SOME ISSUES OF SELF-HELP GROUP APPROACH TO RURAL DEVELOPMENT
A Study with Reference to the Drought-Prone Districts of West Bengal

A Thesis submitted to the Vidyasagar University in fulfilment of the requirements for the award of Ph. D. degree

By
Santanu Bisai

DEPARTMENT OF ECONOMICS WITH RURAL DEVELOPMENT
VIDYASAGAR UNIVERSITY
PASCHIM MEDINIPUR-721102

June, 2016

Declaration

I do hereby declare that the thesis entitled ***"Some Issues of Self-Help Group Approach to Rural Development: A Study with Reference to Draught-Prone Districts of West Bengal"*** which is submitted to Vidyasagar University for the award of degree of Doctor of Philosophy in Economics is an original work done by me and is not submitted to any other University or Institution for award of degree or Diploma.

(Santanu Bisai)

Certification

This is to certified that the thesis entitled ***"Some Issues of Self-Help Group Approach to Rural Development: A Study with Reference to Draught-Prone Districts of West Bengal",*** which is being submitted by **Santanu Bisai**, for the award of the degree of the Doctor of Philosophy in Economics to Vidyasagar University, is a bonafide research work carried out by him under out supervision and guidance. The results embodied in the thesis have not been submitted to any other University or Institute for award of degree or prize.

(Dr. Sachinan Sau)
Professor of Economics(Rtd.)
Department of Economics
with Rural Development
Vidyasagar University
Medinipur, West Bengal

(Dr. Debasis Majumuder)
Associate Professor (Rtd.)
Department of Economics
Bangabasi College
Kolkata
West Bengal

CONTENTS

ACKNOWLEDGEMENT

In course of carrying out this study, I have been helped by many persons, both directly and indirectly. At the very outset, I would like to express my deep sense of gratitude to my supervisors Professor Sachinandan Sau, Department of Economics with Rural Development, Vidyasagar University, Midnapore and Dr. Debashis Majumder, Associate Professor, Bangabasi College, Kolkata for their wholehearted co-operation, suggestions, inspiring guidance and enormous encouragement at almost every step so as to enable me to complete the work successfully.

I would like to express my deep sense of gratitude to Dr. Pinaki Das, Assistant Professor, Department of Economics with Rural Development, Vidyasagar University, Midnapore who helped and guided me a lot for spontaneous co-operation and valuable suggestions.

I express my heartiest thanks to my informants and respondents, who provided the data required for the study.

I am grateful to my parents who encouraged me a lot. I am also grateful to my wife, Mousumi who sacrificed many enjoyments and exercised unbounded patience. I most thank my only son, aged 10 years, Sambit (Happy) for his sacrifice of many enjoyments.

However, I alone am responsible for the error remaining in the study.

Midnapore
Dated 20th June 2016 (Santanu Bisai)

LIST OF ABBREVIATIONS

AGF	After Group Formation
APL	Above Poverty Level
BGF	Before Group Formation
BPL	Below Poverty Level
CDF	Cumulative Distribution Function
CDR	Credit-Deposit Ratio
CL	Credit Linked
CUT	Percentage of Credit Utilization
DPAs	Draught-Prone Areas
DPAP	Drought Prone Area Programme
DRDC	District Rural Development Cell
FE	Food Expenditure
GDP	Gross Domestic Product
GF	Group Formation
GWF	Women Group Formation
GI	G I Passed
GII	G II Passed
HDI	Human Development Index
HH	Household
HSE	Higher Secondary Education
IRDP	Integrated Rural Development Programme
ILL	Illiterate
LL	Literate
MT	Meeting
MDM	Mid Day Meal
NABARD	National Bank for Agricultural and Rural Development
NFE	Non-Food Expenditure
NREGA	National Rural Employment Guarantee Act
NSSO	National Sample Survey Organization
OBC	Other Backward Class
PAO	Principal of Agricultural Office
PCC	Per Capita Credit
PCD	Per capita Deposit
PCCEM	Per capita consumption expenditure per month
PCMFE	Per Capita Monthly Food Expenditure
PCMNFE	Per Capita Monthly Non-Food Expenditure
PCMY	Per Capita Monthly income
PE	Primary Education
PMCTE	Per Capita Monthly Total Expenditure
POV	Poverty
PS	Principal activity status
PS + SS	Usual Activity Status
PG	Post Graduate
RCR	Repayment -Credit Ratio
RRBs	Regional Rural Banks

SGSY	Swarnajoyanti Gram Swarojgar yojana
SHGs	Self -Help Groups
SC	Scheduled Caste
SS	Subsidiary economic activity status
ST	Scheduled Tribe
TR	Training
UG	Under Graduate
UPE	Upper Primary Education
WGF	Women Group Formation
YOF	Year of Functioning

LIST OF TABLES

LIST OF FIGURES

LIST OF MAPS

LIST OF APPENDIX TABLES

LIST OF ANNEXURES

Chapter 1

INTRODUCTION

Development has become a buzz-word in many spheres of policy decisions. This is because development is a dynamic concept meaning change and change is the key word in theoretical and empirical exercises. Being a comprehensive and multi-dimensional concept meaning all types of changes that occur in an economy, society and country it needs inter-disciplinary approach for its adequate and meaningful study.

In the ancient age of India development was mainly conceived to be spiritual in nature and worldly development was thought to be secondary. Industrial revolution brought about the fundamental change in the concept of development while ushering in material progress of human beings. Economic development has the dominant concept.

In the modern era the most prominent concept of development is economic development starting with the great classical text of Adam Smith (1776) titled "An Enquiry into the Nature and Causes of Wealth of Nations"[*] where economic factors like capital accumulation, technical factors like division of labour and institutional factors like government policy played the crucial role in promoting economic development.To accelerate economic development the development of technology ushered in, which did have its impact felt on environment. Technology made its impact felt on not only economic growth but also employment and inequality. This gave rise to the vital need of development for an inter-disciplinary approach.

The mainstream strategies of development had mainly focused on economic growth and top down diffusion of development impulses. The experience of 1950s and 1960s taught that mere growth was quite insufficient to induce broad-based development and more than a decade of rapid development in underdeveloped countries was of little or no benefits to perhaps a third of their population. Economic growth presupposes that an increase in Gross Domestic Product (GDP) automatically percolates into different layers of a society, i.e., different sections of population are equally benefited from that increase in overall

[*]Smith, A. (1776). '*An inquiry into the nature and causes of the wealth of nations'*. Vol II of the Glasgow Edition,
R.H. Cambell, A.S.Skinner, and W.B.Todd (ed). Oxford: Clarendon Press.

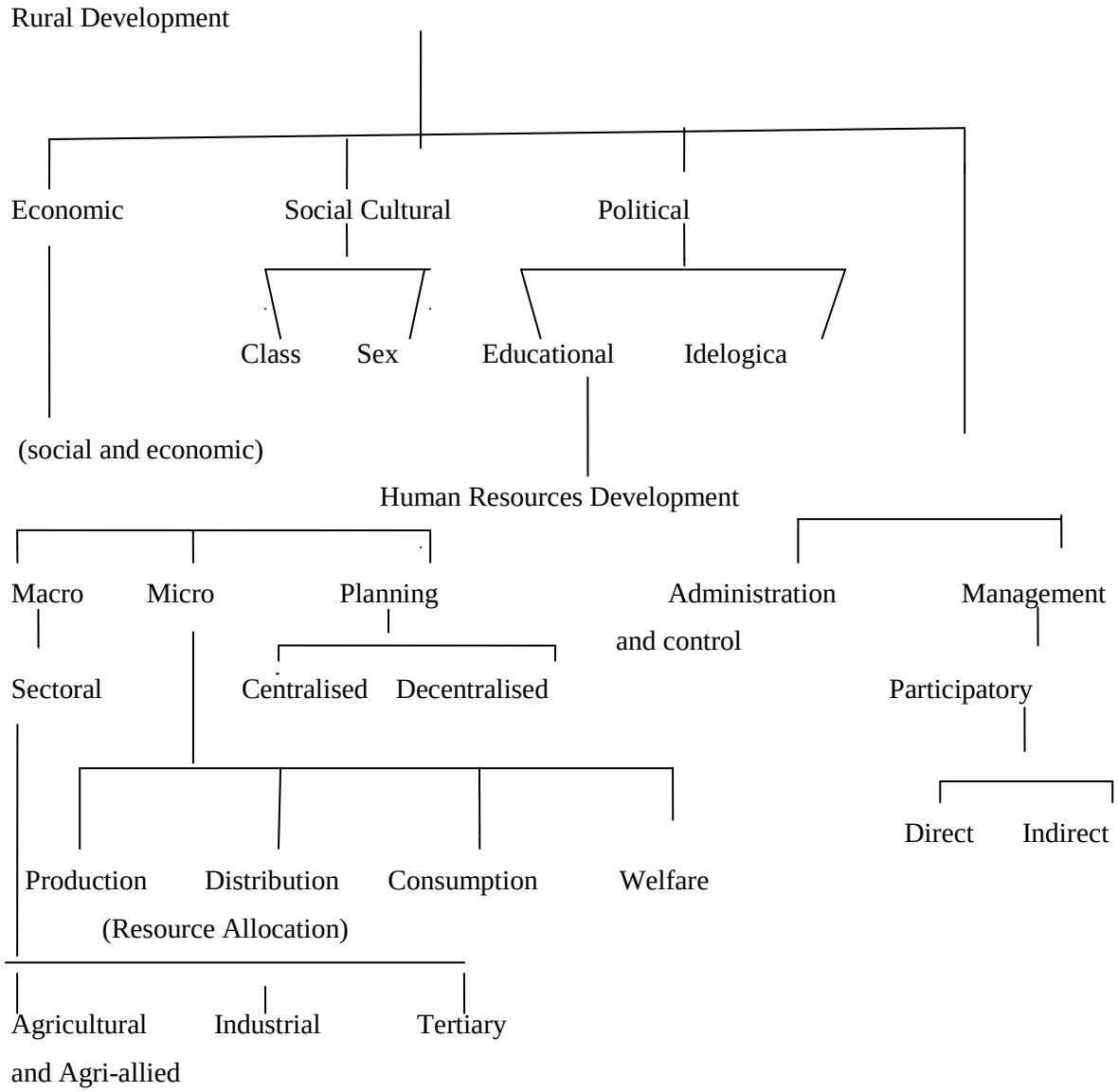
GDP. But this ‘Percolation theory’ or the ‘Trickle Down’ theory has been proved to be wrong.

A growing number of theorists and experts began to argue that the focus of macro economic growth hadbeenmisplaced, as the focus had been on the inanimate instead of animate. Even the measurement of development has to be redefined in terms of people-oriented criteria. It was the wide consensus on the fact that new development approaches should be oriented towards the satisfaction of basic human needs and desires,particularly at the local community level that had made Haq to observe that development should be built around people rather than make people roam around development

Rural development has also emerged as a separate discipline in the event of non-percolation of benefits of economic growth to the unprivileged sections of the society and persistence of poverty, hunger, malnutrition and inequality in the rural areas. While formulating the schemes for rural development, the panchayat has asits main objective the improvement in the quality of life of the people.Rural development is considered to be an integral part of this development process.The overall development in an economy would not by itself guarantee a balanced development in both rural and urban areas. So, in the process of economic development, the gap may be widened between the rural and urban areas. Most of the modern amenities of life are found to be concentrated in urban areas. As a result, rural development should receive special importance while framing any development strategy for any developing country like India. Such development activities in the rural economy will create a forward linkage effect not only in the form of higher demand for some manufactured goods but also in terms of reduced pressure upon the urban growth centers (by way of migration of labor in search of work or flow of people from rural to urban areas to get health and education facilities etc.) and consequently the urban economy will be developed as well. Thus, an all-round development becomes possible in developing countries. So, the concept of ‘rural development’ has a great relevance in this context.

Schematic presentation of the concept of rural development is shown in Figure 1.1.

Figure 1.1 Schematic presentation of the concept of rural development



Against this brief backdrop the rest of this chapter is organized as follows. The rationale for rural development has beenpresented in Section 1.1 while different approaches to rural development have been discussed in Section 1.2. Some relevant concepts have been defined inSection 1.3. The rationale for forming Self-Help Groups in Drought-Prone areas as well as relevance of self help group approach to rural development has been dealt with in Section 1.4. Section 1.5 has dwelt onweakness of microfinance.The need for the present study, objectives of this study, and the hypotheses of the present study have been presented in Section 1.6, Section 1.7 and Section 1.8 respectively. Section 1.9 deals with

the database and Section 1.10 the methods of data collection and analysis. Section 1.11 presents the plan of the whole work.

1.1 Rationale for rural development

Rationale for rural development appears to have emerged out of the non-applicability of the percolation theory of economic development, urban bias of development and the consequent spectre of poverty and unemployment in rural areas.

In recent years, economic experts have shown in their studies that whereas economic growth may be able to raise per capita income in developing countries, it may not be accompanied by a reduction in poverty as well as elimination of unemployment and under-employment. Rather, the process of economic growth in third world countries has benefited relatively developed areas and better-off people. In other words, the percolations of benefits of economic growth to backward areas and poor people have not taken place.

In fact, in a class-based society, particularly rural-based society, the dominant class/region appears to have usurped the benefits of development and the percolation of benefits hardly takes place. Besides, the particular class-dominated government actually functions in such a manner as to hinder the process of percolation and facilitate the process of concentration of economic and social power acrossboth individuals and regions. There are also economic factors. The consideration of economics of scale tends to strengthen the process of regional as well as rural-urban imbalances.

In the neoclassical dual economy model, the rural sector is seen as a source of food for the workers in factories and construction and for those engaged in the tertiary sector who did not produce their own food. Generation and mobilization of surplus food from the countryside was, therefore, of major concern to the industrialists and governments. The agricultural sector was also seen to produce raw materials for industries, the population living there could be seen as consumers of industrial goods; and the rural sector was supposed to supply the urban sector with a vast reserve of manpower which could be tapped at will. The famous Lewis model of the 1950's and its various ramifications were based on the assumption of an unlimited supply of labour at a wage level which was somewhat higher than the subsistence wage of family labour in agriculture in order to compensate for cost of migration, high cost of living in the urban areasand the psychic costs of adjustment to the urban environment. Such rural-urban transfer of manpower, it

was thought, could be undertaken without any loss of production in agriculture because of the existence of underemployment in that sector. On the other hand, the transfer of manpower was expected to improve the condition of those staying on the countryside and to create conditions favourable to modernization and mechanization of agriculture. Furthermore, with increasing volume of rural workers moving to urban areas, the balance in the total population between the two sectors would change, terms of trade would swing in favour of the rural sector, and the rural wages would begin to rise. In other words, rural-urban migration would be instrumental in bringing about a balance in the living conditions, wages and working conditions between the two sectors. In this model industry was the leading sector, and the future of the entire population was seen to lie with the industry sector and the eventual migration of a sizeable proportion of rural work force to the urban areas.

Over the last twenty five years or so, this particular model of growth for the less developed countries and in particular for the rural sector of those countries, which sees the growth in GNP as the primary objective of economic policy, which accords primacy to capital over labour and the needs for capital formation even at a low cost of high level of inequality, which sees rapid industrialization the end of backwardness and the future of the vast mass of rural population trapped in a system with low productivity and underutiliization of manpower, has come under close secruitny.

The experience of the past three decades or more has clearly demonstrated the limits to the amount of surplus rural labour which could be absorbed by way of migration into the urban industries.[†] In the vast majority of the third world countries urbanization is no longer synonymous with industrialization –the rate of urbanization has far exceeded the rate of growth of industries, and, let alone the issue of absorption of surplus rural labour, a serious problem of underutilization of surplus labour exists in the urban areas. In some cities of the third world the proportion of such informal sector employees is very large, between two fifths and one-half of the total number of earners. In this situation, it is clear that the rural sector is left with no option but to find some means of livelihood for the underutilized rural labour within the rural sector itself. Such a conclusion has far-reaching implications for a policy towards the rural sectoritself. Rural development can no longer

[†]Sau S (2008): Micro-Finance Approach to Development and poverty Alliviation: some issues with special reference to West Bengal, *Artha Beekshan*, vol. 16, No 4, September.

be seen as a secondary problem, as a matter of passing interest, but as a field which concerns about four-fifths of the population, and high proportion of those below poverty line in a country, and solution to those problems would have to be found within the rural sector itself.

There are also other empirical reasons that justified the need of a new emphasis on rural development in the 1970s and in recent years in the world.

First, the number of poor people in rural areas was variously estimated at 950-1000 millions during the 1970s, which increased to 1116 millions in 1985 (the poverty line being used was at $370) constituting roughly one-third of the total population of the developing world. Of these, 630 million, 18 per cent of the total populations of the developing world were extremely poor,their annual consumption was less than $275, the lower poverty line. It is also noted that nearly 50% of the developing world's poor and nearly 50% of those in extreme poverty lived in South Asia. In India, 41.6 per cent populationlived below $ 1.25 a day based on international poverty line in 2005, while in China it was 15.9 per cent (see Table 1.1).

Poverty is more pervasive and intense in rural areas than in their urban counterpart. The World Development Report 1990 rightly observed, "poverty as measured by low income tends to be at its worst in rural areas, even allowing for the often substaintial differential in cost of living between town and countryside. The problems of malnutrition, lack of education, low life expectancy and sub-tandard housing are also, as a rule, more severe in rural areas. The importance of rural poverty is not understood partly because the urban poor are more visible and more vocal than their rural counterparts. If these people are to raise level of life's sustenance, human dignity and freedom, when there is absence of any rapid expansion in the urban and industrial sectors, income has to be generated in rural areas.

Second, there has been a pronounced increase in open unemployment and under-employment in rural areas. This is more pronounced in land and resource-scarce situations where the proportion of under-employed and rural landless labourers has been increasing. The International Labour Organisation (ILO) and the Asian Development Bank (ADB) Studies and the World Development Reports highlighted the problem of rural unemployment and related poverty problems.

Third, despite substaintial and impressive increases in food and overall agricultural outputs in some regions of a number of developing countries, the plight of the landless labourers and small farmers has not improved significantly. This is because the the increases in output and productivity have been achieved by provision and use of yieldrasing inputs and technology and there is absence of any significant land reform.

Fourth, the Chinese success in eliminating destitution and unemployment through a system of communes attracted the attention (and sometime, the concern) of poicy-makers around the World. Govornments and international agencies started a search for alternatives to collectivist models; this led to many reforms in rural development.

Fifth, most social and economic indicators such as mortality, life expentancy, primary enrollment rate, income, physical infrastructure, soial services and literacy consistently show that rural areas compare unfavourably with urban areas.

Finally, the question of rural development in the developing countries has assumed importance and attracted a lot of attention of researchers and policy makers not only on account ofeconomic and demographic considerations like vast population but also on account of political importance of the rural electorate in a democratic setting. According to World Bank Report 2015, 71 per cent of total population of the countries of the World lived in rural areas in 2013. In India 68 per cent of the total population belong to the rural areas in 2013 whereas in China it was 47 per cent. It is, however, evident that the percentage of rural population declined during 2000-01 to 2012-2013 (Table 1.1).

Table 1.1 Percentage of rural population in some countries of the World, 2000-2001 to 2012-13

Country/ Region	Percentage of rural population	
	2000	2013
India	72	68
China	64	47
Sub-Saharan Africa	69	63
World	53	71

Source: *World Bank Report*, 2015

According to Census of India, 2001, 72 per cent of total population in India and that same 72 per cent of total population of West Bengal lived in rural areas. However, the

percentage of rural population declined during 2001-02 to 2010-11 in both West Bengal and India (Table 1.2).

Table 1.2 Percentage of rural population in West Bengal and India, 2001-2002 to 2011-12

Region	Percentage of rural population	
	2001	2011
India	72.19	68.84
West Bengal	72.03	68.11

Source: *Census India, 2001 and 2011*

Again, according to World Development Report 2012, the life expectancy at birth (2011) in India was low for both male (64 years) and female (67 years) compared to that in the Worldas a whole [Table1.3]. However, it was still higher in China. Not only that in case of adult literacy rate, India was still lower (63%) than the world (84%) but the adult literacy rate (%) in China was significantly higher (93%).

Table 1.3 Social indicators, 2011

	Life expectancy at birth, 2011		Adult literacy rate % ages 15 and older	Under-5 mortality rate Per 1000 live birth
	Years, male	Years, female	2005-06 to 2010-11	2011
India	64	67	63	32
China	79	83	93	15
World	68	72	84	51

*Source**:** World Bank Report, 2012*

1.2 Approaches to rural development

There are two broad approaches to rural development: *materialistic* approach and *non-materialistic* approach. Oriental philosophers like Rabindranath Tagore and M.K. Gandhi emphasized the development of villagers in all aspects to make complete men, not being confined to materialistic development alone though they did not elaborate the process of rural development. Tagore focused the need for modernization of agriculture and rural industry through development of technology and co-operative movement. Tagore emphasized the overall rural development of different sections of the rural society and economy. Tagore also started microcredit programmes to finance rural development activities on cooperative basis (through the formation of cooperative societies) even before establishing the banking organisation. He inspired the poor farmers to build up the habit of small savings. Farmers of neighbouring villages were required to subscribe to the cooperative credit society. The funds so raised were given back to the needy farmers as

loan at low interest rates. Gandhi emphasized sustainable development of villages and establishment of gram Swaraj.

The institutional approach of Gunnar Myrdal towards rural development is based on the assumption that linkage effects of large-scale industrial units are weak to initiate rural development and the social system consists of a great number of conditions (such as output and income, levels of living, attitude towards life, policies etc.) which are inter-related. Thus, different aspects of social institutions are to be taken into account while preparing a rural development strategy. Some economists are of the view that this institutional approach of Myrdal can be considered as a theoretical basis for the initiation of Integrated Rural Development Programme (IRDP) by the Indian planners during 1980 (Parthasarathy, 1981).

The classical school economics led by Adam Smith, Ricardo and Mathus believed that the problem of growth centered on the ability to accumulate capital economic development propelled by capital accumulation and stimulated by technological progress (division of labour in Smithin sence), they opined, extends its benefits to all sections of the people. In the work of Adam Smith we get some hints of the percolation theory.To quote from his work 'The wealth of Nations'

"It is the great manupulaion of production of all the different arts. In consequence of the division of labour, this occasions in a well-governed society that universal opulence which extents itself to the lowest rank of the people".

Adam Smith here seems to propogate two things. First, economic growth caused by capital accumulation and technonological improvements tickles down to the poorest. Second, he alludes to the great 'inequalities of poverty' in the modern civilized societies.

The general economic development approach to rural development is based on the assumption that initially there remains an even distribution of assets and there is no structural imbalance in the economy. But this presumption does not seem to be valid when we come across uneven distribution of land and other productive resources across rural families along with some structural rigidity. Therefore, rural development is not an automatic fall-out of economic development in general.

Neo-classical economists emphasize that in perfect competition there shall be efficient allocation of resources and increase in investment will lead to rapid economic growth whose benefit would percolate even to the lowest rank of the society. However, this approach has some limitations: a) in a large subsistence sector of a rural society this approach is hardly applicable, b) this approach faces the problem of market failure which ought to be corrected through institutional mechanisms which are completely ignored in this approach, c) the pattern of relationship of the individual with the society is not brought here.

The Structural Approach is concerned with the relationship of people in the process of production. It places the ownership and control of resources at the centre of relationships.This approach emphasizes upon the existing mode of production and power relations, structural, organizational and institutional factors, taking cognizance of the question of equity. Institutional reforms including land reforms and credit reforms emanate from this approach. However, there are serious logical and theoretical objections to this way of conceptualizing the relationship. Further, the process of commoditization and the development of capitalism, or the linking up of rural household producers with capitalist production in various ways is perhaps the dominant process of change in contemporary agrarian societies.

The 'Target Group Approach'considers the poor persons as the target group.The target group is defined as a group of persons or households who constitute the target for poverty alleviation programme of the government. The target group approach emphasizes that the government should take special measures for the alleviation of poverty of the target group of people. This approach has developed on recognition of the fact that the general economic development may bypass the poor, and the benefits of economic growth may not percolate down to the poverty- stricken people. The great merit of this approach is that it involves a direct attack on poverty. The limitation of this approach is that there are chances of failure on the part of the government in the implementation of poverty alleviation programmes combined with improper planning for implementation of poverty alleviation programmes.Integrated rural development approach aims at the alleviation of rural poverty by endowing the poor with productive asset or skills so that they can employ themselves usefully to earn more and cross the poverty line.

'Participatory Decentralized Planning and Participatory Development Approach' is based on people's participation in the development of rural areas. Participatory development implies that the development planning shall be formulated and implemented by the people themselves.[‡] Participatory rural development is defined as the process in which the development initiative is taken by the rural people. Participatory development as a process indicates a micro level planning or 'planning from below', which means that unlike the central and state plans (top to bottom), every district should have its separate plan which should be based on the consideration of local resources, developmental requirements, real problems and present state of economic development. Participatory development refers to the active involvement of people in the planning, development, implementation, and evaluation of projects and activities that affect them**.** When compared with traditional forms of development, participatory development is sometimes criticized for being costly and slow. There may be 'community failure' (Bardhan, 2002), i.e., failure of the community (viz., the local self-government institutions such as *Gram samsad, Gram sabha* etc.) in taking appropriate procedure in respect of selection of beneficiaries.

Recently microfinance approach to rural development has developed in the developement literature. Microfinance refers to small scale financial services for both credits and deposits that are provided to people who farm or fish or herd, operate small or micro enterprises where goods are produced, recycled, repaired or traded and which provide other services in developing countries in both rural and urban areas.The broad range of financial services thus include not only deposits and loans but also payment services, money transfers, insurance to poor people and low-income households and their micro-eterprises. The main objective is to develop institutional financial self-suffiency and to penetrate breadth and depth-wise access to the low-income groups/ individuals, profitably.

Lending to groups entails the joint and several liability of all members, which is more moral than legally enforceable, and exercised through peer group pressure and the prospect of being denied future loans. With joint liability lending, the group of borrowers is seen to be responsible for the repayment of the loan of an individual group member, i.e, all members of the group are jointly liable. The advocates of group lending argue that joint liability lending provides clear incentives to borrowers to monitor and screen each other. Moreover, the monitoring and screening of group members is efficient and cheap because

[‡] Sau, S.N. (2005), "Prologue", in S.N. Sau (ed).,*Participatory Decentralised Planning in India : Issues of Finance and Statistical Information* , Kolkata: Firma KLM Pvt. Ltd., p 2.

members usually live close to each other and/ or have social ties (also referred to as social capital in the existing literature). When social ties are present, group member is supposed to be well-informed about each other's project and that this information is almost freely available. Ideally, then, the micro finance institution does not need to take care of the monitoring and screening of group members.

Access to micro credit can contribute to a long-lasting increase in income by means of a rise in investments of weaker sections of the society in income generating activities and to a possible diversification of source of income, to an accumulation of their asets and can contribute to better education, health and housing of the borrowers.

Many micro finance schemes have a clear focus on women. Research shows that women are more liable and have higher payback ratios. Moreover, women use a more substantial part of their income for health and education of their children (Pitt and Khandker 1998). Thus women play a very important role in reducing poverty within households. The vast majority of microfinance clients are women. Microfinance has drawn millions of women into commercial economic activities to enable them to earn and control their own income and thus women gain decision-making power and better status.Many programmes target them more than men because they tend to be more financially responsible, with higher credit ratings and better repayment rates. In Bangladesh, for example, women default on loans less often than men, and credit extended to them has a much greater impact on household consumption and the quality of life of children. The benefits of finance for the poor are social as well as financial. Many impact studies conclude that those participating in microfinance programme are more likely to invest in their children's education and better nutrition and health practices than those not participating.

Against this theoritical backdrop our present work seeks to examine the progress and othe issues relating to self-help groups in the Drought-Prone region of West Bengal. Before we do this it is relevant to discuss some conceptual issues relating to the Drought-Prone region, the self-help group etc.

1.3 Relevant concepts

Drought

Drought is one of the short term extreme natural phenomena. Drought affects irrigation and crop production, availability of food, shelter, calorie intake, drinking water, livelihoods and incomes in both rural and urban areas. It has become an accepted fact that drought occurs periodically leaving a trail of devastation in agricultural production and livestock wealth. Sivaswami (2000)tried to delimit Drought-Prone areas taking into consideration several parameters like the average rainfall characteristics, evapo-transpiration ratio etc. Central Arid Zone Research Institute (CAZRI 2000) National Commission on Agriculture (NCA) has defined drought in the following categories:

i) Agricultural drought

It is a situation when rainfall and soil moisture is inadequate during the growing (paddy) season to support the growth of crop to maturity.

ii) Meteorological drought

This is considered to be a situation when there is a significant (more than 25%) decrease in the rainfall from its normal value over the year.

iii) Hydrological drought

This is a situation when prolonged meteorological drought results in hydrological drought with a marked depletion of surface water and consequent drying up of reservoirs, lakes, streams and rivers, cessation of spring flows and also fall in ground water level (CAZRI 2000) [Bokil (2000)]

Socio-economic drought

Socio-economic drought occurs when physical water shortages start to affect the health, well-being and quality of life of the people, or when drought starts to affect the supply and demand of an economic product (Wilhite andGlantz 1985; Zamani et al. 2006; Moghaddas-Farimani and Hosseini 2004).At the socio-economic level, vulnerability to drought results from a series of complex, multiple, and inter-related causes.

Self-Help Groups

Self-Help Groups (SHGs) are organizations of rural people consisting of 10-20 members. The members of SHGs have common perception of their need and the importance ofcollective action. The members of SHGs should have the same social and financial background. The SHGs avoid caste and communal distinction and stress for equality and unity (Reiji, 2011). A reasonably educated and helpful local person has to initially help the poor people to form groups. The members of SHGs help one another to solve their problems. The groups promote savings among members and use the pooled resources to meet the emergent needs of their members, including the consumption needs. This approach aims at building self-confidence among the poor through community action. The financing of this scheme is shared between the center and state governments, say, in the ratio of 3:1. The union government generally releases the funds directly to the District Rural Development Agency in any state. The group has to abide by its rules and regulations, particularly in connection withthe meeting procedures among the group members, maintenance of accounts, etc. These rules are well designed to enable any SHG to function in a democratic manner (Umasankar, 2006)**.**

The SHGs have been brought under the recently introduced centrally sponsored programme called [§]Swarnajayanti Gram Swarojgar Joyana.It was introduced as a holistic programme to promote income generating activities for the poor households in a sustained manner with the objective of eradicating rural poverty**.** This programme replaces the earlier self-employment and allied programmes like Integrated Rural Development Programme. The three main tenets of the SGSY programme, viz.(i) Key activities, (ii) Cluster Approach, and (iii) Group method, were formulated in order to reduce the number of individual activities, to reduce the geographical area for facilitating those activities and the number of clients from individuals to groups.

Initially the rural people collectively form a group. The group being formed, it starts collecting a fixed amount of money from each member for a period of six months. In between this period, the group opens a cash credit (bank loan plus subsidy, i.e. Revolving

[§]SGSY guidelines (2007),Ministry of Rural Development, Government of India.

SGSY (2010) Ministry of Rural Development, Government of India.

Sinha, K (2010), Rural development- Principles, policies and management, 3rd ed., Sage Texts.

Fund) account with a financial institution. The special feature of the cash credit account is that it is not a loan/credit granted once for all.

After accumulating a reasonable amount, the groups start lending to their group members. In this way, the members of the groups develop their skills in handling resources and also understand the value of credit. The SHGs are assessed through a grading process whereby they are being graded as Grade I and Grade II by the local self-government (viz. through panchayat and the bank) on the basis of some definite criteria. If the group members are active after groups are formed and if the members meet every month, regularly deposit money with their savings account, the group will be qualified for Grade I. In other words, Grade I means the eligibility of the SHG for taking up same economic activities and hence, their eligibility in receiving the revolving fund from the bank. The revolving fund is segregated into two parts: loan partwith interest and the loan part without interest. This loan without interest, sanctioned by the government, flows to the SHGs through the financing banks. The second part of revolving fund is bank loan. Amount of this loan is fixed by the bank on the basis of credit-worthiness of the group in using its own fund for productive activities. Usually it is fixed as a multiple of group's own fund subject to a limit of four times the own fund of the group. The availability of the benefit of loan without interest to *Swarojgaries* would be contingent on the proper utilization of loan and also upon its prompt repayment and maintaining the assets in good condition. These SHGs need economic support and incentives to go further and move upto Grade II. After first gradation, the group has to work more actively and spend the money more cautiously for promoting their living condition. In this way, the groups have to work about six months and within this period, the groups have to continue to deposit money for saving purposes. If the first graded groupsare found to have actively worked during this period, then those groups would be promotedto the second grade. Thus, the second elevation (Grade II) is made after six months of receipt of revolving fund and then the groups become eligible to get the facility of credit linkage scheme. Therefore they can have bank loan and credit linkage facility in due course of time if they function in a proper way. In case of credit linkage, there is a sizeable part of subsidy given to the groups.

1.4 Rationale for formation of Self-Help Groups in Drought-Prone areas

The rationale for forming Self-Help Groups in Drought-Prone areas arises on account of the fact that the process of rural development in the drought prone areas (DPAs) is constrained by both unfavourable agro-climatic conditions (lack of non-firm activities in

DPAs, lack of rainfall and drying up of ground water level) and poorly developed infrastructural facilities, viz., credit, transport and communication, electricity and irrigation, marketing and warehousing facilities etc. One of the way-outs /escape routes to solve the manifold problems of DPAs of West Bengal is the formation of SHGs which are supposed to improve the economic and social empowerment among the rural women.

Through the activities of the members of the self-help groups in the Drought-Prone areas, there would be additional investment in rural areas and this would help in creating income-generating assets and human capital. Thus, micro finance can be treated as a possible route towards formation of human capital in rural areas (Mitra, and Kundu, 2009). This may also lead to the generation of additional employment and income opportunities in rural areas and subsequently to poverty alleviation. This would be reflected in the greater 'capability' or higher purchasing power of the rural people. Consequently the benefits derived from increased food security will facilitate greater access to a minimum level of education, health care, housing facilities and sanitary environment. The food security, in turn, may be measured in terms of calorie intake per capita per day. Thus, the SHG approach becomes relevant in fostering rural development in Drought-Prone areas. Many rural development programmes like Swarna Jayanti Gram Swarozgar Yozona (SGSY) which is a combination of six rural development programmes, are based on the Self-Help Group strategy. It is a viable alternative to achieve the objectives of rural development and to get women participation in all rural development programmes (Sing, Kousal, and Goutom, October, 2007)

1.5 Weakness of microfinance

From a theoretical perspective the success has, however, puzzlingelements. Many of the new mechanisms rely on groups of borrowers to jointly monitor and enforce contracts themselves. However, group-based mechanisms tend to be vulnerable to free-riding and collusion. Inefficiencies are well known to emerge in similar contexts: examples are documented in the literatures on public goods, the tragedy of the commons, insurance, and environmental externalities.

In reality, there are gaps and dangers. Worldwide, the distance between achievements and observed demand is long. Contrary to some expectatios, many poor household-firms do not demand loans because they lack sufficiently profitable productive opportunities to generate repayment capacity in the face of unequal competition in the modern products market which is captured by modern companies and in such cases lack of loans is not the

binding constraint that limits the expansion of household income. Schools, clinics, roads, markets and institutions would typically be more important than loans in contributing to their income and welfare. Attempts to expand credit supplies should not distract us from these essential tasks of development.

Around the world, there are also many poor household-firms who have a legitimate demand for credit that remains unsatisfied. In these cases, the mismatch comes, not from lack of demand, but from an utterly insufficient supply. For this reason, the slow growth of credit supply is a matter of public concern.

There are also doubts as to whether micro credit can contribute to a substantial reduction in poverty, particularly of the core poor. First, the extreme poor often decide not to participate in micro finanance programmes since they lack confidence or they value the loans to be too risky (Hulme and Mosley 1996; Marr 2004). Several studies indicate that it is better off poor rather than the core poor who stand to benefit most. Evidence for this is given in, e.g., Hulme and Mosley (1996). Second, staff members of microfinance institutions may prefer to exclude the core poor since lending to them is seen as extremely risky (Hulme and Mosley 1996). Finally, the way programmes of microfinance institutions are organized and set up may lead to the exclusion of the core poor. Examples of this exclusion are the requirement to save before a loan can be granted, the minimum amount of loan that needs to be accepted and the requirement that a firm is registered before the loan can be granted (Kirpatrick and Maimbo 2002; Mosley 2001).

Several critics also argue that group loans lead to high transaction costs. The main advantage of group loan according to the advocates of microfinance is that group loans drastically reduce monitoring costs, since group members live in the same village and know each other well. Therefore, they are able to assess the riskiness of a project against low costs (some even believe that in group lending programmes monitoring is almost costless). Additionally, group members can prevent any moral hazard behavior without costs by using social sanctions. This, however, ignores the fact that group members sometimes live far away from each other, and need to spend time and energy to assess each other's projects (Marr 2004). Moreover, most microfinance schemes have regular group meetings. During these meetings, information about the projects is exchanged and repayment problems are discussed. These group meetings often imply high transaction

costs (Armendariz and Morduch 2000; Murry and Lynch 2003). Obviously, then, costs may reduce the positive income generating effects from access to credit.

In addition, while the size of the needed loan exceeds the the maximum amount that can be borrowed in terms of a group loan,this especially hampers the future growth of these agents who have invested in successful and growing projects. Group loans are rigid, and often it is very difficult to adapt the loan to the desired credit needs of individual borrowers within the group.

The evidence with respect to the impact on women's status and well-being is mixed. Some studies have found positive results, including female empowerment and decreased violence against women (Hashemi, Schuler and Rile 1996). Other studies have cited unintended side effects of micro credit, including increased violence against women, negative peer pressure linked to loan repayment, and emotional stress of females due to family-relatedconflicts (Montgomery 1996). The extent of women's empowerment is also unclear, as some authors have found that these initiatives have led to another form of domination over women, through the development of new hierarchies of power. For example, Rahman stated that 60% of husbands were using loans secured by women. This means that even if household income increases and women are gaining new experiences with financial institutions, they are not acquiring new status or power within the family.

Micro-credit initiatives have, however, become increasingly popular as a way to mobilize poor communities through the provision of loans through specialized financial institutions (Mosely and Hulme 1998).

SU (2007) indicated that poor households were excluded from the formal credit network which has negatively affected the role of SHGs, microfinance.Dhar and Sarker (2009) showed that the SHGs were unable to take up economic activities and, therefore, resorting to high inter-lending rates for sustenance. This was because of lack of economic activities, lack of marketing avenues (Phougat, and Hooda, 2010) andinefficient financial management by group leaders.Tripathi, and Join (2010) showed that the main problems of governance of SHGs and the performance of microfinance ventures were low financial base due to absence of appropriate credit linkages, non-provision of socio-economic incentives to members and the lack of group commitment to task accomplishment.

1.6 Need for the present study

Given the strength and weakness of the SHGs approach to rural development it is evident that the progress of the SHGs and the performance of the members have been worthnoting at the macro economic level. But the existing literature on the theme is clearly deficient at the regional and sub-regional level, particularly in the Drought-Prone (DP) region of West Bengal. Besides, the comperative study of the DP region and the non-DP region of the state is quite lacking. Moreover, the impact of the SHGs on the livelihood pattern and the problems of poverty and inequality among the members of SHGs have not been studied adequately. The present study seeks to remedy these gaps in the existing literature.

1.7 Objectives

The objectives of the present study are thus as follows:

1. To analyze the progress of SHGs in the Drought-Prone areas of West Bengal,

2. To examine the social issuses of SHGs in Drought-Prone region before and after the formation of SHGs,

3. To examine the changes that occurs in the livelihood pattern of the members of SHGs.

4. To look into the problems of poverty and inequality among the members of SHGs.

1.8 Hypotheses

The hypotheses of the present study are as follows:

(a) The progress of the SHGs in the DP region of West Bengal is remarkable but it has been still slow compared to that of non-Drought-Prone areas (non-DPAs).

(b) The performance of members of SHGs in respect of SHGs formed by women, Grade I passed and Grade II passedin the DP region is substaintial but it is still low compared to that in the non-DP region.

(c) The social status of the members of SHGs has improved after their involvement in group activities.
(d) The contributions of the SHGs in the DPA to employment, income and saving generation and investment have been low compared to those in the non-DPA.

1.9 Database

This work is based on both secondary data and primary data. Secondary data have been collected for the period 2001-02 to 2011-12. Since the broad objective of the present study is to examine the progressof SHGs in the drougt-prone areas of West Bengal secondary data are deficient to surve the purpose. Hence arises the need for collection of primary data.2011-12 constitutes the year for which necessary primary data have been collected from the sample households. Secondary data and their uses are discussed in sub-section 1.9.1 and primary dataand their uses are discussed in sub-section 1.9.2. Frame of sample design is shown in Table 1.4.

1.9.1 Secondary data and their uses

In our analysis we have taken four DP districts of West Bengal, namely Bankura, Paschim Medinipur, Purulia and Birbhum.For the analysis of progress of SHGs of these four DP districts of West Bengal,secondary data have been collected from Panchayet and Rural development Department of West Bengal, Statistical Abstract and Economic Review of Government of West Bengal. The secondary data consist of number of groups formed, the number of groups which have qualified for Grade I and Grade II, the number of SHGs having financial support from the credit linkage schemes of the bank over time (during 2002-03 to 2011-12) in DPAs ofPaschim Medinipur, Purulia, Bankura and Birbhum districts. We have used these data to analyze the progress of SHGs in DPAs of these districts.

For block level study secondary data have been collected from DRDAs, Zila Parisads of Paschim Medinipur and Bankura districts. The progress of SHGsin DPAs and non-DPAs of Paschim Medinipur and Bankura districts at block level has also been discussed by using secondary data.

1.9.2 Primary data and sampling design

In the present study the primary data have been collected from extensive field surveys. Paschim Medinipur and Bankura districts have been chosen purposively for the following reasons - (i) the large number of drought prone areas in these districts and (ii) the relative backwardness of these districts in terms of per capita district domestic product, share of the secondary sector in the district domestic product, per capita electricity consumption, etc. A multistage random sampling method is used to collect primary data from the two districts. The blocks of these sample districts are treated as first stage sample unit, gram panchayet the second stage unit, SHG the third stage and household the ultimate stage. We have randomly selected eight DP blocks (Binpur II, Gopibhallavpur II, Jhargram, Jambani, Chhatna, Khatra, Indpur and Saltora) and seven non-DP blocks (Kharagpur II, Salboni, Binpur I, Debra, Bishnupur, Kotolpur and Indus). Within a block all Gram Panchayets are not equally important in respect of socio-economic characteristics. In view of this, the sample gram panchayets have been randomly chosen from the DP and non-DP blocks - 24 sample gram panchayets from the sample DP blocks and 21 sample gram panchayets from the sample non-DP blocks. From each sample gram panchayettwo SHGs have been randomly selected. Wehave thus48 SHGs in DPAs and 42 SHGs in non-DPAs.All the member households of the sample SHGshave been studied (Table 1.5). We have also collected data from persons other than members of SHGs from five DP blocks (Binpur II, GopibhallavpurII, Jhargram, Jambani, and Taldangra) of Paschim Medinipur and Bankura districts to help us analyze the impact of formation of SHGs.

Two separate sets of questionnaire were framed for the household level survey and organizational level (viz. the SHGs) survey. The household level questionnaire was framed to study the socio-economic conditions of the members of SHGs. On the other hand, the questionnaire at the organizational level focuses on category of the SHGs,repayment rate, utilization of institutional credit, problems in getting institutional finance, problems in marketing their products, other related organizational problems.

Table 1.4 Frame of sample design

1st stage		2nd stage	3rd stage	Ultimate stage
DP District	DP block	Gram Panchayet (Village under G.P)	SHGs	
Paschim Medinipur	Jhargram	Aguiboni (Natura Sansad, Matalsole)Radhanagar (Radhanagar, Pachakhali), Chubka (Bramhandana, Sukjora)	Matalsole Nibedita Swasahayak Dal, Sagan Sakam Swasahayak Dal, Pachakhali Sari Dharam Swasahayak Dal, Radhanagar Karamtala Swasahayak Mahila Dal, Biduchanda Swasahayak Dal, Sukjora Lilabati Swasahayak Dal	All the member households of the sample SHGs
	Jamboni	Chichira (Kadapitra, Noharia), Dubra (Palbansi, Dubra)Parihati (Chotobonsoro, Nagdi)	Kadapitra Gaantara Ayo Swasahayak Dal, Noharia Maa Swarasati Swasahayak Dal Palbansi Sri Sri Maa Sitala Dal, Dubra Maa Tara Swasahayak Dal, Chotobonsoro Nagarbasi Swasahayak Dal, Nagdi Sidhu Kanu SGSY Dal.	
	BinpurII,	Belpahari(Krishnapur, Gholarberia), Sandhyapara (Bangabandh, Matihana), Silda (Muthadanga, Jantiara)	Krishnapur Saridharam SGSY Dal,Gholarberia Binapani Peacemaker Swasahayak Dal, Muthadanga Adibasi Samajik Lucture Swasahayak Dal, Jantiara Adibasi Swasahayak Dal, Bangabandh Sanjukta SGSY Dal, Matihana Baba Dharmaraj SGSY Dal.	
	GopibhallavpurII	Nota (Fuberia, Ghutia), Petbindi (Petbindi, Panua)Belaberia (Bankati, Belaberia)	Fuberia Birangana SHG, Ghutia Maa Guptamani SHG,Rani Laxmibai Swasahayak Dal, Panua Faguni Kuity SHG, Radhagobindo Swasahayak Dal, Belaberia Swasahayak Dal.	

Sources: Field survey (2011-12)

Table 1.4 (Continued)

1st stage		2nd stage	3rd stage	Ultimate stage
DP District	Non-DP block	Gram Panchayet (Village under G.P)	SHGs	
Paschim Medinipur	BinpurI	Andharia (Andharia,Baghasol), Binpur (Binpur, Goaldawga), Ramghar (Bara Dhansola, Arhama)	Maa Manasha Swasahayak Dal, Maa Durga Swasahayak Dal, Binpur Dompara Kalimata Swasahayak Dal, Goaldawga Maa Manasha Swasahayak Dal, Bara Dhansola Nabaratna SHG, Biduchandan Swasahayak Dal.	All the member households of the sample SHGs
	Salboni	Karnaghar (Bhadutala, Baharkalaberia), Salboni (Amchura, Salboni Durgamandir), Bishnupur (Bansbadi, Bishnupur **)**	Baba Loknath Swarnajoyanti Swasahayak Dal, Baharkalaberia Maa Durga Swasahayak Dal, Amchura Swasahayak Dal,Sitala Mata Swasahayak Dal, Maa Jagatdhatri Swasahayak Dal, Birangana SGSY Dal.	
	Debra	Bharatpur (Bhagirathpur, Ayma Kalandar), Duan-II (Bhogpur Paschim, Gotgheria), Debra-I (Baraghar, Balichack).	Bhagirathpur Bhagirathi SGSY Dal, Ayma Kalandar Ambedkar SGSY Dal, Sri Durga SGSY Dal, Sanyassi Baba Swambhar Gosthi,Baraghar Saptapradip Swasahayak Dal, Balichack Mother Tereja Swasahayak Dal.	
	KharagpurII	Khelar-I(Chowpena, Kuliara), Sankoa (Haripur, Naipatna),Changual(Pirpur, Alsai Rangadihi)	Chowpena Maa Manasha Swasahayak Dal, Kuliara Aradhana Swasahayak DalMaa Sideshswari Swasahayak Dal,Naipatna Maa Sitala Naipatna, Pirpur Sibsakti Swasahayak Dal,Alsai Rangadihi Mother Tereja Swasahayak Dal.	

