor people as their fate. It is the hard reality that the root cause of poverty lies and embedded within our social structure, culture and normative values. Patriarchal society excluded nearly fifty percent of our population from any kind of economic activities so as to income generation. From this point of