• Review of Research and Development in the Subject:
  ▪ International Status:
  The emergence of SHGs can be seen as a response to industrialization, breakdown of the kingship system and the decline of the community (Katz and Bender, 1976, Humm, 1997; Kessler et al 1997)
  Currently the increasing interest in providing services that are family-centered is also considered as a factor contributing to the increased number of SHGs (Rosenbaum et al 1998)
  Inspite of various views for the concept of SHGs, there is consensus that a new model is necessary to supplement and complement professional services.

Self Help Groups are growing at an unprecedented speed all over the world for e.g. about 2% Canadians belonged to SHG in 1987 (Gottlieb and Peters, 1991.), approximately 10% of Israel’s population, is estimated to have in some or other way involvement in SHG (Ben. Ari and Azaiza, 1993), In United States, SHG participation is to the tune of 10 million in 1996 (Kessler et al, 1997). This movement is going strong and now expanding its horizons. The proliferation of SHGs in various countries can be seen as an initial indication of SHG effectiveness, because groups will cease to exist without value. The self help movement has become a global phenomenon.

▪ National Status:

  Inspite of the rapid growth of SHGs in India the full potential of utilizing Self Help Groups remains untapped.
  In India the concept of Self-Help Groups could be traced back to the Gandhian Gramswaraj Movement. It was mainly concerned with the poor, and it was for the people and of the people. Unlike many other countries.
which have implemented SHGs after the mid seventies as a part of the formal credit delivery system. India has been experimenting with this concept for decades (karmakar, 1998)

The concept of SHGs for banking, finance and development was worked by the RBI from 1991 onwards, while NABARD initiated its own effort in 1886-87, when it supported and funded an action research project on “Saving and Credit Management of Self-Help Group” of the Mysore Resettlement and Development Agency (MYRADA). Then NABARD itself launched a pilot project to provide micro credit by linking SHGs with bank on 1991-92. During the project period, some institutions like Association of Sarva Seva Farms (ASSEFA), People’s Rural Education Moment (PREM), Professional Assistance for Development Action (PRADAN), Community Development Society (CDS), have done excellent work in the promotion of SHGs by the mobilization of savings and thrift and disbursal of credit.

Despite the vast institutional credit network, the attempt to serve the weaker section particularly the poor could yield only a limited success. As a result of this, in recent years SHGs are emerging as an alternative strategy to the institutional credit.

Failure of co-operative banks, nationalized banks and RRB’s in meeting the credit needs of the poor stressed the need for alternative arrangements for the delivery of credit to the poor. In recent years, the SHGs (informal) are emerging as an alternative mechanism to meet the urgent credit needs of the poor through thrift, especially for rural poor.

The number of SHGs in the country has multiplied by hundred folds during the past decade. In 1992-93 there were only 255 in number which rose to 33,000 by March 99 and today there are over 8.00 lakhs SHGs all over the country. The regional spread is given below.
### Regional Spread of SHGs in India

- Southern Region : 64%
- Eastern Region  : 13%
- Central Region  : 11%
- Western Region  : 6%
- Northern Region : 5%