Sources: Field survey (2011-12)

Table 1.4 (Continued)

1st stage		2nd stage	3rd stage	Ultimate stage
DP District	DP block	Gram Panchayet (Village under G.P)	SHGs	
Bankura	Khatra	Khatra-I (Talbandha, Shayampur), Supur (Panch para, Supur), Baidyanathpur (Patpur, Damodarpur)	Talbandha uparpara SGSY Mahila Group, Shaympur Tapashili SGSY Mahila Group, Patpur SGSY Mahila Group, Damodarpur Sangrami SGSY Mahila Group, Supur Panchpara Saradamayee SGSY Dal,Supur Kolonipara Maa Sontoshi SGSY Dal.	All the member households of the sample SHGs
	Saltora	Dhekia(Laltigore, Dhekia),Gogra (Laxmanpur, Dhapali), Tiluri(Saikal Doba, Tiluri)	Laltigore Mangalchand SGSY Mahila Group, Dhekia Marangburu SGSY Dal, Laxmanpur Kangsabati SGSY Mahila Dal, Dhapali SGSY Saraswati Mahila Dal Saikul doba Jaherara SGSY Mahila Group, Tiluri Annapurna SGSY Dal	
	Chhatna	Chhatna-I(Kalaiberia, Gurputa), Arrah(Parashibna, Kanki), Susunia (Gidhuria, Susunia Pahar).	Kalaiberia Manasha Mata SGSY Dal, Gurputa Nibedita SGSY Dal, Parashibana Adibasi Helka rakab Mahila Samity SGSY Group, Kanki Kamala SGSY Dal, Gidhuria Adibasi SGSY Mahila Seba Samity, Susunia Pahar Mahamaya Mahila SGSY Dal	
	Indpur	Amdangra(Ghola, Sabrakone), Panchmura(Bankata, Adkara), Khalgram (Rangamati, Beldangra)	Ghola Biswamata Swanirvhar Dal, Sabrakone Ramkrisna Mahila Swanirvhar Dal, Bankata Maa Saraswati Swanirvhar Mahila Dal, Adkara Dharmaraj Swanirvhar Mahila Dal, Rangamati Swanirvhar Ghosthi, Beldangra Raghunath Jeu Swanirvhar Ghosthi	

Sources: Field survey (2011-12)

Table 1.4 (Continued)

1st stage		2nd stage	3rd stage	Ultimate stage
DP District	Non-DP block	Gram Panchayet (Village under G.P)	SHGs	
Bankura	Bishnupur	Bankadaha (Katgora Amdhara), Morer (Gholardanga, Kakaijuri), Bhara (Bhara Sansd-2 (Bagdi para), Bhara Sansd-3).	Katgora Marangburu SGSY Dal,Amdhara Kohinoor SGSY Dal,Bhara Sansd-3 Laxmipriya SGSY Dal, Gholardanga Mamtaj SGSY Dal,Kalaijuri Maa Sontoshi SGSY Dal, Bhara Sansd-2 (Bagdi para) Jalleswar SGSY Dal.	All the member households of the sample SHGs
	Indus	Sahaspur (Narayanpur, Sahaspur), Indus-1 (Indus Hajra para, Indus Rai para), Karisunda (Nainagore, Gobindapur)	Narayanpur Nibedita SGSY Ghosthi, Sahaspur Durgamata SGSY Dal, Indus Hajra para Barama SGSY Ghosthi, Indus Rai para Shayma Maa SGSY Dal, Nainagore Sonarbangla SGSY Ghosthi, Gobindapur Annadata SGSY Dal	
	Kotolpur	Mirzapur (Sanitara, Barageria), Sihar (Santinath Kuinara (Dompara), Konarpur Middyapara), Laugram (Panna, Radhamadavpur)	Sreemaa Swanirbhar Dal, Barageria Marangburu SGSY Dal, Konarpur Mangalchandi SGSY Swanirbhar Dal, Konarpur Middyapara Netaji SGSY Dal, Panna Pirbaba SGSY Swanirbhar Dal, Radhamadavpur Apanjan SGSY Dal	

Sources: Field survey (2011-12)

Heads of primary data

The necessary data have been collected from the sample households and SHGs on the following heads.

i) General information of the households,

ii) Socio-economic background,

iii) Occupation of the members of household both before and after the group formation,

iv) Area of land holding (ownership and operational) before and after the group formation,

v) Features of SHGs (passed Grade I and Grade II, received revolving fund, Credit linkage, times of availing loan, individual saving, group saving) before and after the group formation,

vi) Economic activities taken by the groups.

vii) Engagement in other employment generation programme (MGNREGA, Mid-day Meal Scheme etc.)

viii) Training received by the members of groups,

ix) Sources of income of the household before and after the group formation,

x) Expenditure of the household (food expenditure, education expenditure, expenditure on cloth, electricity charge and other expenditure) before and after the group formation,

xi) Children enrollment before and after the group formation.

xii) Decision taken by the members of SHGs.

[*Note*: number (vi) and (vii), (viii) are not required for other households]

1.10 Methods of data analysis

Simple statistical techniques like mean, standard deviation,[**] correlation and regression have been used to analyze the data.To examine the relationship among variables of the study correlation analysis is used. On the basis of Pearsonian correlation coefficient a correlation matrix is constructed.We have used correlation matrix to show the relation among different indicators such as per capita income, per capita savings, per capita credit, credit-deposit ratio, repayment-credit ratio. Similar exercise has been made for per capita total expenditure, per capita food expenditure, per capita non-food expenditure etc.

In order to exmine the progress of SHGs, the performance of members of SHGs and contributions of SHGs to employment and income generation we have developed a comperative study on DPAs vis-à-vis the non-DPAs. Besides, we have used the "before and after" methodology to show the impact of group formation on socio-economic condition of the members of SHGs. We have also compared between the members of SHGs and non-SHG persons to examine the impact of group formation.

Growth Estimation

Compound annual growth rate of SHGs in both DP and non-DP areas in respect of the formation of groups, passing of Grade 1 and Grade II, credit linkage etc. over time is calculated on the basis of following formula.

[**] Sarkhel, J and Dutta, S (2010), An insight into statistics, Book syndicate PVT. LTD.

Log(Y) = $a+bt$

where Y stands for the number of SHGs formed or the SHGs qualified for Grade 1 or Grade II category or the SHGs having credit linkage irrespective of the concerned variables, a = intercept, b = instanteneous annual growth.

Compound annual growth rate (CAGR) = Exp (b)-1

Equality Test

The difference between Drought-Prone areas and non-Drought-Prone areas in respect of per capita savings, per capita credit, credit-deposit ratio, repayment-credit ratio has been tested by using equality of variance (F-test) and equality of mean (t-statistic).

(a) *F-test*

The null hypothesis H_0: $\sigma_1^2 = \sigma_2^2$ against the alternative hypothesis

H_1: $\sigma_1^2 \neq \sigma_2^2$

where s_1 and s_2 = sample standard deviationof sample 1 and sample 2 and σ_1^2 and σ_2^2 = population varience

$$\text{F-test} = \frac{s_1^2}{s_2^2} * \frac{\sigma_2^2}{\sigma_1^2}$$

If the calculated value of F (F_0) is higher than the table value of F (Fn_1-1, n_2-1, α /2) where n_1-1, n_2-1are degrees of freedom and α /2 is the level of significance. Then null hypothesis is rejected, i.e, population variance is unequal.

(*b) t-test*

If$\sigma_1 \neq \sigma_2$ then to test H_0: $\mu_1 = \mu_2$ against H_1: $\mu_1 \neq \mu$. We use t-test.

$$\text{Here t-statistic} = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{s_1^2}{n_1} + \frac{s_2^2}{n_2}}}$$ [††]

Where s_1 and s_2 = sample standard deviation, $\bar{x}_1$, $\bar{x}_2$ = sample means and n_1 and n_2 = sample sizes

[††] Gujrati (1995), Basic Econometrics.

If the calculated value of t (t_0) is greater than the table value of t ($\boldsymbol{t}_{\boldsymbol{n_1+n_2-2},\frac{\alpha}{2}}$), then the null hypothesis is rejected.

If$\sigma_1 = \sigma_2$, then t-statistic = $\dfrac{\bar{x}_1-\bar{x}_2}{S\sqrt{\frac{1}{n_1}+\frac{1}{n_2}}}$

Where S is combined variance i.e,.$S = (n_1 - 1)s_1^2 + (n_2 - 1)s_2^2$

Lorenz curve and Gini concentration

We have used the Lorenz curve and Gini concentration to measure the inter-regional disparities in inequality of per capita income, per capita food expenditure, per capita non-food expenditure and per capita total expenditure. The greater the departure of the Lorenz curve from the egalitarian line, the greater will be the degree of inequality. Lorenz curve lies between zero and unity (both inclusive).

Let F(x) and φ (x) denote respectively the per cent cumulative frequency of income earners and per cent cumulative total of income (x) upto the value x.

Thus, $F(x) = \dfrac{100\sum_{x_i \le x} f_i}{\sum_i f_i}$ and φ (x) = $\dfrac{100\sum_{x_i \le x} f_i x_i}{\sum_i f_i x_i}$

Naturally, both of them vary from 0 to 100.The curve obtained by putting φ (x) against F(x) for different values of x are known as Lorenz curve. In case, φ (x) = F(x) for all values of x, there remains no concentration in the distribution of x, and we get the egalitarian line or the line of equal distribution. If, on the other hand, φ (x) < F(x), there remains a concentration in the distribution of x.

The area between the line of equal distribution and the Lorenz curve is called as the area of concentration. It is the indicator of the degree of concentration of income distribution. Twice this area is called as Gini coefficient. It is denoted by

G= $\dfrac{\Delta_1}{2\bar{x}}$ where, $\Delta_1 = \dfrac{1}{N^2}\sum_{i,j=1}^{n} f_i f_j \left|x_i - x_j\right|$, and N= $\sum_{i=1}^{n} f_i$

The area of concentration lies between 0 to $\frac{1}{2}$, and therefore, G lies between 0 to 1. If G=0, it implies 'no inequality', while G=1 implies 'complete inequality'.

Probit model

To analyze the performance of SHGs in DPAs and to analyze poverty we use Probit estimates.

The steps involved in the estimation of the probit model are as follows:

a).From the grouped data, the probability that an event will occur, i.e, P_i is estimated. This P_i is estimated by$\frac{n_i}{N_i}$, where $n_i$is observed frequency and N_i is the total frequency.

b) Given the estimated P_i, the normal equivalent deviate (n.e.d) (= I_i) is obtained from the standard normal cumulative distribution function(CDF). That is

$$I_i = F^{-1}(P_i) = \beta_1 + \beta_2 x_i$$

c) The estimated normal equivalent deviate so obtained is used as the dependent variable in the regression, i.e.

$$I_i = \beta_1 + \beta_2 x_i + U_i$$

d) If required, we add 5 to the estimated *n.e.d*to convert it into probit and use the probits thus obtained (probit = n.e.d +5) as the dependent variable in the above regression equation.

e) One can conduct hypothesis testing in the usual fashion, keeping in mind that the conclusions drawn will hold true asymptotically, that is, in the large samples.

f) R^2as a measure of goodness of fit is not particularly well-suited for the dichotomous dependent variable models, and therefore, one suggested alternative is theχ^2 test (Das, 2010).

Measurement of status of poverty

The status of poverty is measured byusing the methodology of Foster, Greer and Therbecke (1984) as

$$P_\alpha = \frac{1}{N}\sum_{i=1}^{q}\left(\frac{Z-Ei}{Z}\right); \quad \alpha = 0, 1 \text{ and } 2$$

Where Z =poverty line, $E_i$is the expenditure of the i-th household, N is the total number of individuals in the population, q is the number of poor individuals having income less than Z and α is a measure of sensivity such that

$\alpha = 0$, P_0 implies the incidence of poverty, i.e,.head-count ratio (HCR)

$\alpha = 1$, P_1(= poverty gap (PGP)) implies the depth of poverty and

$\alpha = 2$, P_2 (= square poverty gap (SPGP)) implies the severity of poverty

The formula of this method is

$$PGi = \frac{1}{N}\sum_{i=1}^{N}\frac{I - E_i}{I}$$

Square poverty gap

To compare severity of poverty among the members of SHGs, we use this method. This is a strictly convex function, a desirable property of a welfare function. The formula of this method

$$SPG = \frac{1}{N}\sum_{i=1}^{N}\left(\frac{I - E_i}{I}\right)^{\alpha}$$

1.11 Plan of the study

The plan of the research work is as follows. The existing literature is reviewed in chapter 2. Chapter 3 examines the progress of the SHGs in DP districts of West Bengal with the help of secondary data. Chapter 4 examines the progress of SHGs in DP blocks of Paschim Medinipur and Bankura districts of West Bengal. We also analyze the progress of SHGs in DPAs and non-DPAs of Paschim Medinipur and Bankura districts of West Bengal with the help of secondary data.Chapter 5 examines the performance of the members of SHGs in DPAs and non-DPAs of West Bengal with the help of primary data. Chapter 6 examines the socialissuesof SHGs in DPAs and non-DPAs and other persons in DPAs of West Bengal. Chapter 7 analyses thelivelihood pattern of the members of SHGs

in DPAs and non-DPAs of SHG of West Bengal. Chapter 8 analyses the impact on poverty and inequality among members of SHGs and other households andfinally, Chapter 9 makes concluding observations and policy recommendations.

Chapter 2

REVIEW OF EXISTING LITERATURE

The first impression that we have from our review of the existing literature on Self-Help Group approach to rural development is that there is an unexplored area of the economic literature concerning self-help groups of Drought-Prone region, particularly in West Bengal. The existing literature on SHGsis discussed in four parts. Section 2.1 reviews the existing literatureof SHGs in relation to rural development, Section 2.2 reviews the literature on the socialissues of SHGs, Section2.3reviewsthe existing literature regarding the progress of SHGs.The literature related to the performances of members of SHGs is reviewed in Section 2.4.Section 2.5reviewsthe existing literature on the livelihood pattern of the members of SHGs.Section 2.6reviewsthe existing literature on pattern of expenditure ofthe members of SHGs.

2.1 Study of SHGs in relation to rural development

Kaladhar K (1997) observed that the microfinance continues to target the rural and urban poor households, with special emphasis on women borrowers, provision of finance for creation of assets and their maintenance, bringing in greater quality to the services and was seen as a significant departure from earlier exercises in providing credit to the poor through financial institutions, which are often public, at subsidized rates with high default rates. The poor in India reside in large numbers in rural and semi-urban areas thereby defining microfinance markets as mostly rural based.

Gurumoorthy (2000) consideredthe Self-Help Group (SHG) a viable approach to ensure community participation in all rural development programmes. Kousal.et.al (2007) observed that the Self-Help Group strategy is a viable alternative to achieve the objectives of rural development in a developing economy.

Goankar (2001) concluded that the movement of SHGs could significantly contribute towards the reduction of poverty and unemployment in the rural sector of the economy and the SHGs can lead to social transformation in terms of economic development and the social change.In addition, remarkable studies have been done by Krishna (2003), Panda

(2005) and Jerinabi (2006) regarding role of SHGs in developing the economic condition of the poor people in an economy.

Ojha (2001) held that Self-Help Group model of self-employment generation seem to be a workable model. However, there would be need for utmost care in promoting of Self-Help Groups. Self-help promotion consisted of assisting individuals to join together and set-up an organisation for promoting their individual and collective skills and opportunities to develop their own. Self-help promotion aimed at generating self-sustainable growth processes within the course of which the target group made its own decision.

Colemon (2006) observed that the micro credit programme, often based on group lending methods, had been proliferating and this had been inspired largely by the belief that such program reached the poor.

Kasi (2007) revealed that several development strategies were implemented to organize people in SHGs of Ananthpur district of Andra Pradesh. His study also indicated that watershed development programme increased the savings capacity of the women members of SHGs of the sample villages.Similar study has been conducted by Chand, et.al, (2007) in Nilgiri District, Tamil Nadu.

Sau (2009) observed that micro finance could play an important role in uplifting the socio-economic status of rural poor, particularly women and it has been accepted as an important approach towards rural development and poverty alleviation through proper intervention and participation by the state and local self-Government.

Mitra and Kundu (2009) held that micro finance could be treated as a possible route towards the formation of human capital.

2.2 Study of social issuses of SHGs

Katz (1981) observed that the members of SHGs acteddifferently after becoming members of SHGs to improve their socio-economic status.

Hulme and Mosley (1996) indicated that the microfinance could reduce the isolation of women. When they came together in groups they had an opportunity to share information and develope their ideas which were not there previously.

Shrestha (1998) indicated that women members were only able to make decisions regarding small purchases of necessary items like groceries independently after their participation in SHGs; otherwise they depended on their husbands.

Abed (2000) based on empirical studies showed that microcredit had positive effects on two vital areas of national development, namely the alleviation of poverty and the empowerment of women.

Nedumaran, Palanisami, and Swaminathan (2001) measured the economic impact of socio-economic status of SHGs in Solan District of Himachal Pradesh in terms of an increase in annual incremental incomeand they showed that all SHGs recorded an increase in their income.

Mayoux (2001) showed that the participation of women in SHGs could generate a positive impact on women empowerment in any developing economy.

Lalitha and Nagaraj (2002) observed that the basic principles of the SHGs were: group approach, mutual trust, organization of small and manageable groups, group cohesiveness, sprit of thrift, demand-based lending which was collateral free, women friendly loan, peer group pressure in repayment, training for capacity building and empowerment.

Jain (2003) showed that the SHGs enhanced equality in the status of women as participants, decision makers and beneficiaries in the democratic, economic, social and cultural sphere of life. Progress of women as a result of SHG formation could be ascertained by examining various indicators.

Littlefield, Murduch and Hashemi (2003) stated that women became empowered through micro finance institutions. They were more confident, more assertive to take part in family and community decisions.

Pitt, Shahidur and Cartwright (2003) examined the effects of men's and women's participation in group-based micro-credit progrmme. They showed that women's participation in micro-credit progrmmes helped to increase women's empowerment.

Anand (2004) observed that the participatory approach helped in the focused selection and prioritization of the poorest of the poor. SHG intervention improved the living standard, inculcated saving and loan repayment habits and had brought about a positive change in attitudes and social skills**.**

Bhagyalakshmi (2004) pointed out that money earned by poor women was more likely to be spent on the basic needs of life than that by men and that this realization would bring women as the focal point of development efforts.

Johnson (2004) stated that having women as key participants in microfinance projects did not automatically lead to empowerment.Sometimes negative impacts could be witnessed. She referred to increased workloads, increased domestic violence and abuse.

Shanthiand Dhanalakshmi (2004) showed that empowerment was an active, multi-dimensional process which enables women to realize their full potential and powers in all spheres of life through the formation of SHGs.

Yunus (2004) showed that the poor were effectively reached if the microfinance programmes were designed exclusively for the poor, implemented through specialized people, designed by the people who knew what they were doing and for whom, and implemented within a National Policy framework which was supportive of poverty focus programmes

Malik and Luqman (2005) observed that the micro credit programme had the potential and powerful impact on women's empowerment. Although it did not always empower all women, most women did experience some degree of empowerment because it was a complex process of change experienced by all individuals somewhat differently and varied from culture to culture. They concluded that micro credit programme had both positive and negative impacts on women's empowerment.

Sau (2005) noted that given the unfavourable socio-economic and cultural system,both organizational set up on the production and marketing fronts, the poor women forming SHGs were rendered weak enough to combat the existing strong repugnant economic, social and cultural forces operating everywhere in the economy and society.

Wilkinson (2005) observed that women's empowerment was an important tool towards improving socio-economic status of the members of SHGs.He also stated that the empowerment was nothing but control over and access of resources and taking decision in the matter of one's own income, savings and expenditures for household needs and other purposes.

Gupta and Gupta (2006)showed that the socio-economic structure of the members of SHGs as groups comprised people who voluntarily joined together to partake mutual assistance needed to cope with a particular problem and to froster change and personal growth.

Pillai and Harikumar (2006) observed that the SHGs comprising very poor people were considered as a powerful means for building empowerment.

Suguna (2006) remarked that the activities of SHGs increased as provision of rural credit increased which was supposed to be empowered the women in rural areas.That participation of women in SHGs could generate a positive impact on women empowerment.

Umasankar (2006) observed that the women members of SHGs were participating in Panchayet election ortheywere often elected as panchayet members or ward members or the head of the village panchayet.

Ramesh J (2007) indicated (while analyzing the performance of SHGs in Andhra Pradesh) that even in 'Mondal' and 'Zila Parisad'elections, the representatives from SHG members were substantial, thereby indicating an improvement in their empowerment.

Rao (2007) observed that women formed an important segment of the labour force and economic role played by them could not be isolated from the total framework of

development, and the role and degree of integration of women in economic development had always been an indicator of economic independence and higher social status.

Sharma (2007) examined the impact of participation in microfinance programme on women's empowerment based on field survey in Hill and Tarai areas of Nepal taking pre- and post-SHGs participation. The results showed that such programme led to greater participation of the women in household decision making, wider social network, and this had also increased spousal communication about family planning and parenting concerns. Ashe and Parrott (2001) observed similar results in some other studies.

Gladis (2008) found that membership in SHG inculcated a great confidence in the mind of majority of women to succeed in day to day life.

Banerjee (2009) assessed the role of educational attainments of the members for the smooth operation of SHGs. He showed that the level of literacy among the women members was the most important source of women empowerment because it enabled them to respond, to appreciate, to challenge their traditional roles and to change their lives. Batra (2012), Khatal and Ovhal (2012) found similar type of result from some empirical studies.

NCSW (National Commission on the Status of Women) Report (2009) stated that SHGs became significant institutions for rural development in India and this was particularly true in case of poor women.

Devi, Ponnarasi and Selvi (2010) analyzed the impact of microfinance on the socio-economic status of the rural poor in Cuddalore district of Tamil Nadu by using z-test and composite index of standard of living.They found that economic impact of SHGs had registered positive and significant impact of the economic spheres such as employment per household, per capita income of the family, possession of assets, savings, loans, repayment and consumption pattern of the sample respondents. Further, it showed that the members of the older SHGs had experienced a much more positive and significant increase in the economic status when compared with the members of the younger SHGs.

Reiji (2011) showed that the micro credit programmes extended small loans to poor people for self-employment projects that generated income allowing them to care for themselves and their families.

2.3 Progress of SHGs

Nagarajand Rajashri (2008) examined the region-wise progress of SHGs and employment of women through SHGs in India for the period from 1992-93 to 2006-07, andthey showedthat no development was possible without empowering women.

Shiralashettiand Hugar (2008) reviewed the progress of SHGs and their linkage to bank.They studiedthedistrict-wise and bank-wise linkage of SHGs in Karnataka.They concludedthat SHG movement was a powerful tool for alleviating poverty of the people.

Kumararaja (2009) reviewedand examined the progress in the number of SHGs and amount of loan sanctioned in India as a whole and in Tamil Nadu in particular. He showed that a timely and regular check of the micro-credit through SHGs would contribute to a healthy progress and to the overall development of rural women.

Nair (2012**)** analyzedthe growth trends of SHGs during 2006-07 to2009-2010. The growth rate of bank credit to SHGs was found to have decelerated during this period.He also found that the growth inthe business of commercial MFIs was remarkable.

Bhowmik (2013) computed the growth rate of employment through SHG activites in different sectors during the pre- and post-globalization periods.

2.4 Performance of SHGs

Shivakumar (1995) found thatthe small savings by rural women could generate the requisite resources which could wean the people away from the exploitation of moneylenders.

Hulme and Mosley (1996) showed that the staffs of the microfinance institutions were not interested to give loan to the poor or simply they wanted to exclude them from getting the benefit of microfinance, as they expected it was an extremely risky proposition.

Dreze and Sen (1988) observed thatthe SHGs comprising very poor people helped in the alleviation of poverty, increased sustainability, reduction of vulnerability, improvement of capacity building and helping the weaker sections in building assets.

Dodkey (1999) showed that Self-Help Groups were playing as an alternative system of credit delivery for meeting the credit needs, especially to the people who were the poorest of the poor. Again, he also showed that such financing programme for the poor could ensure excellent recovery level and empower women notjust by meeting their needs for consumption and productive loans but also through more holistic educative programmes on issues such as sanitation, family planningand the evil effect of liquor consumption in the family.

Kabeer (1999) observed that MFIs could not empower women directly but could help them through training and awareness-raising to challenge the existing norms, cultures and values which placed them at a disadvantageous position in relation to men and to help them have greater control over resources and their lives.

Mayoux (2001) analyzed that women could use savings and credit for economic activities. As a result, their income and asset position were improved.

Harper (2002) studied the differences, outreach and sustainability of the SHG-bank linkage system and rural banking system ofproviding microfinance. The SHG-bank linkage system was found to be more flexible, and it imparted freedom of saving and borrowing according to the member's requirements, and hence, this was suitable in the Indian context. But Grameen banking system was found to be more rigid, autonomous, over-disciplined and a dependence-creating system which was suitable in Bangladesh where people were more homogeneous, very poor and had less experience of democracy. It was also found that SHGs were probably less likely to include poor people than Grameen bank groups but neither system reached the poorest.

Puhazhendhi and Badatya (2002) surveyed 115 members from 60 SHGs in Eastern India for estimating the performance of SHGs before and after group formation. They showed that there had been substantial reduction of loans from local moneylenders and other informal sources.

Rao (2002) pointed out that the genesis and development of SHGs in India. They revealed that the existing formal financial institutions had failed to provide finances to landless, marginalized and disadvantaged groups.

Tankha (2002) observed that the training programme must promote critical analysis in women and encourage them to think independently and challenge unequal gender relations and exploitation.

Simanowitz (2002) found that the access to microcredit was no panacea for winning war against poverty.

Sing (2003) observed that microfinance programme was supposed to overcome many inadequacies and could be made an effective tool for poverty alleviation in rural India.

Chowdhury, Mosley and Simanowitz (2004) showed that a considerable debate remained about the effectiveness of microfinance as a tool for directly reducing poverty, and about the characteristics of the people it benefits. The access to microcredit was no panacea for winning war against the poverty.

Das (2004) revealed that micro finance dealt with not only the credit part but also savings and insurance part. The activities of SHGs increased as provision of rural credit became easier, and this process was supposed to empower the women in rural areas (Suguna, 2006).

Littlefield and Rosenberg (2004) stated that the poor were generally excluded from the formal financial services and thus there occured market failure. To address this market failure, MFI had played a significant role within the formal financial system and thus there had been an increase in the number of poor people willing to get credit facilities from MFIs.

Scully (2004) showed that poorer were generally excluded from the formal credit system.

Tripathy (2004) showed that the necessary training could be provided to the SHG members to create awareness on community health, traditional and modern agriculture practices, Panchayat system and other relevant issues applicable to the areas concerned.It

was observed that there was misutilization of loans, failure of project, and non-recovery of loans in banking sectors due to lack of training to the members of SHGs.

Barman (2005) indicated that the growth of SHGs and the increase in bank deposit accounts of female members were strongly correlated. Harper and Ramakrishna(2005) explored some aspects of SHG-bank linkage, examined the spread of the cooperative-SHG linkage across states, the extent of the linkage established and the impact of such linkage on SHG's performance.

Basu and Srivastava (2005) found that the rural poor had little access to formal finance and therefore informal lending remained strong.

Gupta and Mishra (2005) analyzed the SHG-Bank linkage and showed that the members of SHGs were given credit facilities at a high interest rate (13.5%) per annum. They conducted the study in two sample villages of Hoshanbad district of Madhyapradesh.They also indicated that the SHG-bank linkageprogramme had led to a gradual shift from consumption loans to production loans for SHGs operating in this Districtof Madhya Pradesh.

Harper, M, Berkhaf and Ramakrishna R.V. (2005) explored some aspects of SHG-bank linkage, examined the spread of the cooperative-SHG linkage across states, the relationship between the commercial success of cooperative banks, the extent of the linkage established and the impact of such linkage on SHG's performance.

Kamaraju (2005) found that the members of SHGs in rural areas utilized the loan for purchasing cows, rams, goats and for meeting personal needs.

Kumar (2005) reviewed inter-district variations in the performance ofSHGs and showed that the micro finance programme wasless successful in some of the tribal regions of North-East India and Uttaranchal.

Montgomery (2005) showed that the participation in Khushhali Bank's microfinance programme in Pakistan had positive impact on both economic and social indicators of welfare as well as income generating activities, especially for the poorest participants in the programme.

Nahaware and Mahadik (2005) indicated that the members of SHGs became successful in reducing their dependence on rural moneylenders.

RBI (2005) in its annual report stated the microfinance helped in the provision of thrift, credit and other financial services and products of very small amounts to the poor enabling them to raise their income levels and improve their living standard.

Misra (2006) assessed the socio-economic impact of SHG-bank linkage programme of microfinance in India. The social development index of group members measured on Likert Scale showed a definite positive trend after joining SHGs. Further, loan repayment rate was also very high. But, while measuring economic development, it was found that just 6 per cent of the members had taken up any economic activity in post-group formation period. Bank credit and savings were used overwhelmingly for consumption and other emergency needs. While the programmehad a definite impact on buildingsocial capital, it had marginal impact on income level.

Mohanam (2006) observed that the microcredit system had particular relevance to women, considering the historical perspective of the involvement of women in the thrift and credit activity.

Umashankar (2006) observedthat the theory of social collateral that underlies SHG borrowing implied that all members of agroup were responsible for ensuring loan repayments. This could take the form of members making repayments on behalf of a defaulter. More often, it took the form of exerting pressure on defaulters to pay, starting with discussions within the group, giving a warning, and imposing a fine etc.

Readdy (2007)showed that SHGs became effective instruments in realizing that potential to save and SHG internal system needed to be strengthened in order to enhance the confidence of the members to save in their SHGs.

Borbora and Mahanta (2008) examined the role of credit in generating employment opportunities for the poor and they showed that the SHGs helped to set up a number of micro-enterprises for income generation. About 80 per cent of the beneficiaries could expand their income generating activities and they assessed the role of SHGs in promoting

the saving habits among the poor; they foundfrom their field survey thatthe programme had succeeded in inculcating the habit of saving among the SHG members. .

Joshi (2007) showed that microfinance provided credit with no collateral obligations on the one hand and promoted income generating activities on the other. He also showed thatloans were provided in some cases at the market-driven rates and peer pressure was used in repayment.

SU (2007) indicated that poor households were excluded from the formal credit network which had negatively affected the role of SHGs.

Tripathi and Sharma (2007) observed thatthe SHG-bank linkage programme had led to a gradual shift from consumption loans to production loans by the SHG members.

Sangwan (2008) applied a multiple regression technique to determine financial inclusion of the members of SHGs in different states and UTs of India. The result revealed that the persons having low income and less geographical access to bank (e.g., agricultural labourers, marginal and small farmers, migrant labourers, tribal and women) were excluded from the financial inclusion. However, the regression equations were also estimated by including percentage of adult covered in SHGs, and the variable had positive association with the level of financial inclusion especially in credit accounts. It suggested that SHGs could play significant role in achieving the financial inclusion especially for women and low-income families.

Shetty (2008) examined the promise of micro-finance programme in the financial inclusion of the marginalized and vulnerable poor, who had been excluded from the formal credit market. The empirical evidence in his study showed that credit and other services of micro-finance had positive correlation with the improvement in household expenditure, income, assets and employment.

Dhar and Sarker (2009) showed that the SHGs were unable to take up economic activities and, therefore, resorting to high inter-lending rates for sustenance. This was because of lack of economic activities, lack of marketing avenues (Phougat, and Hooda, 2010) and inefficient financial management by group leaders.

Sivakumar, Bhasin **(**2009) observed that the SHGs comprising predominantly women groups helped in the social cause of alleviation of poverty, increased sustainability, reduction of vulnerability, improvement of capacity building, and helping the weaker sections in building assets.

Chandraand Sinha (2010) explored the performance and sustainability of the SHG program in India. Because income-generating activities and other characteristics varied with the gender composition of self-help groups, their performance and sustainability varied. It was revealed that all-female SHGs performed best. The female SHGs were doing particularly well in terms of recovery of loans and per capita saving. The econometric results indicated that only all-female SHGswere sustainable. The factors that determined the sustainability included recovery of loans, per capita savings, and linkage with an SHG federation.

Roy and Strom (2010) showed contradictory resusts. In many cases, the MFIs became too focused on making profits at the expense of outreach to poorer customers. The argument was that higher profitled to lower outreach. It was expected that more commercialized microfinance institutions were able to serve better the poorest number of the community, since their profit motives led them to be more efficient and more willing to seek out new markets for their loan products.

Tripathi and Join (2010) showed that the main problem of governance of SHGs and the performance of microfinance ventures were low financial base due to absence of appropriate credit linkages, non-provision of socio-economic incentives to members and the lack of group commitment to task accomplishment.

Hermes, Robert and Aljar (2011) explored the trade-off between outreach to the poor and efficiency of MFIs.According to them, efficiency of MFIs was improved if it focused less on the poor.

Imai, Katshusi et al (2012) observed based on cross country and panel data that an increase in gross loan portfolio per capita provided by MFIs tended to have a dampewning impact on the poverty level of the country. The profit organization of some microfinance institutions (MFIs) had also resulted in higher rate of interest charged by these institutions.

Mallik (2012) observed that despite an increase in the coverage of microfinance in Northern Bangladesh, the interest charged by the rural moneylender did not diminish. In fact, inadequate supply of fund from MFIs, unavailability of seasonal working capital from MFIs and tight repaymentschudles compelled the village people to resort to rural moneylenders even at higher rate of interest.

Pierre, Mason and Geri (2012) showed that in a competitive market environment a competition among micro finance NGOs in raising subsidized capital from individual social investors could have an adverse impact on projects' funding speed.

Rooyen, Stewart and Wet (2012) reviewed the impacts of microfinance on the socio-economic status of the poor people in Sub-Saharan Africa. It had been observed that micro finance programmes, in some cases, had contributed positively towards the generation of household savings, income, food intake and nutritional level. But in many cases these programmes had failed to correct the problems related to women empowerment, poor educational level, incidence of child labour, housing facilities etc.

Sharma, Roy and Deepa (2012) showed that training was an important indicator for the assessment of the performance of SHGs. It was found that the members of SHGs changed their knowledge, skill and attitude which were required to start a new project.

Reberts and Peter (2013) showed that the needs of the poor borrowers could not be served better by such MFIs. Hence, some research studies stressed the need for increasing the operational efficiency of the MFIs so that they could operate at lower cost, and hence, could charge lower rates of interest.

Majumder (2014) observed that capacity building process among the rural people required the principle of adult education since the persons to be trained were all adult. Participatory training was very important for the better performance of SHGs.

2.5 Livelihood pattern of the members of SHGs

Hulme and Mosley (1996) conducted a comprehensive study based on the effect of microfinance on poverty. They argued that well-designed programmes could improve the income of the poor and could move them out of poverty. They also argued if the very poor were encouraged to save they would become less vulnerable to poverty. The financial

services to the poor if fulfiled its social objective, its wider impact contributed to poverty reduction (Chowdhury et al., 2004).

Manimekalai and Rajeswari (2001) showed that the nature of micro enterprises run by the groups included trade, agriculture, animal husbandry, processing of food, tailoring, gem cutting, petty shop, bumboo-based units and agro-based units etc. They found that women SHG earned the highest profit from agriculture, followed by trade related activities and catering activities.

Mukherjee (2002) observed that the formation of SHG converted a traditionally gender neutral activity into a source of livelihood for village women.

Sivaramakrishnan (2003) mentioned that organization of the rural poor into Self-Help Groups was one of the ways to reduce the poverty.

Asokan and Sudha (2005) found from their empirical analysis in Nagapattinam district of Tamil Nadu that about 40 per cent of income had been generated through group activities.

Nahaware and Mahadik (2005) showed that the loan was given to any SHG only for completing the target and the members of SHG could improve their standard of living. It was also to be noted that the majority of the SHG members did not take loans from moneylenders after their involvement in group activities.

Thorat (2005) showed that the Regional Rural banks in Indian context combated with poverty through microfinance. Basu and Srivastava (2005) revealed that rural banks served primarily the needs of the richer rural borrowers and the rural poor faced severe difficulties in accessing credit from the formal sector.

Pattenden (2010) noted the prominence of self-help groups (SHGs) within current anti-poverty policy in India, and analysed the impacts of government- and NGO-backed SHGs in rural North Karnataka. It argued that self-help groups represented a partialneo-liberalisation of civil society in that they addressed poverty through low-cost methods that did not challenge the existing distribution of power and resources between the dominant class and the labouring class poor. It was found that intra-group savings andloans and external loans/subsidies could provide marginal economic and political gains for members

of the dominant class andthose members of the labouring classes whose insecure employment patterns currently provideed above poverty line consumptionlevels, but provided neither material nor political gains for the labouring class poor. Target-oriented SHG catalysts were inattentive to how the social relations of production reproduced poverty and tended to overlook class relations and socio-economic and political differentiation within and outside of groups, which were subject to interference by dominant class local politicians and landowners.

Mansuri (2010) showed that SHG bank linkage from NABARD was considered as best alternative to the formal banking to reach the poor. The provision of small and regular repayment schedule made possible very high recovery rate. After the 1990s microfinance had taken its momentum and now it was the largest microfinance movement in the world.

Deininger and Liu (2013) assessed the impact of an approach in the Indian state of Andhra Pradesh that combined micro-credit with efforts to target the poor, addressed their specific needs, and enhanced their economic potential. Their results supported the pro-poor nature of the program and pointed toward benefits in terms of female empowerment and nutritional intake but not asset formation or income for program participants and other villagers. While study of longer-term effects was desirable, this suggested that even in the short term, the program helped improve consumption smoothing and income diversification.

2.6 Expenditure pattern of the members of SHGs

Gwatkins et al (2000) showed that the poor suffered more from ill health. Therefore, they had lower health productivity than the non-poor and consequently limited output. However, households of microfinance clients appeared to have better nutrition, health practices and health education than comparable non-client households (Littlefield, Murduch and Hashemi, 2003).

Puhazhendhi and Satyasai (2000) covered 560 sample households from 223 SHGs spread over 11 states across India, and this study indicateda 33 per cent rise in average annual income of the households and the share of families living below the poverty line was reduced by 20 per cent from pre-SHG to post-SHG situation.

Park and Ren (2001) examined the impact of microfinance on household welfare. They indicated that credit access could help increase the ability of household to smooth consumption when incomes were variable.

Chowdhury, Mosley and Simanowitz (2004) found that microfinance played an important role as its wider impacts contributed to poverty reduction.Lalneihzovi (2007) also considered SHGs as the best engine of growth ofhumanresource. In some parts of the country, SHGs were taking on new roles and responsibilities that lay at the very core of livelihood security for the poor.

Kabeer (2005) examined the impact of microfinance and showed that a variety of basic needs of the households involved in SHG activities were being met through such programme and thus it promoted their standard of living.Reddy and Manak, Sandeep (2008) found similar results.

Montgomery (2005) showed that the microfinance programme enabled poorest of its borrowers to increase expenditure on their children's education and health.

Singh (2006) observed that the members got information about different sources of institutional credit and there were evidences of improvement in household income, food security and standard of living among the members of SHGs.

Banerjee (2009) showed that the average income of the members of SHGs improved but the inequality of distribution of income remained high among the group members relative to the non-group members.

Research gap

From the brief review of the existing literature it is found that there is hardly any literature on the SHG approach to rural development with reference to the Drought-Prone area. Besides, the impact of the formation of SHGs has scarcely been studied by examining the socio-economic status, livelihood pattern of members of SHGs before and after group formation. Moreover, impact of micro finance on poverty has been studied in the existing literature but there is hardly any work on inequality among the members of SHGs. There

is also the deficiencyin the existing literature in respect of a comparative analysis of the progress of the SHGs in the DPAs vis-à-vis that in the non-DPAs.

The present work seeks to remedy many of the deficiencies in the existing literature. We have also tried to use the Probit Model to examine the factors that exlain the participation of the households in the formation and performance of the SHGs in the DPAs.

Chapter 3

REVIEW OF PROGRESS OF SELF HELP GROUPS

Progress of SHGs is reviewed in this chapter in respect of formation of SHGs and their status in Grade I and Grade II over years in DP districts of West Bengal based on secondary data for 2002-03 to 2011-12. This review is done in four parts. Section 3.1 presents the profile of DP districts; section 3.2 analyzes the progress of SHGs in the DP districts taken together vis-à-vis the whole of West Bengal and section 3.3 does so for the individual DP districts, where a comparative study is developed. Section 3.4 sums up the discussion made earlier in this chapter.

3.1 Profile of Drought Prone districts of West Bengal

Paschim Midnapur, Purulia, Birbhum and Bankura districts of West Bengal are the relatively backward drought prone districts. The inhabitants of this area are mostly from the primitive tribes, scheduled castes, scheduled tribes and other backward classes.

Paschim Medinipur district

The district of Paschim Medinipur is situated between $22^{o}57^{/}$and $21^{o}36^{/}$ north latitude and between $86^{o}36^{/}$ and east $88^{o}12^{/}$ longitude. Its southern boundary is Egra of Purba Medinipur, while on the west the boundary marges with the Balasore district and the Mayurbhanj district in Orissa, and with the Singhbhum and Manbhum districts of Chota Nagpur. Total geographical area of the district is 9295.28 square kilometer of which rural 9076.43 square kilometer and urban 218.85 sq.km. Drought is common in this district.

Drought prone area is about 33248 hactor (Jhargram and sadar sub-division). Many areas have an undulating topography and lateritic soil in Jhargram sub-division. Drought affects the population here frequently and causes damage to the limited agriculture in the area. The climatatic condition of the drought prone area is tropical and the land surface of the district is characterized by hard rock uplands, lateritic covered area, and flat alluvial and deltaic plains. Extremely rugged topography is seen in the western part of the district and rolling topography is experienced consisting of lateritic covered area. These rolling plains gradually merge into flat alluvial and deltaic plains to the east and south east of the district.Normal rainfall is 1605 m.m. and actual rainfall of the district was 1446 m.m.in

2003. The climate is characterized by hot summer, cold winter, abundant rainfall and humidity.

As per Census of India, the rate of growth of population of the district during 1961 to 1971 was 27.52 per cent, which came down to 15.76 per cent during 1971 to 2001. In 2011, femalerural population of the state was about 953 while that in the urban population was only 944. One notable feature of this district is that the percentage share of ST population to total population of this districtin 2011 was 14.42. Paschim Medinipur district has 4 sub-divisions, 29 blocks, 290 gram panchayets, 12 towns and 8 municipalities.

The agricultural production and the production of crops in drought prone areas are hampered by the erratic rainfall on undulated poor soil. Again, most of the rural people of the drought prone area live below poverty line. Further, there are certain other reasons for the economic backwardness of the people such as small land holdings, low productivity of land, deficiency in irrigation facilities and the lands of marginal farmers which are mostly infertile and uplands and mostly unproductive.

Bankura district

The district of Bankura is under Burdwan Division of West Bengal and lies between 23°5' and 23^0 $11^/$ north latitudes and between 85°45' and $83^0 5^/$ East longitudes. It is bounded on the north and a part of the north-east by the district of Burdwan from which it is separated by the natural barrier of the Damodar river. The shape of the district is like that of isosceles triangle wedged between Purulia and Burdwan with its apex nearly opposite to Raniganj and with an irregular base line resting on West Medinipur and Hoogly. There are 3 sub-divisions, 23 police stations, 22 blocks,3 municipalities and 54 panchayat samities, 2464 Gram sansads, and 5,187 villages. The total geographical area of the district is 6882.00 sq.km of urban area. The drought prone region covers an area of 2248.5 sq. kms. With 1132 inhabited villages.

The climatic feature of this district is oppressive heat in summer with high humidity all the year round. The average rainfall during monsoon, June to September, constitutes about 78 per cent of the annual precipitation. There is wide variation in rainfall across blocks both within and over the years. Relative humidity is generally high throughout the year. Despite sufficient rainfall widespread drought breathes down the neck of the district owing to uneven distribution of rainfall in course of the year. Besides, there are certain other factors

which accelerate the drought condition of the area, viz (i) absence of significant rainfall in the months of September to October, (ii) high run-off of rain water, (iii) inadequate storage, and (iv) low moisture retention capacity of the light textured soil.

Broadly speaking, Bankura district has three types of soil-red, laterite and alluvial. The drought prone region of the district has originated mainly from granite genesis.Soits originating from dolomite, anthracite, hornblende, and schist are also observed in small patches of lands along the Daamodar river of Gondowana origin.

The total population of this districtis estimated to be 35, 96, 674 (as per 2011 Census of India); within this population, the male population number18, 38, 095 and the female population 17, 58, 579. The SC population is estimated to be 11, 74, 447 (32.65%) and the ST population 3, 68, 690 (10.25%). The ratio between rural population and urban population is approximately 92:08 (Census of India, 2011). The number of literate persons is estimated to be 22, 32, and 992.

The overall economic condition of the people of the district is poor. Around 41 per cent of the population of the backward communities, especially Santhals, normally migrate temporarily from drought prone western part of the district, viz Chhatna, Gangajalghati, Mejia, and Indpur, Ranibandh ands Khatra blocks to the adjoining districts of Burdwan, Hoogly, Howrah and Mursidabad. Economic distress has always led some people, mostly of agricultural labour group, to migrate in search of employment.

Purulia district

Purulia, the western-most district of West Bengal at present, making boundry with the state of Jharkhand and Bihar, was included as Manbhum district in the state of undivided Bihar during independence. The district of Purulia was formed and marged with West Bengal on 1st November 195.The district having a geographical area of 6259 sq.kms. lies between $22^{0}43^{/}$ and $23^{0}42^{/}$ north latitude and between $85^{0}49^{/}$and $86^{0}54^{/}$ east latitude. The tropic of cancer passes through this district and is surrounded on its three sides by Jharkhand (formerly a part of Bihar and the eastern boundary is surrounded by Bankura district. There are 3 sub-divisions, 21 police stations, 20 blocks, 3 municipalities, 8 non-municipal townsand 54 panchayat samities, 1913Gram sansads, and 2468 villages.

The topography of the district is severely undulated with interception of numerous hillocks and hilly areas that are the continuation of Dalma range. The altitude of the district is about 750 ft. above the sea level and the highest point is about 2200 ft. in the Ayodhya Hill. The district had a good cover ofSal and Mahua forest previously. Due to indiscriminate felling of tress, this cover is lost and erosion has accelerated at a tremendous rate. Fertility of soil is lost in many parts due to high rate of erosion. The fertility of the soil is low and it is acidic in nature. It contains very little organic matter and also deficient in nitrogen, phosphate and potash. Most of the soils are well drained with low water holding capacity.The climate is very rough; both the summer and winter are experienced in severe form in this district.The district has a humid sub-tropical climate, the temperature varying over a wide range during the year from 8^0c in winter to 44^0c in summer. Average monthly rainfall increased to 121.74 mm during 1991 to 2001.

Most of the people live in rural areas. The SCs/ STs constitute 36.6 per cent of total population (Census of India, 2001). The literacy rate in 2011 was per cent as against the state average of per cent for rural areas. Most part of the agricultural population belongs to small and marginal farmer groups.

The main occupation of the people of this district is agriculture but major part of the district periodically experiences drought conditions leading to loss of agricultural production and livestock wealth causing misery to the people. As per land utilization statistics net area shown to cultivable area was 60.50 per cent, which was lowest among the districts of West Bengal during 2002-03.

Birbhum district

Birbhum district of West Bengal is the northern most district of Burdwan division.The district having a geographical area of 4545 square kelometers lies between $23^0 32' 30''$ and $24^0 35'$ north latitude and between $88^0 1' 40''$ and $87^0 5' 25''$ east latitude. Birbhum is bounded by on the north and west by santhal parganas, on the east by the districts of Murshidabad and Burdwan and on the south by Burdwan. The district borders the state of Jharkhand and Bihar on the west, and lies at the eastern end of the Chotonagpur plateau.The district is characterized by an undulating topography caused by the Chhotanagpur plateau that protrudes through the Western boarders of the district. The land terrain slopes down towards the east and marges with the alluvial plains of the Ganga.Important geographical features in this district are the khoai (eroded undulated

patches of barren area), and the red soil (ranga mati), with palm trees visible from a long distance and protected forest areas on the Western side. However, the total area under the forest as a percentage of total land area of the district is much smaller (3.5%) compared to the state as a whole (13.5%).

The climate of the district is generally dry, mild. Summer temperatures can be over 40^0centigrade and winter lows are about 10^0 centigrade. The region receives a rainfall of around 1300 mm per year, mostly concentrated in the monsoon.

There are 3 sub-divisions (Rampurhat, Sadar and Bolpur), 21 police stations, 19blocks, 6municipalities and 54 panchayat samities, 1913 Gram sansads, and 2468 villages.

A large section belongs to the SC and ST, which are generally considered to be socially disadvantaged classes. The tribals are mostly concentrated in Khayrasole, Dubrajpur, Rajnagar and Suri blocks where the tribal population varies from 70 per cent to 80 per cent of the total population of respective blocks.The main occupation is agriculture and agricultural labour.

Some important indicators of these four DP districts are shown in brief. These indicators are percentage of rural population, rural literacy rate, percentage of BPL households, percentage of cultivators, agricultural labourers, non-agricultural workers, main and marginal workers. Though the share of rural population was about 68.3 per cent in West Bengal as per 2011 censusof India, the share of rural population in DP districts was found to be more than 87 per cent [Table 3.1] whereas the percentage of rural SC and ST people in DP districts was found to be more than 36 per cent.

Table 3.1 Percentage of rural population to total population in DP districts

DP district	Percentage of rural population to total population	Percentage of rural (SC + ST) population to total ruralpopulation
Paschim Midnapur	87.77	36.36
Bankura	91.67	44.61
Purulia	87.26	39.98
Birbhum	87.17	38.21

Source: Census of India 2011

So far as the literacy rate is concerned it has been observed that it is above 60 per centin DP districts. However, this share was found to be highest in Paschim Medinipur (77%). Even among the SC and ST categories this literacy rate was highest in Paschim Medinipur but lowest in Birbhum for ST category [Table 3.2].However, the literacy rateamong the

SC and ST categories are found to be lower compared to the average rural literacy rates in the DP districts.

Table 3.2 Percentage of literacy rate of rural population in DP districts

DP districts	Rural literacy (%)			Rural SC literacy (%)			Rural ST literacy (%)		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Paschim Midnapur	76.86	43.01	33.86	68.60	39.53	29.07	59.23	35.35	23.88
Bankura	68.93	40.42	28.51	53.30	32.88	20.42	59.18	36.10	23.08
Purulia	62.73	39.18	23.55	55.42	35.58	19.84	53.44	33.84	19.61
Birbhum	69.10	38.68	30.42	58.59	34.48	24.11	47.4	28.4	19.0

Source: Census of India, 2011

Again, a comparison between the literacy rates among male and female population for both SC and ST categories in DP districts reveals that the female literacy rate remains lower than that among the male population. In other words, the literacy rate among the rural ST female is still much lower than their male counterpart.

During 2001 to 2011 the rural DP districts witnessed a fall in gender gap in literacy rate.

