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Micro-Finance: A Study of SHG as a Tool to Combat Unemployment and Poverty with special reference to Public Sector Banks

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Abstract : *India is a developing economy. It is still facing problems of poverty and unemployment. There are various schemes of government to tackle the problem of unemployment such as Pradhan Mantri Rojgar Yojna, Swarna Jayanti Rojgar Yojna, Integrated Rural Development Programme (IRDP) Jawaharlal Rojgar Yojna. These schemes are implemented by Public Sector Banks to provide employment. Private agencies and NGOs also lend helping hands in addressing the problems of poverty and Unemployment. Microfinance is also seen as a beacon of hope*

to combat poverty and unemployment. Microfinance is a financial service that offers loans, savings and insurance to entrepreneurs and small business owners who don't have access to traditional sources of capital, like banks or investors. There are Self Help Groups which raise microfinance. SHG is a voluntary homogeneous group of 10-15 individual from weaker section of the society. Banks also have their SHGs. SBI is considered as one Public Sector Banks, for this study. Banks have to identify their beneficiaries and take proper follow up actions in order to obtain the desired results.

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Introduction :

Microfinance, also known as microcredit, is a financial service that offers loans, savings and insurance to entrepreneurs and small businesses which do not have access to traditional source of capital, like banks or investors. The goal of micro financing is to provide money to individuals to invest in their business, according to businessnewsdaily.com published in 1996.

Microfinance focuses on meeting the financial needs of population that are financially underserved. These are individuals who usually lack the credit or resources to secure a loan and are unlikely to get approval from traditional banks. Typically, these consumers are seeking small-denomination loans to finance the purchase of specific equipment, or the