Table 3.3 Gender gap in rural literacy (%) in DP districts, 2001 and 2011

DP district	Gender gap in rural literacy (%)	
	2001	2011
Paschim Midnapur	22.2	9.2
Bankura	27.33	11.9
Purulia	37.22	15.6
Birbhum	19.34	8.3

Source: Census of India, 2001, 2011

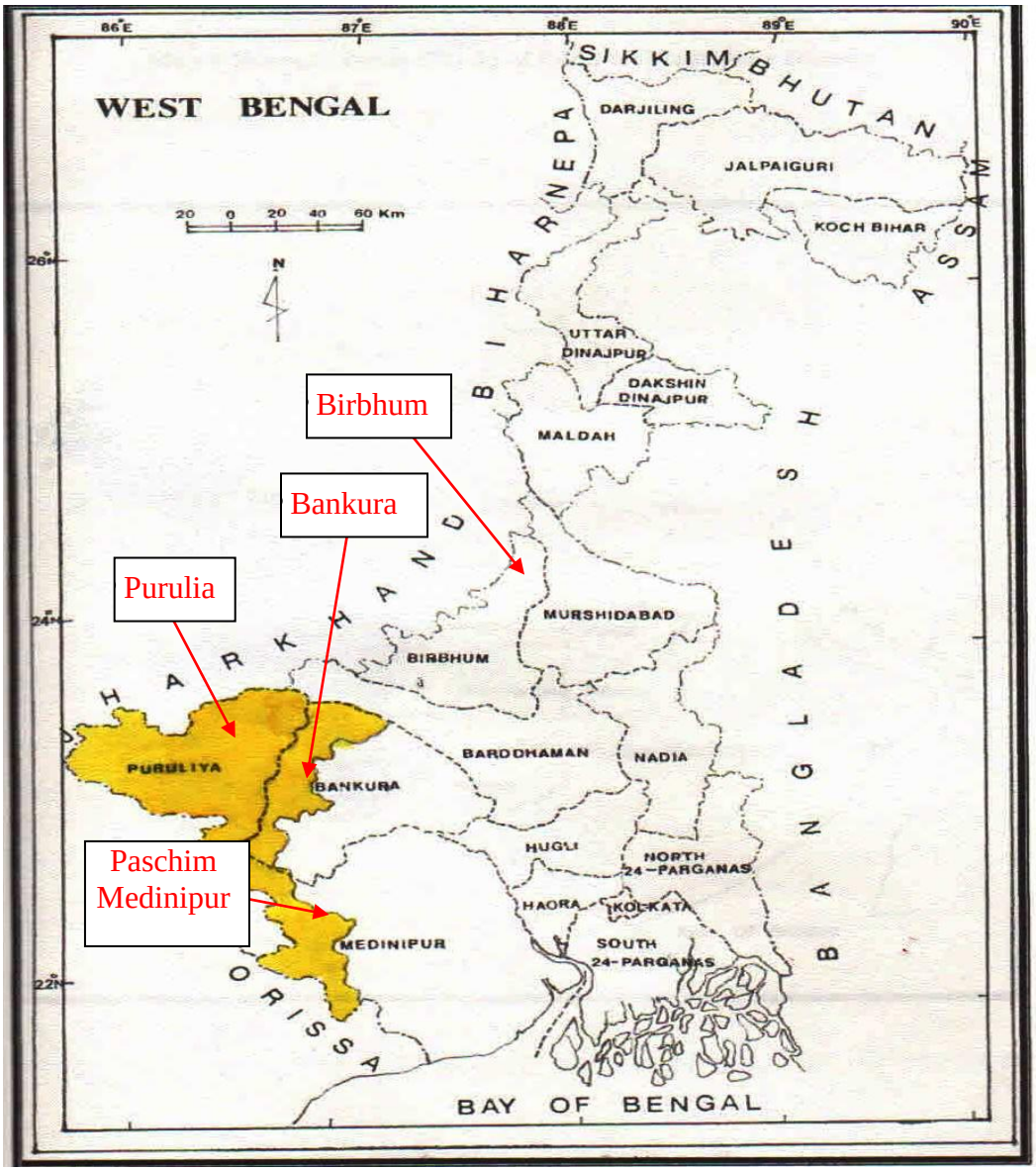
The percentage of BPL households in rural areas of DP districts in 2005 varied from 19.83% (lowest in Paschim Medinipur) to 78.72% (highest in Purulia) as shown in table 3.4.

Table 3.4 Percentage of BPL households in rural areas and district per capita income

DP district	Percentage of BPL, 2005	Districtper capita income, 2008
Paschim Midnapur	19.83	15970.31
Bankura	59.62	15613.89
Purulia	78.72	14019.37
Birbhum	49.37	15141.3

Source: Statistical Abstract 2005, 2009, Govornment of West Bengal

Map 1. Location of the study area in West Bengal



The occupational structure of rural SC and ST people in DP districts showed that most of the workers in all DP districts were engaged as agricultural labourers in 2011 [Table3.5]. The percentage of rural workers among SC and ST categories engaged as agricultural labourers in Purulia districtwas lowest (52.9%) and it was highest (70.5%) in Birbhum district.

Table 3.5 Percentage of rural workers engaged as cultivator, agricultural labourers and non-agricultural workers, 2011

DP district	% of cultivaors (SC + ST)	% of agricultural labourers (SC + ST)	Non-agricultural workers (%) (SC + ST)
Paschim Midnapur	13.5	68.5	18
Bankura	10.4	68.5	21.1
Purulia	17.3	52.9	29.8
Birbhum	10.2	70.5	19.3

Source: Census of India, 2011

In Purulia districtpercentage of main workers was lower but that of marginal workers was higher than those in other three DP districts [Table 3.6].

Table 3.6 Percentage of rural main workers and marginal workers to total SC/ST workers, 2011

DP districts	Percentage of main workers and marginal workers to total SC/ST worker			
	% of Main workers		Marginal workers (%)	
	SC	ST	SC	ST
Paschim Midnapur	55.5	42.3	44.5	57.7
Bankura	56.6	43.6	43.4	56.4
Purulia	43.3	39.0	56.7	61.0
Birbhum	60.9	55.1	39.1	44.9

Source: Census of India, 2011

3.2 Progress of SHGs in DP districts taken together vis-à-vis the whole of West Bengal

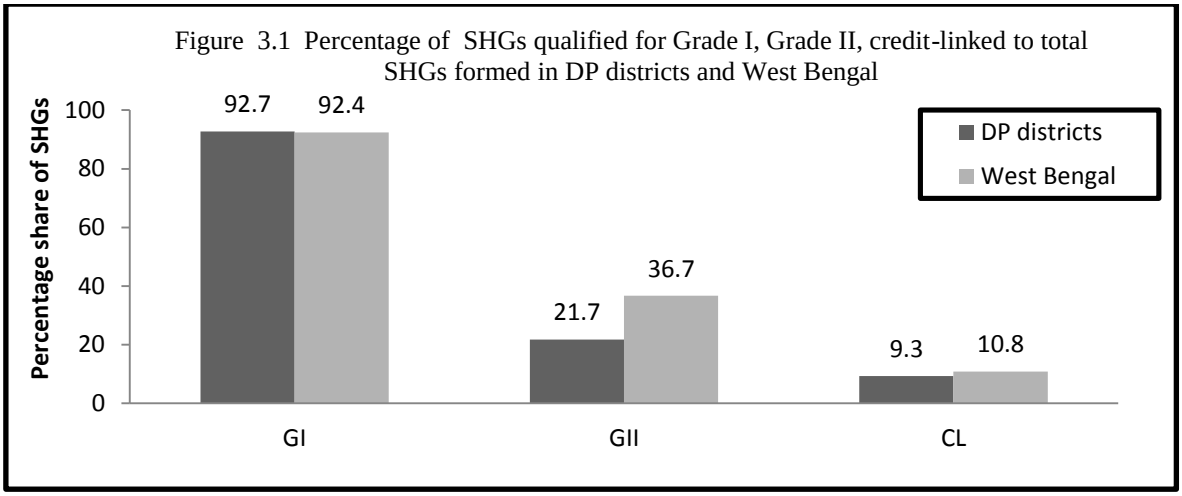
Two indicators used to examine the progress of SHGs are: (i) percentage of SHGs formed by women, passed Grade I, Passed Grade II and credit-linked, (ii) annual growth rate of SHGs.Out of 328881 SHGs formed during 2002-03 to 2011-12 in West Bengal, 86.7 per cent of SHGs were formed by women in West Bengal while in DP districts out of 89929 SHGs formed, 80.6 per cent of SHGs were formed by women. Most of the SHGs (more than 91%) in DP districts taken together and West Bengal as a whole have qualified for Grade I, but most of them could not qualify for Grade II and very much less were involved in credit linkage schemes. Out of 328881 SHGs, 36.7% SHGs passed Grade II in West Bengal [see Table 3.7]. Only 10.8% of SHGs were credit linkedin West Bengal, which was only 9.3% in DP district [Figure 3.1].

Table 3.7 Percentage of SHGs in DP districts and West Bengal, 2002-03 to 2011-12

District / State	Number of SHGs		Percentage of SHGs			
	formed	formed by women	formed by women	passed Grade I	passed Grade II	credit-linked
DP districts together	89929	72483	80.6	92.7	21.7	9.3
West Bengal	328881	285059	86.7	92.4	36.7	10.8

Source: Panchayat and Rural Development, Govornment of West Bengal

Figure 3.1 Percentage of SHGs qualified for Grade I, Grade II, credit-linked to total SHGs formed in DP districts and West Bengal



Annual (year to year) growth rate of SHGs formed by women during 2004-05 to 2011-12 showed fluctuation for the sample DP districts taken together as well as for West Bengal as a whole [Table 3.8]. This fluctuation in annual growth rate of SGHs at different stages and grades was observed for SHGs in general [see Appendix Table A3.1].

Table 3.8 Annual growth rate of number of SHGs, 2002-03 to 2011-12

Year	Annual growth rates of					
	SHGs in DP Districts			SHGs in WB as a whole		
	WSHG	Passed Grade I	Passed Grade II	WSHG	Passed Grade I	Passed Grade II
2004-05	-	-	-	-	-	-
2005-06	4.1	18.4	12.9	11.9	34.8	18.4
2006-07	56.0	78.6	35.0	4.4	34.0	78.6
2007-08	-19.9	-44.3	-30.6	6.0	-22.3	-44.3
2008-09	12.1	-6.2	18.9	-4.6	-10.9	-6.2
2009-10	-9.9	72.3	73.5	0.8	44.8	72.3
2010-11	23.5	-32.3	-4.2	9.5	-25.5	-32.3
2011-12	-27.0	17.5	133.8	-9.4	30.0	17.5

Note: WSHG = Women SHGs
Source: same as in Table 3.7

The compound annual growth rates (CAGRs) of SHGs formed by women, qualified for Grade I and Grade II and the SHGs involved in credit linkage schemes in DP districts and West Bengal as a whole during 2004-05 to 2011-12 are shown in Table3.9.

Table 3.9 Compoundannual growth rate of women SHGs formed, qualified for Grade I, Grade II and involved in credit linkage schemes

	Women SHGs formed	Grade I Passed	Grade II Passed	Credit linked
DP Districts	3.48*	3.53*	12.66	20.17
West Bengal	2.34*	4.68*	22.71	27.62

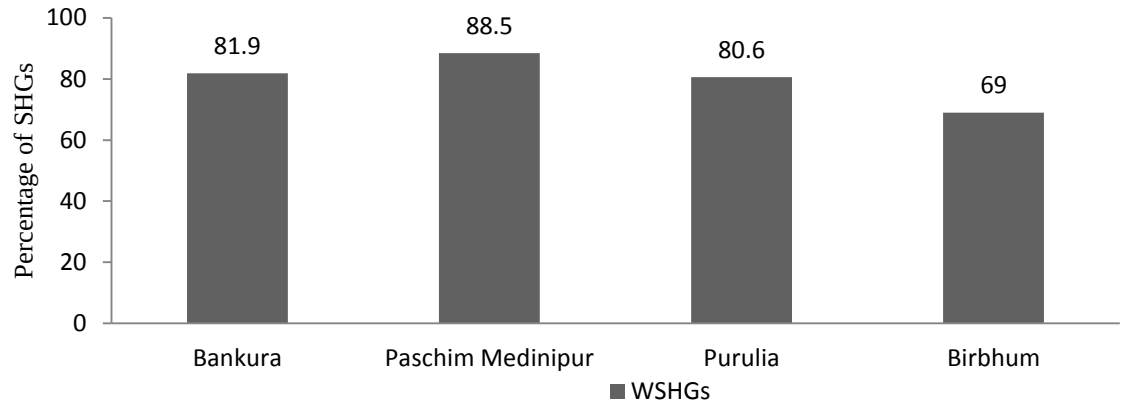
Note: *Significant at the 0.05 level
Source: same as in Table 3.7

The CAGRs for women SHGs are seen to be statistically significant at 5% level for both DP districts and West Bengal as a whole. Those for SHGs qualified for Grade I in West Bengaland DP districts arealso found to be statistically significantat 5% level. However, these growth rates are not significant for SHGs qualified for Grade II and credit-linked.

3.3 Progress of SHGs in individual DP districts –A comparative study

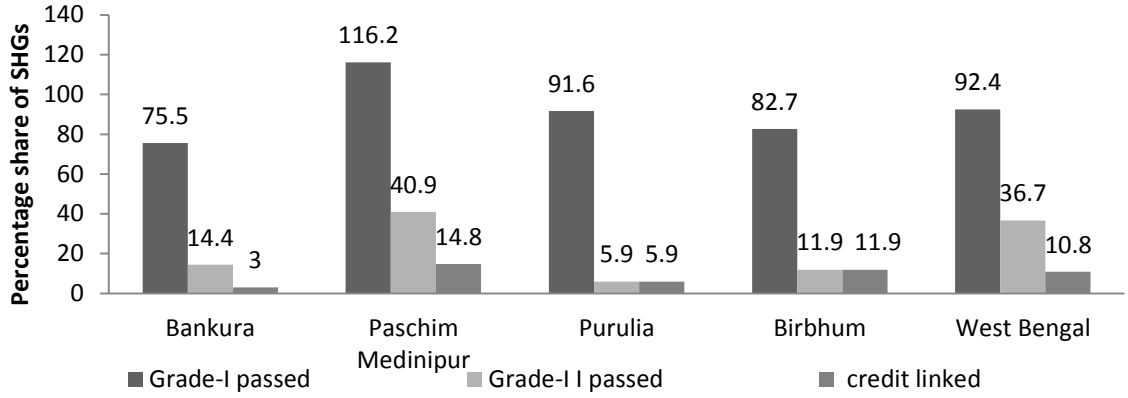
Paschim Medinipur showed better performance (88.5%) than other three sample Drought-Prone districts in respect of SHGs formed by women. Birbhum districtperformedthe lowest where 69 per cent of SHGs were formed by women [Figure3.2] [see also Appendix Table A 3.2].

Figure 3.2 Percentage of SHGs formed by women in DP districts, 2002-03 to 2011-12



In Paschim Medinipur districtcent per cent SHGs passed Grade I. This is because the gradation process is a continuous process and data have been taken from 2002 onwards. The SHGs were formed earlier, most of whomwere qualified for Grade I after 2002. Again, 40.9% of SHGs were qualified for Grade II in Paschim Medinipur while for Purulia district it was only 5.9% [see Appendix Table A3.3]. Again, in case of involvement in credit linkage schemes, Paschim Medinipur district (14.8%)achieved higher while Bankura did much less progress (3%). This is because many SHGs were formed in the latter during 2010-11to 2011-12 and they had no scope forbeing qualified for Grade II (Figure3.3).

Figure 3.3 Percentage of SHGs qualified for Grade-I, Grade-II and credit-linked to total SHGs formed



The annual growth rate of SHGs formed by women during 2004-05 to 2011-12 showed fluctuation for the sample four individual DP districts [Table 3.10]. This fluctuation in annual growth rate of SGHs at different stages and grades was observed for SHGs in general (see also Appendix Table A 3.4).

Table 3.10 Annual growth rates of SHGs passed Grade I, Grade II and credit-linked

Year	Annual growth rates of					
	SHGs in Paschim Medinipur			SHGs in Bankura		
	WSHG	Passed Grade I	Passed Grade II	WSHG	Passed Grade I	Passed Grade II
2004-05	-	-	-	-	-	-
2005-06	23.6	-23.7	-28.6	195.4	39.6	428.8
2006-07	24.3	57.5	47.0	64.6	40.8	-78.5
2007-08	-32.2	-35.7	-48.4	7.4	-18.7	329.7
2008-09	127.0	44.9	58.1	-9.2	-16.9	-63.2
2009-10	30.2	92.5	27.8	-48.5	97.7	127.8
2010-11	48.4	-14.3	4.4	43.1	-48.0	89.0
2011-12	-38.3	39.6	203.5	12.2	-26.7	4.2

Note: WSHG = Women SHGs
Source: same as in Table 3.7

Table 3.10 (Continued)

Year	Annual growth rates of				
	SHGs in Purulia		SHGs in Birbhum		
	WSHG	Passed Grade I	WSHG	Passed Grade I	Passed Grade II
2004-05	-	-			
2005-06	-57.7	-8.3	68.7	156.5	65.6
2006-07	158.8	136.0	6.0	62.4	164.0
2007-08	-37.4	-59.5	-12.3	-43.4	-44.5
2008-09	-23.8	-37.3	12.8	-3.8	1.9
2009-10	-6.8	118.7	-18.4	2.9	157.1
2010-11	-10.0	-47.4	-6.3	-27.4	-29.7
2011-12	-54.7	-12.9	-10.6	36.7	88.6

Note: WSHG = Women SHGs
Source: same as in Table 3.7

.

The compound annual growth rates (CAGRs) of SHGs formed by women, qualified for Grade I and Grade II in DP districts during 2004-05 to 2011-12 are shown in Table3.11. The CAGRs of SHGs formed by women in Birbhum and Purulia districts were negative. It was statistically significant at 1% level for Birbhum district.The CAGRwas positive for Bankura and significant at 10% level.In case of Grade I passed, Bankura showed positive growth rate statistically significant at 1% level. For Birbhum,it was significant at 5% level and for Purulia it was statistically significant at 10% level. However, in case of Grade II passed, the growth rates were positive for three districts, namely Paschim Medinipur, Bankura and Birbhum but these were statistically insignificant.

Table 3.11 Compound annual growth rate of SHGs formed by women, Grade I and Grade II passed in DP districts

DP Districts	Women SHGs	Grade I Passed	Grade II Passed
Bankura	10.3#	.7**	25.9
Paschim Medinipur	21.9	16.9	14.9
Purulia	-15.2	-9.4#	-
Birbhum	-.34**	2.4*	28.4

Notes:** Significant at the 0.05 level, * Significant at the 0.05 level and#Significant at the 0.10 level.
Source: same as in Table 3.7

The negative growth rates of SHGs are explained in the following way. Purulia has the lowest per capita income, highest gender gap in respect of literacy, low per capita district income, low croping intensity and foodgrain productivity [Table 3.12].

Table 3.12 Cropping intensity and food grains production (per hectare)

DP districts	Cropping Intensity	Foodgrains production (per hectare)	
	2007-08	2007-08	2010-11
Paschim Midnapur	164	2807	2743
Bankura	168	2747	2702
Purulia	152	2338	2436
Birbhum	159	3002	2836

Source: same as in Table 3.7

3.4 A Summing up:

Most of the SHGs (more than 80%) in DP four districts and West Bengal as a whole were formed by women folk. Annual growth rates of SHGs qualified for Grade I for DP districts taken together and West Bengal as a whole fluctuated during 2004-05 to 2011-12.

Compoundannual growth rates (CAGRs) of SHGs formed by women and SHGs qualified for Grade Iwere statistically significant in the DP districts taken together as well as in the

whole of West Bengal. Growth rates for theSHGs qualified for Grade II and SHGs involved in credit linkage scheme in West Bengal as a whole were higher than those of the DP districts taken together.

Annual growth rates of SHGs formed by women and SHGs qualified for Grade I also fluctuated for the individual sample DP districts. CAGRs for SHGs formed by women and qualified for Grade I in Paschim Medinipur were higher than those of other three sample DP districts but these were not statistically significant.

Chapter 4

PROGRESS OF SHGS IN SAMPLE BLOCKS

One of the objectives of the present work was to examine the progress of SHGs in the DP areas of West Bengal. In Chapter 3 we have already reviewed this progress at the district level. Now, in this chapter we do this at the block level, which would help us analyse the major issues of SHGs in depth.

This chapter is also based on secondary data at the block level of two sample districts, namely Paschim Medinipur and Bankura. A comparative study is made among the sample blocks of the districts while reviewing the progress of SHGs in both DPAs (Drought-Prone areas) and non-DPAs of the blocks.

As in the previous chapter this analysis starts by presenting in section 4.1 a brief profile of the sample blocks. Section 4.2 analyzes the progress of the SHGs in the DP blocks of Paschim Medinipur district. Section 4.3 analyzes so in the DP blocks of Bankura district. A comparative study on the progress of the SHGs in sample DP blocks of Paschim Medinipur and Bankura districts is done in section 4.4. The comparative study of the DP blocks and non-DP blocks is done in section 4.5. Section 4.6 sums up the discussion made earlier in this chapter.

4.1 Profile of Drought Prone blocks

We now present a brief profile of DP blocks of Paschim Medinipur district to be followed by that of Bankura district (Map 2 and Map 3). According to the District Statistical Handbook, 2007, Paschim Medinipur district has seven Drought-Prone blocks, namely Binpur II, Gopibhallavpur I, Gopibhallavpur II, Jhargram, Jamboni, Nayagram and Sankrail. Most of the people in these areas belong to SC and ST.

Drought Prone blocks of Paschim Medinipur district

The demographic profile of the DP blocks of Paschim Medinipur shows that the sex ratio is in favour of male population. So far as the percentages of SC and ST population are concerned it has been observed that in DP blocks the share of ST population in most cases is higher than that of SC population [Table 4.1].

Table 4.1 Percentage of SC and ST rural population in sample blocks of Paschim Medinipur, 2011

Sample DP Blocks	Percentage of SC and STpopulation			
	(%) of SC Population		(%) of ST Population	
	M	F	M	F
Binpur-II	7.8	7.6	20.5	20.7
Gopibhallavpur-II	15.7	15.3	11.7	11.7
Jamboni	9.2	8.9	14.4	14.2
Jhargram	7.3	7.1	11.0	11.2

Note: SC = Scheduled caste, ST = Scheduled tribe
Source: Census of India, 2011

A comparison of literacy rates among male and female population for both SC and ST categories reveals thatin 2011 the female literacy ratewas lower than the male literacy rate and the ST literacy rate were less than SC [Table 4.2].

Table 4.2 Percentage of rural literacy rate in sample blocks of Paschim Medinipur, 2011

Sample DP Blocks	Literacy (%)			SC literacy (%)			ST literacy (%)		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Binpur-II	70.05	40.36	29.69	66.97	39.36	27.61	63.72	37.39	26.33
Gopibhallavpur-II	69.91	40.04	29.87	57.63	34.86	22.77	41.38	24.77	16.61
Jamboni	72.62	41.73	30.89	66.07	39.57	26.50	60.61	36.09	24.52
Jhargram	68.89	40.71	28.18	61.72	36.34	25.38	58.72	34.53	24.19

Note: SC = Scheduled caste, ST = Scheduled tribe
Source: Census of India, 2011

The 2005 data regarding the percentage of BPL households in DP blocks indicatedthat percentage of BPL (below poverty line) families was quite high varying between 47.72 in Gopibhallavpur II and 68.59 in Binpur II [Table 4.3].

Table 4.3 Percentage of BPL households in in sample blocks of Paschim Medinipur, 2005

Sample DP Blocks	BPL (%)
Binpur-II	68.59
Gopibhallavpur-II	47.72
Jamboni	67.11
Jhargram	49.02

Source: Rural Household Survey, 2005

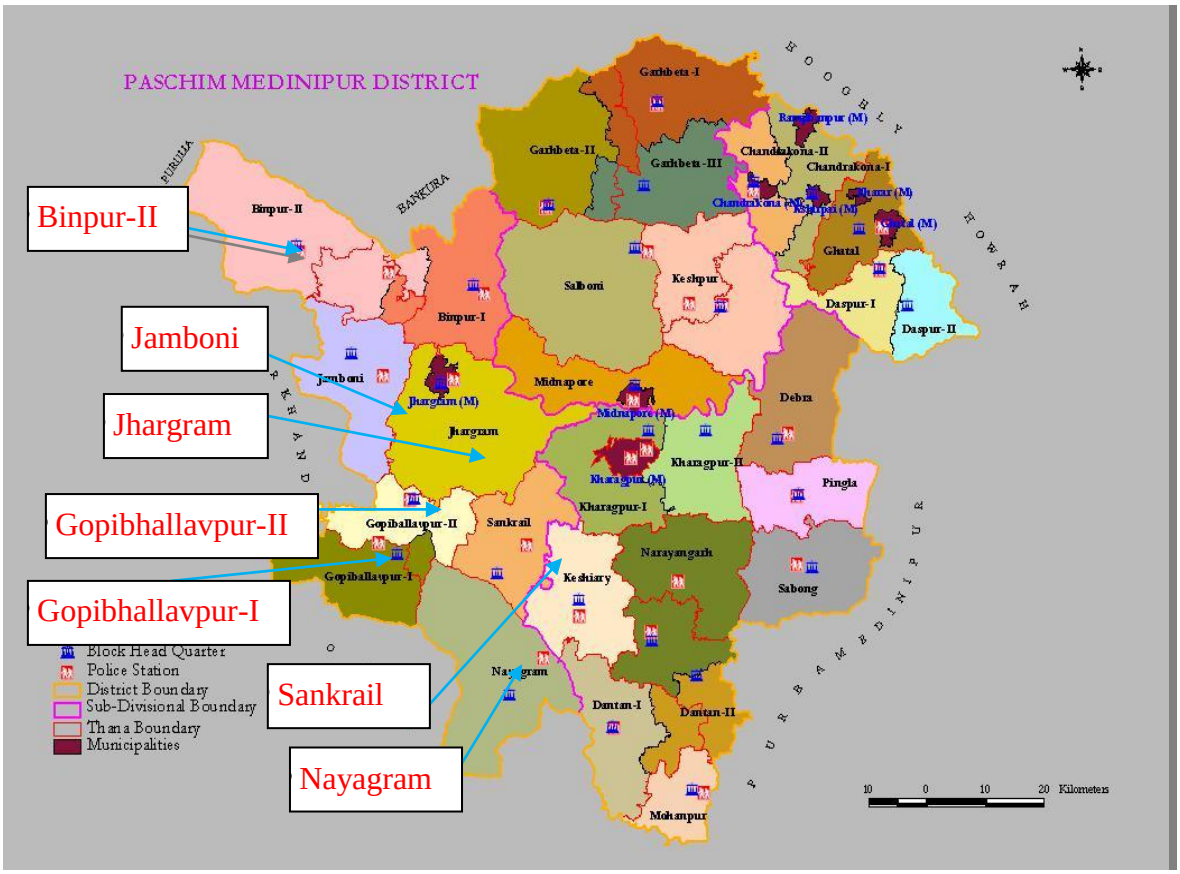
The occupational structure of the workers in the DP blocks of Paschim Medinipur [Table 4.4] shows that most of the workers are engaged as agricultural labourers. This is because of the lack of diversified activities in the DP areas.Out of four sample DP blocks of Paschim Medinipur district Gopibhallavpur II had in 2011 the highest percentage of agricultural labourers (74%) followed by Binpur II, Jamboni and Jhargram.

Table 4.4 Percentage of rural workers engaged as cultivators, agricultural labourers and non-agricultural workers in sample blocks of Paschim Medinipur, 2011

Sample DP Blocks	% of (SC + ST) Cultivators	% of agricultural labourer (SC + ST)	Non-agricultural workers (%) (SC +ST)
	Total	Total	Total
BinpurII	12.3	68.2	19.4
GopibhallavpurII	11.5	74	14.5
Jamboni	8.5	67.9	23.6
Jhargram	12.6	66.8	20.6

Note: SC = Scheduled caste, ST = Scheduled tribe
Source: Census of India, 2011

Map 2: Location of the study Area of Paschim Medinipur district including sample blocks boundary



Out of 4 sample DP blocks, Gopibhallavpur II had the highest percentage of SC main workers (50.7%) while Binpur II the lowest percentage (24.4%) in 2011. So far as the marginal workers are concerned we observe that the ST category showed higher percentage of marginal workers than that of the SC in most cases in 2011 [Table 4.5].

Table 4.5 Distribution of main and marginal rural workers among SC and ST people in sample blocks of Paschim Medinipur, 2011

Sample DP Blocks	% of Main worker						Marginal workers (%)					
	SC			ST			SC			ST		
	Total	M	F	Total	M	F	Total	M	F	Total	M	F
Binpur II	24.4	21.7	2.6	12.3	6.0	6.3	70.6	37.1	33.5	78.6	40.0	38.6
Gopibhallavpur II	50.7	38.3	12.4	47.8	32.5	15.3	49.3	26.2	23.1	52.2	22.6	29.6
Jamboni	33.5	26.4	7.0	28.7	20.8	8.0	66.5	35.6	30.9	71.3	36.2	35.0
Jhargram	45.9	35.2	10.7	46.2	32.4	13.8	54.1	24.2	29.9	53.8	25.7	28.1

Note: SC = Scheduled caste, ST = Scheduled tribe
Source: Census of India, 2011

Drought Prone blocks of Bankura district

According to the DistrictStatisticalHandbook, 2007, Bankura district has seven drought prone blocks. These are Chhatna, Gangajalghati, Mejia, Satora, Indpur, Ranibandh and Hirbandth. The drought prone blocks are ranked on the basis of four indicators. These are: a) the proportion of irrigated areas to net cultivated area, b) percentage of SC and ST population in total population, c) literacy rate and d) percentage of agricultural labour. Two blocks Khatra and Indpur are in Khatrasub-division and other two Drought-Prone blocks i.e. Chhatnaand Saltora blocks are in Bankura Sadar sub-division. On the other hand, the non-drought prone blocks areBishnupur, Kotolpur and Indus. These non-drought prone blocks are situated in Bishnupur sub-division.

Now we present the demographic profile of the DP blocks of Bankura. So far as the percentages of SC and ST population are concerned it has been observed that in DP blocks the share of SC population is higher than ST population [Table 4.6].

Table 4.6 Percentage of rural population in sample blocks of Bankura, 2011

Sample DP Blocks	(%) of SC		(%) of ST	
	Male	Female	Male	Female
Chhatna	15.2	14.8	10.4	10.7
Indpur	20.6	20.0	4.8	4.8
Khatra	12.1	11.5	10.7	10.8
Saltora	17.4	16.8	9.5	9.4

Note: SC = Scheduled caste, ST = Scheduled tribe
Source: Census of India, 2011

The literacy rate in the sample DP blocks of Bankura ranged from 54.7 per cent to 70.3 per centin 2011 and female literacy rate in all the DP blocks was lower than their male counterpart. The literacy rate among the SC and ST categories was low compared to the overall literacy rate. Again, comparison between the literacy rates among male and female population for both SC and ST categories revealed that the male literacy rate remained

higher than the literacy rateamong the female population. Again, in most cases the SC people were found to be less literate than the ST people [Table 4.7].

Table 4.7 Percentage of rural literacy rate in sample blocks of Bankura, 2011

Sample DP Blocks	Literacy (%)			SC Literacy (%)			ST Literacy (%)		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Chhatna	65.4	39.5	25.9	52.4	32.9	19.5	56.5	34.7	21.7
Indpur	69.6	41.1	28.5	54.5	34.9	19.6	61.4	37.8	23.6
Khatra	70.3	42.2	28.1	58.6	36.9	21.7	64.3	38.8	25.5
Saltora	54.7	37.8	16.9	52.4	32.9	19.5	49.2	30.6	18.6

Note: SC = Scheduled caste, ST = Scheduled tribe
Source: Census of India, 2011

The percentage of BPL households among the DP blocks of Bankura district in 2005 differed widely varying between 34.82% in Saltora and 49.95%in Chhatna [Table 4.8].

Table 4.8 Percentage of BPL households in sample blocks of Bankura, 2005

Sample DP Blocks	Percentage of BPL
Chhatna	49.95
Indpur	48.19
Khatra	46.87
Saltora	34.82

Source: Rural Household Survey, 2005

The occupational structure of the people of DP blocks of Bankura showed that most of the workers were engaged as agricultural labourers.Out of the sample DP blocks in Bankura, Indpur and Khatra showed very high percentage of agricultural labourers (74%) [Table 4.9].

Table 4.9 Percentage of rural workers engaged as cultivators, agricultural labourers and non-agricultural workers in sample blocks of Bankura, 2011

Sample DP Blocks	% of (SC + ST) Cultivators	% of agricultural labourer (SC + ST)	Non-agricultural workers (%) (SC +ST)
	Total	Total	Total
Chhatna	13.9	59	27.1
Indpur	11.3	74.2	14.5
Khatra	9.0	74.2	16.8
Saltora	16.6	45.6	37.8

Note: SC = Scheduled caste, ST = Scheduled tribe
Source: Census of India, 2011

Out of sample DP blocks, Saltora showed the highest percentage (58%) and Chattna the lowest percentage (43.5%) of workers engaged as main workers [Table 4.10]. Excepting Khatra, the ST category showed higher percentage of marginal workers than the SC categories.

Table 4.10 Distribution of main and marginal rural workers among SC and ST people in sample blocks of Bankura, 2011

Sample DP Blocks	% of Main workers						Marginal workers %					
	SC			ST			SC			ST		
	Total	M	F	Total	M	F	Total	M	F	Total	M	F
Chhatna	43.5	34.5	9.0	36.9	28.9	8.0	56.6	28.6	28.0	63.1	29.6	33.5
Indpur	44.9	33.6	11.3	37.7	25.5	12.2	55	27.8	27.2	62.3	28.5	33.8
Khatra	48.4	36.3	12.1	41.5	28.4	13.1	51.6	27.5	24.1	31.9	28.9	3.0
Saltora	58	47.4	10.6	53.2	38.6	14.6	42	21.3	20.7	46.8	21.6	25.2

Note: SC = Scheduled caste, ST = Scheduled tribe
Source: Census of India, 2011

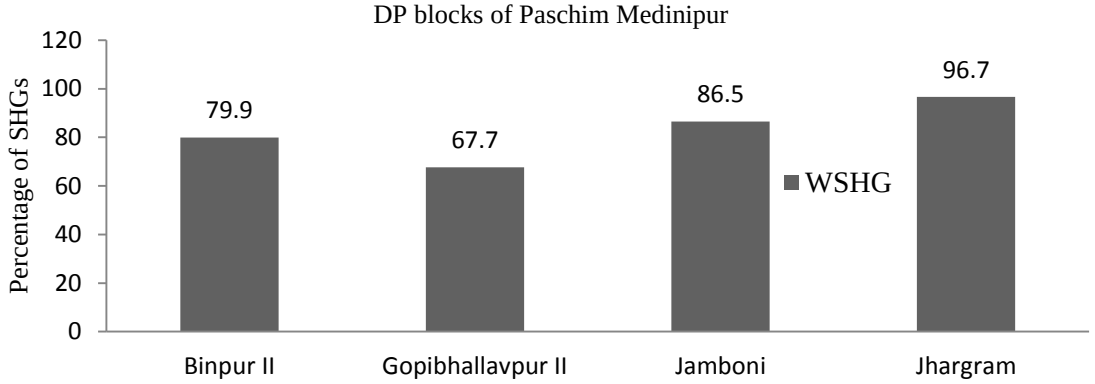
4.2 Progress of SHGs in DP blocks of Paschim Medinipur district

In this section, our focus is on analysis of the progress of women-led SHGs of the sample DP blocks. It is to be noted at the outset that in the initial years of group formation there was high variation in the number of groups formed by women across the DP blocks of Paschim Medinipur district, which subsequently diminished. The coefficient of variation in number of SHGs formed by women of the district is shown in Figure 4.1.

Figure 4.1 Coefficient of variation in number of SHGs formed by women in DP blocks of Paschim Medinipur

Jhargram and Jamboni performed better than other blocks in terms of the percentage of SHGs formed by women (Figure 4.2). It is found that the women were interested in forming groups and among the women members, members of SC and ST categories were substaintial. However, it is a matter of concern that on an average 34.3 per cent of women SHGs were seen to be defunct during the period from 2002-03 to2011-12. The share of non-functioning SHGs run by the women was relatively high in Binpur II (25.9%) and Jhargram (25.8%) [See Appendix Table A 4.1].

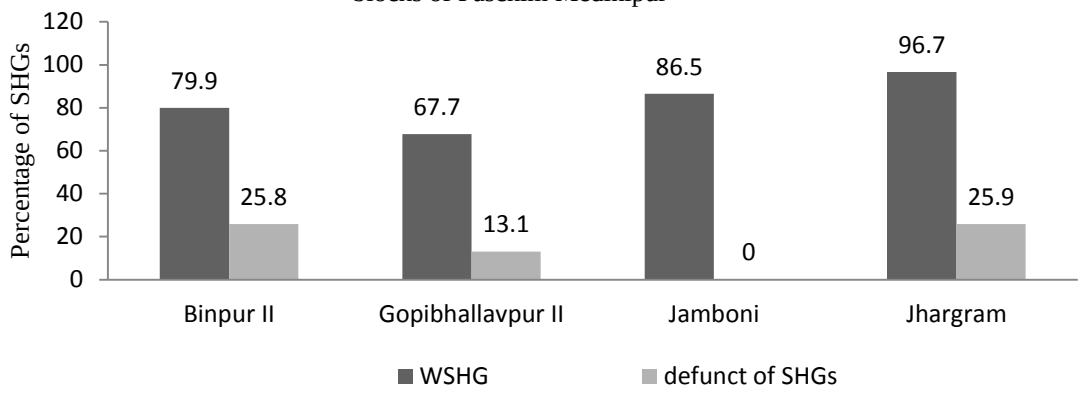
Figure 4.2 Percentage of SHGs formed by women to total SHGs formed in sample DP blocks of Paschim Medinipur



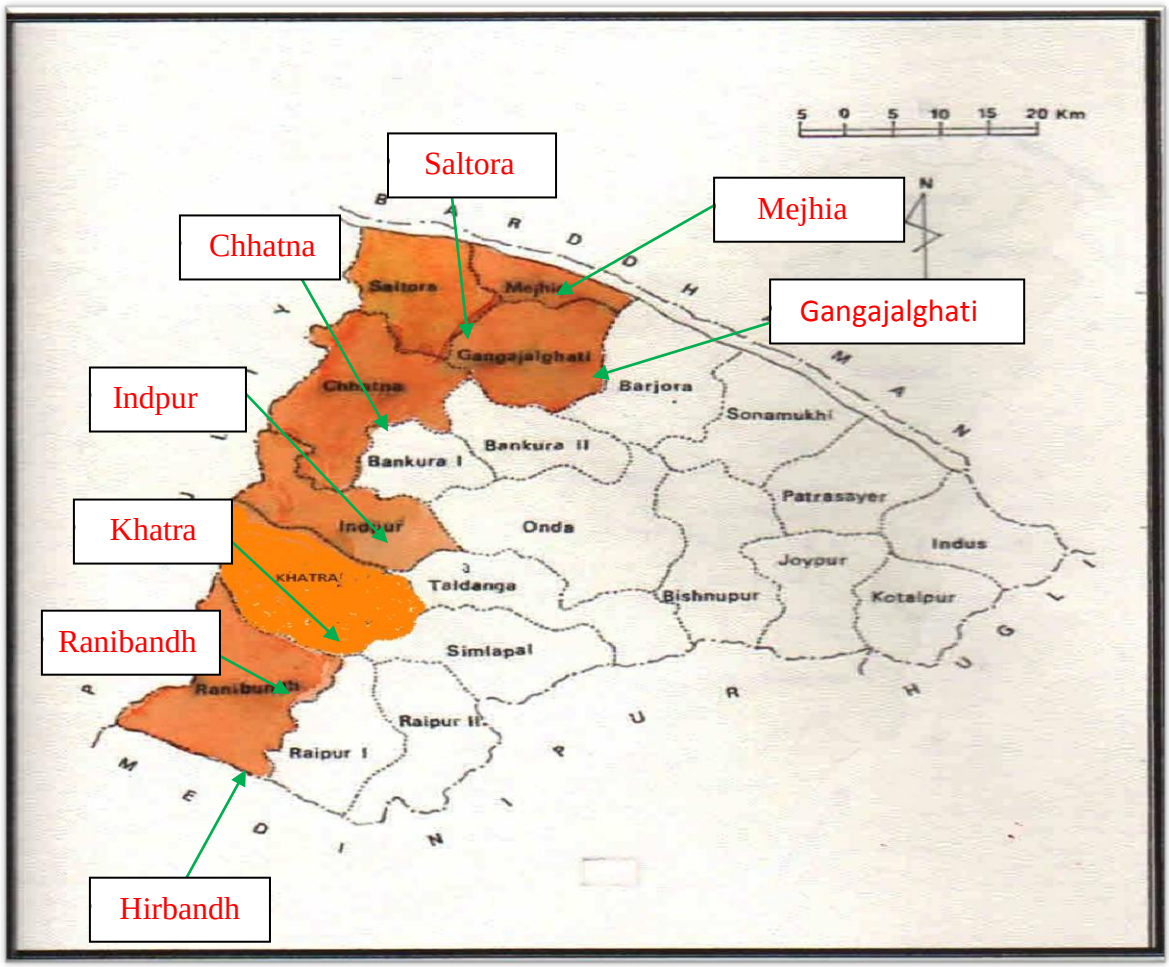
It is noted that most of thesample DP blocks are either situated in areas adjacent to Jharkhand or Orissa were severely affected by Maoist activities. As a result, even in day time, women could not go outside their home and thus they did not even dare to form any group. The numbers of SHGs formed by the women were much less during 2002-03, 2004-05 and 2007-08. Binpur II, Jamboni and Gopibhallavpur II did not have SHGs formed during 2002-03 to 2007-08. This is also evident after the SHGs were formed and during their progress and promotion from grade I to gradual uplift to their starting economic activities during 2002-03 to 2004-05 (see Appendix Table A 3.3)

It is important to note that the Maoist problem as well as *Maroa Maji*movement in Jangalmahal has been an important reason behindthe lackluster growth in the formation of SHGs during this period. Due to such political disturbances, SHGs could not function properly in this region. The percentage of SHGs getting defunct after formation is shown in Figure 4.3. FromAppendix Table A.3.1, it is quite evident that most of the SHGs in DP blocks were formed by women during 2002-03 to 2011-12 but at the same time about 14.7 per cent SHGs were defunct. It might be due to apathy shown by some members of SHGs for running these SHG activities. The severe Maoist movement was the main cause for non-formation of new women SHGs in many of these blocks. Beside these, the panchayat members and banking personal could not function this time in these areas. This movement has, however, mild effect on the formation of women SHGs in Jamboni and Jhargram blocks.

Figure 4.3 Percentage of SHGs formed by women and SHGs defunct in sample DP blocks of Paschim Medinipur



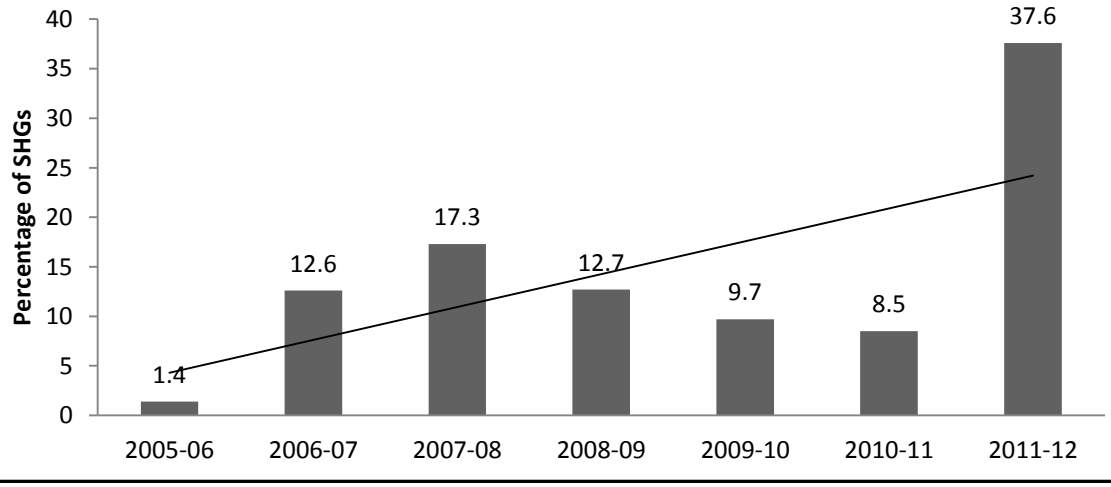
Map 3: Location of the study area of Bankura district including sample blocks



In addition, they expected that they would get credit after six months but in reality they did not receive the same. The delay in receiving credit by the members of SHGs has been mainly due to their inability to observe the government rules and regulations (as presented in chapter 5) required to get qualified for Grade I and Grade II. Another reason for non-functioning SHGs has been the intra-group and inter-group rivalry among them and the unfavourable attitude of the banks, panchayet functionaries and the government.

Figure 4.4 shows that the economic activities undertaken by the women SHGs accelerated during 2006-07 to 2011-12. The positive trend for activities during 2006-07 to 2011-12 undertaken by the members of SHGs after qualifying for Grade I (see Appendix Table A 4.3) becomes evident from this Figure.

Figure 4.4 Percentage of women members undertaken economic activities after passing Grade I



While examining the compound annual growth rate of SHGs passed Grade I in the sampleblocksit is observed that Jamboni blockachieved the highest growth rate (24.5%) in respect of SHGs qualified for Grade I. Binpur II block also showed higher growth rate (15.3%) [Table 4.11] [see Appendix Table A 4.3].

Table 4.11 Compound annual growth of SHGs passed Grade I in Paschim Medinipur district, 2004-05 to 2011-12

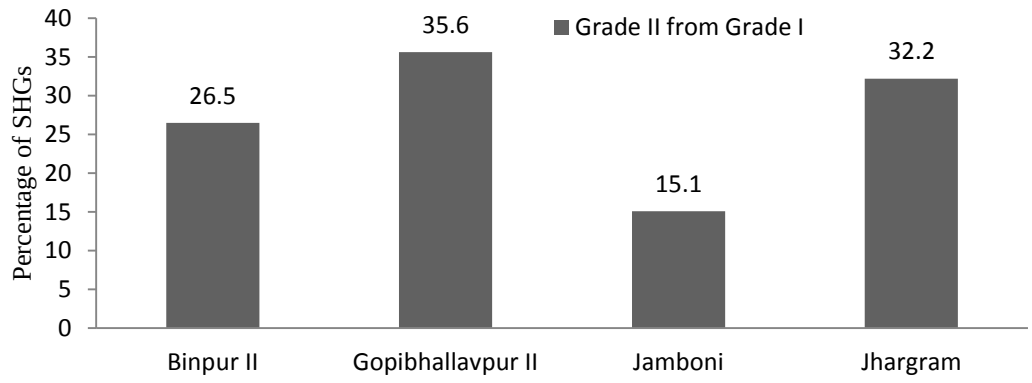
DP blocks	Grade I
Binpur-II	15.3
Gopibhallavpur-II	9#
Jamboni (γ)‡‡	24.5
Jhargram	1.3*

*Note:#*Significant at the 0.10 level and* Significant at the 0.05 level.
*Source***:** *Author's calculation, office ofDRDA, Paschim Medinipur*

Jamboni block recorded the lowest percentage (15.1%) of SHGs qualified for Grade II from Grade I whilethe highest percentage (35.6%) was registered by GopibhallavpurII block [see Appendix Table A 4.4].

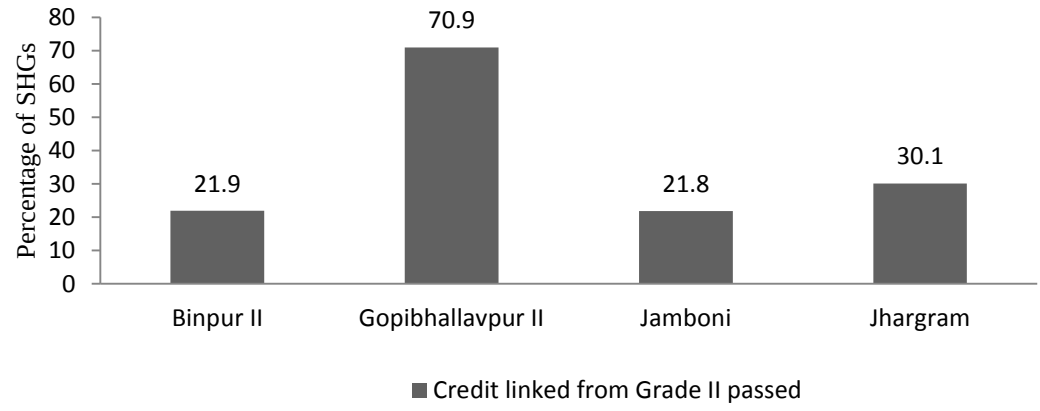
(γ)‡‡The number of SHGs formed during the initial years was either zero or very low. While the number of these groups increased during the later years that registered highly significant growth rate on account of the low initial Figures

Figure 4.5 Percentage of SHGs qualified for Grade II from Grade I in sample DP blocks of Paschim Medinipur



Now, we move into the important stage of development of SHGs qualified for Grade II into the gradual involvement in credit linkage scheme. Only 22 per cent of SHGs passed Grade II were credit-linked in Jamboniand Binpur-II blocks (Figure 4.6).

Figure 4.6 Percentage of SHGs in credit-linked from Grade II passed



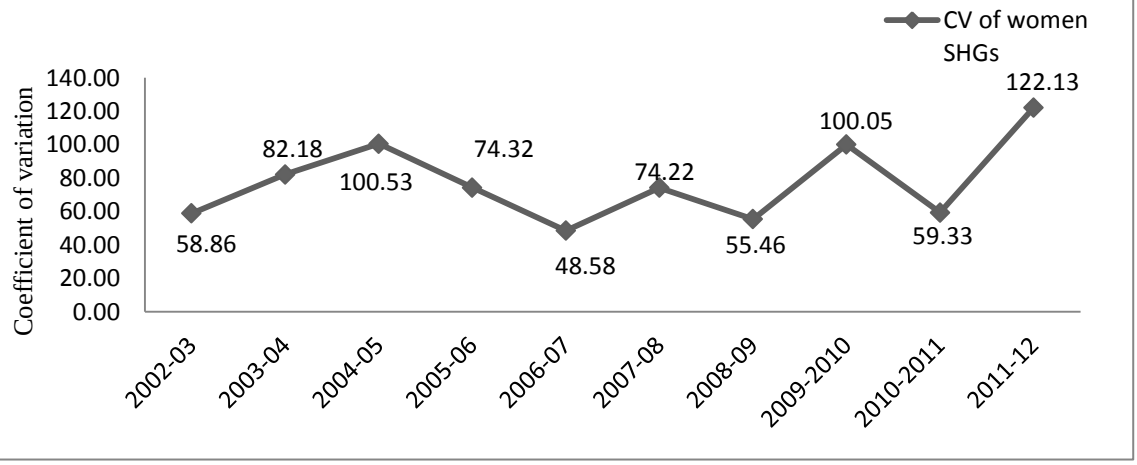
The chief reason for this dismal performance was that Jamboni and Binpur II blocks were severely disturbed with Maoist problem.However, some positive developments, particularly in the form of the formation of people's committee on the one hand andthe *Maroa Maji* movement among the tribals on the othergave birth to a new political equation during the later period.

4.3 Progress of the SHGs in DP blocks of Bankura district

In this section, our focus is on analysis of the progress of women-led SHGs of the sample DP blocks. It is to be noted at the outset that there was significant fluctuation over the

years in the number of groups formed by women across the DP blocks of Bankura district. The coefficient of variation in number of SHGs formed by women of the district is shown in Figure 4.7.

Figure 4.7 Coefficient of variation in number of SHGs formed by women in DP blocks of Bankura



Two blocks of Bankura district, namely Chhatna and Indpur had more than 70 per centwomen SHGs formedwhile two other blocks, Saltora and Khatraachieved between 60 per cent and 66 per cent. However, about 6.5 per cent of women SHGs were defunct. Khatra showed the highest percentage (11.5%) and Saltora block the lowest percentage (1.1%) in respect of percentage of defunct women SHGs [see Appendix Table A.4.6]. The high percentage of defunct women SHGs reflected the severity of Maoist problem there. As a result, some SHGs formed by women could not function properly. Again, Saltora had no SHG formed during 2003-04. Maoist problem in these blocks[§§] was responsible for the lackluster growth in the formation of new SHGs during this period. Due to such political disturbances, SHGs could not function properly in this area.

The compound annual growth rate of SHGs qualified for Grade I in Saltora block (30.3%) was highest. We found negative growth rate for Chhatna, Indpur and Khatra blocks [Table 4.12].Severe Maoist movement on the one hand and inability to observe the government rules and regulations by some of the SHGs were believed to be the root cause of negative growth rate in these blocks [see Appendix Table A4.7].

[§§]Some blocks have a border area with Jharkhand state. The severe Maoist affected areas are Hirbandh, Ranibandh and Khatra and it is mild for Indpur, Chhatna and Saltora.

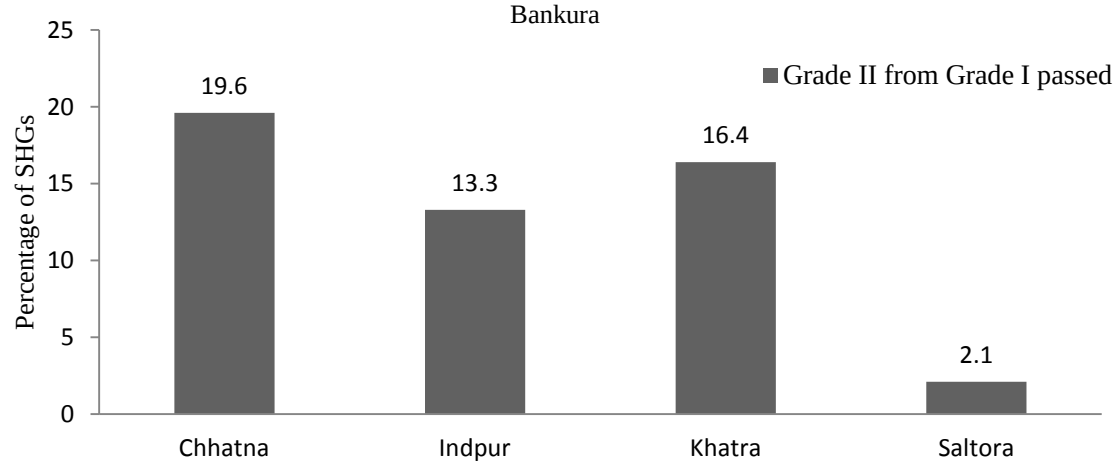
Table 4.12 Compound annual growth of SHGs passed Grade I in DP blocks of Bankura

DP blocks	Grade I
Chattna	-3.2*
Indpur	-1.5*
Khatra	-8.9*
Saltora	30.3

*Note:** Significant at the 0.05 level
*Source***:** *Author's calculation, office ofDRDA, Bankura*

Chhatna block had the highest percentage of SHGs (19.6%) qualified for Grade II from Grade I stage and Saltora block had only 2.1 per cent of SHGs in this respect (Figure 4.8). Further, very low percentage of SHGs joined the credit-linked scheme.

Figure 4.8 Percentage of SHGs passed grade II from Grade I in sample DP blocks of Bankura



The variation in percentage of SHGs passed Grade II has significant relationship withpercentage of agricultural labourers and the cropping intensity across the sample DP blocks (Table 4.13).

Table 4.13 Percentage of SHGs passed Grade II in relation to literacy rate, percentage of agricultural labourers and cropping intensity in DP blocks

	GII Passed	LR	AL	CI
Paschim Medinipur				
Binpur-II	26.5	70.05	65.7	163
Gopibhallavpur-II	35.6	69.91	58.7	186
Jamboni	15.1	72.62	58.2	153
Jhargram	32.2	68.89	52.8	160
Bankura				
Chhatna	19.6	65.4	42.8	110
Indpur	13.3	69.6	54.4	114
Khatra	16.4	70.3	58.1	146
Saltora	2.1	54.7	35.4	105

Sources: Offices of the DRDA and P.A.O, Paschim Medinipur, Census of India, 2011

The variation in percentage of SHGs passed Grade II is significantly explained by the variation in percentage of agricultural labourers and the cropping intensity across the sample DP blocks to the extent of 80.6%. The coefficient of percentage of agricultural labourers is statistically significant at 5% level and that of cropping intensity is significant at 1% level. The whole model is significant at 1% level, the value of F being 15.506 (Table 4.14).

Table 4.14 Regression equation concerning SHGs passed Grade II

Regression equation	Adjusted R-square	F
GII_{DP} = -8.256 - .626*AL + .434**CI (-.774) (-2.622) (5.481)	.806	15.506**

Note: # Significant at the 0.10 level and* Significant at the 0.05 level
*Source***:** *Author's calculation, office ofDRDA, Paschim Medinipur and Bankura districts.*

4.4 Progress of SHGs in DP blocks vis-a-vis non-DP blocks

In this section we compare the progress of sample SHGs takentogether by their types, grades and credit linkage in DPAs and non-DPAs of the two sample districts, Paschim Medinipur and Bankura during 2002-03 to 2011-12. The growth in the number of SHGs formed in DPAs is found to be lower compared to that in non-DPAs [Table 4.15]

.

Table 4.15 Compound annual growth rate of the SHGs in DPAs and non-DPAs

Regions	SHGs formed	Women SHGs formed	Grade I Passed	Grade II Passed	Credit linked
DPAs	6.7#	6.5#	6.8#	24.6	40.4
non-DPAs	12.2	15.3	11.8	24.1	53.6

Note:** Significant at the 0.05 level and#Significant at the 0.10 level
*Source***:** *Author's calculation, office ofDRDA, Paschim Medinipur and Bankura districts.*

So far as the growth rate of the SHGs qualified for Grade I is concerned, it was observed that whereas the growth rate of Grade I qualified SHGs was 6.8 per cent (significant at 10% level of significance) in DPAs during 2002-03 to 2011-12,this growth rate for the non-DPAs was 11.8 per cent being statistically insignificant. Such situation is partly explained in terms of the political unrest (particularly Maoist activities and the *Maroa Maji* movement among the tribals in Jangalmahal) in these DP areas, e.g. in Jhargram sub-division which was affected by this problem [see Appendix Table A 4.8] during that period. Due to such political disturbances, women were less interested to form groups there. It was also due to the lack of initiatives on the part of local Panchayats to make the people aware of the benefits of SHGs. In some cases, the bank officials did not show a cooperative attitude to extend credit facilities to these SHGs in these areas.

Thus the first hypothesis that the progress of the SHGs in the DP region of West Bengal is remarkable but it has been still slow compared to that of non-Drought-Prone areas (non-DPAs) is accepted.

A summing up

In Paschim Medinipur most of the SHGs in DP blocks were formed by women during 2002-03 to 2011-12 but about 34.3 per cent SHGs formed by women were defunct. Jamboni and Binpur II blocks have shown higher progress in respect of Grade I passed. The growth of activities during 2005-06 to 2011-12 undertaken by the members of SHGs after qualifying for Grade I showed a positive trend.

Chhatna and Indpur blocks of Bankura district had more than 70 per cent women SHGs formed. However, about 6.5 per cent of the women SHGs were defunct. In respect of SHGs qualified for Grade I, Saltora block attained the highest growth rate (30.1%). However, Chhatna, Indpur and Khatra showed negative growth rate and all these were statistically significant at 5% level.

The variation of SHGs qualified for Grade II was significantly explained by those in percentage of agricultural labourers and cropping intensity in DPAs.

Jamboni block registered highest compound annal growth rate of Grade I passed SHGs among sample DP blocks of Paschim Medinipur, but it is not statistically significant. Jhargram block showed the lowest compound annal growth rate of Grade I passed SHGs and it is statistically significant at 5% level. Among the sample DP blocks of Bankura, Saltora block showed the highest compound annual growth rate but other blocks showed negative growth rate.

Compound annual growth rate of SHGs formed by women, Grade I passed and credit-linked in the non-DP blocks was higher compared to that of DP blocks of Paschim Medinipur and Bankura districts.

Chapter 5

MICRO-LEVEL STUDY 1: PERFORMANCE OF SHGS

In chapters 3 and 4, we have analyzed the progress of SHGs in Drought-Prone districts and Drought-Prone blocks of West Bengal respectively. In those chapters we have anzlyzed differential performances of SHGs of DPAs vis-a-vis non-DPAs in respect of some particular variables based on secondary data. The performance of SHGs varies in respect of group formation, receipt of revolving fund, their being qualified for Grade I and Grade II and having credit linkage in DPAs and non-DPAs. The performance of the SHGs needs to be examined based on these data available from primary survey. Besides, the SHGs may be classified into strong groups, medium groups and weak groups based on some select performance indicators like year of functioning, per capita deposit, per capita credit, credit-deposit ratio and repayment-credit ratio and analysis could be conducted based on this classification. Moreover, there is the need for developing a model explaining the performance or non-performance of SHGs.These constitute the important issues which we try to address in this chapter.

The analysis thus in this chapter is divided into four parts. Section 5.1analyzes the performance differential for those groups which have qualified for Grade I and Grade II. Our explanatory variables are time-gap of performance, attendance at meeting, utilization of credit and training, and banking habit. Section 5.2 analyzes the performance differential based on classification of the sample SHGs by median and quartile value of the five indicators.In section 5.3 we frame a probit model to examine the significance of select independent variables (exogenous variables) which are supposed to affect the performance of SHGs in the DPAs. Section 5.4 sums up the discussion made in this chapter.

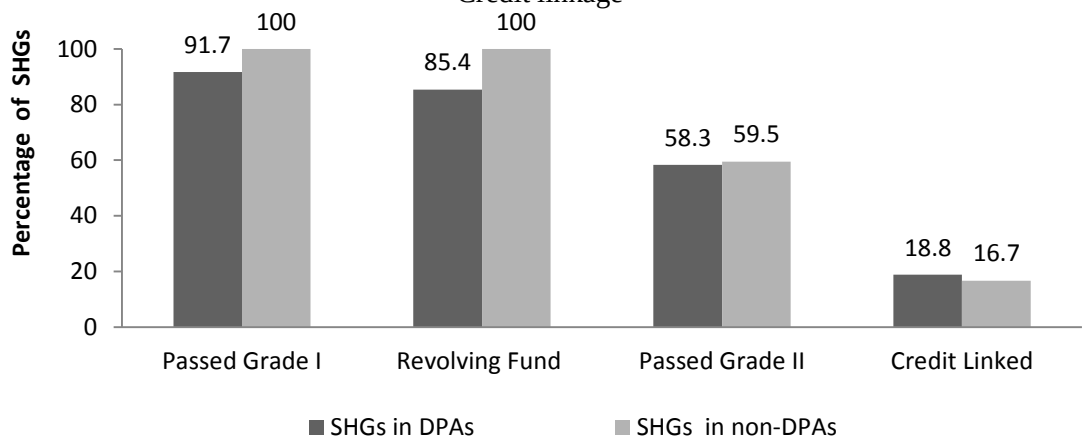
5.1. Performance differential in Drought-Prone vis-a-vis non-Drought-Prone areas

Out of sample 48 SHGs in the DPA, 91.7 per cent of the groups were found to be qualified for Grade I and 58.3 per cent of groups for Grade II, 85.4 per cent of groups received revolving fund and only 18.8 per cent of groups credit linked. Again 39.6 per cent of the groups availed themselves of the revolving fund once, 37.5 per cent of groups availed twice, 14.6 per cent of group availed thrice [see Appendix Table A 5.1]. Therefore, most of the groups have passed Grade 1 and received revolving fund. However, only one third

groups were credit linked out of those who were qualified for Grade II.On the other hand, out of sample 42 SHGs in the non-DPAs, centper cent groups were qualified for Grade I, 58.3 per cent groups were qualified for Grade II, centper centgroups received revolving fund and 16.7 per cent groups were credit linked (Figure-5.1). Again, out of those who have qualified for Grade 1, 38.1 per cent of groups availed revolving fund once, 42.9 per cent of group availed twice, 19 per cent of group availed thrice. Therefore, cent per cent groups have qualified for Grade 1 and received revolving fund. However, only 28 per cent of groups who are qualified for Grade II were involved in credit linkaged.

The information noted above is shown in Figure 5.1.

Figure 5.1 Percentage of SHGs qualified for Grade-I, Grade-II and Credit linkage



Our analysis here is on performances of SHGs which were qualified for Grade I and Grade II during 2002-03 to 2011-12. In DPAs, 44 SHGs were qualified for Grade I and 27 SHGs qualified for Grade II. On the other, cent per cent of SHGs were qualified for Grade I and 25 SHGs qualified for Grade II in non-DPAs [see Appendix Table A 5.1]. We use mean difference and correlation matrix by using t-statistic (t-value) to examine the performance of SHGs which passed Grade I and Grade II based on four indicators, namely Per Capita Deposit (PCD), Per Capita Credit (PCC), Credit-Deposit Ratio (CDR) and Repayment-Credit Ratio (RCR).

We calculatethe mean difference of four indicators of SHGs qualified for Grade I in DPA and non-DPA. The mean values and variances of Per Capita Deposit, Per Capita Credit and Credit-Deposit Ratio have been higher in non-DPAs compared to those in DPAs but this difference is not statistically significant. However, the mean value of Repayment-

Credit Ratio hasbeen higher in DPA compared to that in non-DPAs though the value of variance of RCR in non-DPAs is higher than that of in DPAs.

Table 5.1.1 Mean and Variance of groups passed Grade I, 2002-03 to 2011-12

Indicators	SHGs having Grade I				
	Mean DPAs	Variance DPAs	Mean non-DPAs	Variance non- DPAs	t-value
PCD	4530.66	9417308	3868.79	3799922	1.093508
PCC	7912.64	73360137	8493.2	73288555	-0.31429
C/D	211.43	7193.7	274.7	88894.1	-1.03242
R/C	38.34	678.2	41.95	577.7	-0.6674

*Notes:*PCD = Per Capita Deposit, PCC =Per Capita Credit, CDR = Credit-Deposit Ratio and RCR = Repayment-Credit Ratio.
Source: Author's calculation fromField Survey (2011-12);

Therefore, in respect of these 4 indicators, we do not find any significant difference between DPAs and non-DPAs for those groups which have qualified for Grade I.

We also calculate the mean difference of four indicators of SHGs qualified for Grade II and engaged in credit linked scheme in DPAs and non-DPAs. It is found that the mean values and variances of Per Capita Deposit, Per Capita Credit, Credit-Deposit Ratio and Repayment-Credit Ratio have been higher in non-DPAs compared to those in DPAs but the difference is not statistically significant. Again, the mean and variance of Per Capita Deposit, Per Capita Credit, Credit-Deposit Ratio and Repayment-Credit Ratio have been higher in non-DPAs than those in DPAs for SHGs engaged in credit linked scheme. Therefore, we do not find any significant difference for the SHGs qualified for Grade II and also involved in credit linkage scheme [see Table 5.1.2].

Table 5.1.2 Mean and variance of PCS, PCC, CDR and RCR for SHGs passed Grade II and involved in credit linkage scheme, 2001-2002 to 2011-12

Indicators	SHGs havingGrade II					SHGs involved in credit linkage scheme				
	Mean DPAs	Variance DPAs	Mean non-DPAs	Variance non-DPA	t-value	Mean DPAs	Variance DPAs	Mean non-DPAs	Variance non-DPAs	t-value
PCD	3545.87	200929	4254.72	384932	-1.48	4505.1	13183	6299.4	45285	-1.99
PCC	10286.2	645788	11672.7	915672	-.563	19083.2	45815650.	25817.3	4891002	-2.81
CDR	266.85	22377.2	284.1	45468.	-.339	403.22	18147.7	485.72	61400	-.851
RCR	52.41	632.792	52.62	767.57	-.028	49	434.75	56.79	944.49	-.575

Note: Same as in Table 5.1.2
Source Author's calculation fromField Survey (2011-12);

The correlation coefficients between the pair of four indicators (per capita deposit, per capita credit, credit-deposit ratio and repayment-credit ratio) of sample SHGs are shown

below (Table 5.3). The correlation coefficients between PCD and PCC, PCD and RCR are seen to be positive and statistically significant at 1% level. Again, CDR and PCC are positively related and the correlation coefficient is significant at 1% level. However, the PCC and RCR are negatively correlated and the coefficient is significant at 5% level. The correlation coefficient between CDR and RCR is not significant here. In non-DPAs the correlation coefficients between PCD and PCC, PCD and RCR are seen to be positive and statistically significant at 1% level. However, the correlation coefficient between CDR and RCR is negative and not significant [see Appendix Table A 5.2.1].

Table 5.1.3 Correlation matrix for SHGs passed Grade I

	PCD	PCC	CDR	RCR
DPAs				
PCD	1.00			
PCC	.480**	1.00		
CDR	-.136	.611**	1.00	
RCR	.638**	-.35*	-.033	1.00
non-DPAs				
PCD	1.00			
PCC	.664**	1.00		
CDR	-.176	.461*	1.00	
RCR	.382**	.130	-.270	1.00

Notes: PCD = Per Capita Deposit, PCC =Per Capita Credit, CDR = Credit-Deposit Ratio and RCR = Repayment-Credit Ratio

** significant at the 0.01 level, * significant at the 0. 05 level

Source: Author's calculation fromField Survey (2011-12).

Wealso examine the correlation matrix of the performance indicators of SHGs which have qualified for Grade II in DPAs and non-DPAs.The correlation coefficient between Per Capita Deposit and Per Capita Creditis positive and statistically significant at 1% level. Further, the correlation coefficient between Per Capita Credit and Credit-Deposit Ratio is positive [see Appendix Table A 5.2.2] and statistically significant at 1% level. In non-DPAs the correlation coefficient between Per Capita Credit and Credit- Deposit Ratio is found to be positive and statistically significant at 1% level.

Table 5.1.4 Correlation matrix for SHGs passed Grade II

	PCD	PCC	CDR	RCR
DPAs				
PCD	1.00			
PCC	.693**	1.00		
CDR	.289	.818**	1.00	
RCR	.010	.105	.228	1.00
non-DPAs				
PCD	1.00			
PCC	.614	1.00		
CDR	-.049	.713**	1.00	
RCR	.405	.083	-.235	1.00

Notes: Same as Table 5.1.3
**significant at the 0.01 level
Source: Author's calculation fromField Survey (2011-12);

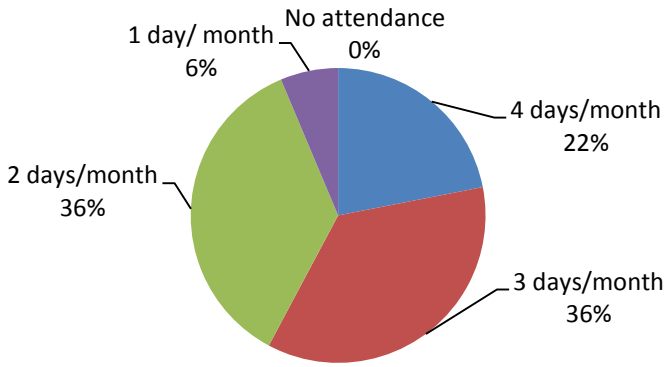
Attendance at meeting

For each SHGs to function successfully attendance at meeting is compulsory. In terms of attendance of members, as per rule more than 90 per cen attendance considered to be very good, 70 per cent to 90 per cen attendance good and less than 70 per cen attendance unsatisfactory. Any SHG is supposed to hold regular meetings (at least two meetings at a regular interval in a month). Collection of savings, sanction of loan, recovery of loan, rate of interest, name of defaulter and causes of default, social issues-all such discussions take place in these meetings. In every meeting, the members are encouraged to actively participate in the discussion and give their views to find out solutions to the problems faced by the group. When the group tries to help its members, it becomes easier for them to face the difficulties and come up with solutions (**NABARD, 2002**).

Percentage of attendance of the members of the sample SHGs at meeting in DPAs and non-DPAs during 2011-12 is shown in Appendix Table A 5.3. In DPAs, 25 per cent members of the groups have more than 90 percent attendance and 6.3 per cent members have attendance less than 50 per cent i.e., unsatisfactory. On the other hand, in non-DPAs, 40.5 per cent members have more than 90 per cent attendance; 11.9 per cent members have attendance less than 50 per cent and 4.76 percent members have no attendance [see Appendix Table A 5.4]. Therefore, 58 per cent members have good attendance in DPAs and 76.2 per cent members have good attendance in non-DPAs and this is a good sign for their involvement in group-based activities. Though they have spent their time in household activities or even going outside for agricultural activities, they attend meetings and give suggestions for group activities.

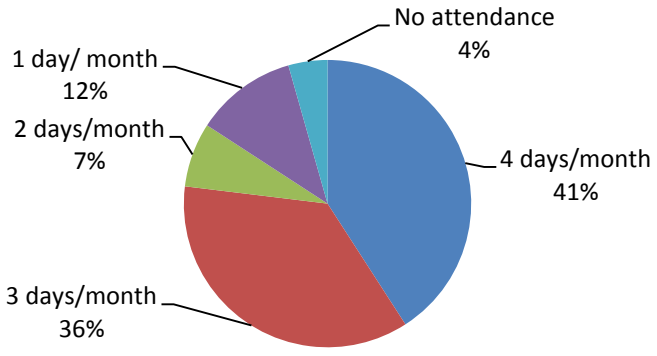
Attendance of the members at these meetings by the number of days per month has been taken into account as shown in Appendix Table A 5.4. It is necessary for the members to attend such meetings 4 days a month; and such attendance is treated as unsatisfactory if it is for only 2 days or less in a month.

Figure 5.2.1 Percentage of members attending meeting (day/month) in DPAs



In DPAs, 21.9 percent members attended such meetings 4 days a month and 6.3 per cent members attended only 1 day a month. Again, in non-DPAs, it is observed that 40.9 per cent members attended the meeting 4 days a month and 11.4 per cent attended it only1 day a month.

Figure 5.2.2 Percentage of members attendingt in meeting (day/month) in non-DPAs



An indication of enthusiasm among most of the members in attending such meetings becomes clear from the fact that 4.4 per cent of members have not attended any meeting (because of excuses like not getting much time to attend the meeting after household works and childcare activities). This is shown in the Figure 5.2.1 and Figure 5.2.2. Attendance of 42 per cent members of the sample SHGs is seen to be unsatisfactory.

These members of SHGs often go out of their homes in search of food and firewood and for seeking work in agricultural activities for their livelihood around the year. In non-DPAs, about 23 per cent members have shown unsatisfactory performance in this regard. The poor attendance, particularly of the poor SC and ST members (women) of SHGs might be due to their business for ekeing out a living particularly in Drought-Prone areas. Hence, they do not get much time to attend the group meetings.

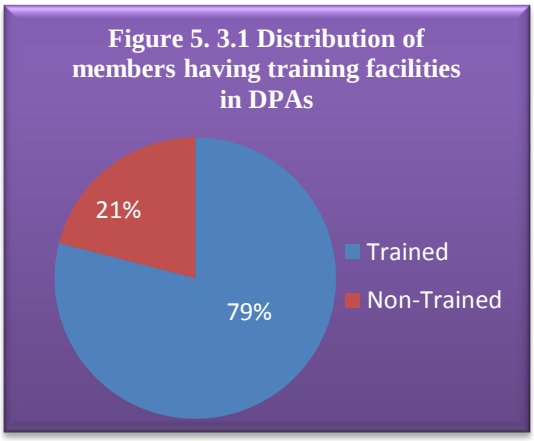
Member participation in training and awareness

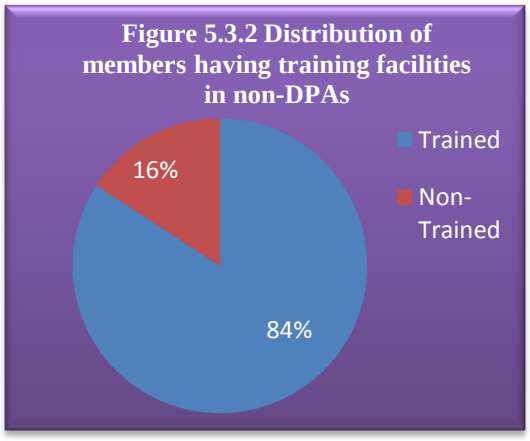
Themembers need proper training for smooth functioning of group activities. In order to make them aware of their own strength, they need to be organized through various training progrmmes (Maity, 2005). These training programmes are likely to empower the women membersin improving their efficiency and income-earning capabilities. The awareness programmes aim at empowering them to critically analyze their performance and encourage them to think independently and raise their voice against gender-based discriminations domestic violence against the women. According to Tripathy (2004), the necessary training could be provided to the SHG members to create awareness on community health, traditional and modern agriculture practices, Panchayat system and other relevant issues applicable to the areas concerned. It has been observed that there is misutilization of loans, failure of project, non-recovery of loans in banking sectors due to lack of training to the members of SHGs. Sarongi and Lahiri (2007), however, pointed out that training component was very weak in West Bengal.

We observed in our study area that Government and micro-finance institutions organize training programmes for SHG members and leaders. There are basically two types of training: (a) Entrepreneurial training in skills (e.g. basic book-keeping, accounting and business planning) required in setting up a small business, and (b) Technical training in skills required for a particular business. However, the problem lies in whether the skill acquired through training is actually productive in income generating economic activity. In many cases they cannot make proper use of training.

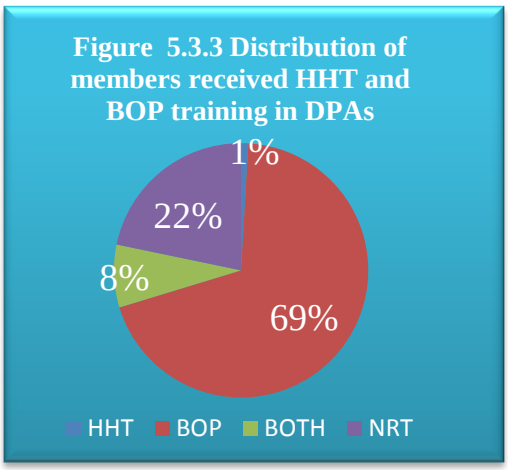
We present here the distribution of members who were getting training facilities. In DPAs, 79 per cent members were trained and in non-DPAs, 84.2 per cent. This is shown in Figure 5.3.1 and Figure 5.3.2. The percentage of members participated in training was more in non-DPAs than that in DPAs. Many members were seen to be not interested in

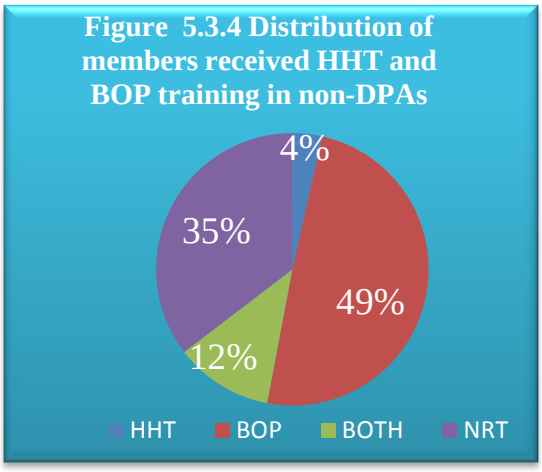
participating in training; rather they were much interested in child care and in collecting fodder and firewood.





The percentage of sample SHGs received HHT (Hand Holding Training) and BOP (Basic Orientation Programme) training was shown in the pie diagrams below for both DPAs and non-DPAs. Again, in DPAs, 78 per cent members received HHT and BOP training whereas it was 65 per cent for non-DPAs [see Appendix Table A 5.5].





***

The information regarding their participation in such training and awareness programmes in DPAs and non-DPAs has been shown in Appendix Table A 9.2 and Table A 9.3.

Caste-wise classification of the SHG members according to their participation in such training programmes shows that in DPAs, high percentage of members belonging to General caste (95%) and relatively low percentage of STs (77%) participated in the

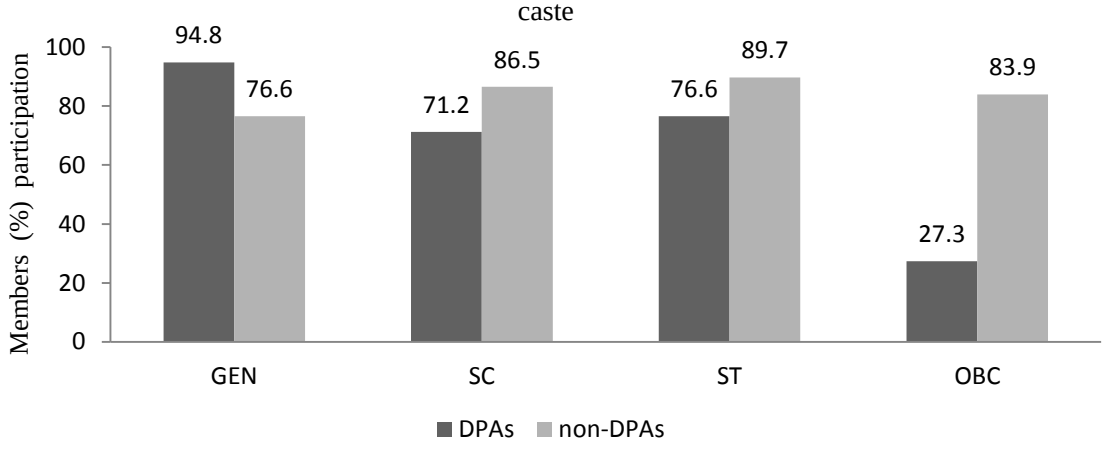
*** NRT = Not related in these particular training (HHT and BOP)

training programme. So far as the awareness programme is concerned (which are supposed to make them aware of the benefits of education, health and nutrition), it is observed that 52 per cent spoke of positive benefits they derived from such programme. Again, the percentage of members belonging to the SC and ST categories benefited more than that of the general category members in DPAs; in case of non-DPAs we find the opposite picture where the general category members benefited most from such programme. This might be due to there greater involvement and efficiency of the officials of the local government in encouraging the members of the SC and ST categories to attend this programme in DPAs compared to that in non-DPAs.

In non-DPAs, about 49 per cent SGH members spoke of the positive benefit they derived from such programme. Most of the ST members were found to have been encouraged or initiated by their resource persons who monitor them and in some cases by the panchayet members to participate in training and building awareness. On the other hand, it has been observed that the members belonging to general category, though participated in training programmes in much greater number, have attended the training not more than 1 or 2 days although in some cases the duration of the training programme was more than 5 days. It is believed that some of these members attended such training programme just to make them eligible for getting credit facilities from the banks after group formation.

Thus, in both DPAs and non-DPAs, the ST members of sample SHGs have developed awareness more than the other categories. The members, particularly women, of other categories have shown apathy because in majority of cases they were dependant on their husbands. Some of them took it as just their requirement to participate in training rather than to build awareness. However, the women in ST category got interested in building awareness and using it for the education of their children. The Figure below (Figure5.3.5) shows the classification of members by caste according to their participation in different training and awareness programmes in DPAs. It is observed that the members in ST and SC categories have benefited more from the awareness programme than the general category members. During our field survey, some of the women members belonging togeneral category stated that their husbands discouraged them to attend those programmes and hence, they did not join the said programmes since they could not take such decision independently.

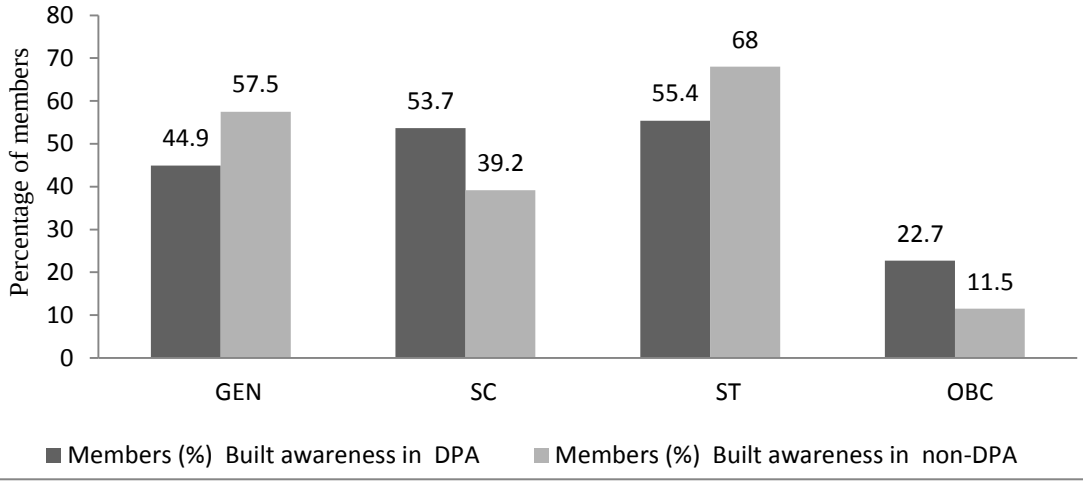
Figure 5.3.5 Percentage of members participated in training programme by caste



However, in non-DPAs, the members belonging to both general and ST categories benefited more from the awareness programme compared to other categories. Though the members in General category mostly depend on their husbands in taking any such decision on account of their higher literacy rates in non-DPAs compared to their counterpart in DPAs, which might have initiated them to join more and more in such programme.

Now we examine how many members by caste built different types of awareness. The matter of awareness among them is shown in four ways, namely whether there is any health effect (polio, leprocy, nutrition, pregnant mother's delivery, vaccination etc.), educational effect (children enrollment, stop drop out, daily observation on school going etc,.), social effect (cooperation among them and non-SHG persons of the group, help a blind person, old age care etc,) and political effect (whether they cast vote, become members of panchayets, attend Gram Samsad meetings regularly, read newspaper, watch television). Some members built awareness for only educational purpose, health related or social matters but some members built two and three types of awareness together. This is shown in Appendix Table A 5.8.

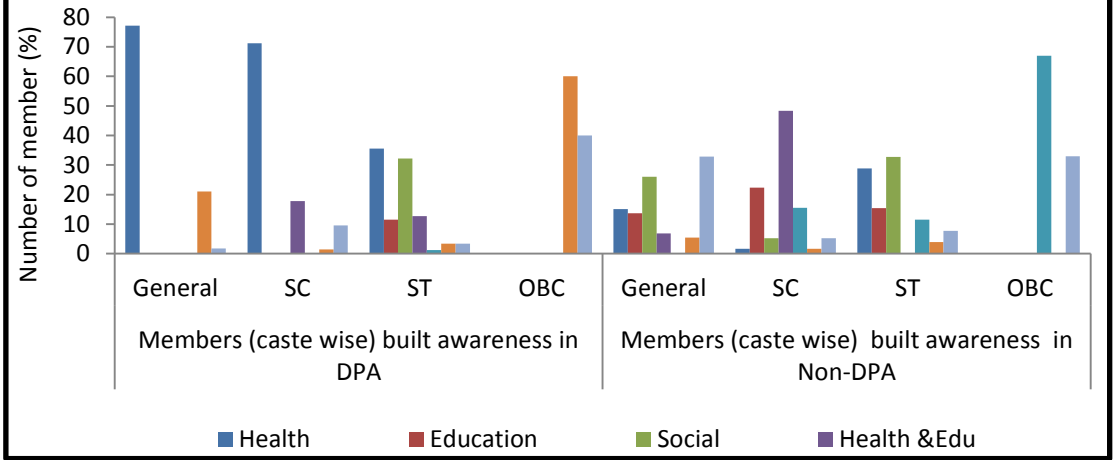
Figure 5.3.6 Percentage of members perticipated in awareness programme by caste



In DPAs, , 77.2 per cent members in general category built their awareness in health, 21 per centin health and social affairs, 71.2 per cent members in SC category built their awareness in health, 17.8 per cent in health and education and 9.6 per cent in health and education and social awareness. However, 35.6 per cent members in ST category built their awareness in health, 11.5 per cent in education and 32.2 per cent members in social awareness.

Now we see the cases of awareness in non-DPAs. Only 15.1 per cent members in general category built their awareness in health, 13.7 per cent in education, 26 per cent in social awareness and 32.9 per cent in health and education and social awareness. Whereas in case of SC category, only 1.7 per cent members built their awareness in health, 22.4 per cent in education and 48.3 per cent members in health and educational awareness. The members in ST category built their awareness in education, health, social in all respect in DPAs (Figure 5.3.6). They are seen to be more conscious about their children's education after joining as members of groups. However, the members of General category shift the responsibility of their children's education and health to their husbands. They are much dependent on their husbands. So they have shown apathy and they go to participate in training as required.

Figure 5.3.7 Built awareness of percentage of member in training by their caste



Thus we see that members of all categories go out of their homes and participate in training. Besides this training, they built awareness in health, education and social affairs which empower them and they can help build awareness to non-SHG members for polio, leprocy, nutrition, pregnant mother's delivery, vaccination, on one side and children enrollment, reduce drop out, and help blind persons, take old age care etc, on the other side. Local panchayet members and sometimes clubs in this locality help them build this awareness.

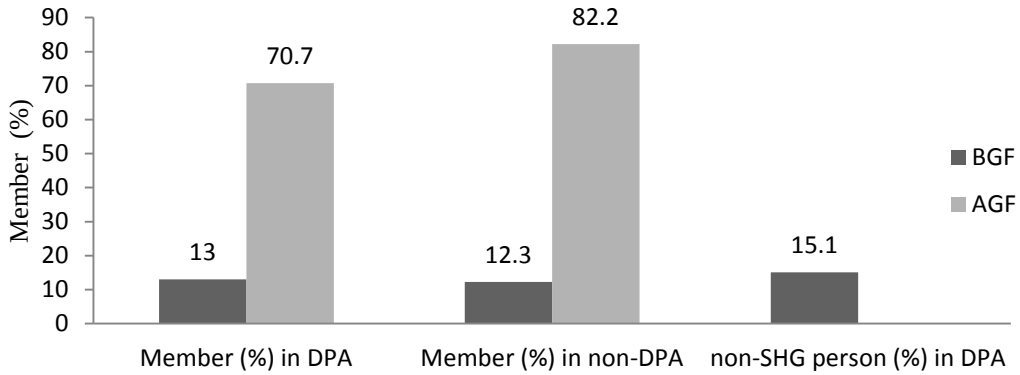
Banking habit

Inculcation of banking habit among the members of SHGs is supposed to be one of the important avenues of women empowerment. To ascertain the banking habits among the women members of a sample SHG, we enquired about the number of visits they make to banks in any particular month. Their initial effort, when supported by the microfinance programme of the government, could make a progress through an institutional linkage between the SHGs and the banking institutions. It is seen that before the formation of SHGs, the poor people had to depend on the informal or non-institutional sources of rural credit that often trapped them in debt burden. Now microfinance with proper SHG-bank linkage, has become the most suitable and easy alternative to the traditional or non-institutional sources of rural credit. Again, with the gradual increase in banking habit among the women members, they depend less on moneylenders (Umasankar, 2006). Some studies indicate that the members of SHGs become successful in reducing their dependence on rural money lenders (Nahaware and Mahadik, 2005).

The banking habit among the women members of the sample SHGs for both DPAs and non-DPAs before and after group formation has been shown in Appendix Table 5.9. About 13 per cent of the members have banking habit in DPAs and about 12 per cent of the members have such habitin non-DPAs before group formation. However, this situation has changed after group formation. It is observed that 71 per cent of the members in DPAs and about 82 per cent of members in non-DPAs have developed banking habit after group formation. Therefore, members have shown more keenness in visiting bank branches after group formation. According to Sen (1993) freedom to lead various types of life are reflected in the person's capability set. The capability of a person depends on a variety of factors, including personal characteristics and social arrangements. The women members have been encouraged to go to banks and thus their attitude has been changed after group formation. Some of them have shown proofs of their deposit, the amount of credit they received from banks. They are even aware of the rate of interest charged by the banks. Therefore, increase in banking habit among the women members is surely a sign of women empowerment in the rural areas of West Bengal.

We also analyze the banking habit of the non-SHG persons in DPAs. At most 15 per cent of them are seen to go to banks. Most of them are also found to be into a debt trap of rural money lenders. Therefore, if these non-SHG persons could be involved in SHG activities, their debt burden could have been relieved through an increase in income opportunities, savings habit and the banking habit. The Figure below shows that the percentage of SHG-members and other persons going to bank before and after group formation (Figure 5.4).

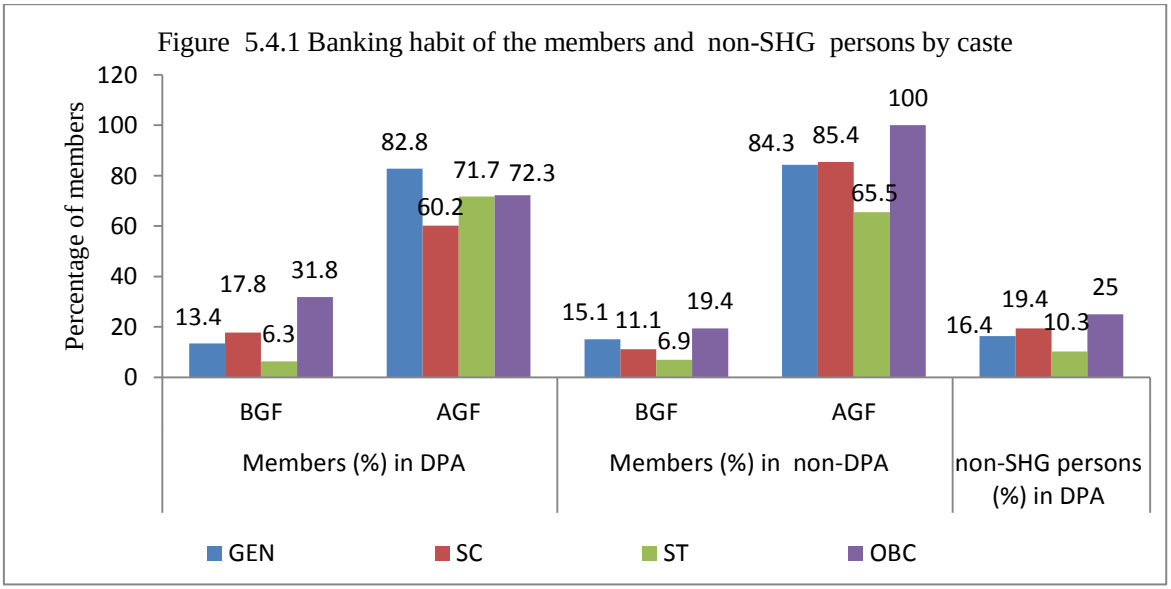
Figure 5. 4 Banking habit of the percentage of members of SHGs and non-SHG person



Castewise distribution of SHG-members according to their banking habits shows that the members of general caste have greater inclination to visit bank branches compared to the members belonging to SC/ST/OBC categories after group formation (see Appendix Table A 5.10). This might be because of the fact that the members are more aware of the benefits of banking habit compared to the members belonging to the ST/SC/OBC in DPAs. Further, it has been observed that illiteracy among the disadvantaged category members also makes them hesitant to visit any bank.They often feel that they will be subject to unnecessary harassment of the bank officials. However, the scenario is the opposite for the members belonging to the SC/OBC category in non-DPAs since they have performed better in terms of this banking habit. This is because of their percentage of literacy higher compared to that in non-DPAs.

We now analyze the banking habit of the non-SHG persons. Only 19 per cent of other persons go to banks. They have said that their husbands go to banks when required and hence they need not go to banks. Therefore, if the other households were involved in SHG activities, then their banking habit would have grown. One important point to note is that the banks are located in distance places which create problems for maintaining savings and getting credit from bank by the members and it is difficult for the poor as they spend more transport cost to reach the bank.

Figure 5.4.1 Banking habit of the members and non-SHG persons by caste



Frequency of bank visit

Now we analyze the frequency of the members visiting banks after group formation. It is found that 14.1 per cent of members visited banks once a month during the year of our

survey, i.e., 2011-12. Among these members, the STs were better placed than members of other categories because some of the STs were engaged in MGNREGA activities and mid-day meal scheme of DPAs. Thus some of them visited once a month this year. Again, 14.9 per cent members visited banks twice a month this year. It is to be noted that about 62 per cent members were going to banks just two days this year. Therefore, either most of the members were not interested in visiting banks or they did not feel any need to go to banks. However, it can be said that women member went to bank at least two days this year. Many members in General category depend on their husband for monetary transaction and therefore, they feel they need not go to banks rather they feel they should remain engage in their family activities. The percentage distribution of members of the sample SHGs according to their banking habits shows that more than 60 per cent members have banking habits [see Appendix Table A 5.11]. The members got aware of handling pass book, cash book after group formation as some of them were visiting to bank at least thrice a year with bank linkage they started handling common pass book too.

Time gap between different stages of growth

A SHG which functions for a period of six months at least and which has passed the Grade 1 evaluation or which has demonstrated the potential of a viable group receives a revolving fund. Thus the SHGs are taken through a grading process whereby they are graded as passed Grade I and Grade II. The SHGs are seen to have taken much time to qualify for Grade I and Grade II and for receipt of revolving fund and involvement in credit linkage scheme. Banks are seen to have been slow to process loan applications and to disburse loans after they have been sanctioned. The lack of co-ordination between banks and government agencies results in further delays in release of credit. Given that the scheme relies primarily on bank credit, delays hamper timely progress of the entire scheme. An analysis of the time gap between different phases of the progress of the SHGs, viz., the time duration between formation and Grade I qualification, Grade I to credit receipt, Grade I to Grade II and Grade II to involvement in credit linkage would help us understand their operational efficiency in their growth path over times.

Now we examine the time gap for differentphases of performance of SHGs. In DPAs, 27.3 per cent groups took 1 year and the rest (72.7 %) SHGs took more than 1 year to qualify for Grade I. Our analysis shows that about 89 per cent groups took 1 year for receipt of revolving Fund. Some examples may be cited from our survey, Radhanagar Karamtala

Sasahayak Dal in Jhargram block took only 6 months to pass Grade I and the members of this group received revolving fund for 6 months after passingGrade I. Again, Kalaiberia Manasamata SGSY Dal of Chhatna 2 gram panchayet in Chhatna block took only 6 months and the members of this group received credit for 2 months. However, Gogra Dhapali SGSY Saraswati Mahila Dal in Saltora block took 70 months to pass Grade I since the formation of this group [see Table 5.1.5]. This is because there was a problem of intra-group rivalry so that they could not take necessary decision and adopt measures required to get qualified for Grade I.

Again, about 18 per cent groups took 12 months and 70 per cent groups more than 24 months to get qualified for Grade II. For instance, Nagdi Sidhu Kanu SGSY Dal of Parihati gram panchayet in Jamboni block took 8 months to qualify themselves for Grade II. However, Aguboni Sagan Sakam Dal of Aguiboni gram panchayet in Jhargram block took 82 months to get qualified for Grade II because of severe political problem (Maroa maji movement) as well as Maoist movement there. In DPAs, about 78 per cent groups took 12 months to get credit linked. For instance, Jhantiara Adibasi Sasahayak Dal in Binpur II block received Rs 342500 after being qualified for Grade II and this group took only 4 months to come under the purview of credit linkage in contrast to Ghola Biswanath Swanirbhar Dal of Amdangra gram panchayet in Indpur block which took 14 months to get promoted to that status.

Table 5.1.5 Distribution of SHGs based on time gap in different stages of their growth

Time lag (in months)	% of SHGs in DPAs facing time lag between				% of SHGs in non-DPAs facing time lag between			
	Formation and Passing of Grade I	receipt of Credit	Passing of Grade II	receipt of Credit linked	Formation and Passing of Grade I	receipt of Credit	Passing of Grade II	receipt of Credit linked
1 - 3		61.0		22.2		28.6		42.9
3-6	11.4	22.0	3.6	33.3	14.3	31.0		0.0
6-12	15.9	12.2	14.3	33.3	38.1	16.7	12	14.3
12-18	27.3	4.9	14.3	11.1	16.7	11.9	8	14.3
18-24	18.2		7.1		7.1	9.5	16	0.0
24-30	4.5		3.6		2.4		24	0.0
30-42	6.8		10.7		16.7	2.4	24	14.3
42-56	13.6		14.3		0.0		8	0.0
56-66	2.3		14.3		0.0		0	0.0
66-86			17.9		4.8		8	14.3
Total	100 (44)	100 (41)	100 (28)	100 (9)	100 (42)	100 (42)	100 (25)	100 (7)

Note: ( ) (implies absolute number)
Source: Field Survey (2011-12);

However, this situation is something different in case of receipt of revolving fund and involvement in credit linkage stage. In non-DPAs, cent per cent of groups have qualified for Grade I and about 52 per cent groups took 12 months to get qualified for Grade I. Again, about 60 per cent of groups took 6 months and about 34 per cent of groups took more than 12 months for receipt of revolving fund. For instance, Sahaspur Durgamata SGSY Dal of Sahaspur gram panchayet in Indus block took 6 months to be qualified for Grade I and this group received revolving fund after 12 months. However, Karnaghar Baba Loknath Swarnajoyanti Swasahayak Dal in Salboni block took 24 months to get qualified for Grade I and the members of Kalaijuri Maa Santoshi SGSY Dal received revolving fund after 43 months.Again, 12 per cent groups have been qualified for Grade II by 1 year, only 24 per cent groups took 24 months and 64 per cent of groups took more than 24 months for being qualified for Grade II. In DPA, 28 per cent groups were involved in credit linkage process. Out of these, about 57 per cent groups took 12 months and 43 per cent groups took more than 12 months to be credit linked.

Thus, from our sample SHGs analysis based on the time lag between different stages of their growth, the groups in DPAs have shown better performance than non-DPAs in respect of their being qualified for Grade II, revolving fund receiept and credit linkage. However, in case of being qualified for Grade I, non-DPAs have shown better performance than DPAs. The political disturbance (Maoist problem as well as Maroa maji movement) in DPAs is an important cause of being delayed for passing Grade I. The members could not go outside even in day time so they could not function and about 80 per cent members did not understand the rules and regulations of SHGs. However, the scope of engagement in mid-day meal schemes was found to be higher among the members in DPAs compared to those in non-DPAs. Further, in some cases, the landless households (members of SGHs) in DPAs were found to become sharecroppers after the formation of groups. Thus, their performance in respect of getting qualified for Grade II, credit receiept and credit linkage judged on time-gap, DPAs have shown better performance than non-DPAs.

Thus, our second hypothesis regarding the performance of the members of SHGs in DP region is substaintial is also accepted. However, the performance of the members of SHGs in the DP region is still low in many cases compared to that in the non-DP region.

There are several factors, namely institutional, social, cultural and economic factors which can explain the relatively slow progress of the sample SHGs in the DPAs. We here dwell on some institutional factors while other factors are discussed in the next chapter under the section social issues of the SHGs.

Institutional factors include the rules and regulations under which the government-linked SHGs function and evaluated in the process of upgradation. These factors are shown in Table 5.1.6 against the status of SHGs (whether they are performing very good, good or unsatisfactory on the basis of marks allotted for each factor). It is to be noted that for a SHG to be qualified for Grade I the minimum mark to be secured has been fixed at 70 and for Grade II it is 80.

In our field survey, we have noticed that a sizeable percentage of the SC (59.2%) and ST (54.1 %) members are illiterate and 17.8 per cent SC and 12.7 per cent ST members [see Appendix Table A 6.3] have studied up to Primary level in DP region; they do not understand the rules framed by the government for the members. Not only that they do not have proper knowledge about their economic activities. One or two members in some groups are generally studied up to class viii and or Madhayamik passed then it is impossible for them to change their group leader one time in a year. They can not maintain and update their books (minutes, savings, loans etc.). The group members are very much poor and hence, they cannot deposit even minimum sum per month. Thus it is not possible by these groups to accumulate much savings. Further, they are required to attend meeting four times per month but as they are poor and they are involved in various economic low or non-remunerative activities like fodder and food collection from the jangle, agricultural and non-agricultural labour, and child care they can hardly find time to attend the meetings. The objective of the SGSY was to include most of the poorest persons under this micro finance but as they are poor they are seen to utilize a big share of their loan for unproductive purposes.

Some panchayat members and bank officials were also found to be not interested to cooperate with their group activities. Again, resource persons were employed by the government to supervise these groups but they hardly monitored the groups in a proper way. The reason might be irregular payment of remuneration to these resource persons. Many members of SHGs have shown apathy in continuing their group activities as they could not be qualified for Grade 1.

Another important reason has been the Maoist problems as well as Maroa maji movement in Jangalmahal region, which are important socio-political reasons behind the slow performance in the formation of new SHGs and their upgradation during this period.

Table 5.1.6 Institutional factors required for SHGs for qualifying for Grade I and Grade II

Sl No.	Factors to be Checked	Very good	Good	Unsatisfactory
1	Group size	15 to 20 (5 marks)	10 to 15 (3 marks)	Less than 10 (2 marks)
2	Type of members	Only very poor members(5marks)	2 or 3 not very poor members (3 marks)	Many not poor members (2 marks)
3	Number of meetings	Four meetings in a month (5 marks)	Two meetings in a month (3 marks)	Less than two meetings in a month (no marks)
4	Age of group	More than two years (10 marks)	1 to 2 years (7 marks)	5 to 1 years (5 marks)
5	Attendance of members	More than 90% (10 marks)	70 to 90% (5 marks)	Less than 70% (2 marks)
6	Participation of members	Very high level of participation (5 marks)	Medium level of participation (3 marks)	Low level of participation (2 marks)
7	Savings collection within the group	Four times a month (10 marks)	Three times a month (7 marks)	Less than three times a month (5 marks)
8	Beneficial of members from internal loan	Above 50% members (5 marks)	20% to 50% members (3 marks)	Less than 20% members (2 marks)
9	Interest on internal loan	Depending upon the purpose (5 marks)	2 or 3 rupees per hundred per month (3marks)	More than 3 rupees per hundred per month (2 marks)
10	Utilization of savings amount by	Fully used for loaning to members (7 marks)	Partly used for loaning (5 marks)	Poor utilization (3 marks)
11	Loan recoveries	More than 90% (10 marks)	70 to 90% (7 marks)	Less than 70% (3 marks)
12	Maintenance of books	All books are regularly maintained and updated (15 marks)	Most important registers (minutes, savings, loans etc.) are updated (8 marks)	Irregular in maintaining and updating books (5 marks)
13	Accumulated savings	More than Rs. 5,000 (10 marks)	Rs. 3,000 to 5,000 (7 marks)	Less than Rs. 3,000 (5 marks)
14	Knowledge of the rules of the SHG	Known to all (5 marks)	Many members know the rules. Some have little knowledge of it. (3 marks)	Most of the members do not know the rules (2marks)
15	Education level	More than 30% of members can read and write (5 marks)	20 to 30% members can read and write (3 marks)	Less than 20 members know to read and write (2 marks)
16	Change the leader of the group	One time in a year (5 marks)	One time in 1 to 2 year (3 marks)	One times in above 2 year (2 marks)

Source: Office of DRDC, Paschim Medinipur

5.2 Classification of sample Self Help Groups

In this section we examine the progress of SHGs by classifying the groups by their performance, i.e., whether they are performing better or otherwise. The sample SHGs have been classified as strong groups, medium groups and weak groups on the basis of the following factors: (i) Length of the period of operation, i.e., how many years these groups have been functioning, (ii) per capita deposit of the members of the groups, (iii) per capita credit availed of by the members of the group, (iv) Credit-Deposit Ratio of the groups, (v) their Repayment-Credit Ratio and (vi) their attainment of Grade II.

First, we have computed standardized value of each indicator for 48 SHGs in DPAs and 42 SHGs in non-DPAs by using the formula: $(\bar{x} - \mu) / \sigma$. We have calculated the median and 3rd quartile for these indicators. The value of the median and 3rd quartile for each indicator is shown in Table 5.2.1. The number of observations smaller than median is the same as the number greater than it. For strong groups, we have taken the value of third quartile as this value is more than the central value of the observations while for medium groups we have taken median values as that value is the central value of the observation.

Table 5.2.1 Median and 3rd quartile values required for classification of SHGs

Indicators of SHGs	Median	3rd Quartile
1.Year of Functioning	6	7.8
2.Per Capita Deposit	2607	4330
3. Per Capita Credit	6500	9300
4.Credit-Deposit Ratio	204	354
5. Repayment Ratio	43	66

Source: Field Survey (2011-12);

Now, based on those basic values of indicators, a sample SHG is considered a strong group if

1. The group had been functioning for more than 7.8 years;

2. Per capita saving of the members of this sample SHG was more than Rs.4330 at present;

3. Per capita credit availed of till then by the members was more than Rs.93000,

4. The Credit-Deposit Ratio of the members was more than or equal to 354.

5. The Repayment Ratio of the members was more than 66.

6. The SHG passed Grade II.

Similarly, a sample SHG is considered a medium Group if

1. The group had been functioning for more than or equal to 6 years;

2. Per capita saving of the members was more than Rs.2607 at present;

3. Per capita credit availed of till then by the members was more than Rs.6500,

4. The Credit-Deposit Ratio of the members was more than or equal to 204.

5. The Repayment Ratio of the members was more than 43.

6. The SHG passed Grade II.

Further, a sample SHG was considered a weak Group if the group did not satisfy the criteria fixed for either strong group or medium group i.e. if at least one of the six indicators which were to be satisfied by eitherstrong SHG or medium SHGwas not satisfied by the SHG, it was treated as a weak Group.

Based on the above criteria we then classified the sample groups as strong, medium and weak groups in DPAs and non-DPAs. In DPAs, 5 groups were seen to be strong group, 9 medium groups and 34 weak groups. Again, in non-DPAs, 5 groups were seen to be strong groups, 6 medium groups and 31 weak groups [see Appendix TableA 5.12]. We observe that as regards classification, both DPAs and non-DPAs had no significant difference in each category of groups. The number of the strong SHGs and the medium SHGs were seen to be less than 10. Therefore, we could not calculate the correlation matrix for strong SHGs and the medium SHGs, rather calculated the correlation matrix for weak SHGs which were more than 30 groups.

For weak SHGs in DPAs, we observed that there was a positive correlation between Per Capita Deposit and Year of functioning and the coefficient was significant at 1% level. The correlation coefficients between Per Capita Credit and Year of functioning, Repayment-Credit Ratio and Year of functioning were found to be positive and statistically significantat 5% level. Now the correlation between Per Capita Credit and Per Capita Deposit was found to be positive and the coefficient was significant at 5% level. The PCC and Credit-Deposit Ratio were positively correlated and the coefficient was statistically significantat 1% level [see Appendix Table A 5.12.3].

Table 5.2.2 Correlation matrix for weak SHGs

	YOF	PCD	PCC	CDR	RCR
DPAs					
YOF	1.00				
PCD	.672**	1.00			
PCC	.382*	.587*	1.00		
CDR	.301	.198	.757**	1.00	
RCR	.362*	.252	.107	.177	1.00
Non-DPAs					
YOF	1.00				
PCD	643**	1.00			
PCC	-.216	-.049	1.00		
CDR	-.490**	-.368*	.903**	1.00	
RCR	.214	.381	-.044	-.136	1.00

Notes: Same as Table 5.1.3
YOF = Year of functioning
* Significant at the 0.05 level and ** significant at the 0.01 level.
Source: Author's calculation fromField Survey (2011-12).

For the weak SHGs in non-DPAs we observed that the Per Capita Deposit and Year of functioning were positively correlated and the coefficient was statistically significant at 1% level. Again, the correlation coefficient between Year of functioning and Credit-Deposit Ratio was found to be negative and the coefficient was statistically significant at 1% level. We found negative correlation between Per Capita Deposit and Credit- Deposit Ratio. However, the correlation coefficient was statistically significant at 5% level. But the correlation coefficient between Per Capita Credit and Credit-Deposit Ratio was positive and the coefficient was significant at 5% level [Table 5.2.2].

We also calculated the mean difference of Per Capita Deposit, Per Capita Credit, Credit-Deposit Ratio and Repayment-Credit Ratio for strong, medium and weak groups in DPAs and non-DPAs. For strong SHGs, it was observed that the mean and variances for these indicators had been higher in non-DPAs than those in DPAs but the values of three mean differences out of four were not statistically significant. However, this difference in respect of Per Capita Deposit was statistically significant at 1% level. For medium SHGs, the mean and variance of Per Capita Deposit and per capita credit had been higher in non-DPAs than those in DPAs. However, the mean differences of PCD, PCC, CDR, and RCR were statistically insignificant. For weak SHGs thesedifferences in PCD, PCC, and RCR were statistically significant at 1% level. However, this difference in respect of CDR was not statistically significant.

Table 5.2.3 Mean and variance values of PCS, PCC, CDR and RCR for strong, medium and weak SHGs, 2001-2002 to 2011-12

	Mean DPA	Variance DPA	Mean non-DPA	Variance non-DPA	t-value
Strong Group					
PCD	4927	311588	6881	345418	-2.251**
PCC	20716	3437712	22376	353693	-.4446
CDR	414.4	4885	340	5776	1.611
RCR	65	207	75	704	-.7408
Medium Group					
PCD	4406.4	743464	4919.7	798241	-1.1052
PCC	10667	22710000	14290	79349000	-1.072
CDR	251	10018.53	116.81	298	-.8607
RCR	52	65.861	51.2	90.57	.1995
WeakGroup					
PCD	2200	1469	2443	1086	-27.444**
PCC	6026.3	5592.87	5835.13	5476.78	9.758**
CDR	235.5	151	278	245.5	-11.501
RCR	47.85	31.85	37.49	28.969	7.13**

Note: ** significant at the 0.01 level
Source: Author's calculation fromField Survey (2011-12).

We next examined the performances of the SHGs on the basis of time-gap between different stages of their growth. Our focus here was to assess how different groups classified as strong, medium and weak groups were performing based on the Time gap. In DPAs, 2 strong groups took 12 months and 3 groups took 24 months while in non-DPAs, only 1 group took 12 months to qualify for Grade I after forming the SHGs. Again, in DPAs, 1 group took 12 months and 4 groups took more than 42 months and in non-DPAs, all groups qualified for Grade II after 24 months. However, 4 groups in DPAs and 2 groups in non-DPAs were in credit-linked by 1year. Therefore, the strong groups in DPAs have shown better performance than those in non-DPAs in respect of time gap between different stages of their growth.

In DPAs, 1 medium group and in non-DPAs cent per cent groups took 12 months to qualify for Grade I after the SHGs were formed. Besides, 1 group in DPAs took 12 months while 6 groups in non-DPAs took more than 18 months for getting qualified for Grade II. Thus, in this case, most of the groups took much time. However, only 2 groups were credit-linked by 12 months. Therefore, them medium groups in non-DPAs showed better performance than those in DPAs in respect of time gap between different stages (except getting qualified for Grade II) of their growth (SeeTable 5.2.4).

Table 5.2.4 Number of SHGs facing time lag in different stages

Time lag (in months)	Number of Strong SHGs in DPAs facing time lag between				Number of Strong SHGs in non-DPAs facing time lag between				Number of Medium SHGs in DPAs facing time lag between				Number of Medium SHGs in non-DPAs facing time lag between			
	F and G I	CR	G II	CL	F and G I	CR	G II	CL	F and G I	CR	G II	CL	F and G I	CR	G II	CL
1 – 3		3		2				1		4				3		2
4-6	1			1		2				2		1	1	2		
7-12	1	1	1	1	1			1	1	2	1	1	2	1		
13-18	2	1			2	1		1	1	1	1					
19-24	1				1	2			3				1		1	
25-30							1		1						2	
31-42					1		1		2		1		2		1	
43-56			2				3				1				1	
57-86			2					1	1		5				1	
Total	5	5	5	4	5	5	5	4	9	9	9	2	6	6	6	2

Note: F and GI=formation and Grade I Passed, CR=credit Received, *G II*= Grade I I Passed, CL =credit linkage]
Source: Field Survey (2011-12)

Table 5.2.4 (Continued)

Time lag (in months)	Number of Weak SHGs in DPAs facing time lag between				Number of Weak SHGs in non-DPAs facing time lag between			
	F and G I	CR	G II	CL	F and G I	CR	G II	CL
1 - 3		18				9		
4-6	4	7	1	1	5	9		
7-12	5	2	2	1	13	6	3	
13-18	9		3	1	5	4	**2**	
19-24	4		2		1	2	2	
25-30	1		1		1		3	
31-42	1		2		4	1	2	1
43-56	6		1				1	
57-86			2		2		1	
Total	30	27	14	3	31	31	14	1

Notes: FandGI=formation andGrade I Passed, CR=credit Received, *GII*=Grade I I Passed, CL =credit linkage]
Source: Field Survey (2011-12)

In DPAs, 30 per cent weak groups and in non-DPAs, 58 per cent of such groups took 12 months to get qualified for Grade I. Again, about 21 per cent groups in DPAs and in non-DPAs took 12 months to be qualified for Grade II. Besides, 3 groups in DPAs and 1 group in non-DPAs were credit-linked. Thus, the weak groups in non-DPAs were seen to have performed better than those in DPAs in respect of time gap between different stages of their growth.

Utilization of credit: purpose

Utilization of credit is another important factor for the performance of SHGs. One important point is to be noted that repayment of loans in cash requires that the loan has to be invested in some production activity so as to generate surplus for serving debt

obligations or using the loan to increase the sphere of non-commodity production will not enable the borrower to earn the necessary amounts for loan repayment. In this connection, the main focus is whether the credit is utilized for productive purpose. If more number of members of SHGs utilized it properly, performance of SHGs will be higher. This is evident from the study of Sing (2001**)** where he has shown that the loans taken by members of SHGs were utilized for consumption purposes before their group formation but the loans have been taken for income generating activities after group formation. According to Joshi (2007) microfinance provides credit with no collateral obligations on one hand and promotes income generating activities on the other.

We analyzed the utilization of credit received by the members of strong, medium and weak SHGs from different sources of finance in productive and non-productive activities in DPAs and non-DPAs (after they passed Grade I and Grade II). In both DPAs and non-DPAs, cent per cent of credit received by the strong groups was utilized for productive purposes after passing Grade I. in case of Grade II passed also cent per cent credit was utilized for productive purposes in DPAs while in non-DPAs 86 per cent credit was utilized for productive and 14 per cent for unproductive purposes.

In case of medium groups in DPAs, cent per cent members utilized credit for productive purposes while 95 per cent utilized it for productive and 5 per cent only for unproductive purposes in non-DPAs after qualifying for Grade I. However, a sizeable share (21.2%) of total credit was utilized for unproductive purposes in DPAs and it was cent per cent for productive purposes in non-DPAs after the groups qualified for Grade II. This is because poverty alleviation was the objective. Therefore, many members utilized the credit for unproductive purposes. We give an example of Fulberia Birangana SHG of Nota gram panchayet in Gopiballabhpur II block of Paschim Medinipur district where the members were using their credit (per cent) for household consumption after passing Grade II. They knew that if they could form any SHG, they would get some credit and get opportunities for being engaged in mid-day-meal scheme. However, their primary aim was to earn something.

Table 5.2.5 Share of different sources of finance used in productive and non-productive activities by strong, medium and weak SHG members

Sources of finance	Funds (%) used by SHG members of Strong groups in					Funds (%) used by SHG members of Medium groups in						Funds (%) used by SHG members of Weak groups in							
	DPAs		non-DPAs			DPAs			non-DPAs			DPAs				non-DPAs			
	G I	G II	G I	G II		G I	G II		G I		G II	G I		G II		G I		G II	
	pd	Pd	pd	Pd	U p	Pd	pd	up	pd	up	pd	pd	Up	pd	up	Pd	up	Pd	up
Com. Banks	60	37.5	45.8	4.3	14.4	74.6	78.8	21.2	39.2	5.4	100	39.6	7.7			38.6	9.5	66	34
R R B	30.9	45.5	47.6	56.3		25.4			42.6			45.2	5.6	96.7	3.3	33.6	8.8		
Coop	9.1	17	6.6	25		-			12.8			1.9				9.5			
TOTAL	100	100	100	85.6	14.4	100	78.8	21.2	94.6	5.4	100	86.7	13.3	96.7	3.3	81.7	18.3	66	34

Note: pd = productive and up = unproductive
Source: Field Survey (2011-12);

For weak groups in DPAs, about 87 per cent credit was utilized for productive and 13 per cent for unproductive purposes while about 82 per cent was utilized for productive and 18 per cent for unproductive purposes in non-DPAs after the groups qualified for Grade I. We cite some examples in this context. Out of 10 members, 5 members of Radhanagar Karamtala Swasahayak Dal of Radhanagar gram panchayet in Jhargram Block of Paschim Medinipur district were seen to have used their credit for daughters' marriages etc. In case of Grade II passed, the members of Patpur SGSY Mahila Group of Patpur gram panchayet in Khatra block of Bankura district were seen to have used their 75 per cent credit for educational purposes and medical treatment. As a whole for Grade II passed, 96.7 per cent was utilized for productive and 3.3 per cent for unproductive purposes in DPAs while 66 per cent was utilized for productive and 34 per cent for unproductive purposes in non-DPAs (Table 5.2.5). For example, the members of Laxipriya SGSY Dal of Bhara gram panchayet in Bishnupur block of Bankura district were using their 35.3 per cent credit for household consumption.

Pattern of utilization of credit/fund

The pattern of utilization of credit by the members of sample SHGs after passing Grade 1 and Grade 11 is shown in Table 5.2.7**.** The members utilized the loan for purchasing cows, rams, goats and for meeting personal needs (Kamaraju, 2005). The credit was largely utilized for income generating activities that shape the economic aspects of peoples' lives through the use of economic tools such as credit. *Directly income generating activities* include A) agriculture, B) livestock, C) business/Shop and D) household manufacturing. *Agriculture* includes paddy production, mushroom production, plantation, *livestock*

includes goatery, diary, poultry, piggery, *household manufacturing* includes tailoring, netting, tip (bindi) making, leaf stitching, mini rice mill, chira preparation, rope making with babui grass, bamboo preparation, handloom, preparation of vermycompost. The expenditure on education and health is meant for productive purposes because it creates human capital.We also include the expenditure on housing and capital assets like motorcycle purchase as productive.

In DPAs, 39.7 per cent members of strong groups engaged themselves in livestock and 34.5 per cent in household manufacturing after passing Grade I; about 46 per cent members engaged themselves in livestock after passing Grade II while in non-DPAs 45.3 per cent members ofstrong groups were engaged in livestock and 22.6 per centin household manufacturing after passing Grade I; 24.4 per cent members were engaged in livestock and 24.4 per cent members in household manufacturing after passing Grade II.

In DPAs, 58.2 per cent members of medium groups were engaged in livestock, 20.4per centin business and 11.2 per cent in household manufacturing while in non-DPAs,4.8 members utilized credit for their household consumption after passing Grade I. Again, 40 per cent members were engaged in livestock and 40 per centin household manufacturing in DPAs while 52.4 per cent members got engaged in agricultural activities and 38 per centin livestock after passing Grade II in non-DPAs.

For weak groups in DPAs, about 11 per cent members were engaged in agricultural activities, 37.5 per cent in livestock and 22 per cent in household manufacturing after passing Grade I, and about 22 per cent members got engaged in agricultural activities and 73.2 per cent in livestock after passing Grade II.In non-DPAs about 9 per cent members were engaged in agricultural activities, 45.3 per cent in livestock and 25.4 per centin household manufacturing after passing Grade I. About 82 per cent members were in livestock, and 10 per cent members utilized it for health after passing Grade II.

Table 5.2.6 Percentage distribution of members used their credit in productive activities

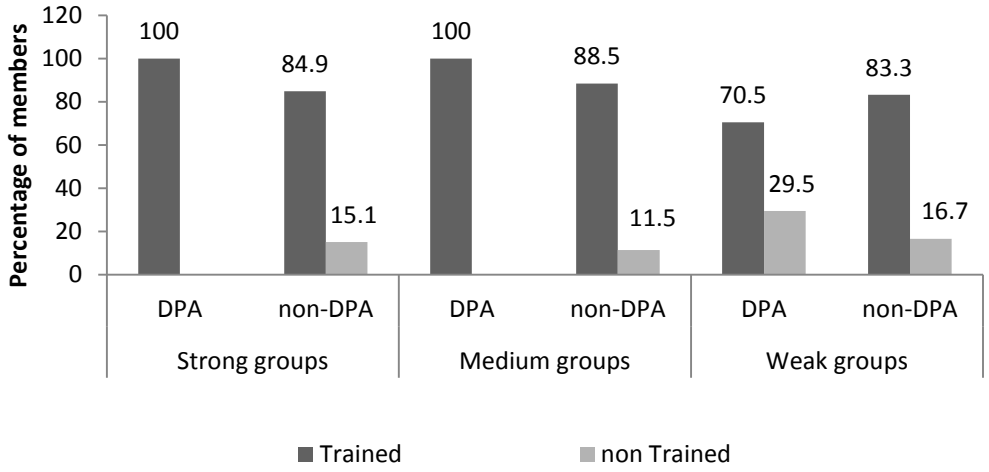
Directly income generating activities	**purpose ofloan by the members of SHGs**											
	No. of members of Strong groups in				No. of members of Medium groups in				No. of members of Weak groups in			
	DPA		non-DPA		DPA		non-DPA		DPA		non-DPA	
	G I	GII	G I	G II	G I	G II	G I	G II	G I	G II	G I	G II
A)Agriculture.	13.8	18.8	11.3		10.2			52.4	10.9	22	8.6	
B)Livestock	39.7	45.8	45.3	24.4	58.2	40	72.6	38	37.5	73.2	45.3	82
C)Business /Shop	12	14.6	20.8	26.8	20.4			4.8	3.6		5.9	
D)Household manufacturing	34.5	20.8	22.6	24.4	11.2	40	16.1	4.8	22		25.4	
E)Money lend.									3.3		2.4	
F) Education						10			1.6		.8	
G) Health							5		.7			10
H) motorcycle purchase etc.									.3		4.9	
I) House construction /Repair									1.6		.7	
Total	**100**	**100**	**100**	**76**	**100**	**90**	**93.7**	**100**	**98**	**95.2**	**94**	**92**

Source: Field Survey (2011-12);

Productive activities after receiving training

We present the distribution of members of strong, medium and weak SHGs who were engaged in productive activities after getting training facilities. In DPAs, 30.8 per cent members of strong groups got training in agricultural activities while 7.7 per cent members utilized it for goat rearing; 25.6 per cent gottraining in household manufacturing activities and all the members utilized it for productive activities; 43.6 per cent members got agricultural input production training but no member was found to have utilized it for productive activities, Thus, though cent per cent members of strong groups in DPAs got training, 33.3 per cent members only were seen to have utilized it for income generating activities. For strong SHGs in non-DPAs, 56.7 per cent members received training in household manufacturing activities and 43.3 per cent members got agricultural input production training. But, only 33.3 per cent members of strong SHGs utilized it for their group activities. In DPAs, 38.6 per cent of medium groups got training in agricultural activities, 15.7 per centin household manufacturing activities and they utilized it for income generating activities. 45.7 per cent members got training in agricultural input production but no member was found to have utilized it for productive activities.

Figure 5.5 Percentage of members trained in DPAs and non-DPAs



For example, the members of Kanki Kamala SGSY Dal of Arrah gram panchayet in Chhatna block of Bankura district got Tip (bindi) making training and these members utilized it for these activities. However, it has been found that as it has no market they faced huge loss. The members of Jaherara SGSY Mahila Group of Tiluri gram panchayet in Saltora block of Bankura district gottraining in poultry. But, they were seen to have been operating pumpset for supplying water in agricultural fields. Thus, only 15.7 per cent members were seen to have utilized the training they got for income generating activities. The members of Ghohalpara Binapani Pacemaker Swasahayak Dal of Ghohalberia gram panchayet in Binpur II block of Paschim Medinipur district got training in agricultural input production (Vermycompost). But, they were seen to have been engaged in babui rope (string) making activities.

In non-DPAs, 30.3 per cent members got training in mushroom production and 30.3 per cent members in beauty parlour training but no member was seen to have utilized it for productive activities. In reality, beauty parlor training in rural areas got scarcely productive relevance.

For weak groups in DPAs, about 80.9 per cent members got training in agricultural activities, 19.1 per cent members in household manufacturing activities but no member utilized it for income generating activities. Only 20.6 per cent members utilized the training they got for income generating activities. In non-DPAs, 33.9 per cent members got training in agricultural activities, 17.8 per centin household manufacturing activities and 38 per cent members in agricultural input production. But only 9.3 per cent members

of weak SHGs utilized it for their group activities. For example, the members of Baragar Saptapradip Swasahayak Dal of Debra I gram panchayet in Debra block of Paschim Medinipur district got mushroom production training. But, they have been found to be producing pineapple. For weak groups in DPAs, about 80.9 per cent members got training in agricultural activities, 19.1 per cent members in household manufacturing activities but no member utilized it for income generating activities. Only 20.6 per cent members utilized the training they got for income generating activities.

In non-DPAs, 33.9 per cent got training in agricultural activities, 17.8 per cent in household manufacturing activities and 38 per cent members in agricultural input production. But only 9.3 per cent members of weak SHGs utilized it for their group activities. For example, the members of Baragar Saptapradip Swasahayak Dal of Debra I gram panchayet in Debra block of Paschim Medinipur district got mushroom production training. But, they have been found to be producing pineapple.

From our sample survey thus we find that many members got training in various activities but some of them utilized that skill or knowledge for their SHG activities. However, training alone was not enough to ensure that group members take up income generating activities; their success depended also upon markets for the services and goods produced.

Table 5.2.7 Percentage distribution of members engaged in productive activities after getting training facilities

Types of the training	Strong groups in				Medium groups in			Weak groups in			
	DPAs		non-DPAs		DPAs		non-DPAs	DPAs		non-DPAs	
	TR	PA	TR	PA	TR	PA	TR	TR	PA	TR	PA
1.Agricultural activities											
Paddy production.	7.7							19.1			
Goatery	7.7	7.7			14.3			61.8	20.6	8.5	
Poultry	15.4				14.3						
Mushroom					10.0		30.3			25.4	
Total	***30.8***	***7.7***			***38.6***		***30.3***	***80.9***	***20.6***	***33.9***	
2.Household manufacturing											
Tailoring	25.6	25.6	36.7	33.3				19.1			
Netting			16.7								
Tip(bindi)					15.7	15.7					
Leaf stitching										8.5	
Mat			3.3								
Babui rope										9.3	
Total	*25.6*	*25.6*	*56.7*	*33.3*	*15.7*	*15.7*		*19.1*		*17.8*	
3.Agricultural input production											
Vermycompost	17.9				20.0					2.5	
Nursery	25.7				21.4					18.6	9.3
Plantation			43.3		4.3		30.3			16.9	
Total	*43.6*		*43.3*		*45.7*		*30.3*			*38.0*	*9.3*
4.Beauty Parlor							30.3			8.5	
5.Banking							9.1			1.7	
Grand Total	*100 (39)*	*33.3 (13)*	*100 (30)*	*33.3 (10)*	*100 (70)*	*15.7 (11)*	*100 (33)*	*100 (68)*	*20.6 (14)*	*100 (118)*	*9.3 (11)*

Note:TR = Members trained, PA=started Productive Activities after Training
Source: Field Survey (2011-12)

5.3 Probit estimates of performance:

In this section we analyse the performance of SHGs. We use the Probit estimates to examine the performance of SHGs. To facilitate this Probit we first prepared the correlation matrix. The indicators used were the Dummy variable indicating whether Grade II passed or not (‘1’ is put for Grade II passed and ‘0’ is put for Grade II not passed), average age of the members in each group, average level of education of the members of SHGs, percentage of poor members, percentage of members received training, percentage of credit utilized by the members, repayment rate, percentage of members’ attendance at meeting, Per Capita Deposit and Per Capita Credit.

‘Age’ and the dummy variable were negatively correlated and the correlation coefficient was significant at 5% level, which indicated that as the average age of the members in

each SHG increased, the progress of SHGs was falling. Previously we showed that young women members were very much interested in joining SHGs. Further, average level of education was positively related to the dummy variable and the correlation of coefficient was significant at 5% level. Percentage of members below povery line were seen to be negatively and significantly (at 1% level) related with the dummy variable. The percentage of members received training was positively related to the dummy variable at 1% level of significance. Percentage of credit utilized by the members was positively related with the dummy variable and the correlation of coefficient was significant at 1% level. A positive relation was shown between repayment rate and the dummy variable and the correlation of coefficient was significant at 1% level (Table 5.3.1). Per capita deposit was positively related to the dummy variable and the correlation of coefficient was significant at 1% level.

Table 5.3.1 Correlation matrix for performance of SHGs in DPAs

	DGRII	AGE	EDU	POV	TR	CUT	RCR	MT	PCC	PCD
DGRII	1.00									
AGE	-.331*	1.00								
EDU	.336*	-.398**	1.00							
POV	-.299*	-.214	-.224	1.00						
TR	.383**	-.196	.094	-.011	1.00					
CUT	.678**	-.194	.262	-.270	.343*	1.00	.			
RCR	.459**	-.141	.123	-.000	.260	.449**	.1.00			
MT	-.027	.090	-.083	-.002	-.020	.094	.105	100		
PCC	.120	-.058	.063	-.128	.263	.280	.298*	.044	1.00	
PCD	.504**	-.011	.120	-.277	.253	.398**	.573**	-.069	.469**	1.00

Notes:*Significant at the 0.05 level,**Significant at the 0.01 level,
DGRII indicates the dummy variable having the value '1' for the SHGs passed Grade II and '0' otherwise, * indicates significant at the 0.05 level, ** indicates significant at the 0.01 level, EDU = Education, POV = poverty, TR= training, CU = percentage of credit utilization, RCR= Repayment rate, MT= meeting, PCC = per capita credit , PCD = per capita deposit
Source: Author's calculation fromField Survey (2011-12).

We next go to the Probit estimate. Here the dependant variable is the dummy variable and seven independent variables are average age of the members in each group, average level of education of the members, percentage of poor members, percentage of members recived training, percentage of credit utilized by the members, repayment rate, and percentage of members' attendance at meeting.

Mean, standard deviation, and the notations used for the variables are shown in Table 5.6.2. The factors hypothesized to influence the dummy variable have been grouped into four categories: cultural, demographic, economic and non-economic.

Table 5.3.2 Notation, specification, mean and standard deviation of variables used in Probit estimation

Nature of variables	Notation	Specification	Mean	Standard deviation
Dependent Variable	DGII (Y)	'1' for Groups qualified for Grade II '0' otherwise	.58	.498
Demographic factors	Age (X_1)	Average age of the members in a group	37.71 years	4.71
Cultural factor	ALE(X_2)	Average level of education	3.73 years	1.49
Economic Factors	POV(X_3)	Percentage of poor members	78.52%	16.94
	CUT(X_5)	percentage of credit utilized by the members	77.52%	37.33
	RCR(X_6)	Repayment rate (%)	45.67%	37.71
Non-Economic Factors	TR(X_4)	Percentage of members recived training	74.52%	41.34
	MT(X_7)	Percentage of members' attendance at meeting.	2.77%	.93

Note: Same as in Table 5.3.2
Source: Author's calculation fromField Survey (2011-12).

Cultural factor was specified by average level of education of the member in DPAs. The average level of education of the member of SHGs was computed as the total years of education completed by the members in each group divided by member of the concerned group. Demographic factor used in our analysis was average age of the members of SHGs. The economic factors were specified as percentage of poor members, percentage of credit utilized by the members, repayment rate. The non-economic factors are specified as training and meeting.

The equation of Probit model:

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + U_i$

Where Y= the groups qualified for Grade II. We take dummy variable for Grade II passed.

Does group qualify for Grade II? Yes=1, No= 0.

x_1 = Average age of the members of SHGs,

x_2 = Average levels of education of the members of SHGs.

x_3 =Percentage share of poor person in the groups,

x_4 = Percentage of members got training,

x_5 = Percentage of members utilized their credit for productive purpose,

x_6 = Repayment rate,

x_7 = Attendance at meeting, and

U_i = Error terms.

The Probit estimate is shown in the table below.

Table 5.3.3 Probit estimates on performance of SHGs in Drought-Prone (qualified for Grade II) areas of West Bengal.

Variables	Coefficients	Z-values	P > Z	
Intercept	-11.45	-1.18	0.240	LR chi 2(6) = 50.98
Age	-0.40	-1.82	0.068	log likelihood = -7.11
Education	0 .54	1.30	0.195	$\bar{R}^2$ = .7819
Poverty	-0.05	-1.68	0.092	
Training	0.028	2.17*	0.030	
Credit Utilization	0.25	2.00*	0.046	
Repayment Rate	0.036	1.96*	0 .050	
Meeting	0.72	1.47	0 .141	

*Note:** significant at the 0.05 level.

Source:Author's calculation fromField Survey (2011-12).

The adjusted R^2 is 0.78. That means that the variation in the dummy variable is explained by that in the selected independent variables to the extent of 78 per cent. The whole model is significant at 5 per cent level.

The coefficients of training, credit utilization, and repayment rate are seen to be significant at 5% level. The result can be interpreted as follows. Training imparts skills and hence improves capability among the members receiving it. This helps the SHG a lot to qualify for Grade II. On the other hand, utilization of credit for productive purposes paves way for

increase in income for the members, which improves their saving and deposit capacity. This also positively influences the probality of the group getting qualified for Grade II.

5.4 A summing up

Most of the SHGs have passed Grade 1 and received revolving fund. However, only one third groups were credit linked out of those which were qualified for Grade II. We could not find any significant relation in this regard for the groups qualified for Grade II and also involved in credit linkage scheme.

The percentage of members who attended the meetings and participated in training was more in non-DPAs than that in DPAs. However, some of them utilized the skill or knowledge for their SHG activities. Again, increase in banking habit among the women members of SHGs was surely a sign of women empowerment in the rural areas of West Bengal.

In respect of performance of SHGs qualified for Grade II the coefficients of training, credit utilization, and repayment rate areseen to have been significant at 5% level.

Chapter 6

MICRO-LEVEL STUDY 2: SOCIAL ISSUES

In this chapter we analyze the social status of the SHG in DPAs and non-DPAs. It is revealed from our study that the self-help groups have helped improve the status of woman as participants, decision makers and stakeholders in the democratic, social and cultural spheres of life.

While analyzing a family's social status educational attainments of the members and decision making roles were assessed. The variables relating to social issues chosen for this study are age structure, level of education, children enrollment before and after group formation, decision making role. We analyze the social issues based on data from household survey.

This chapter is divided into three sections. Section 6.1 discusses demographic charecterisics of the sample SHG member-households, Section 6.2 analyzes the decision making role of the members of self- help groups. Section 6.3 sums up the discussion of the whole chapter.

6.1 **Demographic characterisics of sample households**

In DPAs, it was seen that 100 per cent SHG members belonged to female category and in non-DPAs, 96.9 per cent members belonged to this category.

Caste-wise division of the members showed the dominance of SC and ST categories in both DPAs and non-DPAs, and the similar structure was also observed for the non-SHG households. In the villages in Jangalmahal of Paschim Medinipur and Bankura districts dominant sub-tribes have been Kheria, sabar, Santal, Lodha etc.

In DPAs, 24.3 per cent belonged to general category, 34.6 per cent to SC category, 37.1 per cent to ST category and the rest 4 per cent to OBC category (Figure 6.1). This composition in non-DPAs also presented similar picture; 36.5 per cent belonged to general category, 37.6 per cent to SC category, 19.1 per cent to ST category and the rest 6.8 per cent belonged to OBC category (Figure 6.2). Among the non-SHG persons in DPAs, 12 per cent belonged to general category, 37.7 per cent to SC category, 46.1 per cent to ST category and the rest 4.2 per cent to OBC category (Figure 6.3).

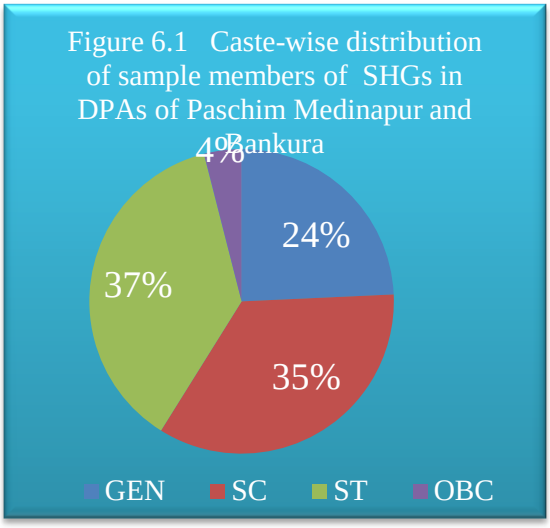


Figure 6.1 Caste-wise distribution of sample members of SHGs in DPAs of Paschim Medinapur and Bankura

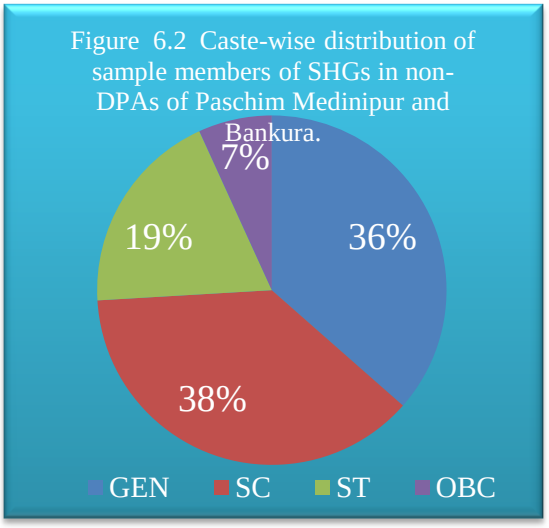


Figure 6.2 Caste-wise distribution of sample members of SHGs in non-DPAs of Paschim Medinipur and Bankura.

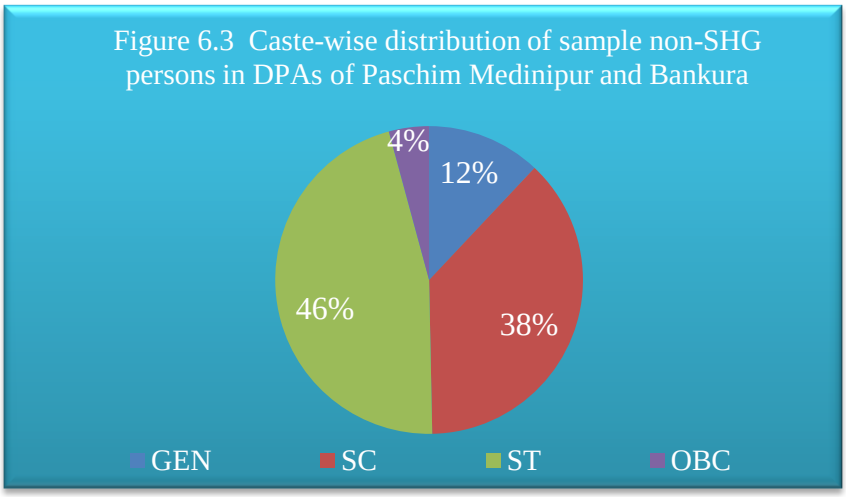


Figure 6.3 Caste-wise distribution of sample non-SHG persons in DPAs of Paschim Medinipur and Bankura

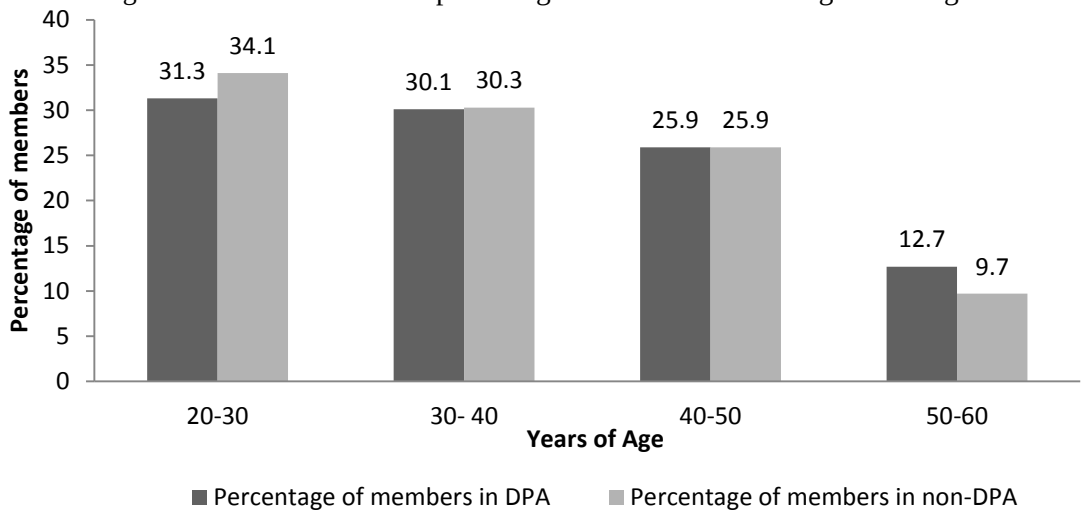
Age structure of the members

Most of young women formed SHGs and they could get the scope of building a long experience with their energy and ability to work. It was seen that about 31 per cent members under this study were in the age group of 20- 30 years, 30 per cent members between 30 and 40 years of age. Only 12.7% members belonged to the age group of 50 years and above in DPAs (see Appendix Table A 6.1). Similar trend was shown in non-DPAs (Figure 6.4).

We observed that the young women members (20 to 30 years of age) were joining the groups in non-DPAs, which was just a little higher than that in DPAs. The relatively old women members (50 to 60 years of age) were also joining the groups in non-DPAs, which

was just little lower than that of DPAs because only 9.7 per cent old women were found to join as members of SHGs in non-DPAs whereas it was 12.7 per cent in DPAs.

Figure 6.4 Distribution of the percentage of members according to their age



Educational status of members

Education is vital for improving the living conditions of human beings and for the promotion of social progress. According to the definition given in Population Census, all those persons who can read and write a single sentence with comprehension is treated as literate irrespective of the numbers of classes passed [Sing, 2012]. Education and women empowerment are closely inter-connected since educational attainments enable them to respond, to appreciate, to challenge their traditional roles and to raise their voice for a positive change in their lives (Banerjee, 2009). In our study, the level of education of the members of sample SHGs was indicated on the basis of the following categorization: Illiterate, up to primary level, up to upper primary level, up to secondary level, up to higher secondary level, up to under graduate level and post graduate level. The SHG leaders (viz. the secretary or treasurer of the SHG) were to be better off in educational attainments compared to the other members. But the majority of leaders were seen to be illiterate in Jangalmahal.

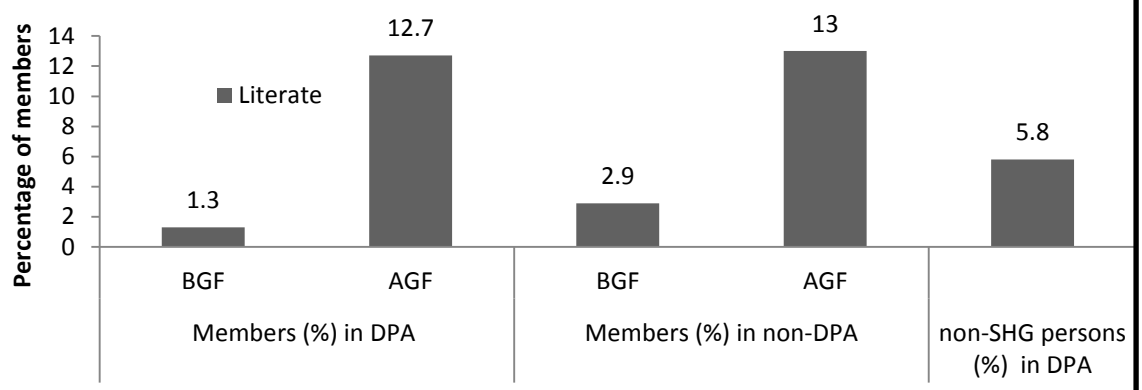
The change in the educational level before and after group formation was noticed. This has been shown in Appendix Table A 6.2. In DPAs, before group formation, 1.3 per cent SHG members were literate while in non-DPAs, 2.9 per cent members were found to be literate. Again, in DPAs, 16.7 per cent members were seen to have studied up to primary level, 25 per cent up to upper primary level and only 8.7 per cent members were within the

category of secondary education level. In non-DPAs, 19.3 per cent members studied up to primary level, 22.6 per cent up to upper primary level and only 8.1 per cent members were within the category of secondary education level before group formation.

However, this situation changed after group formation. It was observed that the literacy level of group members improved after joining the group. Appendix Table A 6.2 has shown that 12.7 per cent members in DPAs and 13 per cent members in non-DPAs became literate after group formation. Thus there was a fall in illiteracy. This table shows that the percentage of illiterate members, who constituted 46 per cent of total members in DPAs earlier were reduced to 34.6 per cent. A similar trend was observed in case of non-DPAs. In this case, the percentage of illiterates decreased from 43.7 per cent to 33.6 per cent. In many cases, the group members learned how to sign and read some sentences only after joining their respective SHGs and thus, it could safely be said that learning opportunities before the illiterate women was widened through their participation in SHGs. It is important to note here that the resource persons (employed by the local Panchayats) who monitored them along with some local educated youths and even the educated members (class VIII-X passed) of the respective groups helped the illiterate members to become literate. However, in case of the non-SHG persons in DPAs, a large section of women was still illiterate (40.7 per cent). They had no such facilities, as mentioned above, that could help them to become literate.

We observe that the percentage of illiterate members in both DPAs and non-DPAs has decreased after the formation of SHGs. Further, the percentage of members who have studied up to primary level has remained same after group formation although no change is observed in case of educational attainments up to upper primary level, secondary level, higher secondary level, under-graduation, and post-graduation levels before and after the group formation.

Figure 6.5 Percentage of literate members and non-SHG persons

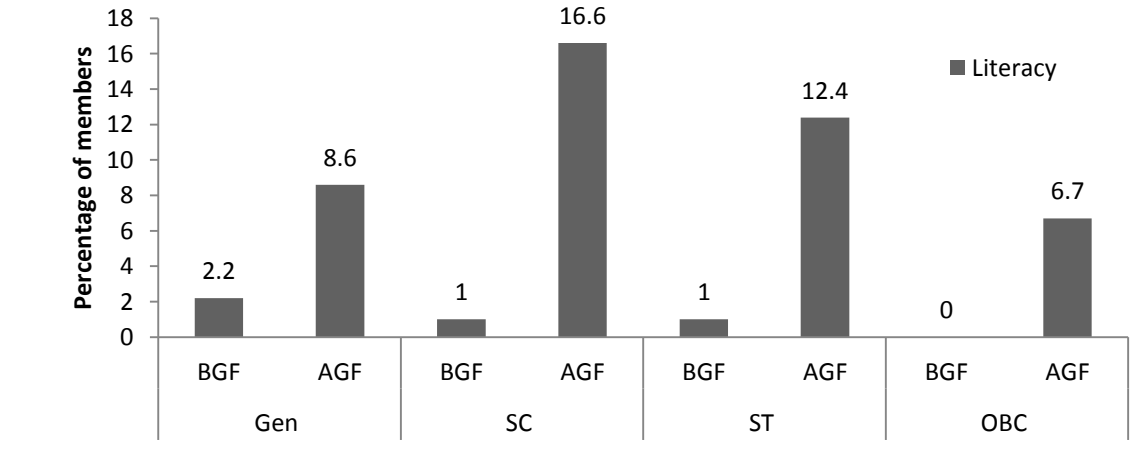


Level of education (caste basis)

The level of education of the members by their castes before and after group formation (Appendix Table A 6.3) shows that in DPAs 59.2 per cent members belonged to SC category, 54.1 per cent members to ST category were illiterate before group formation while it was only 19.4 per cent for general category. But after group formation, about 43.6 per cent members belonging to SC category and 42.7 per cent to ST category were found to be illiterate. Therefore, the percentage of illiterate members for SC and ST categories registered decline.

In Figure 6.5.1 the levels of literacy of the members belonging to general, SC, ST and OBC categories are shown for DPAs before group formation and after group formation. In our study, most of the SC members and ST members were young and most of them became literate after joining as members of SHG. The ST members were, in fact, encouraged to read and write to become literate.

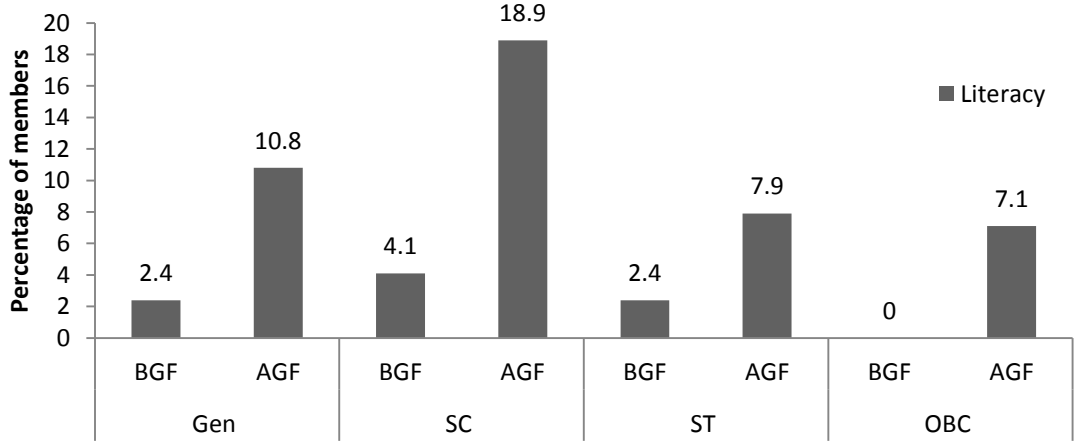
Figure 6.5.1 Percentage of literate members by their caste in DPAs



In non-DPAs, 34.9 per cent members of general category, about 43.9 per cent of SC category and 69 per cent ST members were illiterate. In fact, they did not feel any necessity to sign their names or acquire the capability to read and write before group formation. The female members, before group formation, had to remain busy in domestic works and child care activities and they had no opportunity to acquire this capability. After group formation they felt the necessity for being literate. Thus, there was a significant fall in the percentage of illiterate members belonging to SC and ST categories. About 29 per cent SC members and 63.5 per cent ST members were found to be illiterate after the group formation [see Appendix Table A 6.4]. The local club members and also resource persons and in some cases panchayet members helped them to become literate.

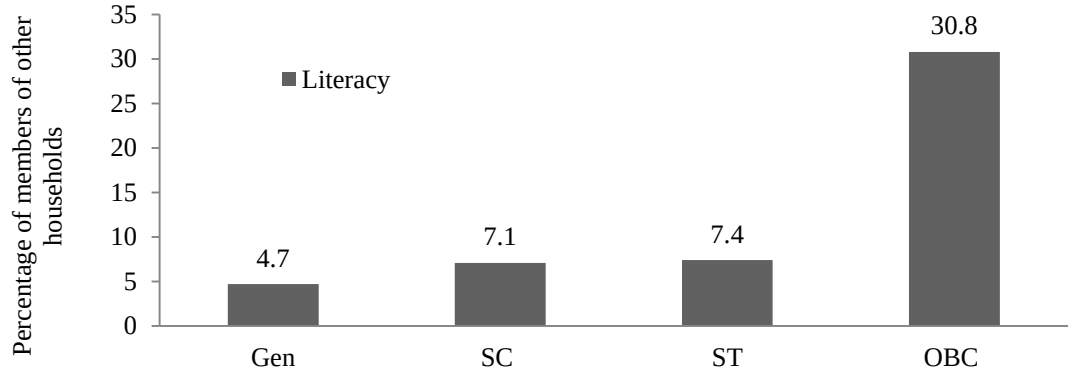
Figure 6.5.2 also indicates a significant fall in the percentage of illiterate members belonging to these categories after the group formation in non-DPAs. Some members of ST category became educated and they were found to have been encouraged by the local panchayet members and thus they tried to make literate the women members of SHGs after group formation.

Figure 6.5.2 Percentage of literate members by their caste in non-DPAs



The levels of literacy of non-SHG persons belonging to general, SC, ST, and OBC categories are shown in Appendix Table A 6.5.

Figure 6.5.3 Percentage of literate members of non-SHG person by their caste in DPAs



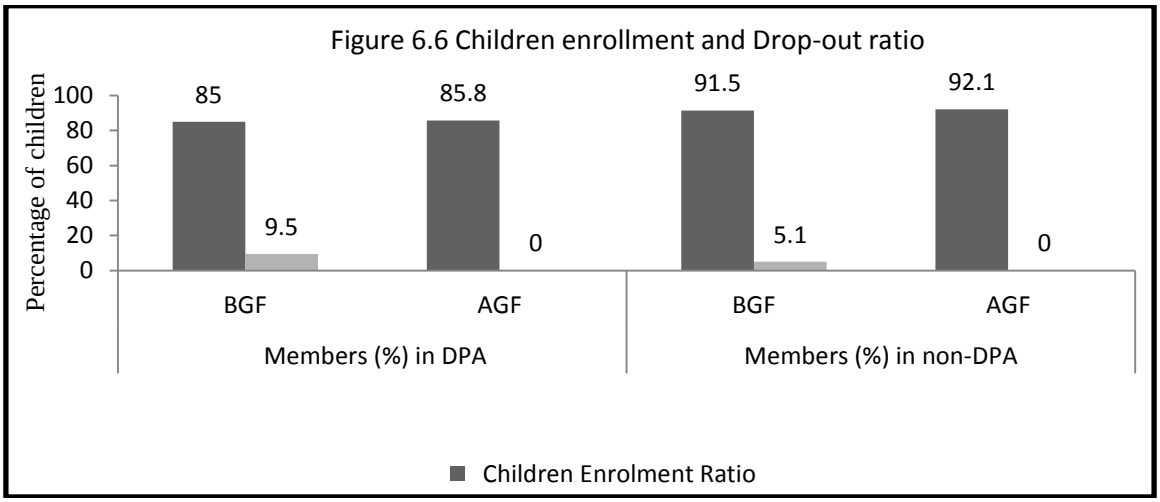
.

Enrollment status of children

The progress of literacy and education depends upon the propensity of children to go to school and also to complete at least the primary level. Enabling all children to obtain primary education has been the key challenge of the state government. The Gross Enrolment Ratio (GER) and Net Enrolment Ratio (NER) are two widely used indicators to assess children's participation rates in schools. GER is the total enrolment at a given level of education regardless of age divided by the estimated child population. NER gives the age specific participation for each education level (Jana and Dasgupta, 2012).

The distribution of children of SHG members by enrolment and drop-out before and after the group formation in DPAs is shown in Appendix Table A 6.6. We found that the children enrolment ratio was 85 per cent and the drop out rate 9.5 per cent before group formation. For instance, the five children of Ghola Biswamata Swanirbhar Dal dropped out from their school because their parent thought that if they could engage themselves in any motor garage, they could earn some money. The two children of Raghunath Jeu Swanirbhar Ghosthi dropped out at the age of 19 and 21 because of lack of finance for continuing their education. The five children of Rangamati Swanirbhar Ghosthi dropped out at the age of 17 as they went to another state to earn livelihood. All groups were fromIndpur block. One child of Dubra Maa Tara Swasahayak Dal dropped out at the age 13 because of apathy towards education. One child of Sri Sri Maa Sitala SGSY Dal in Jamboni block could not enroll itself in a school because of lack of awareness. The children enrollment, however, increased after the group formation because rate of literacy

among women could be widened through their participation in SHGs. Thus they became much aware about their children's education.



In non-DPAs children's enrolment ratio was 91.5 per cent and 5.1 per cent children dropped out before the group formation whereas 92.1 per cent children got enrollment in schools and no child dropped out after the group formationin non-DPAs. In Figure 6.6, we have shown the enrollment of the children and drop-out case in DPAs and non-DPAs before and after group formation.

6.2 Decision making role of members of Self- Help Groups

The decision making role of the members of SHGs is an important criterion for women empowerment. The SHG is considered as a forum for imparting solidarity and empowerment of women, providing them the space and voice to negotiate and participate as equals both within the family and in the society in general (Thirlwall, 2003). The percentage distribution of the members of the sample SHGs by their decision making role in DPAs and non-DPAs of Paschim Medinipur and Bankura districtis is shown in Table 6.1.

The women members of sample SHGs were found to be making decisions on buying and selling goods, sending their children to school etc, the decisions that in the past were made by their husbands. On decision making role the percentage distribution of SHG members is shown in Table 6.1. Total number of members of SHGs who were seen to have taken decision was 447 for 41 SHGs in DPAs and it was 422 for 40 SHGs in non-DPAs.

Table 6.1 Percentage distribution of members decision making roles

Decision Making role		DPAs		Non-DPAs	
		BGF	AGF	BGF	AGF
	Female	59.3	70.9	74.4	79.9
	Male	40.7	29.1	25.6	20.1
	Total	100 (447)	100 (447)	100 (422)	100 (422)

Source: Field Survey (2011-12)

We calculated the mean difference in respect of decisions taken by female members and directed by their male counterparts before and after the group formation in DPAs and in non-DPAs. The mean and variance of these two indicators are shown in Table 6.2. The t-values for both female and male were seen to be significant at 1 per cent level in DPAs. However, the t-values for both female and male were seen to be insignificant in non-DPAs. This difference in t-values in DPAs and non-DPAs is explained by the dynamics among the female SHG members after group formation, particularly in the form of awareness generation among them and improvement in literacy, education and health in the DPAs compared to the non-DPAs.

Table 6.2 Mean and variance of decision taken by female and male in DPAs and non-DPAs

Decision Making role		Mean BGF	Variance BGF	Mean AGF	Variance AGF	t-value
	DPAs					
	Female	6.46	2.40	7.73	3.70	-3.286**
	Male	4.44	2.0	3.17	1.54	4.31**
	Non-DPAs					
	Female	7.48	3.33	8.05	3.75	-1.392
	Male	2.57	2.00	2.09	1.84	1.99

Note: BGF = before group formation, AGF = after group formation,
Source Author's calculation fromField Survey (2011-12)

Thus, the third hypothesis that the social status of the members of SHGs have improved after their involvement in group activities is accepted.

6.5 A summing up

The percentage of illiterate members in both DPAs and non-DPAs was seen to have decreased after the formation of SHGs. A sizeable percentage of women members have learned how to sign or how to read and write only after joining their respective SHGs.

In case of decision making the t-values for female and male were seen to be significant at 1 per cent level in DPAs. However, the t-values for female and male were seen to be insignificant in non-DPAs.

Chapter 7

MICRO-LEVEL STUDY 3: Livelihood Pattern

In this chapter, we discuss the changes in livelihood pattern of the members of sample SHGs before and after group formation and its impact on poverty of the members. We also measure the pattern of inequality in the distribution of expenditure and income of the members of the sample SHGs. Rural livelihood as defined by Food and Agriculture Organisation (2003) is the capabilities, assets and activities that rural people require for a means of living. According to Chambers and Conway (1992) livelihood is the ways in which people satisfy their needs, or gain a living. This definition has been further expanded by Ellis (2000). According to him, a livelihood comprises the assets, the activities and access to these that together determine the living gained by the individual or the household. Carney (1998) has alsopointed out, "A livelihood comprises the capabilities, assets (including both material and resources) and activities required for a means of living". Again, Reddy and Manak (2008) have shown that in rural areas, livelihoods range from agriculture farming, animal husbandry, dairy and various other goods and services activities.

Swarnajayanti Gram Swarojgar Yojana was introduced as a holistic approach to promote income-generating activities for the poor households in a sustained manner with the objective of eradicating rural poverty. It is believed that these SHGs are an important instrument for improving the income opportunities and the livelihood pattern of the poor people in this region. Our study has revealed that the poor women got involved in several income generating activities in addition to their household works to eke out a living. Adverse agro-climatic condition makes this living pattern too hard for the poor households. In this section, we analyze the earning opportunities of the members of SHGs by their activity status in both DPAs and non-DPAs.

The analysis in this chapter is divided into three parts. In section 7.1 we analyze the activity status of the members of SHGs in DPAs and non-DPAs before and after their group formation. Section 7.2 throws some light upon the pattern of income, saving and investment, Section 7.3 sums up whole discussion of the chapter.

7.1 Activity status of the members of Self- Help Groups

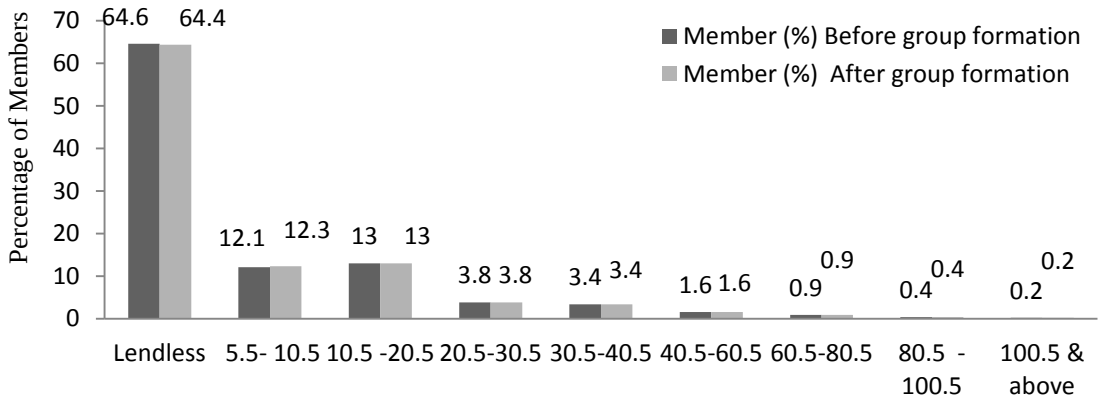
In this section, we discuss the pattern of operational holding and analyze the activity statusas per the National Sample Survey (the principal and subsidiary activities) of the members of SHGs before and after group formation, and after qualifying for Grade I and Grade II.

Pattern of operational holding

We examine here the percentage distribution of members of self help groups by the size of land holding (per capita ownership landholding and per capita operational land holding) in DPAs before and after the group formation (see Appendix Table A 7.1 and Table A 7.2). 45.8 per cent members were found to be landless[†††] before group formation having no source of income from land property. After group formation, one member was seen to have purchased cultivable land. The ownership landholding of the members before and after group formation is shown in the Figure 7.1.

Next we consider the operational land holding of the members. The operational holding = ownership holding + land purchased + land leased in – land leased out. Before the formation of SHG, there was any incidence of neither leasing in of land nor leasing out of land or any purchase of land.

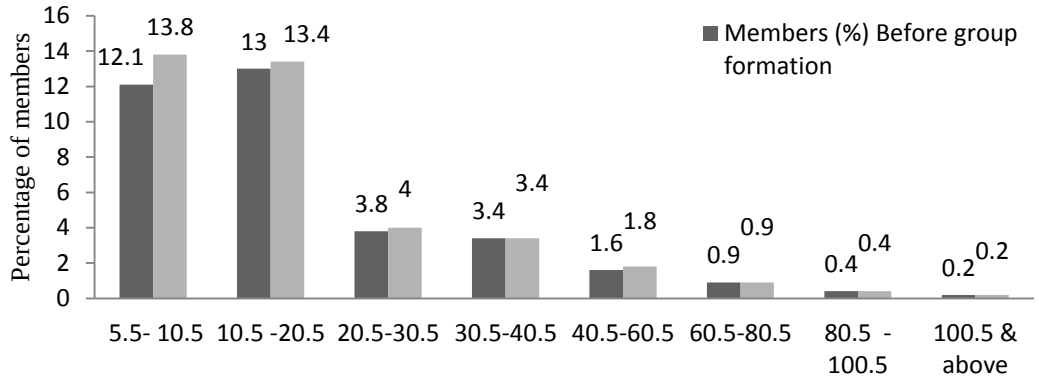
Figure 7.1 Percentage of members having per capita land holding



But this situation has changed after group formation. 5.4 per cent members were found to have leased in land as sharecroppers after group formation but no one has leased out any land. In Figure 7.2, the pattern of operational land holdings of the members before and after group formation is shown.

[†††]Having no land beyond 5 decimal.

Figure 7. 2 Percentage of members having per capita operational land holding



According to the National Sample Survey Organization (NSSO) the usual activity status relates to the activity status of a person during the reference period of 365 days preceding the date of survey. The activity status on which a person spends longer time during the 365 days preceding the date of survey is considered as the usual principal activity status (PS) of the person. A person whose usual principal status is determined on the basis of the major time criterion could have pursued some economic activity for a shorter time throughout the reference period of 365 days preceding the date of survey or for a minor period, which is less than 30 days, during the reference year. The status in which such economic activity is pursued can be considered as the subsidiary economic activity status (SS). The usual principal activity and usual subsidiary economic activity of a person taken together constitute the usual activity status and it is written as usual status (PS+SS).

The distribution of SHG members by activity status is shown in Appendix Table A 7.3. In DPAs, 13.3 per cent members were involved in principal activities, 54.7 per cent in subsidiary activities and 32 per cent in both principal and subsidiary activities while in non-DPAs, 16.5 per cent members were involved in principal activities, 48.3 per cent in subsidiary activities and 35.2 per cent in both principal and subsidiary activities before group formation. But, after group formation this situation has changed. In DPAs, 9.6 per cent members were involved in principal activities, 59.7 per cent in subsidiary activities and 30.7 per cent in both principal and subsidiary activities while in non-DPAs, 14.6 per cent members were involved in principal activities, 51.5 per cent in subsidiary activities and 33.9 per cent in both principal and subsidiary activities.Thus, the percentage of

members of sample SHGs involved in principal activities decreased while that increased in subsidiary economic activities.

It was observed that in the event of declining primary activity the subsidiary employment was the last resort and hence the percentage of subsidiary activity workers was higher in DPAs while the government and the market forces encouraged such activities in the face of declining employment elasticity. The share of different activity status (principal activity status, subsidiary status and usual status) of the sample members is shown below [Figure 7.3, Figure 7.4, Figure 7.5, and Figure 7.6 respectively].

Figure 7.3 Percentage of members involved in DPAs before group formation

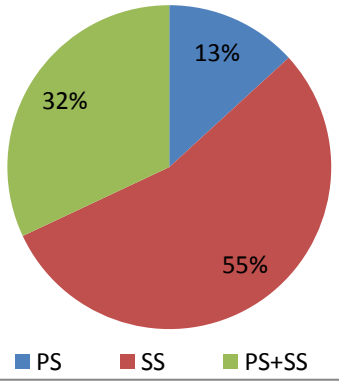


Figure 7.4 Percentage of members involved in DPAs after group formation

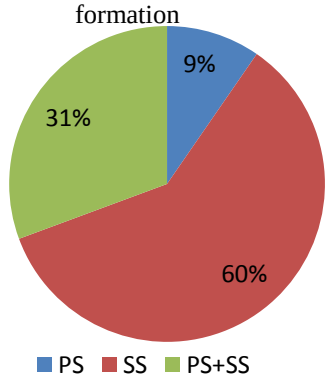


Figure 7.5 Percentage of members involved in non-DPA before group formation

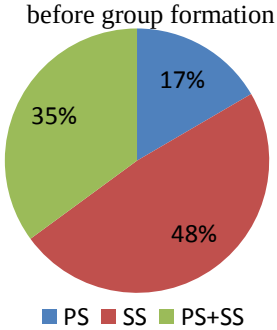
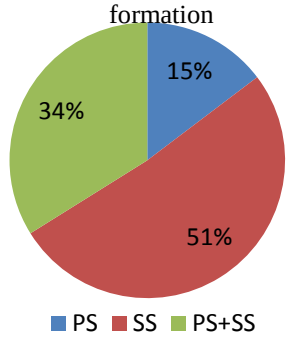


Figure 7.6 Percentage of members involved in non-DPAs after group formation



It is important to note in this connection that individual earning of any member can arise from sources other than group-based activities, and if a member is involved in several activities on part-time basis (say, in both poultry farming and acting as daily labour in MGNREGA / Mid-day Meal Schemes), then it is important to identify the share of individual income from SHG activities and its contribution towards household income. The study conducted by Sarswathy et.al (2009) reveals that majority of members agree to the point that their income has increased after joining SHGs.

Now we classify the SHG workers by the economic enterprize undertaken by them before and after group formation. The economic enterprizes include *agriculture* (paddy cultivation or, backyard poultry, duckery, piggery, goatery), *Manufacturing* (bamboo works, babui grass preparation, bag making, sewing, tailoring, and embroidery etc.), *agricultural input production* (Vermycompost and nursery), *vending of agri-allied* products including dealing in fish and vegetables, pump set operation in DPAs and non-DPAs [Table 7.1].

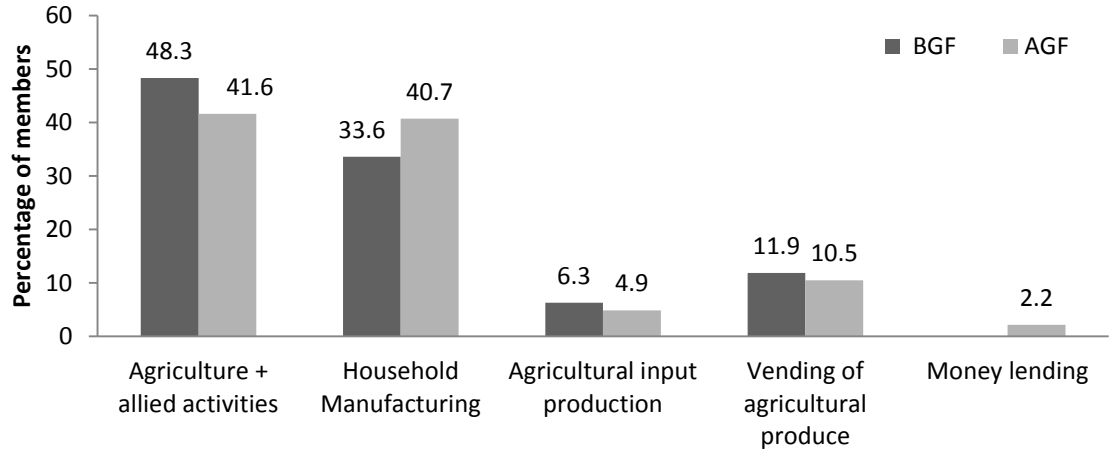
Table 7.1Percentage distribution of SHG workers by economic enterprise before and after group formation in DPAs and non-DPAs

Economic enterprise	DPAs		non-DPAs	
	BGF	AGF	BGF	AGF
1. Agriculture and allied				
Paddy cultivation	11.4	10.1	6.6	4.3
Goatery	27.1	22.6	41.7	39.1
Diary	3.4	3.4	11.6	11.6
Piggry	2.2	2.2	5.5	5.5
Poultry	4.3	3.4	3.8	0.7
Total	*48.3 (216)*	*41.6 (186)*	*69.2 (292)*	*61.1 (258)*
2. Householdmanufacturing				
Babui grass preparation	9.2	11.4	2.4	2.4
Bindi making	2.5	2.5		
Bhachati (fried muri)	4.0	4.7	2.8	5.7
Leaves stiching	3.4	3.4		
Bamboo preparation	2.7	3.6	6.6	10.0
Agarbati preparation			0.7	0.9
Bag preparation			1.2	1.7
Handloom	2.9	5.8		
Tailoring	4.5	4.5	0.5	0.7
Cloth making			2.4	2.4
Mini rice mill	4.5	4.5	0.5	0.2
Garland		2.7	2.8	
Total	*33.6 (150)*	*40.7 (182)*	*19.9 (84)*	*23.9 (101)*
3. Agricultural input production				
Vermycompost			2.4	2.4
Plantation (nussery)	6.3	4.9	2.4	2.4
Total	*6.3 (28)*	*4.9 (22)*	*4.8 (20)*	*4.8 (20)*
4. Vending of agricultural produce				
Fish dealer	4.1	3.4	0.2	0.2
Vegetable dealer	3.8	3.1	2.6	3.1
Small business	4.0	4.0	3.3	3.3
Total	*11.9 (53)*	*10.5 (47)*	*6.1 (26)*	*6.6 (28)*
5. Money lending		2.2 (10)		1.2 (5)
7. Beauty parlor				2.4 (10)
Grand Total	*100 (447)*	*100 (447)*	*100 (422)*	*100 (422)*

Note: ( ) indicates absolute numbers
Source: Field Survey (2011-12)

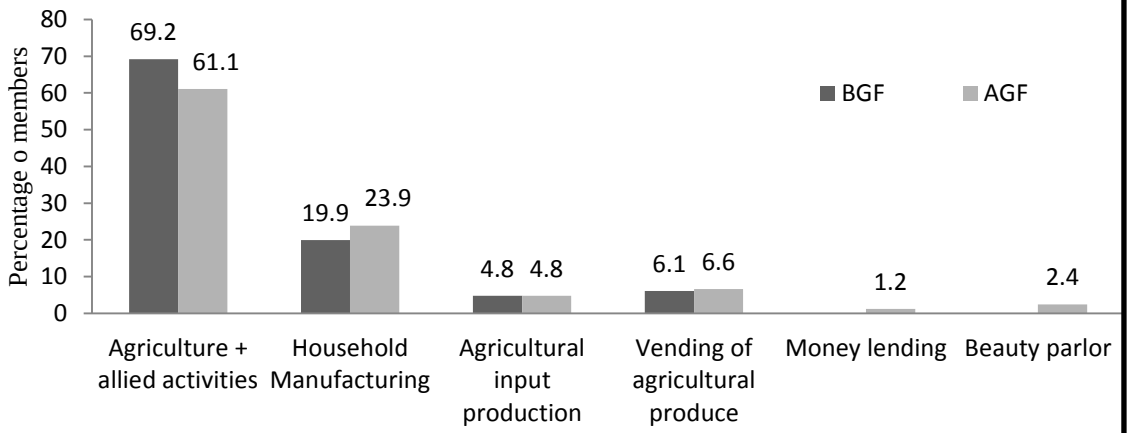
In DPAs, about 48.3 per cent members were engaged in agriculture and allied activities, 33.6 per cent in manufacturing industries, 6.3 per cent in agricultural input production and 11.9 per cent in vending activities before group formation. But this situation has been changed after group formation. About 41.6 per cent members were engaged in agriculture and allied activities, 40.7 per cent in manufacturing industries, 4.9 per cent in agricultural input production and 10.5 per cent in vending activities and 2.2 per cent in money lending (see in Table 7.7).

Figure 7.7 Percentage of members engaged in enterprizes before and after group formation in DPAs



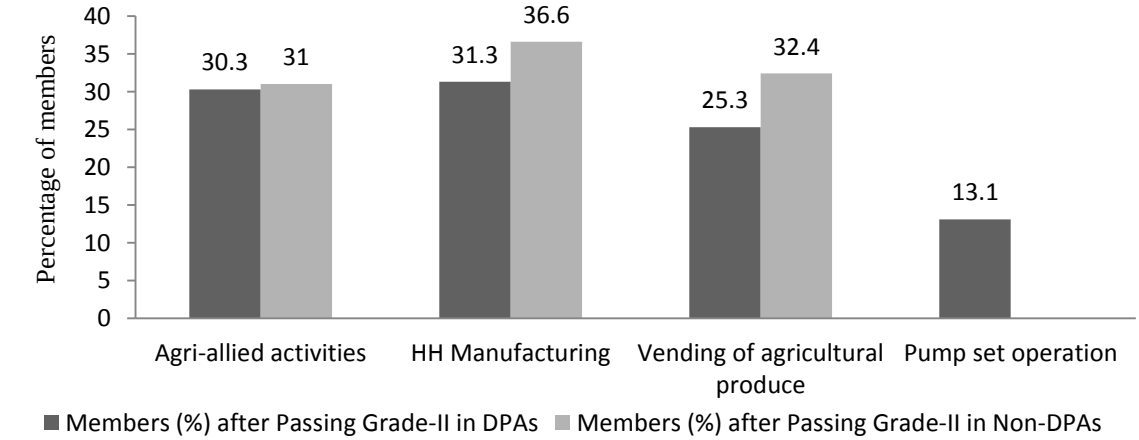
In non-DPAs, about 69.2 per cent workers were engaged in agriculture and allied activities, 19.9 per cent in manufacturing, 4.8 per cent in agricultural input production and 6.1 per cent in vending before group formation. But this situation has been changed after group formation. 61.1 per cent workers were engaged in agriculture and allied enterprises, 23.9 per cent in manufacturing, 4.8 per cent in agricultural input production and 6.6 per cent in vending and 1.2 per cent in money lending and 2.4 per cent in beauty parlor (Table 7.8).

Figure 7.8 Percentage of members engaged in enterprizes before and after group formation in non-DPAs



In DPAs, about 18 per cent workers and in non-DPAs, only 15.6 per cent workers were engaged in economic enterprise after passing Grade II is shown Table 7.9. In DPAs, about 30.3 per cent workers were engaged in agriculture and allied activities, 31.3 per cent in manufacturing and 25.3 per cent in vending and 13.1 per cent in pump set operation. On the other hand, in non-DPAs, 31 per cent workers were engaged in agriculture, 36.6 per cent in manufacturing, 32.4 per cent in vending [see Appendix Table A 7.4].

Figure 7.9 Percentage of members engaged in economic enterprizes after qualifying for Grade-II



Thus, we observe most of the workers of SHGs were engaged in non-agricultural enterprises in both DPAs and non-DPAs after passing Grade II. This is shown in Figure 7.9. We find that a sizeable share (30.3%) of workers engaged in agriculture in DPAs. About 20% workers were engaged in goat rearing. On the other hand, in case of household manufacturing, 11.1 per cent workers were engaged in Babui string processing while in non-DPAs about 31 per cent workers were engaged in agriculture, 25.4 per cent workers

in goat rearing. 36.6 per cent workers engaged in household manufacturing including cloth making (accounting for 16.9%)

Table 7.2 Distribution of SHG members by economic enterprizes after passing Grade II

Activity Status	Members involved in economic activities after Passing	
	Grade II in DPAs	Grade II in non-DPAs
1. Agri-allied activities		
Goatery	20.2	25.4
Diary		2.8
Poultry	10.1	2.8
Total	*30.3 (30)*	*31 (22)*
2. Household manufacturing		
Babui grass preparation	11.1	
Bamboo Preparation	10.1	14.1
Cloth making		16.9
Mini rice meal	10.1	5.6
Total	*31.3 (31)*	*36.6 (26)*
3. Vending of agricultural produce		
Vegetable dealer	9.1	25.4
Small businessman	16.2	7
Total	*25.3 (25)*	*32.4(23)*
4. Pump set operation	13.1	
Grand Total	*100 (99)*	*100 (71)*

Note: ( ) indicates absolute numbers
Sourc: Field Survey (2011-12)

The percentage distribution of SHG workers by number of days in a year they worked as cultivators, agricultural labour, MGNREGA scheme after group formation is shown in Table 7.3. In DPAs, about 26 per cent workers were engaged for more than 10 days as cultivator, about 54 per cent for more than 20 days as agricultural labour, about 27 per cent for more than 10 days in NREGA scheme after group formation. In non-DPAs only 12 per cent workers were engaged for more than 10 days as cultivators, about 38 per cent for more than 20 days as agricultural labour, about 24 per cent for more than 10 days in MGNREGA scheme.

Table 7.3 Percentage of SHG workers by number of days they worked in a year as cultivators, agricultural labourer and in NREGA schemes

Days (avg.) per year.	Cultivator		Agricultural labour		NREGA scheme	
	DPA	non-DPA	DPA	non-DPA	DPA	non-DPA
0	27.3	45.6	5.1	40.4	36.2	42.2
1 - 10	46.5	42.4	15.5	7.5	36.5	33.4
11 – 20	22.6	9.0	25.4	13.7	19.2	16.3
21 – 30	3.6	2.7	17.2	11.5	6.5	3.4
31 – 40	-	0.3	12.2	6.5	.8	2.2
41 – 50	-	-	9.9	5.2	.5	0.2
51 – 70	-	-	12.2	10.4	.3	2.3
71 –90	-	-	2.5	4.8	-	-
Total	100	100	100	100	100	100

Source: Field Survey (2011-12)

The percentage distribution of the members according to the percentage of SHG income to total household income is shown in Table 7.4. In the DPAs the percentage of SHG income to total family income was 13.9 while it was 15.02 in non-DPAs. So far as the income from SHG activities and its share in household income are concerned, it is observed that about 68 per cent members in DPAs and about 77 per cent in non-DPAs have contributed only about 21 per cent to their household income.

Table 7.4 Percentage distribution of members of SHGs by percentage of contribution SHGs income to household income

Contribution of SHG income to total household income (%)	% Members in DPAs	% Members in non-DPAs
0.9 - 10.9	26.0	48.1
10.9 - 20.9	41.8	28.9
20.9 - 30.9	16.3	13.0
30.9 - 40.9	7.4	5.9
40.9 and above	8.5	4.0
Total	100	100

Source: Field Survey (2011-12)

7.2 Income, saving, and investment

Income

Monthly per capita income of the SHG households varied widely in the DPAs. For the sample SHG households of the DPAs overall mean monthly Per Capita Income was estimated to be Rs 798.5 while it was Rs 873.2 for SHGs households the non-DPAs. Percentage distribution of member households of sample SHGs and non-SHG households by monthly Per Capita Income class in DPAs and non-DPAs is shown in Table 7.5. It is revealed that in respect of monthly per capita income distribution SHG households were better than non-SHG households in the DPAs but in the non-DPAs SHGs member households were better than those in the DPAs. This is explained by the fact that the opportunity of non-agriculture income earning (from MGNREGA, brick clines, etc.) was higher in non-DPAs along with substantial income from landed proper.

Table 7.5 Percentage distribution of member households of sample SHGs and non-SHG households by monthly per capita income class in DPAs and non-DPAs

Monthly per capita Income(Rs)	Percentage of member households of SHGs in DPAs	Percentage of non-SHG households in DPAs	Percentage of member households of SHGs in non-DPAs
175-783	85.2	90.9	75.0
784- 1383	8.4	8.8	13.6
1384- 1983	3.2	0.3	3.3
1984-3583	2.5	-	7.6
3584and above	0.7	-	0.5
Total	100	100	100

Source: Field Survey (2011-12).

Saving

Monthly per capita saving of the SHG households varied widely in the DPAs. For the sample SHG households of the DPAs oveall mean monthly per capita saving was estimated to be Rs 157.4 while it was Rs 239.1 for SHGs households in the non-DPAs. Over all saving ratio in the DPAs was estimated at 19.7 per cent while it was 27.4 per cent in non-DPAs. Percentage distribution of member households of sample SHGs by saving ratio in DPAs and non-DPAs is shown in Table 7.6. It is revealed that in respect of saving ratio SHGs member households were better in the non-DPAs than that in the DPAs.

Table 7.6 Percentage distribution of members by saving ratio in DPAs and non-DPAs

Saving ratio (%)	% Members in DPAs	% Members in non-DPAs
Below 5	24.8	11.9
5.0 – 9.9	21.8	11.9
10 – 19.9	28.1	25.9
20 – 29.9	20.4	26.6
30 and above	5.7	23.7
Total	100	100

Source: Field Survey (2011-12).

Investment

Whatever is saved by the sample SHG member households is invested productively. We here consider education and health expenditures of the sample households. We know that education expenditure and health expenditure have crucial role in rural development as these two items form human capital.

We analyze the share of the monthly education expenditure and monthly health expenditure in total expenditure before and after the group formation. Percentage distribution of SHG members by percentage of education expenditure in total expenditure is shown in Table 7.7. The monthly education expenditure of most of the members (92%)

in DPAs and 85.7 per cent of members in non-DPAs was nil before group formation. It was observed that 19.2 per cent members in DPAs and about 36 per cent members in non-DPAs spent a good share of their income on education of their children after group formation. Therefore, their monthly expenditure on education for their children increased after group formation in both DPAs and non-DPAs. Actually the members were able to invest on their children's education.

Table 7.7 Percentage distribution of SHG members by percentage of education expenditure in total expenditure

Share of education expenditure (%)	Before group formation in DPAs	After group formation in DPAs	Before group formation in non-DPAs	After group formation in non-DPAs
0	91.7	80.8	85.7	63.3
.5 – 10.5	5.1	9.6	7.9	11.7
10.5 - 20.5	1.8	4.5	3.5	12.4
20.5 - 30.5	0.8	3.4	2.0	8.3
30.5 and above	0.6	1.7	0.9	4.3
Total	100.0	100.0	100.0	100.0

Source: Field Survey (2011-12).

Percentage distribution of SHG members by percentage of monthly health expenditure in total expenditure is shown in Table 7.8. The monthly expenditure on health for most of the members (15.9%) in DPAs and 19.5 per cent members in non-DPAs was nil before group formation. But after group formation 89.9 per cent members in DPAs and 84.9 per cent members in non-DPAs spent a good share of their income for their family health.

Table 7.8 Percentage distribution of SHG members by percentage of monthly health expenditure in total expenditure

Share of health expenditure (%)	Before group formation in DPA	After group formation in DPA	Before group formation in non-DPA	After group formation in non-DPA
0	15.9	10.1	19.5	15.1
.1 - 6.1	63.4	64.6	69.7	71.3
6.1 - 12.1	11.1	13.8	3.4	4.8
12.1 - 20.1	4.8	5.7	1.6	2.7
20.1 - 35.1	3.7	4.6	3.5	3.6
35.1 and above	1.1	1.2	2.3	2.5
Total	100	100	100	100

Source: Field Survey (2011-12)

Thus, the fourth hypothesis that the contributions of the SHGs in the DPAs to employment, income and saving generation and investment have been low compared to those in the non-DPAs is also accepted.

7.3 A summing up

The formation and promotion of SHGs have contributed to the changes the livelihood pattern of the sample member households. After group formation the percentage of members having operational land holding have recorded an increase. The members of sample SHGs involved in principal activities had decreased but that had increased in subsidiary economic activities. Most of the members of SHGs are engaged in non-agricultural activities in both DPAs and non-DPAs of Paschim Medinipur and Bankura districts after passing Grade II. Members in non-DPAs have greater income opportunities from non-agricultural sources.

In the DPAs the percentage of SHG income to total family income was substantial though it was higher in the non-DPAs. The overall mean monthly per capita income for the SHGs households the non-DPAs was also higher than that in the DPAs. In respect of monthly Per Capita Income distribution SHG households were better than non-SHG households in the DPAs but in the non-DPAs SHGs member households were better than those in the DPAs. This is explained by the the higher opportunity of non-agricultural income earning (from MGNREGA, brick clines, etc.) in the non-DPAs along with substantial income from landed property.

For the sample SHG households of the non-DPAs oveall mean monthly per capita saving was also higher than that for SHGs households in the DPAs. The same was the pattern for the over all saving ratio in the non-DPAs vis-à-vis the DPAs. In respect of saving ratio SHGs member households were better in the non-DPAs than that in the DPAs.

A sizeable percentage of SHG members invested on education of their children and on family health after group formation.

Chapter 8

Micro-level study 4: Poverty and Inequality

The impact of group formation, particularly by females has important bearing on poverty and inequality. Primary data from members of the SHGs helped us analyse the issues relating to poverty and inequality among them. The present chapter is devoted to such analysis.

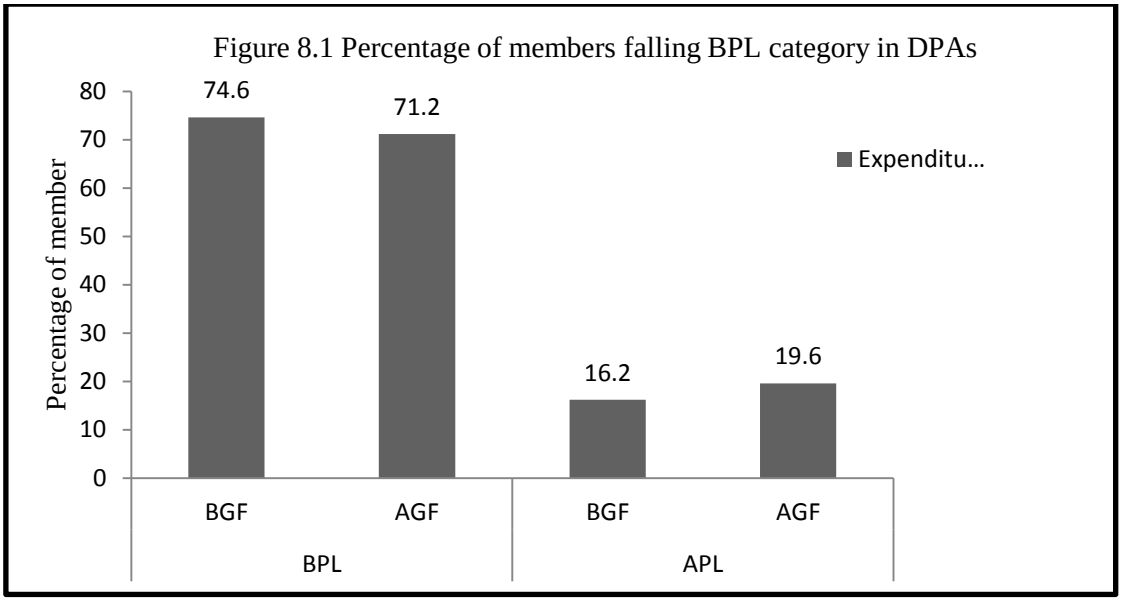
This chapter is divided into three parts. In section 8.1., we examine the impact of the group formation on poverty and section 8.2 does soon inequality among the SHG members. Section 8.3 sums up the discussion made earlier in this chapter.

8.1 Poverty

The easiest way of estimating the incidence of poverty among the members of the sample SHGs is to classify the members into BPL and APL categories the estimate of poverty being based on expenditure method. The members who could not spend Rs.783 per month on consumption (as per Tendulkar Committee Report) were taken as poor. We here present the incidence of poverty on this consumption expenditure basis.

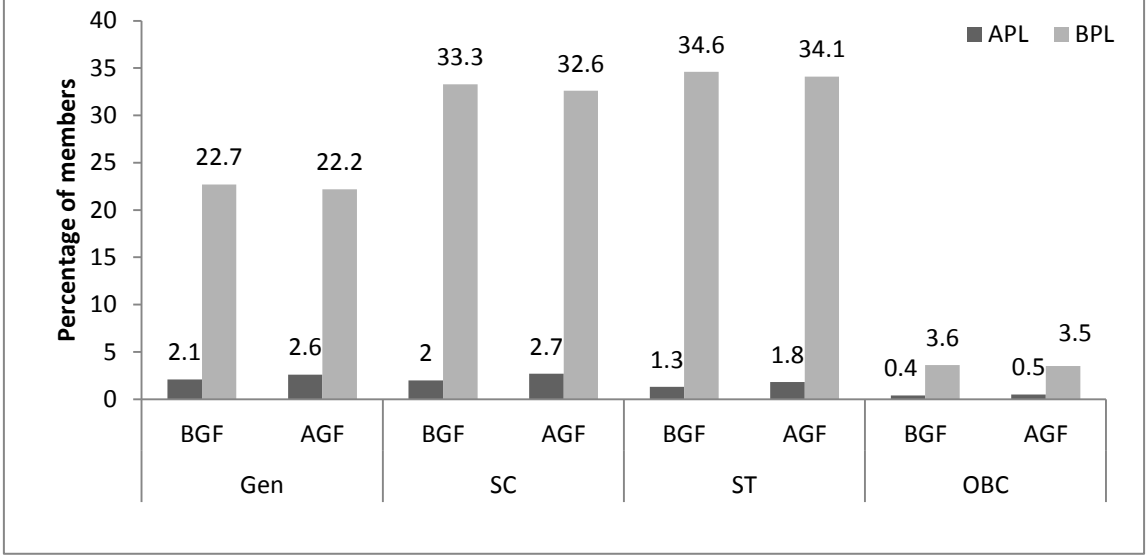
The incidence of poverty based on consumption expenditure of members before and after group formation is shown in the Figure 8.1. We found that before joining the groups, 74.6 per cent SHG members remained below the poverty line and only 16.2 per cent in APL category based on their per capita consumption expenditure per month (PCCEM). This situation changed after group formation. The percentage of members belonging to the BPL category decreased from 74.6 per cent to 71.2 per cent.

Figure 8.1 Percentage of members falling BPL category in DPAs



The incidence of poverty based on PCCEM of the members before and after group formation is shown in Figure 8.2. After group formation the percentage of BPL members belonging to SC category decreased from 30.2 per cent to 29.9 per cent and for STs it registered decline from 32.3 per cent to 31.8 per cent. However, for general category, it remained almost same before and after group formation [see Appendix Table A 8.2]**.**

Figure 8.2 Percentage of members in DPAs falling in BPL category based on their PCCEM



We also measure poverty gap and square poverty gap of the households of SHGs and non-SHG households to examine the depth and severity of poverty. We see from our field level survey that the poverty gap (as a proportion of deficit in expenditure to the poverty line

estimate) of the households of SHGs was 0.198 whereas it was 0.375 for non-SHG households. The square poverty gaps of the SHG households and non-SHG households are estimated to be 0.180 and 0.196 [Table 8.1]. Thus in both the cases the non-SHG households are seen to be poorer than the SHG households. SHGs have played an important role in alleviation of poverty.

Table 8.1 Poverty gap and square poverty gap of SHG and non-SHG households in DPAs

Measure of Poverty	Among members of SHGs in DPAs	Among non-SHG households in DPAs
Poverty Gap	0.19833	0.374749
Square Poverty gap	0.180043	0.195502

Source: Author's calculation fromField Survey (2011-12).

We analyse the impact of poverty of the member of SHGs we used Probit estimates. Here the dependant variable is the dummy variable and four independent variables. The indicators used were the Dummy variable indicating whether poor or not ('1' is put for poor and '0' is put for not poor), the amount of credit (Rs) the members received, the amount of land holding of the members of SHGs, level of education of the members of SHGs number of days they engaged in NREGA.

Mean, standard deviation, and the notations used for the variables are shown in Table 8.2. The factors hypothesized to influence the dummy variable have been grouped into four categories: cultural, demographic and economic.

Table 8.2 Notation, specification, mean and standard deviation of variables used in Probit estimation

Nature of variables	Notation	Specification	Mean	Standard deviation
Dependent Variable	DPOV (Y)	Whether the members are poor or not if poor '1, otherwise '0'	.71	.454
Institutional factors	Credit (X_2)	Amount of credit (Rs.) the members received	7738.06 (Rs.)	8459.08 (Rs.)
Cultural factor	EDU(X_3)	Level of education (years)δ	1.98 years	3.462 years
Economic Factors	LAND(X_4)	Having land holding	17.55 dec.	24.077 dec.
	NREGA(X_5)	Number of days they are engaged in NREGA	6 days	8.1 days

Notes:DPOV indicates the dummy variable having the value '1' for the poor and '0' otherwise,EDU = Education, δ '0'for illiterate, '1' for primary level, '2' for upper Primary level, '3'for secondarylevel, '4' for higher secondary leveland'5'under graduate level
Source:Author's calculation fromField Survey (2011-12).

Now we analyze which factor or factors that explain the severity of poverty among the members of SHGs. For this purpose we considered 4 variables from total 447 members of SHG. The necessary information and results in the Probit model are shown in Table 8.4

The equation of Probit model:

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + U_i$

Where Y= the members are poor. We take dummy variable for poor.

Do theypoor? Yes=1, No= 0.

$x_1 =$ credit they have received ,

$x_2 =$ land holding of the members of SHGs.

x_3 =Level of educationof the members of SHGs,

$x_4 =$ How many days they are engaged in NREGA activities and in income generating activities.

$U_i =$ Error terms.

The Probit estimate is shown in Table 8.3. The psedo R^2 is .0651.

Table 8.3 Probit estimates on poverty of the members of SHGs in Drought-Prone areas of West Bengal

Variables	Coefficients	Z-values	P > Z	
Intercept	1.058007	8.15**	.000	LR chi 2(6) = 34.93
Credit	-.000014	-1.86	.063	log likelihood = -250.79
Land	-.0143808	-5.54**	.000	Prob>chi2 = 0.000
Education	-.025832	-1.43	.151	Pseudo R^2 =.0651
NREGA	-.0138247	-.175#	.080	

Notes:**Significant at the 0.01 level,*Significant at the 0.01 level

It is revealed from Table 8.4 that the variation in poverty of the members of SHGs in DPAs is significantly explained by credit, land and NREGA.

8.2 Inequality

There still remains an inequality in the distribution of expenditure and income among the members of SHGs, i.e., while some of the members are nearer to the poverty line, some other members remain much below the poverty line.Thus in this section we analyze the pattern of inequality of the members of SHGs. Table 8.5 shows that such inequality (measured by Gini coefficients) in terms of Per Capita Monthly Total Expenditure (PCMTE) remains slightly higher in non-DPAs compared to that of DPAs. This might be due to the existence of relatively high percentage of SHG members with higher Per Capita

Monthly Income (PCMY) in non-DPAs. We consider this inequality in respect of the distribution of Per Capita Monthly Food Expenditure (PCMFE) among the SHG members, higher incidence of inequality is observed in non-DPAs compared to that in DPAs.

Table 8.4 Inequalities among the members of sample SHGs in DPAs and non-DPAs

Indicators / **Block**	PCMFEGini	PCMNFE Gini	PCMTE Gini	PCMY Gini
DPAs	.20	0.17	0.20	0.24
Non-DPAs	.24	0.17	0.22	0.23

Note: PCMFE = per capita monthly food expenditure, PCMNFE = per capita monthly non-food expenditure, PCMTE = per capita monthly total expenditure, PCMY = per capita monthly income

Source:Author's calculation from field Survey (2011-12).

It is observed that there remain inter-block variations in inequality in the distribution of PCMTE among the members of sample SHGs within the DP blocks. The Gini coefficients, measuring such inequalities for DP blocks, are found to remain higher for sample DP blocks like Jhargram, Indpur, Jamboni and Khatra while these values are found to remain lower in DP blocks like, Binpur II, Gopibhllavpur II, Chhatna and Saltora. Similar such inter-block variations are also observed in the distribution of PCMFE (Table 8.5).

In most cases, the inequality in the distribution of PCMNFE is higher than that in PCMFE. The possible explanation for such higher inequality regarding the distribution of PCMNFE might be the fact that after group formation, the members, mostly the women, became more conscious regarding the health and educational attainments of their children. Hence, within each block, some of the sample groups have been found to spend relatively high share of their expenditure on such non-food items, while most of the sample groups used to spend greater part of their income on food items. This leads to greater inequality in the distribution of PCMNFE within a sample block.

Again this may also happen due to the presence of relatively high percentage of APL members in the total number of SHG members in any particular block since it is expected that for APL families, percentage of non-food expenditure in total expenditure would be higher compared to BPL families.

Here, an inter-block comparison in the distribution of PCMFE, PCMY and PCMNFE has been made on the basis of the minimum and maximum values of Gini coefficients in respect of PCMFE, PCMY, and PCMNFE among the sample DP blocks. The Lorenz

curves clearly reflect such inter-block disparities regarding the distribution of PCMTE (Figure 8.3), PCMNFE (Figure 8.4), and PCMY (Figure 8.5) among the members of sample SHGs within DPAs.

Table 8.5 Inequalities of members of sample SHGs in DPAs and non-DPAs among the blocks

	PCMFE Gini‡‡‡	PCMNFE Gini	PCMTE Gini	PCMY Gini
DP block				
Binpur-II	.2229	.2505	.1697	.2202
Gopiballabpur II	.2017	.2805	.1914	.2233
Indpur	.2548	.2980	.2492	.2789
Saltora	.2269	.2562	.2293	.2251
Chhatna	.2464	.2386	.1922	.2406
Jhargram	.2241	.2875	.2662	.2628
Khatra	.2576	.3164	.2400	.3818
Jamboni	0.2833	0.2145	0.2469	.3371
Non-DP block				
Kharagpur II	0.2718	0.3254	0.2474	0.4028
Bishnupur	0.2294	0.2977	0.1934	0.2164
Kotolpur	0.2463	0.2647	0.1923	0.2437
Debra	0.2358	0.2757	0.1890	0.2744
Salboni	0.2094	0.2077	0.1615	0.1861
Binpur I	0.2360	0.3102	0.1915	0.2577
Indus	0.1864	0.2908	0.1636	0.2050

Note: PCMFE = per capita monthly food expenditure, PCMNFE = per capita monthly non-food expenditure, PCMTE = per capita monthly total expenditure, PCMY = per capita monthly income
Source: Author's calculation fromField Survey (2011-12).

Here, an inter-block comparison in the distribution of PCMFE, PCMY and PCMNFE has been made on the basis of the minimum and maximum values of Gini coefficients in respect of PCMFE, PCMY and PCMNFE among the sample DP blocks. The Lorenz curves clearly reflect such inter-block disparities regarding the distribution of PCMTE (Figure 8.3), PCMNFE (Figure 8.4) and PCMY (Figure 8.5) among the members of sample SHGs within DPAs.

The variation in Gini in respect of PCMY is significantly explained by the variation in percentage of SHGs passed Grade II and the PCC across the sample DP blocks to the

‡‡‡Gini (1936) on the measure of consentratim with special reference to income and wealth, Cowles commission.

extent of 47.9%. The whole model is significant at 5% level, the value of F being 4.218. The relevant regression equation is shown in Table 8.6.

The coefficient of percentage of SHGs passed Grade II is seen to be negative and significant at 1% level. The result is interpreted in the following way. If higher percentages of SHGs are qualified for Grade II then the poor members will earn higher and thus inequality will fall. The coefficient of PCC is seen to be positive and significant at 5% level. This result is interpreted as follows. If per capita credit is rises for the relatively non-poor SHG members and that credit is used productively then the income disparity between the poor and non-poor, that is, inequality will increase.

Table 8.6 Regression equation concerning Gini PCMY in DPAs

Regression equation	Adjusted R-square	F
Gini PCMY $_{DPAs}$ = .469 - .003**GR II + .3.689*e-7PCC (-6.73) (2.63)	.479	4.218*

Notes: PCMY = per capita monthly income, PCC = per capita credit,
**Significant at the 0.01 level,*Significant at the 0.01 level
Source: Author's calculation fromField Survey (2011-12).

Again, the variation in Gini in respect of PCMTE is significantly explained by the variation in percentage of SHGs passed Grade II and the educational level across the sample DP blocks to the extent of 44.1%. The whole model is significant at 5% level, the value of F being 3.736. The relevant regression equation is shown in Table 8.7.

Table 8.7 Regression equation concerning Gini PCMTE in DPAs

Regression equation	Adjusted R-square	F
Gini PCMY $_{DPAs}$ = .432 - .002**GR II - .027*Edu (-5.021) (-2.737)	.441	3.763*

Notes: PCMY = per capita monthly income, **Significant at the 0.01 level,*Significant at the 0.01 level
Source: Author's calculation fromField Survey (2011-12).

The coefficient of percentage Grade II is significant at 1% level. However, that of the educational level is significant at 5% level. The latter result is interpreted as follows. If higher percentage of illiterate members of SHGs become literate they will improve capability and earn more and thus inequality will fall.

Figure 8.3 Inter-block difference in the distribution of PCMTE in DP and non-DP blocks

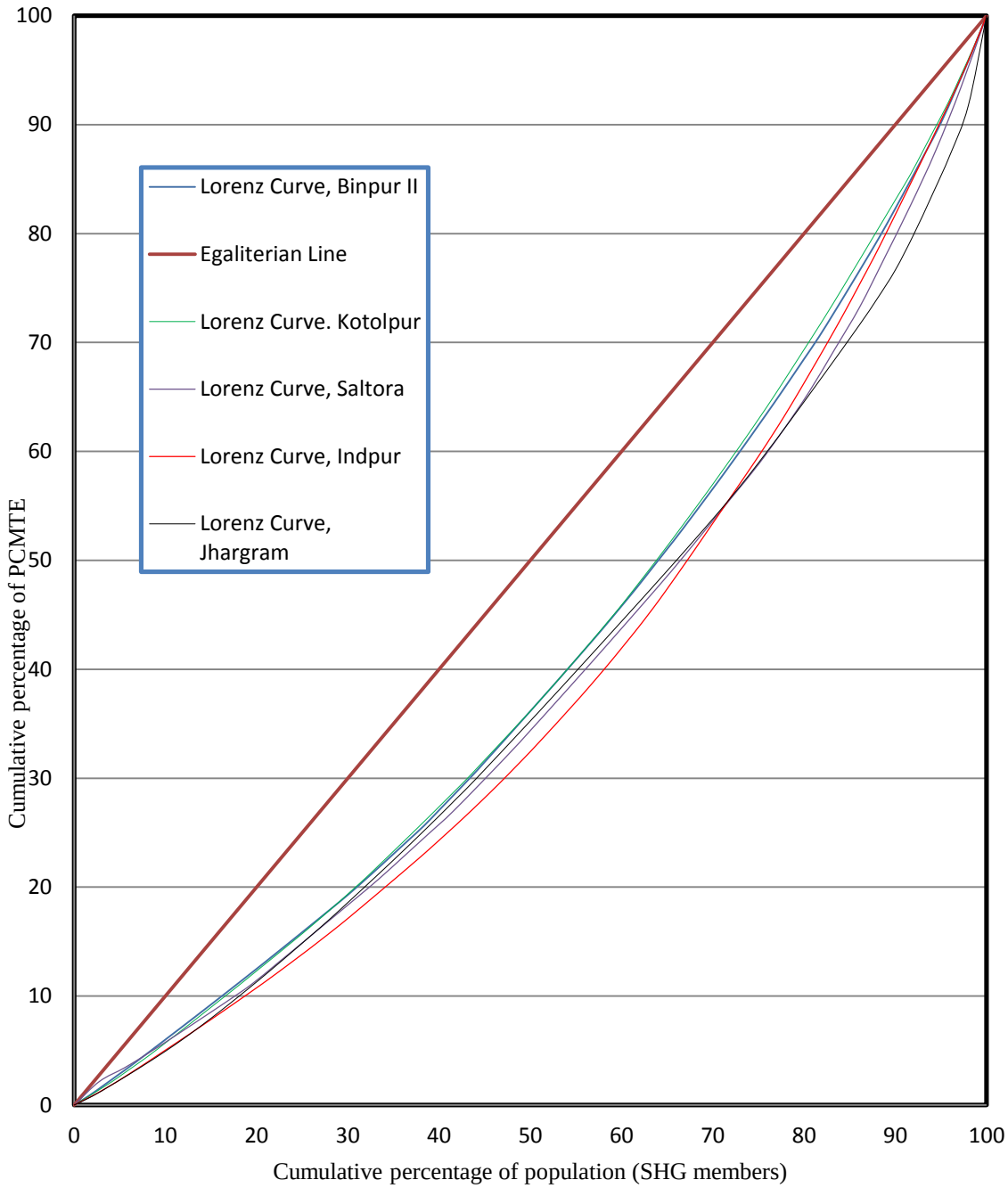
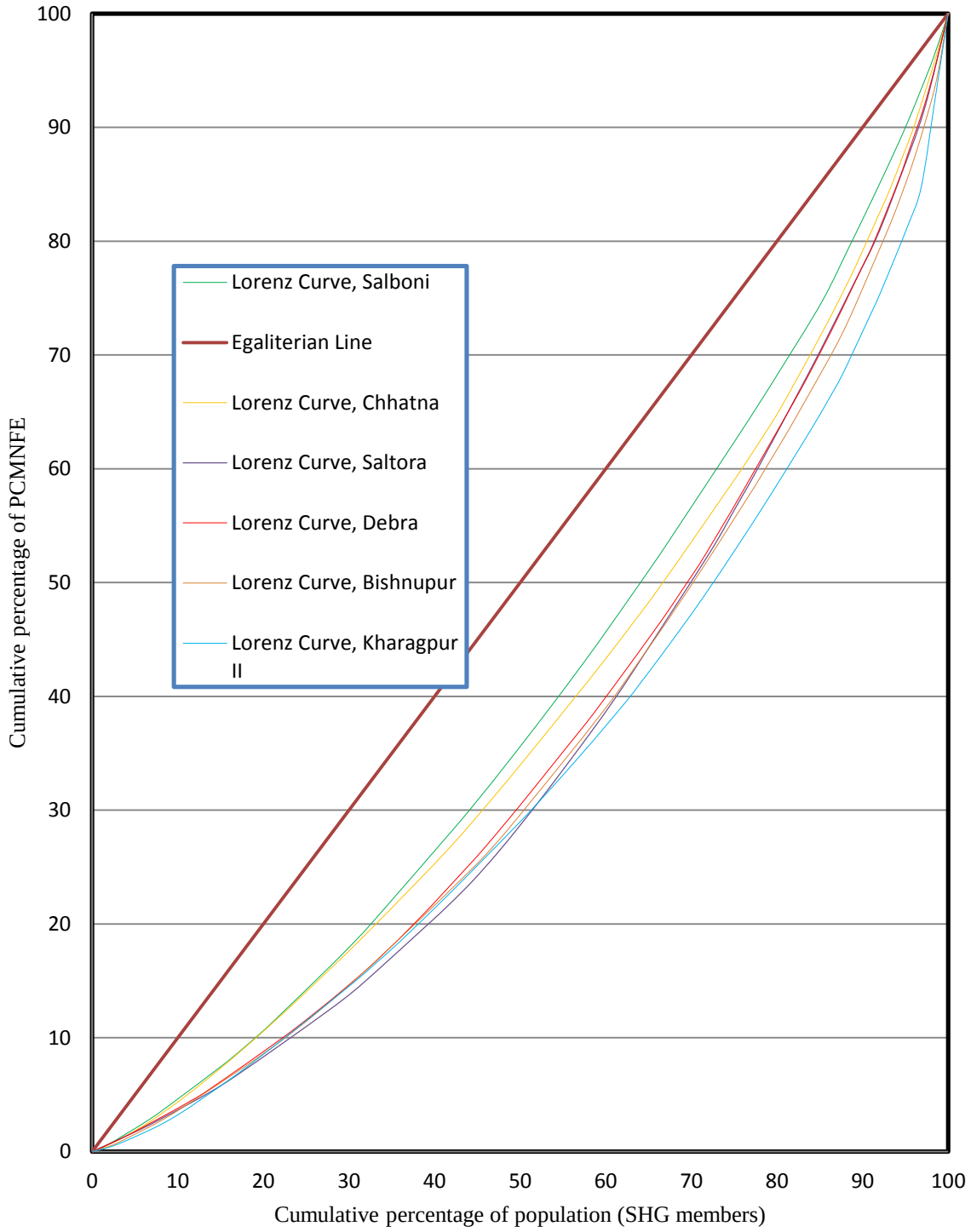


Figure 8.4 Inter-block difference in the distribution of PCMNFE in DP and non-DP blocks



The variation in Gini in respect of PCMFE is significantly explained by the variation in percentage of SHGs passed Grade II and the year of functioning across the sample DP blocks to the extent of 49.3%. The whole model is significant at 5% level. The relevant regression equation is shown in Table 8.8

Table 8.8 Regression equation concerning Gini PCMFE in DPAs

Regression equation	Adjusted R-square	F
Gini PCMfe $_{DPAs}$ = .372 - .001**GR II - .009*YOF (6.944) (-2.297)	.493	4.403*

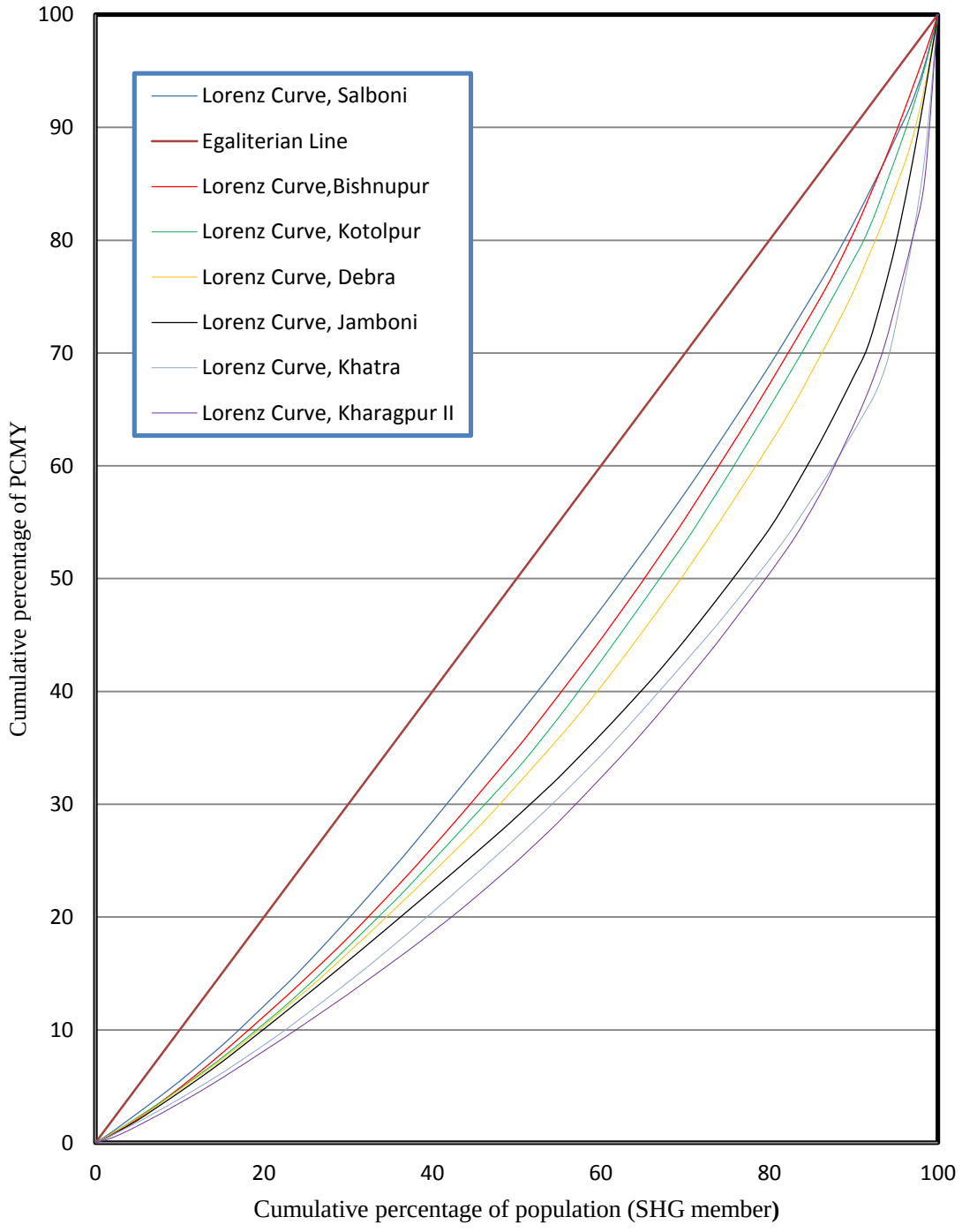
Notes:**Significant at the 0.01 level,*Significant at the 0.01 level
Source: Author's calculation fromField Survey (2011-12).

The coefficient of percentage of SHGs passed Grade II is significant at 1% level. However, the year of functioning is significant at 5% level. The latter result is interpreted in this way. As more number of SHGs operates for more number of years they will much more experienced and wise and thus inequality will fall.

Inter-block differences in inequalities in the distribution of PCMFE, PCMNFE and PCMTE are also observed within non-DP blocks. Here inequalities in respect of PCMTE are found to be higher in non-DP blocks like Kharagpur II, Bishnupur and Kotollpur. Just like the DP blocks, here also we observe higher inequality in the distribution of PCMNFE in most of the blocks compared to that in PCMFE (Table 8.4). Here also the Lorenz curves represent inter-block differences in the distribution of PCMTE (Figure 8.3), PCMNFE (Figure 8.4) and PCMY (Figure 8.5) among the members of sample SHGs within non-DPAs.

In fact, in case of PCMNFE, the priority of such expenses is expected to differ from group to group in accordance with their level of consciousness after group formation and percentage of APL members in the group. Again, this happens due to the fact that though most of the group members in non-DPAs are below the poverty line but amongst them some of the group members have been found to remain closer to poverty line whereas some other members are found to remain far below the poverty line. Thus, the group members who are closer to the poverty line are expected to spend relatively greater share of their income on non-food items compared to those who remain much below the poverty line.

Figure 8.5 Inter-block difference in the distribution of PCMY in DP and non-DP blocks



Inter-block differences in inequalities in the distribution of PCMFE and PCMNFE are also observed among the other household members within DP blocks (we have taken 5 sample DP blocks for other household members). Here inequalities in respect of PCMFE are found to be higher in DP blocks like Binpur II and Gopibhallavpur II.

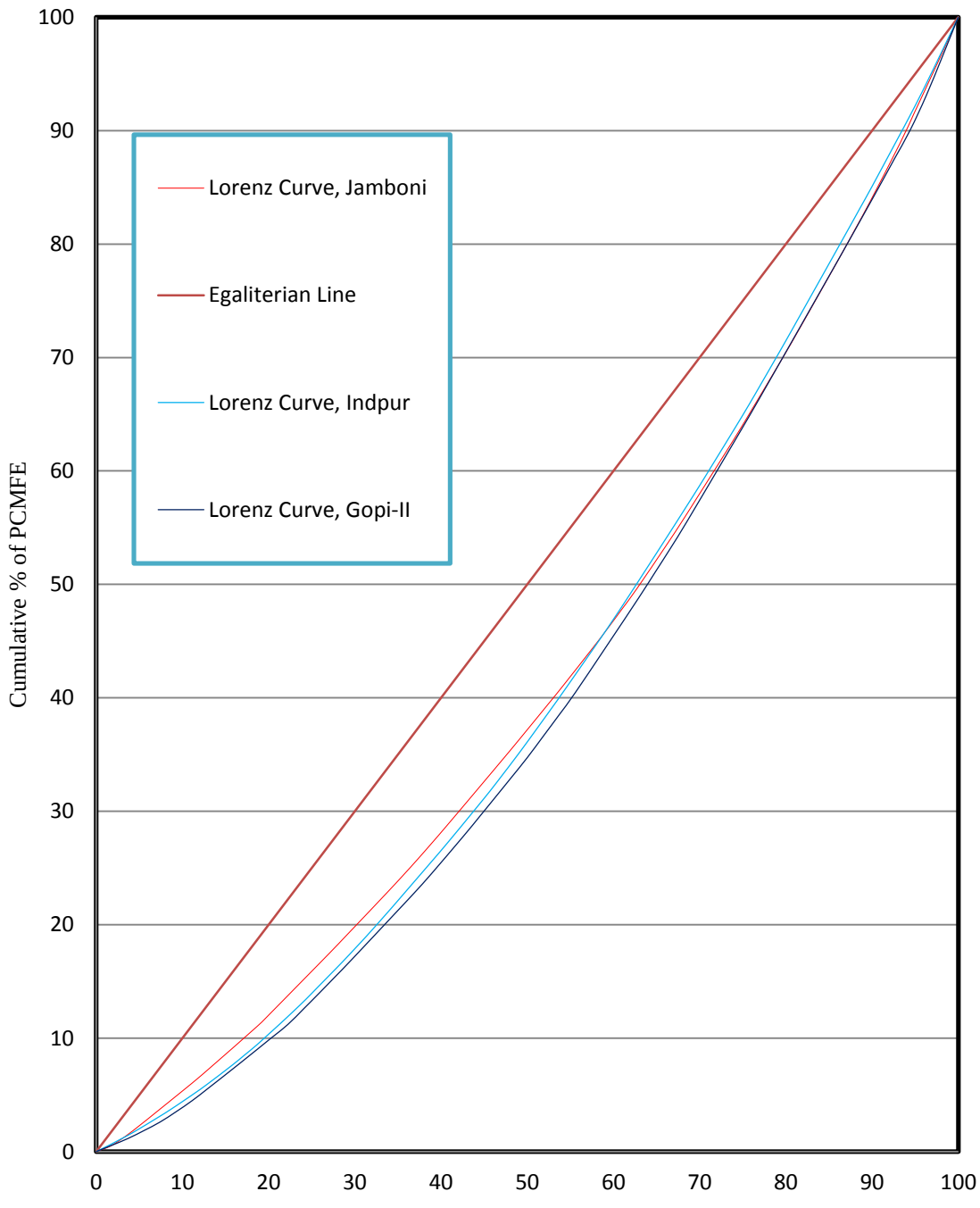
Table 8.9 Inequalities among the sample non-SHG household within DP blocks

Indicators / NDP Block	PCMFE Gini	PCMNFE Gini	PCMTE Gini	PCMY Gini
Indpur	.1869	.2281	.1831	.1777
JAMBONI	.1784	.2413	.1727	.1668
BINPUR-II	.2026	.2111	.1906	.1872
JHARGRAM	.1849	.2585	.1872	.1838
GOPIBHALLAVPUR-II	.2060	.2619	.1873	.1735

Note: PCMFE = per capita monthly food expenditure, PCMNFE = per capita monthly non-food expenditure, PCMTE = percapita monthly total expenditure, PCMY = per capita monthly income
Source: Author's calculation fromField Survey (2011-12).

Just like PCMFE, here also we observe higher inequality in the distribution of PCMNFE in most of the blocks. Here also the Lorenz curves represent inter-block differences in the distribution of PCMFE (Figure 8.6) and PCMNFE (Figure 8.7) among the members of sample SHGs within DPAs. We observe that no such differences is shown in respect of PCMTE and PCMY for the other household members so we need not require to show the Lorenz curves represent inter-block differences in the distribution of PCMTE and PCMY.

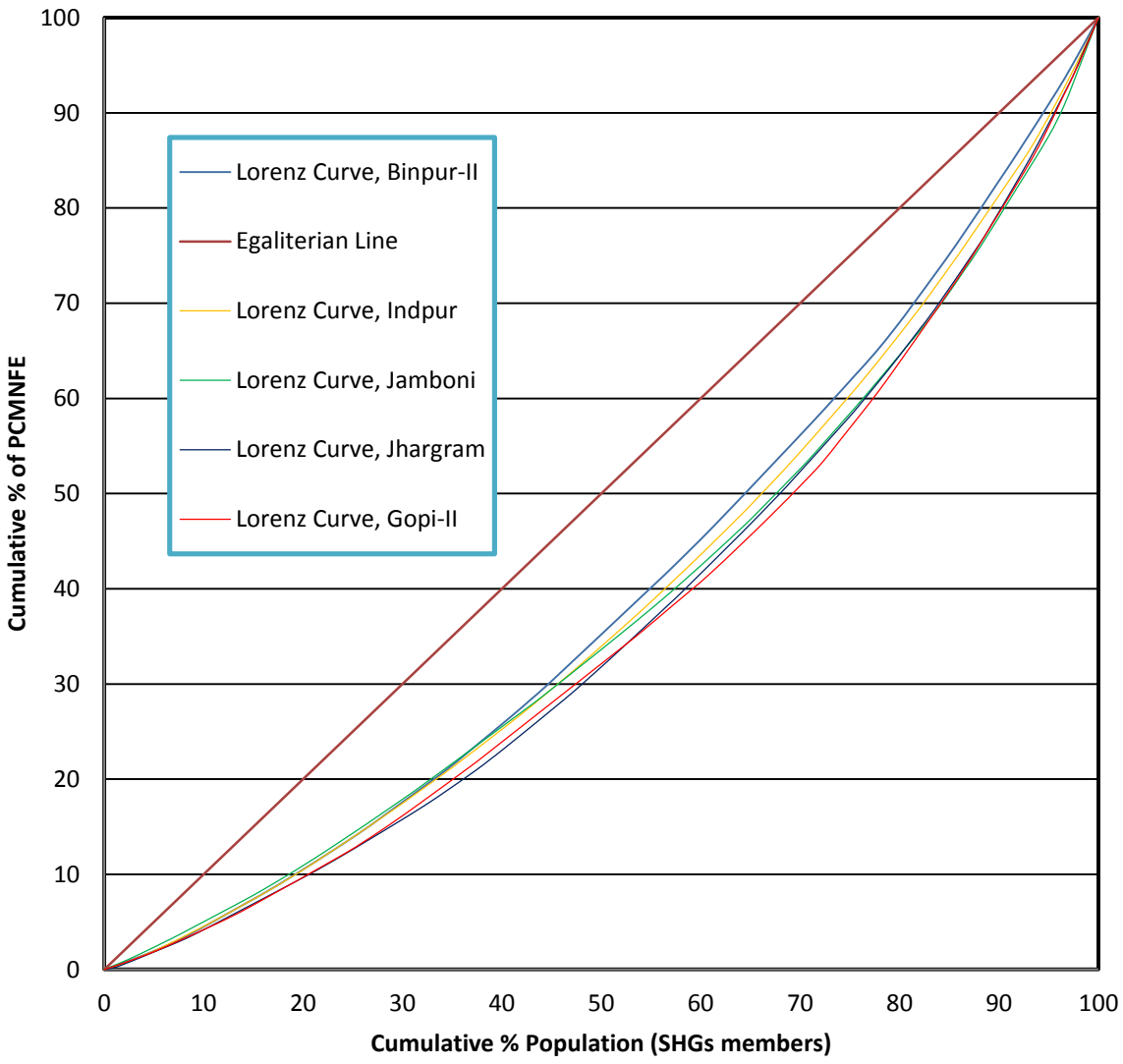
Figure- 8.6 Inter-block difference in the distribution of PCMFE of non-SHG households in DPAs.



§§§

§§§Lorenz (1905), Methods of measuring concentration of wealth, Journal of the American Statistical Association, Vol. 9.

Figure- 8.7 Inter-block difference in the distribution of PCMNFE of other household in DPAs



From this study it becomes clear that though most of the members of the SHGs in both DPAs and non-DPAs remain below the poverty line, there remains an inequality in the distribution of PCMTE and PCMY among them. There remains both inter-regional and intra-regional disparity in this distribution pattern. It is also observed that inequality in the distribution of PCMTE is relatively high in DPAs compared to that in non-DPAs. So, it can be concluded that inequality in the distribution of income can be minimized through the formation of SHGs in DPAs.

5.4 A summing up

The participation in SHGs resulted in some positive impacts in terms of a reduction in the incidence of poverty, particularly among the socially backward and economically poor women. In case of eradicating poverty of the members of SHGs ownership of land holding, involment in NREGA scheme are important but credit is more important for that purpose. In other words, qualifying for Grade II and how many years they have been operating have minimum effect for their poverty alleviation, rather credit is much more important in this respect.

The Gini coefficients, measuring inequalities for DP Blocks, are found to remain higher for sample DP blocks like Jamboni, Khatra, Indpur and Jhargram while these values are found to remain lower in DP Blocks like Binpur II, Gopibhllavpur II and Saltora. The same for non-DP blocks are found to remain higher for sample non-DP blocks like Kharagpur II, Binpur I and Kotolpur.

Within each block some sample groups have been found to spend relatively high share of their expenditure on non-food items while most of the sample groups used to spend greater part of their income on food items. This leads to greater inequality in the distribution of per capita monthly non-food expenditure within a sample block.

The variation in Gini in respect of per capita monthly income is significantly explained by the variation in percentage of SHGs passed Grade II and per capita cedit while that in per capita monthly total expenditure is significantly explained by the variation in percentage of SHGs passed Grade II and the educational level. The variation in Gini in respect of per capita monthly food expenditure is significantly explained by the variation in percentage of SHGs passed Grade II and the year of functioning across the sample DP blocks.

Chapter 9

CONCLUDING OBSERVATIONS

9.1 Conclusions

Rural development has emerged as a separate discipline in the event of non-percolation of benefits of economic growth to the unprivileged sections of the society and persistence of poverty, hunger, malnutrition and inequality in the rural areas. Rationale for rural development has emerged out of the non-applicability of the percolation theory of economic development, urban bias of development and the consequent spectre of unemployment in rural areas. Rationale for rural development has arisen out of not only the non-applicability of the percolation theory of economic development but also urban bias of development and the consequent spectre of unemployment in rural areas.

Among the approaches to rural development like general economic development approach, target group approach, structural approach, system approach, decentralized planning and participatory rural development approach and micro-finance approach the self help group (SHG) approach is of great importance in the recent development literature. The literature on micro-finance approach with reference to drought prone area being deficient the study on this subject has acquired immense importance.

Our study on different issues of SHG approach to rural development with reference to drought prone districts of West Bengal reveals that most of the SHGs in DP four districts and West Bengal as a whole were formed by women folk. Annual growth rates of SHGs qualified for Grade I for DP districts and West Bengal as a whole fluctuated during 2004-05 to 2011-12.

Compound annual growth rates (CAGRs) of SHGs formed by women and SHGs qualified for Grade I were statistically significant in the DP districts and the whole of West Bengal. Growth rates for the SHGs qualified for Grade II and SHGs involved in credit linkage scheme in West Bengal as a whole were higher than those of the DP districts taken together. CAGRs for SHGs formed by women and qualified for Grade I in Paschim Medinipur were higher than those of other three sample DP districts but these were not statistically significant.

A significant proportion of SHGs formed by women were defunct. Jamboni and Binpur II blocks of Paschim Medinipur district showed higher progress in respect of Grade I passed. The growth of economic activities undertaken by the members of SHGs after qualifying for Grade I showed a positive trend. In respect of SHGs qualified for Grade I, Saltora block of Bankura district attained the highest growth rate. Chhatna, Indpur and Khatra of this district showed negative growth rate and all these were statistically significant at 5% level.

The variation of SHGs qualified for Grade II was significantly explained by those in percentage of agricultural labourers and cropping intensity in the Drought-Prone areas (DPAs).

Jamboni block registered highest compound annal growth rate of Grade I passed SHGs among sample DP blocks of Paschim Medinipur, but it is not statistically significant. Jhargram block of this district witnessed the lowest compound annual growth rate of Grade I passed SHGs and it was statistically significant at 5% level. Among the sample DP blocks of Bankura, Saltora block showed the highest compound annual growth rate but other blocks showed negative growth rate.

Compound annual growth rates of SHGs formed by women, Grade I passed and credit-linked were high compared to those of DP blocks of Paschim Medinipur and Bankura districts.

Most of the SHGs in the DPAs have passed Grade 1 and received revolving fund. However, only one third groups were credit linked out of those which were qualified for Grade II.

The percentage of members who attended the meetings and participated in training was more in non-DPAs than that in DPAs. However, some of them utilized the skill or knowledge for their SHG activities. Again, increase in banking habit among the women members of SHGs was surely a sign of women empowerment in the rural areas of West Bengal.

In respect of performance of SHGs qualified for Grade II the coefficients of training, credit utilization and repayment rate are seen to have been significant at 5% level.

The percentage of illiterate members in both DPAs and non-DPAs was seen to have decreased after the formation of SHGs. A sizeable percentage of women members have learned how to sign or how to read and write only after joining their respective SHGs.

In case of decision making the t-values for female and male were seen to be significant at 1 per cent level in DPAs. However, the t-values for female and male were seen to be insignificant in non-DPAs.

The formation and promotion of SHGs have contributed to the changes the livelihood pattern of the sample member households. After group formation the percentage of members having operational land holding have recorded an increase. The members of sample SHGs involved in principal activities had decreased but that had increased in subsidiary economic activities. Most of the members of SHGs are engaged in non-agricultural activities in both DPAs and non-DPAs of Paschim Medinipur and Bankura districts after passing Grade II. Members in non-DPAs have greater income opportunities from non-agricultural sources.

In the DPAs the percentage of SHG income to total family income was substantial though it was higher in the non-DPAs. The overall mean monthly per capita income for the SHGs households the non-DPAs was also higher than that in the DPAs. In respect of monthly per capita income distribution SHG households were better than non-SHG households in the DPAs but in the non-DPAs SHGs member households were better than those in the DPAs. This is explained by the the higher opportunity of non-agricultural income earning (from MGNREGA, brick clines, etc.) in the non-DPAs along with substantial income from landed property.

For the sample SHG households of the non-DPAs oveall mean monthly per capita saving was also higher than that for SHGs households in the DPAs. The same was the pattern for the over all saving ratio in the non-DPAs vis-à-vis the DPAs. In respect of saving ratio SHGs member households were better in the non-DPAs than that in the DPAs. A sizeable percentage of SHG members invested on education of their children and on family health after group formation.

The participation in SHGs resulted in some positive impacts in terms of a reduction in the incidence of poverty, particularly among the socially backward and economically poor women. In case of eradicating poverty of the members of SHGs ownership of land holding, involment in NREGA scheme are important but credit is more important for that purpose. In other words, qualifying for Grade II and how many years they have been operating have minimum effect for their poverty alleviation, rather credit is much more important in this respect.

The Gini coefficients, measuring inequalities for DP Blocks, are found to remain higher for sample DP blocks like Jamboni, Khatra, Indpur and Jhargram while these values are found to remain lower in DP Blocks like Binpur II, Gopibhllavpur II and Saltora. The same for non-DP Blocksare found to remain higher for sample non-DP blocks like Kharagpur II, Binpur I and Kotolpur.

Within each block some sample groups have been found to spend relatively high share of their expenditure on non-food items while most of the sample groups used to spend greater part of their income on food items. This leads to greater inequality in the distribution of per capita monthly non-food expenditure within a sample block.

The variation in Gini in respect of per capita monthly income is significantly explained by the variation in percentage of SHGs passed Grade II and per capita cedit while that in per capita monthly total expenditure is significantly explained by the variation in percentage of SHGs passed Grade II and the educational level. The variation in Gini in respect of per capita monthly food expenditure is significantly explained by the variation in percentage of SHGs passed Grade II and the year of functioning across the sample DP blocks.

SHGs have been formed in the DPAs of the relatively backward districts and blocks to eradicate poverty and to accelerate rural development but their progress is seen to be poor compared to that in non-DPAs, mainly on account of the socio-economic and infrastructural bottlenecks of the DPAs.

Thus the policy conclusion would be to remedy the socio-economic and infrastructural problems of the DPAs along with the formation of the SHGs. In other words, the overall rural development of the DPAs is a must, not alone any single policy measure like strengthening the microfinance in the form of SHGs would succeed. This would lead to

the adoption both short-term policies concerning microfinance in the form of SHGs and those policies are to be adequately supplemented by some long-term policy domain or a strategy on the part of the government so as to ensure a full-fledged development of these areas.

9.2 Limitations of the study

The present work suffers from several limitations as mentioned below:

1. Our study concerns the DP districts of West Bengal with special emphasis on the DP districts of Paschim Medinipur and Bankura districts. A comparative study of the DPAs of West Bengal with the DPAs of other states and detailed analysis across the states of India could highlight the problems and prospects of the members of SHGs in broader perspective.
2. There are four DP districts in West Bengal. However, we have collected the primary data only from two districts due to time and financial constraints.
3. The intensity of poverty among the members of the SHGs could have been measured using the calorie intake method but that could not be done on account of deficiency of necessary data.
4. We could show the SHGs-bank linkage matter. However, this could not be conducted on account of deficiency of necessary data.
5. The current study has not been investigated the difficulties that the borrowers face to repay the loan.

9.3 Scope of further Study

Given the limitations of the present study future study may be undertaken in the following ways.

First, there should be a detailed and in depth study on SHGs in non-DPAs of the DP districts in West Bengal and across states of the country.

Second, there should also be detailed study on strategies for development and economic sustainability of SHGs.

Third, the SHGs-Bank linkage policy and the role of financial institutions or banks in rural and backward regions in this regard should be studied in details and in depth.

Fourth, there should also be detailed study on investigation the difficulties that the borrowers face to repay the loan.

Bibliography:

Abed, M. F. (2000). 'Microfinance NGOs in Bangladesh Growth: Impacts and Challenges' *p*aper presented at the *Asian Regional Conference in ASIA and CDF*.

Anand, S. J. (2004), 'Addressing Poverty through Self Help Group: A case study of Kerala', discussion paper no 38, Kerala Research programme on local level government, Centre for development studies, Thiruvananihapuram.

Armendariz, A. and Morduch, J. (2000), " Microfinance beyond group lending, economics of transition:The economics of Microfinance, The MIT Press, Cambridge, London.

Ashe, Jeffrey; and Parrott, Lisa. (2001), "Impact Evaluation of PACT's Women's empowerment Programme in Nepal: A Savings and Literacy Led Alternative to Financial Institution 52 Building", Institute for Sustainable Development, Heller School, Brandeis, University, Waltham**,** Massachusetts.

Asokan, R, Sudha, T. (2005), 'Economic Status of Rural Women SHGs in Nagapattinam District (with special reference to Elumagalur Village', *Cooperative Perspective,* January 2005, Vol. 39, No. 4

Banerjee, A. (2009), 'Globalization and inequality: A review of evidences', *Artha Beekshan,* Vol. 18, No 2, September.

Banerjee, T. (2009), 'Economic impact of Selp-Help Groups- a case study' *Journal of Rural Development, vol. xxviii, No-4*.

Bardhan, P. (2002), 'Decentralisation of governance and development', *The journal of Economic Perspective,* Vol.16, No. 4

Barman. P. M. (2005), 'Impact of Self-Help Groups, on formal banking habits', *Economic and Political weakly,* Vol 40, No 17April 23.

Basu, P and Srivastava, P. (2005), 'Exploring possibilities- Microfinance and rural credit access for the poor in India', *Economic and Political weakly,* Vol XL, No 17April 23.

Basu, P and Srivastava, P. (2005), 'Scaling-up microfinance for India's rural poor', *World bank policy research working paper,* No. 3646, Washigton, DC.

Batra,V. (2012), ' Management and Governance of Self Help Groups in Rural Areas: A study of Microfinance Programmes in Haryana', *IJMRS,* Vol. 1, Issue 1, March.

Bhagyalakshmi, S. (2004), 'Women's Empowerment: Miles to Go', *Yojana*, August, Vol.48.

Bhaumik, S. (2013), 'Globalization and rural livelihoods in India', *Artha Beekshan*, vol. 22, No 3, December.

Bokil, M (2000), 'Drought in Rajasthan in search of a perspective', *Economic and Political weakly,* Vol XL, No 39.

Borbora, S and Mahantha, R. (2001), 'Microfinance Through SHGs and Its Impact: A case of Rastriya Grammen Vikash Nidhi- Credit and Savings Programme in Assam', *Indian Journal of Agricultural Economics*, Vol.56, No.3, july-September.

Carney, D. (1998), 'Sustainable Rural Livelihood: What contributions can we make'? London: Department for International Development.

Central Arid Zone Research Institute (CAZRI, 2000)

Chambers, R and Conway G. R. (1992), 'Sustainable Rural Livelihood: Practical concepts for the 21st century', Institute of Development studies.

Chand, S, and Sikka, A.K. and Srivastava, R.C and Rajkumer, S. (2007), 'Socio Economic upliftment through Micro financing in Watershade Programme in Nilgiris Districts, Tamilnadu. A Case study', *Indian Journal of Agricultural Economics, vol.62.no.3, july- September.*

Chowdhury, Mosley and Simanowitz. (2004), ' The Social inpact of Microfinance' *journal of International Development,* vol 16, issue 3, March 30

Coldwell C. J. (1979), *Population studies,*Vol. 33, No3.

Colemon, Brett B. (2006), "Microfinance in Northest Thailand: who benefits and how much?" *World Development,* Vol. 34, No. 9.

Dhar, S N and Sarker S. (2009), 'Interest incomes and financial sustainability-The case of Microfinance beneficiaries in India', *India Accounting Review,* Vol. 13 No. 1, June.

Das, P. (2010), Rural Non-Farm Employment in India-Pattern of Growth and determinants, Firma KLM Private limited.

Das, R. M. (2004), 'Micro Finance through SHGs', *Kurukshetra,* February, Vol. 52, No. 4,

Devi, S K, Ponnarasi.T and Selvi.G. (2010), 'Impact of Microfinance Programme in Rural Development', Modern Agriculture in Central and Eastern Europe,

Dokey, M. D. (1999), 'Sustaining rural women', *Social World,* March, Vol. 45, No. 12,p. 19

Dreze, J and Sen, A. (1988), 'Inidia: Economic Development and Social Opportunity' Oxford University Press Delhi

Ellis, Frank. (2000), 'Rural livelihood and diversity in developing countries', Oxford University Press, Oxford.

Foster J, Greer, J. and Thorbeke, E. (1984), 'A class of decomposable poverty measure', Econometrica, *Journal of Econometric Socity,* PP761-763

Gaiha, R; Imai, K; and Koushik, P.D (2001), 'On the Targeting and cost effectiveness an antipoverty programmes in rural India', *Development and Change,* Vol. 32,

Gaonkar, R.(2001), 'Working and impact of Self help groups in Goa', *Indian Journal of Agricultural Economics,* Vol.56, No.3, p .465.

Gladis M. J. (2008), 'Women Empowerment Through Self Help Groups', *SouthernEconomist, March.*

Gupta, M L and Gupta, N. (2006), 'Economic empowerment of women through SHGS', *Kurukshetra,* vol. 54, No. 4, Feb.

Gupta, S.K and Mishra, A. M. (2005), 'Role of microcredit institutions (SHGs) and their linkages to banks: A study in Hoshangabad District of Madhya Pradesh', *Indian journal of Agricultural Economics.*Volume 60, No-3-4, July-Dec

Gurumurthy, T. R. (2000), 'Self help groups empower rural women', *Kurukshetra,* February, Vol. 48, No. 5, p. 36. pp 31-37.

Gwatkins, D, Rustein, S, Johson, K, Pande, R and Wagstaff, A. (2000), 'Socio-economic differences in health, nutrition and population', Washington D C , The World Bank.

Harper, M. (2002), 'Self-help Groups and Grameen Bank Groups: What are the Differences?', in Thomas Fisher and M.S. Sriram (eds.), Beyond Micro-Credit: Putting Development Back intoMicro-Finance, Vistaar, New Delhi.

Harper, M, Berkhof .A, Ramakrishna. R.V. (2005), 'SHG Bank Linkage- A Tool for Reforms in Co-operatives',*Economic and Political Weakly,* April 23, vol. XL, No. 17.

Hermes, N, L, Robert and M, Aljar. (2011), 'Outreach and Efficiency of Microfinance Institutions', *World Development* Vol. 39, No.6, pp. 938-948

Hashemi S M, Schuler S R and Riley A P. (1996), ' Rural credit programs and women's empowerment in Bangladesh'" *World Development* 24 (4)

Hulme, D and Mosley, P. (1996),'Finance against poverty'. London: Routledge.

Jain, L.C. (1988), 'Poverty, 'Environment and Development', *Economic and Political Weakly,* 13February,

Imai, Katshusi, S; Rogav, G; Thapa, G and Annim, Kolihar, S. (2012), 'Micro finance and poverty-A Macro perspectives, *World Development,* Volume 40, No. 6, pp 1675-1689.

Jain, R. (2003), 'Socio-Economic impact through Self Help Groups', *Yojana,* Vol.47, No. 7.

Jana, S K and Dasgupta, S. (2012), Public financing of secondary education in West Bengal, Vidyasagar University *journal of Economics,* Vol. XVI.

Jerinabi, U. (2006), 'Micro Credit Management by Women's Self Help Groups'. 1st ed., New Delhi: Discovery Publishing House.

Johnson, S. (2004), 'The impact of microfinance institutions in local financial markets: a case study from Kenya' in *Journal of International Development,* vol. 16, issue. April.

Joshi, S.C. (2007), ' Micro- credit not charity', *Social Welfare,* February, Vol. 48, No. 32.

Kabeer N. (1999),' The conditions and consequences of choice: Reflections on the measurement of womens' empowerment', *UNRISD.*

Kabeer N. (2005), 'Is Microfinance is a Magic Bullet for women empowerment? Analysis of findings from South Asia', *Economic and Political weakly,* Vol XL, No 44 April 23.

Kaladhar, K. (1997), 'Microfinance in India, Design, structure and Governance', *Economic and Political Weakly,* Oct 18.

Kamaraju, S. (2005), 'Self help groups: Emerging rural enterprises', *Kisan World,* August,Vol. 32, No. 8.

Kasi, E. (2007), 'Lives of marginal communities in the drought - prone areas of South India : A case study of Anantapur district of Andrapradesh'. The *4th Asian Regional conference* and 10th international seminar on participatory irrigation management: Tehran-Iran, May 2-5.

Katz, A. H. (1981), 'Self Help and Mutual aid: an emerging social movement?'*Annual Review of Sociology,* Vol.7.

Khatal, S. K, Ovhal, V. V. (2012), 'A miracle of Women Empowerment through Micro Finance (SHG)', *Proficient International Refereed Journal of Management,* Vol 4, issue v, May.

Kirkpatrick, C. and Maimbo S. (2002), 'The implications of the evolving microfinance agenda for regulatory and supervisory policy.*' Developing Policy and Review* Vol. 20 No. (3): 293-304.

Krishna, A. (2003), 'Social capital, community driven development, and empowerment: A short note on concepts and operations'. Working Paper No. 33077. Washington, DC: World Bank.

Krishna, A. (2003), 'Failling into poverty',*Economic and Political Weakly,* vol.xxxviii, No.6.

Kumar. V. ((2005), 'Growth of Microfinance in Himalyan states with special reference to Himachal Pradesh', *Indian journal of AgriculturalEconomic,*Volume, 60, No-3-4, July-Dec.

Kumararaja (2009), 'Performance of SHG in Tamil Nadu', *Southern Economist,* Vol. 47, No. 19.

Kushal, S, Sing Y.K, Goutom, S. (2007), 'Performance of woman Self Help Group in Murdabad district, U.P'. *Journal of Rural Studies,* vol 14, No.2, Sep.

Lalitha and B. S. Nagarajan (2002),'Self-Help Group in Rural Development', XII Edition, Himalaya Publications, New Delhi, p.78.

Lalneihzovi (2007), 'Women's Development in India', 1st ed., New Delhi: Mittal Publication.

Littlefield, E; Morduch, j; and Hashemi, S (2003), ' Is Microfinance an effective strategy to reach the millennium development goals?', CGAP Focus note, No. 24, CGAP Publications, Washington.

Littlefield and Rosenberg (2004), 'Micro finance and the poor', *Journal of Development economics,*78 (2).

Maity, P. (2005), 'Rural Development through the creation of Self-Help- Groups', paper presented in Regional level seminar, K.D.College of Commerce, Midnapore, 4th March.

Majumder, S. (2014), 'Microfinance and rural development', *Artha Beekshan,* Vol. 23, No.3, December.

Mallick, D. (2012), 'Micro finance and moneylender interest rate: Evidence from Bangladesh', *World Development,* Volume 40, No. 6, pp 1181-1189.

Marr, A. (2004), 'A challenge to the orthodoxy concerning microfinance and poverty reduction,' *Journal of Microfinance,* vol. 5, no 2.

Mayoux, L. (2001), 'Tacking the Down Side: Social Capital, Women's Empowerment and Microfinance in Cameroon', *Development and Change*, Vol.32, No.3.

Misra, A. (2006), 'Microfinance in India and Millennium Development Goals: Maximising Impact on Poverty', Discussion Paper for Workshop on World Bank, Singapore, 18 September

Mersland, R, D'espallier, B and Supphellen, M. (2013), 'The effects of religion on development efforts: Evidence from the microfinance industry and aresearch Agenda', *World Development, Vol. 41, PP-145-156.*

Misra, A. (2006), 'Microfinance in India and Millennium Development Goals: Maximising Impact on Poverty', *Discussion Paper for Workshop* on World Bank, Singapore, 18 September

Mitra S. andKundu. A (2009),' Determinants influencing a Rural HHs preference to join individual liability or join liability micro-credit operated by Primary Agricultural Credit Society - the Micro-finance Review': J*ournal of the center for Micro-finance Research,* vol.1, No 1, July-december.

Moghaddas- Farimani S and Hosseini S. M. (2004), 'Pasture ecosystem managememt in drought. Proceeding of Agricultural science in arid area'. Ardestan Azad University press, Iran (in Persian)

Mohanam, S. (2006), 'Micro-credit and empowerment of women: Role of NGOs', *Yojana,* February, Vol. 68, No.4.

Montgomery, R. (1996), ' Diciplining or protecting the poor? Avoiding social costs of peer pressure in micro credit scheme', *Journal of International Development,*vol. 8, no. 2, Wiley, Chichester and Newyork.

Montgomery, Heather (2005), '*Serving the Poorest of the Poor: The Poverty Impact of the Khushhali Bank's Microfinance Lending in Pakistan',* Asian Development BankInstitute, Tokyo, JapanNABARD (2002), Ten years of SHG-Bank linkage: 1992- 2002, NABARD and Microfinance.

Mosley, P. (2001), 'Microfinance and Poverty in Bolivia', *Journal of Development Studies*, Vol 37, No 4, pp 101-32.

Murray, I and E Lynch (2003), 'What Do Microfinance Customers Value?', Women's World Banking: What Works, http://www. Women's world banking.

Nagaraj,V.G and Rajashri, S.G. (2008), 'Empowerment of Rural Women Through SHG', *Southern Economist*, Vol. 47, No. 19.

Nahaware, H.S and Mahadik, T.J. (2005), 'Impact of SHG in Malshires Tehsil Solapur district of Maharastra', *Journal of Agricultural Economics*, volume, 60, No.3-4, July-Dec.

Nair. T. (2002), 'Meeting the credit needs of the micro enterprise sector in Amitava Kundu and Alakh. N.Sharma (eds), informal sector in India', *perspectives and policies* ,institute of human development ,New Delhi.

Nair. T.S. (2005), 'The transforming world of Indian microfinance', *Economic and Political Weakly*, April 23, Vol. XL, No17.

Nair, S T. (2012), "Financing of Indian Microfinance Evidence and Implications" *Economic and Political Weakly* vol xlv 11 No 25, June23.

National Center for Educational Statistics (2008), *Socio-Economic Status, 31 March*.

NCSW **(**National Commission on the Status of Women**)** Report (2009), National Perspective Plan for Women, Government of India, Ministry of Human Resource Development, New Delhi,

Nedumaran, S.; Palanisami, K.; and Swaminathan, L.P. (2001), "Performance and Impact of Self-help Groups in Tamil Nadu", *Indian Journal of Agricultural Economics, Vol. 56, No. 3.*

Ojha, R. K. (2001), 'Self-Help Groups and Rural Employment', *Yojana*, May, Vol. 45,p. 20.

Panda, R. K. (2005), 'Emerging Issues on Rural Credit', 1st ed., New Delhi: APH Publishing Corporation.

Park Aand Ren C. (2001), 'Micro finance with Chinese characteristics', *World Development*, vol.29, No.1.

Parthasarathi, G. (1981), "Integrated Rural Development: Concept, theoretical base and concentrations, in T.Mathew (ed.) book' Rural Development in India", Agricole publishing Academy, New Delhi.

Pillai, B. Vijayachandran, Harikumar, V. (2006), 'Self Help Groups in Kerala', *Kurukshetra*, Vol. 54: No. 9 (July).

Pitt, MM and Khandker, S. (1998), 'The impact of group-based credit programs on poor households in Bangladesh: does the gender of participants matter?'*Journal of political economy*, vol. 2.

Pitt, M, Shahidur, M, Khandker, R, and Cartwright, J. (2003), 'Does Micro-Credit Empower Women?Evidence from Bangladesh.'Pp. 1-53 in WITS, Brown, Colorado Population and HealthColloquirm. Johannesburg, South Africa.

Phougat, S. S and Hooda, S. (2010), 'Swarnajayanthi Gram Swarozgar YojanaProgramme implemented in Haryana', *Southern Economist*, February, Vol. 48, No. 20.

Pierre, Ly and Mason, G. (2012), ' Competition between micro finance NGOs; Evidence from Kiva; *World Development*, Volume 40, No. 3, pp 643-655.

Puhazhendhi, V.; and Badatya, K.C. (2002),'SHG-Bank Linkage Programme for Rural Poor in India - An Impact Assessment', Microcredit Innovations Department, National Bank ForAgriculture and Rural Development, Mumbai.

Puhazhendhi, V.; and Satyasai, K.J.S. (2000), 'Micro Finance for Rural People: An impact Evaluation',Microcredit Innovations Department, National Bank for Agriculture and Rural Development, Mumbai.

Ramesh .J. (2007), 'Self-help Groups Revolution: what next?'*Economic and Political weakly,* Vol, No ,PP-3621. September 8.

Rao, V. K. (2002), 'Women Self-Help Groups Profiles from Andhra Pradesh and Karnataka*',Kurushetra,* April, Vol. 50, No. 6, p. 26.

Rao, J.U. (2007), 'Women in a Developing Society', Ashish Publishing House, New Delhi.

Reddy C.S. (2007), 'SHGs in India: An Interview', APMAS, Hydrabad, India.

Reji E. (2011),' Micro finance and women empowerment: Evidence from field survey', *Journal of Rural Development*,vol. xxx, No-1.

RBI Annual Report , 2005.

Reddy C.S. and Manak S. (2005), 'Self-Help Groups: A Keystone of Microfinance in India- Women empowerment and social security' ,October, APMAS, pp: 5-19.

Reberts, Peter, W. (2013), 'The profit organization of microfinance institutions and effective interest Rates'*; World Development,* Volume 41, pp 120-131.

Rooyen, C, Vani; Stewart, R and and Wet, T, De. (2012), 'The impacts of microfinance in Sub-Saharan Africa; A systematic Review of the evidences, *World Development*, Volume 40, No 11,pp 2249-2962.

Roy,M. and Strom, O. R (2010) , Microfinance Mission Drift?, *World Development* Vol. 38, No.1, pp. 28-36

Sangwan, S. S. (2008), "Financial Inclusion and Self Help Groups", Available at: http://www.nabard.org/databank.

Sarangi , S and Lahiri, D. (2007), 'Empowering rural women through skill formation training: An empirical study of SGSY in India', *Asia Pasific Journal of Rural Development*, Vol. XVII, No. 2.

Sarswathy, S, Porkodi, S and Bhuvaneswari, M. (2009), 'Micro-finance in Krishnagiri District',*Indian Journal of Marketing*, 2009, Vol. 39, No. 5,

Sau, S. N. (2005), 'Self- Help Group in Rural India: A new way of rural development or old wine in new bottle?' Regional level seminar, K. D College of Commerce, September.

Sau. S.N. (2009),' Approaches to rural development and theoretical bases of rural development programmes in India', *Vidyasagar University journal of Economics*, Vol. XIV.

Scully, N. (2004), Microcredit: 'No panacca for the poor women'. Washinton, DC: Global Development Research Centre.

Sita Devi.K, Ponnarasi.T and Tamil Selvi.G. (2010),' Impact of Microfinance Programme in Rural Development', Modern Agriculture in Central and Eastern Europe,

Shanthi, G and Dhanalakshmi, C. (2004),' Case Study of Women Empowerment through Self Help Groups in Gobichettipalayam Block, Erode District', *Cooperation*, August, Vol. 4, No. 10

Sharma, Roy, A, Bikash, Deepa, C. (2012), 'Potential of Self Help Groups as a Entrepreneur: A Case Study from Uttar Dinajpur District of West Bengal'.*Journal of Social Sciences,* 30 January, Page 83-87.

Sharma, Raj P. (2007), ' Microfinance and women empowerment', *The Journal of Napalese Business Studies,* Vol.4 No-1, PP. 16-2

Shrestha, M. (1998), 'Report on Self-help Banking Program and Women's Empowerment', Centre for Self-help Development, Kathmandu, Nepal.

Shiralashetti, A. S and Hugar, S. S. (2008), 'Micro-finance: A study of SHG and Bank Linkage', *Journal of Business Studies,* Vol. 5, No. 9.

Shivakumar, N. L. (1995), 'Self-Help Groups', *SocialWelfare*,Vol. 42, No. 4, p. 9.

Sen, A. (1993), 'Capability and Wellbeing' in Nussbaum and Sen (eds) The Quality of Life, a study prepared for the World Institute for Development Economics Research (WIDER) of the United Nations University, *OUP*, New Delhi, pp : 30-53

Shiralashetti, A. S. and Hugar, S. S. (2008), 'Micro-finance: A study of SHG and Bank Linkage', *Journal of Business Studies*, Vol. 5, No. 9, pp. 31-37

Sing, C. H. M. (2001), 'Self-Help- Groups- Some organizational Aspects', *Corporator*, May, Vol. 38, No. 11

Sing. (2010), 'Rural development and Socio-economic status of rural households inHariyana', *Asian Journal of Research in Social Sciences and Humanities*, vol. 2,Issue3, March.

Singh, J. (2006), 'PEDO's SHG Programme Impact Assessment, A Draft Report,' Centre for Microfinance, Jaipur, Retrieved from http://www.solutionexchange-un.net.in/mf .

Singh, Y K., Kaushal,S.K. and Gautam.S.S. (2007), 'Performance of women Self Help Groups in district Moradabad, U.P'. *International journal of Rural Studies*, 14 (2), 1-5.

Sing, S. (2012),'Rural Development and Socio-economic status of rural households in Haryana'*Asian journal of Research in Social sciences and Humanities*, Vol II, Issue-III, March

Sivaramakrisnan, K. (2003), 'Poverty alleviation through Self Help Groups', *Cooperation*, March, Vol. 3, No.5.

Sinha, F. (2005), 'Acess, use and contribution of microfinance in India: findings from a national Study', *Economic and Political weakly*, Vol XL, No 17April 23.

Sivaswami, K.S. (2000), ' Drought and Rainfall pattern, 1977 to 1999', *Economic and Political weakly*, Vol XXXV, No 24, July.

Sivakumar V, Balbir B. Bhasin. (2009), 'Path to Financial Inclusion: The Success of Self-Help-Groups-Bank Linkage Program', November.

Simanowitz, S. (2002), 'Microfinance for the poorest: A review of issues and ideas for contribution of Imp-Act'. An action Research Programme.

Shetty, NaveenK. (2008), 'TheMicro-FinancePromiseinFinancialInclusionand Welfare of the Poor: EvidencefromKarnataka', India'.http://www.igidr.ac.in

SU, (2007), 'From marginal tinkering to major changes: Microfinance and poverty alleviation', *Economic and Political weakly*, Vol, No.Feb. 3.

Suguna, B. (2006), 'Employment of Rural Women through Self-Help Groups', 1st ed., New Delhi: Discovery Publishing Home.

Sulltz, N. (2004), 'No panacca for poor women'. Washington, DC: Global Development Research Centre.

Tankha, A. (2002), 'Self-help Groups as Financial Intermediaries in India: Cost of promotion, sustainability and impact', ICCO and Cordaid, The Netherland, August.

Thirwall, A. P. (2003), 'Growth and development', Palgrave McMillan, New York.

Thorat. Y.S.P. (2005), 'Microfinance in India: Sectoral issuses and challenges', *High level policy conference on Microfinance in India*, New Delhi, 3-5 May.

Tripathy, K. K. (2004), 'Self Help Groups', *Kurukshetra*, June, Vol. 52, No. 52.

Tripathi, C.K and Sharma K.C. (2007), Impact of SHG-Bank linkage Programme on financial Behavior ofrural poor-Evidence from district in UP, *Indian Journal of Agricultural Economics*, volume.62, no. 3, July 3.

Tripathy K.K. and Join. S. K. (2010), 'Micro-finance and Rural Self employment Through Self- Help Group: A study of select district of Orissa and Haryana, *Journal of Rural Development*', vol.29, No 2, April-june.

Umashankar. D. (2006), 'Women's Empowerment: Effect of participation in SHGs', adissertations paper submitted at Indian Institute of Management, Bangalore, February.

Wilhite, D.A and Glantz, M. H. (1985), 'Understanding the drought phenomenon: the role of Definations', Drought Mitigation Centre Faculty Publications, paper 20

Wilkinson, R. (2005), 'The impact of inequality how to make sick societies healthier',Routledge Touglor and Francis, London.

Yunnus (2004), 'Grameen Bank, Microcredit and Millennium Development goals', *Economic and Political weakly*, Vol XL, No 39.

Zamani GH, Gargievski-Duijvsteijn MJ, Zarafshani K. (2006), 'Coping with drought: Towards a multilevel understanding based on conservation of resources theory', Hum Ecol, 34.

APPENDIX:

Table A 3.1 Number of SHGs by their formation, Grades and credit linked, 2002-03 to 2011-12

Year	Features of SHGs in DP Districts					Features of SHGs in West Bengal as a whole				
	Formed	WSHG	Passed Grade I	Passed Grade II	CL	Formed	WSHG	Passed Grade I	Passed Grade II	CL
2002-03	4916	3203	4344	137	46	21591	13781	17667	2004	462
2003-04	6119	4646	2855	397	58	20233	17682	12915	2532	1177
2004-05	8124	5919	6574	1223	149	34958	27021	23317	7182	1861
2005-06	10788	6164	7781	1381	322	35953	30233	31432	6595	1514
2006-07	11972	9614	13895	1864	698	36590	31576	42120	9826	2513
2007-08	9129	7700	7733	1294	748	37423	33471	32714	11132	3167
2008-09	9788	8628	7252	1538	828	33398	31936	29158	15294	4403
2009-10	8858	7777	12492	2669	1386	35123	32178	42235	18601	5849
2010-11	10247	9603	8452	2556	1671	38914	35241	31479	18092	6167
2011-12	7799	7010	9928	5976	2248	34761	31940	40938	29605	8463
Total	87740	70264	81306	19035	8154	328881	285059	303997	120863	35576

Source: Panchayat and Rural Development,Govornment of West Bengal

Table A 3.2 SHGs formed by women in four sample DP districts, 2002-03 to 2011-12.

DP District	SHGs Formed	Women SHGsformed	% share of SHGs formed by women
Bankura	19142	15669	81.9
Paschim Medinipur	24494	21669	88.5
Purulia	21770	17540	80.6
Birbhum	22334	15386	69.0

Source: Panchayat and Rural Development,Govornment of West Bengal

Table A 3.3Progress of SHGs in DP districts by their grades and credit-linked

DP District	Passed Grade I	Passed Grade II	CL	% of SHGs qualified for Grade I to total SHGs formed	% of SHGs qualified for Grade II to total SHGs formed	% of SHGs involved in credit linked to total SHGs formed
Bankura	14458	2794	578	75.5	14.6	3
Paschim Medinipur	28470	10009	3632	116.2	40.9	14.8
Purulia	19931	1290	1280	91.6	5.9	5.9
Birbhum	18447	4942	2664	82.6	22.1	11.9

Source: Panchayat and Rural Development,, Govornment of West Bengal

Table A 3.4 Number of SHGs in Bankura and in Paschim Medinipur by their formation, rades and creditlinked during 2002-03 to 2011-12

Year	Features of SHGs in Bankura district					Features of SHGs in Paschim Medinipur District				
	Formed	WSHG	Passed Grade I	Passed Grade II	CL	Formed	WSHG	Passed Grade I	Passed Grade II	CL
2002-03	1823	1411	386	45	7	2311	1300	3419	19	0
2003-04	1028	661	458	26	5	2072	1532	1558	206	5
2004-05	997	475	1109	80	11	1223	1068	2056	992	8
2005-06	2347	1403	1548	423	13	1462	1320	1568	708	163
2006-07	2761	2309	2179	91	28	1774	1641	2470	1041	442
2007-08	2531	2479	1772	391	14	1299	1112	1587	537	478
2008-09	2442	2251	1472	144	41	2524	2524	2300	849	384
2009-10	1470	1159	2910	328	65	3561	3286	4427	1085	652
2010-11	1810	1659	1514	620	139	5130	4878	3792	1133	721
2011-12	1933	1862	1110	646	255	3138	3008	5293	3439	779
Total	19142	15669	14458	2794	578	24494	21669	28470	10009	3632

Source: Office of Project Director, DRDA, Bankura and Paschim Medinipur districts.

Table A 3.5 Number of SHGs in Purulia and in Birbhum by their formation, Grades and credit-linked

Year	Features of SHGs Purulia district					Features of SHGs in Birbhum District				
	Formed	WSHG	Passed Grade I	Passed Grade II	CL	Formed	WSHG	Passed Grade I	Passed Grade II	CL
2002-03	435	345	109	0	0	347	147	430	73	39
2003-04	2210	2074	295	0	0	809	379	544	165	48
2004-05	3779	3119	2475	0	0	2125	1257	934	151	130
2005-06	2817	1320	2269	0	0	4162	2121	2396	250	146
2006-07	4167	3416	5355	72	72	3270	2248	3891	660	156
2007-08	2563	2137	2170	0	0	2736	1972	2204	366	256
2008-09	1926	1628	1360	172	112	2896	2225	2120	373	291
2009-10	1697	1517	2974	297	227	2130	1815	2181	959	442
2010-11	1399	1365	1563	129	165	1908	1701	1583	674	646
2011-12	777	619	1361	620	704	1951	1521	2164	1271	510
Total	21770	17540	19931	1290	1280	22334	15386	18447	4942	2664

Source: Office of Project Director, DRDA, Purulia and Birbhum districts

Table A 4.1 Number of SHGs in DPblocks of Paschim Medinipur by their formation in general and SHGs formed by women, 2002-03 to 2011-12

DP Block	Number. of SHGs			(%) Women SHGs formed to total SHGs	(%) of SHGs defunct to SHGs formed by women
	formed	formed by women	defunct		
BinpurII	1084	866	223	79.9	25.8
GopibhallavpurII	507	343	45	67.7	13.1
Jamboni	445	385	0	86.5	0.0
Jhargram	1089	1052	273	96.6	25.9
Total	3943	2646	390	67.1	14.7

Source: Office of Project Director, DRDC, Paschim Medinipur

Table A 4.2 Number of SHGs formed by women in DP blocks, 2002-03 to 2011-12

DP Block	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008 -09	2009 -10	2010 -11	2011 -12
BinpurII	0	304	61	110	35	44	5	104	104	99
GopibhallavpurII	68	34	1	0	62	0	28	50	56	44
Jamboni	0	8	5	5	59	0	102	91	54	61
Jhargram	6	121	49	118	128	95	164	157	112	103
Total	74	467	116	233	284	139	299	402	326	307
Coefficient of Variation	179.0	114.7	105.0	110.7	56.2	129.7	97.0	43.9	37.8	37.6

Source: Office of Project Director, DRDC, Paschim Medinipur

Table A 4.3 Percentage of women members assisted for economic activities after passing Grade I in PaschimMedinipur

DP Block	Number of members	Percentage of members
2002-03	0	0
2003-04	0	0
2004-05	0	0
2005-06	6	1.1
2006-07	64	11.9
2007-08	73	13.5
2008-09	53	9.8
2009-10	41	7.6
2010-11	33	6.1
2011-12	270	50
Total	540	

Source: *Office of* Project Director, DRDC, Paschim Medinipur

Table A 4.4 Progress of SHGs from Grade1 to Grade 11 passed and credit linkage from Grade 11 passed, 2002-03 to 2011-12

DP Block	Number of SHGs			(%) of SHGs passed Grade I1 from Grade I	(%) of SHGs involved in credit linkage from Grade I1
	passed Grade1	passed Grade I1	Credit linked		
BinpurII	1160	218	70	26.5	21.9
GopibhallavpurII	582	202	156	35.6	70.9
Jamboni	658	106	22	15.1	21.8
Jhargram	1312	172	142	32.2	30.1
Total	3712	698	390		

Source: Office of DRDA, Jilaparisad, PaschimMedinipur and Bankura districts

Table A 4.5 Number of SHGs formed by women in DP block of Bankura

DP Block	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Chhatna	94	98	88	28	278	145	158	175	9	226
Indpur	125	42	17	7	175	20	150	45	108	14
Khatra	70	57	27	70	168	46	44	17	97	58
Saltora	18	0	10	36	72	150	66	46	101	25
Total	307	197	142	141	693	361	418	283	315	323
Coefficient of Variation	58.9	82.2	100.5	74.3	48.6	74.2	55.5	100.1	59.3	122.1

Source: Office of Project Director, DRDC, Bankura

Table A 4.6 Progress of SHGs in DP blocks of Bankura district by their formation of SHGs in General and SHGs formed by women

DP Block	Number of SHGs			(%) Women SHGs formed to total SHGs formed	(%) of SHGs defunct to SHGs formed by women
	formed	Formed by women	defunct		
Chhatna	1372	1299	102	76.1	7.9
Indpur	998	703	24	70.9	3.4
Khatra	920	654	75	66.1	11.5
Saltora	705	524	6	60.2	1.1
Total	3995	3180	207		

Source: Office of Project Director, DRDC, Bankura

Table A 4.7 Progress of SHGs by their Grades and credit linkage after Grade I passed

DP Block	Number of SHGs			(%) of SHGs passed Grade1I from SHGs qualified for Grade1	(%) of SHGs involved in credit linked from SHGs qualified for Grade1I
	passed Grade1	passed Grade1I	credit linked		
Chhatna	1478	290	45	19.6	15.5
Indpur	736	79	17	13.3	21.8
Khatra	598	98	19	16.4	19.4
Saltora	476	23	5	2.1	50.0
Total	3288	490	86		

Source: Office of DRDA, Jilaparisad, Bankura.

Table A 4.8 Progress of SHGs in DPAs and non-DPAs in Paschim Medinipur and Bankura

Year	**Features of SHGs in DPAs**					**Features of SHGs in non-DPAs**				
	SHG Formed	Women SHG formed	Passed Grade1	Passed Grade II	Credit Linkage	SHG formed	Women SHG formed	Passed Grade1	Passed Grade II	Credit Linkage
2002-03	603	381	580	17	13	399	283	346	1	1
2003-04	914	664	297	27	4	572	402	432	37	1
2004-05	299	258	690	121	5	382	372	533	225	5
2005-06	668	374	724	236	8	379	301	431	229	56
2006-07	1143	977	922	213	69	464	370	348	123	126
2007-08	587	500	405	133	100	629	615	553	88	50
2008 -09	8496	717	531	56	58	849	820	705	183	50
2009-10	817	685	1221	112	48	666	512	879	228	143
2010-11	664	641	533	121	50	1116	1032	745	342	94
2011-12	672	630	1097	534	130	1070	1040	1071	780	204
Total	7000	5827	7000	1570	485	7000	5747	6043	2236	730

Source: DRDA, Jila parisad, Paschim Medinipur and Bankura district.

Table A 5.1 Distribution of SHGs according to their grades, credit received, credit linked and frequency of loan availed in DPAs and non-DPAs, 2000-01 to 2011-12

Features	**SHGs in DPAs**	**SHGs in non-DPAs**
Passed Grade I	91.7	100
Revolving fund received	85.4	100
Passed Grade II	58.3	59.5
Credit linked	18.8	16.7
Frequency of availing loan:		
(a) Once	39.6	38.1
(b) Twice	37.5	42.9
(c) Thrice or more	14.6	19
Total	100	100

Source: *Field Survey (2011-12)*

Table A 5.2.1 Indicators of SHGs passed Grade I

	PCS	PCC (Rs.)	C/D	R/C Ratio
Name of the groups in DPAs				
Jantiara Adibasi	5709	29750	521	80
Belaberia Swasahayak	5053	22500	445	60
Shaympur Tapashili SGSY	4370	15500	355	78
Talbandha uparpara SGSY	4400	15700	357	62
Sabrakone Ramkrisna Mahila	5103	20128	394	45
.Muthadang Adibasi Samagik	4040	8500	210	62
Fulberia Birangana	4368	22500	515	48
Tiluri Jaherara SGSY Mahila	3521	7500	213	56
Kanki kamala sgsy	4613	9500	206	55
Bankata Maa Sarasswati	4243	9300	219	66
Sukjora Lilabati	3050	7500	249	43
Dhapali SGSY Saraswati	4862	7500	209	44
Binapani peacemaker	6030	12500	207	49
Bangabad Sanjukta SGSY Dal	4931	11200	227	46
Susunia Pahar Mahamaya	3160	1769	56	17
Biduchanda	2604	2500	96	95
Nagdi Sidhukanu SGSY Dal	1843	2500	136	18
Chotobansaro nagarbasi	1989	2500	126	100
Domodarpur Sangrami	1661	5819	350	94
Ghola Biswamata	3380	21230	628	33
Gurputa Nebedita	1055	1917	181	30
Beldangra Raghunath Jeu	4200	21308	293	36
Sagan Sakam	1781	2500	140	33
Matihana Baba Dharmaraj	4040	2500	62	36
Saradamoni SGSY Dal	1140	5000	438	96
Kalaiberia Manasha Mata	2333	6333	271	16
Parashibana Adibasi Helka rakab	2259	2273	101	21
Palbansi Sri Sri Maa Sitala	2250	10000	444	12
Laltigore Mangalchand SGSY	2586	5357	206	66
Rangamati Swanirbhar Ghosthi	7929	13538	170	60
Rani Laxmibai Swasahayak	1579	2500	158	77
Adkara Dharmaraj Swanirvhar	1506	5000	332	18
Dubra Maa Tara	2400	15000	625	12
Noharia Maa Swarasati	2381	5000	209	18
Kadapitra Gaantara Ayo	878	1000	114	100
Radhanagar Karamtala	3742	7500	200	64
Gidhuria Adibasi SGSY	2006	3333	166	42
Pachakhali Sari Dharam	4048	7500	185	100
Patpur SGSY Mahila	1674	4333	259	31
Supur panchpara maa Sontoshi	837	2000	238	45
Krishnapur Saridharam	1230	2500	174	22
Tiluri Annapurna SGSY	860	0	0	0
33.Dhekia Marangburu SGSY	236	0	0	0
34.Laxmanpur Kangsabati SGSY	340	0	0	0
Name of the groups in non-DPAs				
Mother Teresa	9983	27500	357	100
Amchura Laxmi SGSY	6167	23181	375	86
Changual Sibsakti	7126	25500	358	45
Birangana SGSY	5840	23500	402	48
Sreemaa Swanirbhar	5287	12200	208	96
Baba Lokenath Swarnajoyanti	6300	27500	436	66
Kuliara-1 Aradhana Sasahayak	5760	24750	429	46
Saynnashi baba Sayambhar Ghosthi	4350	12500	287	43
Maa Jagatdatri	4140	8500	206	60

Narayanpur Nibedita SGSY	4300	9300	216	48
Bhagirathi	4668	6970	215	44
1.Sri Durga	2160	7500	347	67
20.Bara Dhansola Nabaratna SHG	4057	2272	56	38
22.Saptapradip	4972	2000	40	30
4.Nainagore Sonarbangla	2780	29000	1043	6.5
5.Naipara Maa Sitala	3189	5000	157	72
6.Maa Sideshwaari SHG	3600	9091	252	20
7. Gholardanga Mamtaj SGSY	4812	1818	37	100
8.Laxmipriya	1909	9083	475	100
9.Amdahara Kohinoor SGSY Dal	3600	5385	149	28
10.Sitala Mata	2607	2500	95	49
11.Gobindopur Annadata SGSY	1460	7600	520	8
12.Barageria Marangburu SGSY	3600	2167	60	55
13.Ayma Kalandar Ambedkar	1920	5000	260	28
25.Binpur Dompara	1781	2000	122	32
2.Chowpena Maa Manasha	1801	17667	980	68
3.Jalleswar SGSY Dal	3720	8000	215	100
14.I ndas Hazra para Barama	1580	9000	570	8.33
15.Bidhuchandan Swasahayak Dal	2594	5000	192	70
16.Katgora Marangburu SGSY	2564	5938	232	21
17.Goaldawga Maa Manasha	2680	5500	205	12
18.Maa Durga Swasahayak	2532	5454	215	26
19.Sahaspur Durgamata	1550	7000	452	18.75
21.Kalaijuri Maa Manasha SGSY	1620	2273	140	35
23.Konarpur Mangalchandi	1410	1800	128	56
24.Andharia Maa Manasha Swasahayak	1329	5454	410	35
26.Balichack Mother Tereja	1255	5000	398	0
27.Indus Rai para Shayma	1353	5000	369	9.6
28.Baharkalaberia Maa Durga	3132	2500	80	26
29.Konarpur Middyapara Netaji	1097	1667	151	13
30.Panna Pirbaba SGSY Swanirbhar	2160	1500	69	17
31.Radhamadavpur Apanjan	900	1720	191	13

Source: *Field Survey (2011-12)*

Table A 5.2.2 Indicators of SHGs passed Grade II

	Year of Functioning	**PCS (Rs)**	**PCC (Rs.)**	C/D Ratio	R/C Ratio	Grade II PASS
Name of the groups in DPAs						
Jantiara Adibasi	8	5709	29750	521	80	1
Belaberia Swasahayak	12	5053	22500	445	60	1
Shaympur Tapashili SGSY	12	4370	15500	355	78	1
Talbandha uparpara SGSY	10	4400	15700	357	62	1
Sabrakone Ramkrisna Mahila	8	5103	20128	394	45	1
Muthadanga Adibasi Samagik	8	4040	8500	210	62	1
Fulberia Birangana	6	4368	22500	515	44	1
Tiluri Jaherara SGSY Mahila	7	3521	7500	213	56	1
Kanki kamala sgsy	10	4613	9500	206	55	1
Bankata Maa Sarasswati	7	4243	9300	219	66	1
Sukjora Lilabati	6	3050	7500	249	43	1
Dhapali SGSY Saraswati	7	4862	7500	209	44	1
Binapani peacemaker	9	6030	12500	207	49	1
Bangabad Sanjukta SGSY Dal	9	4931	11200	227	46	1
Susunia Pahar Mahamaya	8	3160	1769	56	17	1

Biduchanda	7	2604	2500	96	95	1
Nagdi Sidhukanu SGSY Dal	3	1843.5	2500	136	18	1
Chotobansaro nagarbasi	7	1989	2500	126	100	1
Domodarpur Sangrami	4	1661	5819	350	94	1
Ghola Biswamata	6.5	3380	21230	628	33	1
Gurputa Nebedita	3	1055	1917	181	30	1
Beldangra Raghunath Jeu	7	4200	21308	293	36	1
Sagan Sakam	9	1781	2500	140	33	1
Matihana Baba Dharmaraj	3	4040	2500	62	36	1
Saradamoni SGSY Dal	3	1140	5000	438	96	1
Kalaiberia Manasha Mata	4	2333	6333	271	16	1
Parashibana Adibasi Helka rakab	7	2259	2273	101	21	1
Name of the groups in non-DPAs						
Mother Teresa	12	9983	27500	357	100	1
Amchura Laxmi SGSY	12	6167	23181	375	86	1
Changual Sibsakti	12	7126	25500	358	45	1
Birangana SGSY	10	5840	23500	402	48	1
Sreemaa Swanirbhar	8	5287	12200	208	96	1
Baba Lokenath Swarnajoyanti	6	6300	27500	436	66	1
Kuliara-1 Aradhana Sasahayak	6	5760	24750	429	46	1
Saynnashi baba Sayambhar Ghosthi	7	4350	12500	287	43	1
Maa Jagatdatri	7	4140	8500	206	60	1
Narayanpur Nibedita SGSY	7	4300	9300	216	48	1
Bhagirathi	8	4668	6970	215	44	1
Sri Durga	4	2160	7500	347	67	1
Nainagore Sonarbangla	4	2780	29000	1043	6.5	1
Naipara Maa Sitala	4	3189	5000	157	72	1
Maa Sideshwaari SHG	5.2	3600	9091	252	20	1
Gholardanga Mamtaj SGSY	7	4812	1818	37	100	1
Laxmipriya	5	1909	9083	475	100	1
Amdahara Kohinoor SGSY Dal	5.5	3600	5385	149	28	1
Sitala Mata	5	2607	2500	95	49	1
Gobindopur Annadata SGSY	2	1460	7600	520	8	1
Barageria Marangburu SGSY	5	3600	2167	60	55	1
Ayma Kalandar Ambedkar	3	1920	5000	260	28	1
Bara Dhansola Nabaratna SHG	7	4057	2272	56	38	1
Saptapradip	7	4972	2000	40	30	1
Binpur Dompara	5	1781	2000	122	32	1

Source: *Field Survey (2011-12)*

Table A 5.2.3 Indicators of groups involved in credit linkage scheme

	Year of Functioning	PCD (Rs)	PCC (Rs.)	C/D Ratio	R/C Ratio	Grade II PASS
Name of the groups in DPAs						
Sabrakone Ramkrisna Mahila	8	5103	20128	394	45	1
Beldangra Raghunath Jeu	7	4200	21308	293	36	1
Ghola Biswamata	6.5	3380	21230	628	33	1
Kalaiberia Manasha Mata	4	2333	6333	271	16	1
Shaympur Tapashili SGSY	12	4370	15500	355	78	1
Binapani peacemaker	9	6030	12500	207	49	1
Belaberia Swasahayak	12	5053	22500	445	60	1
Jantiara Adibasi	8	5709	29750	521	80	1
Fulberia Birangana	6	4368	22500	515	44	1
Name of the groups in non-DPAs						
Changual Sibsakti	12	9983	27500	357	100	1
Mother Teresa	12	6167	23181	375	86	1
Amchura Laxmi SGSY	12	7126	25500	358	45	1
Nainagore Sonarbangla	4	2780	29000	1043	6.5	1
Baba Lokenath Swarnajoyanti	6	6300	27500	436	66	1
Birangana SGSY	10	5840	23500	402	48	1
Changual Sibsakti	12	9983	27500	357	100	1

Source: Field Survey (2011-12)

Table A 5.3 Percentage distribution of members according to their attendance at meeting during 2011-12.

Attendance at meeting	Percentage of SHGs in	
	DPAs	non-DPAs
Over 90 per cent and upto 100 per cent	25	40.5
Over 75 per cent and upto 90 per cent	33.3	35.7
Over 50 per cent and upto 75 per cent	35.4	7.1
Less than 50 per cent	6.3	11.9
No attendance	-	4.8
Total	100	100

Source: Field Survey (2011-12)

Table A 5.4 Percentage of members attended at meeting bynumber of days per month

Attendance at meeting (number of days per month)	Members (%) of SHGs in	
	DPAs	non-DPAs
4 days/month	21.9	40.9
3 days/month	35.9	36
2 days/month	35.9	7.3
1 day/ month	6.3	11.4
No attendance		4.4
Total	100	100

Source: Field Survey (2011-12)

Table A 5.5 Percentage distribution of members received Hand Holding Training and Basic Orientation Progrmme training in DPAs and non-DPAs

Nature of the training	DPAs	non-DPAs
1.HHT	1	4
2.BOP	69	49
HHT +BOP	8	12

Source: Field Survey (2011-12)

Table A 5. 6 Percentage distribution of members of SHGs participated in training by caste

Caste wise	Members (%) participatedin trainingin	
	DPAs	non- DPAs
GEN	94.8	76.5
SC	71.2	86.6
ST	76.6	89.7
OBC	27.3	83.9

Source: Field Survey (2011-12)

Table A 5.7 Percentage distribution of members of SHGs built awareness

Caste wise	Members (%)built awareness in	
	DPAs	non-DPAs
GEN	44.9	57.5
SC	53.7	39.2
ST	55.4	68
OBC	22.7	11.5

Source: Field Survey (2011-12)

Table A 5.8 Percentage distribution of members of SHGs built awareness by caste

Awareness	Member (%) of SHGs							
	DPAs				non-DPAs			
	General	SC	ST	OBC	General	SC	ST	OBC
Health	77.2	71.2	35.6		15.1	1.7	28.9	
Education			11.5		13.7	22.4	15.4	
Social			32.2		26	5.2	32.7	
Health andEdu		17.8	12.7		6.9	48.3		
Edu., Social			1.2			15.5	11.5	67
Health, Soc.	21	1.4	3.4	60	5.5	1.7	3.9	
He, Edu,Soc.	1.8	9.6	3.4	40	32.9	5.2	7.7	33
Total	100	100	100	100	100	100	100	100

Source: Field Survey (2011-12)

Table A 5.9 Percentage distribution of members of SHGs and other persons by their banking habit

Members (%) inDPAs go to bank		Members (%) innon-DPAs go to bank		Other persons (%) inDPAs go to bank
Before group formation	After group formation	Before group formation	After group formation	
13	70.7	12.3	82.2	15.1

Source: Field Survey (2011-12)

Table A 5.10 Percentage distribution of members visited to bankby caste

Caste wise	Members (%)inDPAs		Members (%)innon-DPAs		Other persons(%)inDPAs
	BGF	AGF	BGF	AGF	
GEN	13.4	82.8	15.1	84.3	16.4
SC	17.8	60.2	11.1	85.4	19.4
ST	6.3	71.7	6.9	65.5	10.3
OBC	31.8	72.3	19.4	100	25

Source: Field Survey (2011-12)

Table A 5.11 Percentage distribution of members by their frequency of going to bank

Caste wise	Percentageof membersof SHGs								non-SHG persons going to bank inDPAs	
	DPAs				non-DPAs					
	Once a month	Twice a month	More than twice a month	Twice a year	Once a month	Twice a month	More than twice a month	Twice a year	Once a month	Twice a year
GEN	11.7	13.5	7.2	67.6	10.7	17.1	9.3	62.9	31	36.5
SC	13	14.8	12.2	60	11.6	9.6	15.1	63.7	52.4	38.6
ST	17.7	14.3	9.5	58.5	17.5	8.8	5.3	68.4	7.1	16.2
OBC	5.9	29.4		64.7	9.7	9.7	12.9	67.7	18.3	11.7

Source: Field Survey (2011-12)

Table A 5.12 Percentage distribution of SHGs as strong, medium and weak groups by their indicators

Classification of groups	Percentage of groups in DPAs	Percentageof groups in non-DPAs
Strong Group	10.4	11.9
Medium Group	18.8	14.3
Weak Group	70.8	73.8
Total	100	100

Source: Field Survey (2011-12);

Table A 5.12.1 Indicators of strong group

	Year of Functioning	PCS (Rs)	PCC (Rs.)	C/D Ratio	R/C Ratio	GII PASS
Name of the groups in DPAs						
Jantiara Adibasi	8	5709	29750	521	80	1
Belaberia Swasahayak	12	5053	22500	445	60	1
Shaympur Tapashili SGSY	12	4370	15500	355	78	1
Talbandha uparpara SGSY	10	4400	15700	357	62	1
Sabrakone Ramkrisna Mahila	8	5103	20128	394	45	1
Name of the groups in non-DPAs						
Mother Teresa	12	9983	27500	357	100	1
Amchura Laxmi SGSY	12	6167	23181	375	86	1
Changual Sibsakti	12	7126	25500	358	45	1
Birangana SGSY	10	5840	23500	402	48	1
Sreemaa Swanirbhar	8	5287	12200	208	96	1

Source: Field Survey (2011-12)

Table A 5.12.2 Indicators of medium group

	Year of Functioning	PCS (Rs)	PCC (Rs.)	C/D Ratio	R/C Ratio	Grade II PASS
Name of the groups in DPAs						
1.Muthadang Adibasi Samagik	8	4040	8500	210	62	1
2.Fulberia Birangana	6	4368	22500	515	48	1
3.Tiluri Jaherara SGSY Mahila	7	3521	7500	213	56	1
4.Kanki kamala sgsy	10	4613	9500	206	55	1
5.Bankata Maa Sarasswati	7	4243	9300	219	66	1
6.Sukjora Lilabati	6	3050	7500	249	43	1
7. Dhapali SGSY Saraswati	7	4862	7500	209	44	1
8.Binapani peacemaker	9	6030	12500	207	49	1
9.Bangabad Sanjukta SGSY Dal	9	4931	11200	227	46	1
Name of the groups in non-DPAs						
1.Baba Lokenath Swarnajoyanti	6	6300	27500	436	66	1
2.Kuliara-1 Aradhana Sasahayak	6	5760	24750	429	46	1
3.Saynnashi baba Sayambhar Ghosthi	7	4350	12500	287	43	1
4.Maa Jagatdatri	7	4140	8500	206	60	1
5.Narayanpur Nibedita SGSY	7	4300	9300	216	48	1
6.Bhagirathi	8	4668	6970	215	44	1

Source: Field Survey (2011-12)

Table A 5.12.3 Indicators of weak group in DPAs

Name of the groups	Year of Functioning	PCS (Rs)	PCC (Rs.)	C/D Ratio	R/C Ratio	Grade II
24.Susunia Pahar Mahamaya	8	3160	1769	56	17	1
2.Biduchanda	7	2604	2500	96	95	1
22.Nagdi Sidhukanu SGSY Dal	3	1843	2500	136	18	1
4.Chotobansaro nagarbasi	7	1989	2500	126	100	1
5.Domodarpur Sangrami	4	1661	5819	350	94	1
6.Ghola Biswamata	6.5	3380	21230	628	33	1
19.Gurputa Nebedita	3	1055	1917	181	30	1
8. Beldangra Raghunath Jeu	7	4200	21308	293	36	1
9.Sagan Sakam	9	1781	2500	140	33	1
16.Matihana Baba Dharmaraj	3	4040	2500	62	36	1
11.Saradamoni SGSY Dal	3	1140	5000	438	96	1
12. Kalaiberia Manasha Mata	4	2333	6333	271	16	1
13.Parashibana Adibasi Helka rakab	7	2259	2273	101	21	1
14.Palbansi Sri Sri Maa Sitala	6	2250	10000	444	12	0
15.Laltigore Mangalchand SGSY	4	2586	5357	206	66	0
1.Rangamati Swanirbhar Ghosthi	9	7929	13538	170	60	0
17. Rani Laxmibai Swasahayak	4	1579	2500	158	77	0
18. Adkara Dharmaraj Swanirvhar	5	1506	5000	332	18	0
10.Dubra Maa Tara	6	2400	15000	625	12	0
20.Noharia Maa Swarasati	7	2381	5000	209	18	0
21.Kadapitra Gaantara Ayo	3	878	1000	114	100	0
7.Radhanagar Karamtala	8	3742	7500	200	64	0
23.Gidhuria Adibasi SGSY	5	2006	3333	166	42	0
3.Pachakhali Sari Dharam	9	4048	7500	185	100	0
25.Patpur SGSY Mahila	2	1674	4333	259	31	0
26Supur panchpara maa Sontoshi	3	837	2000	238	45	0
27.Krishnapur Saridharam	3	1230	2500	174	22	0
28.Matalsole Nibedita	12	3281	0	-	-	0
29. Panua Faguni Kuity SHG	1	1640	0	0	0	0
30. Ghutia Maa Guptamani	2	1140	0	0	0	0
31. Tiluri Annapurna SGSY	2	860	0	0	0	0
32. Radhagobindo Swasahayak	2	810	0	0	0	0
33.Dhekia Marangburu SGSY	1	236	0	0	0	0
34.Laxmanpur Kangsabati SGSY	1	340	0	0	0	0

Source: Field Survey (2011-12)

Table A 5.12.3 (Continuation) Indicators of weak group in non-DPAs

Name of the groups	Year of Functioning	PCS (Rs)	PCC (Rs.)	C/D Ratio	R/C Ratio	Grade II PASS
1.Sri Durga	4	2160	7500	347	67	1
20.Bara Dhansola Nabaratna SHG	7	4057	2272	56	38	1
22.Saptapradip	7	4972	2000	40	30	1
4.Nainagore Sonarbangla	4	2780	29000	1043	6.5	1
5.Naipara Maa Sitala	4	3189	5000	157	72	1
6.Maa Sideshwaari SHG	5.2	3600	9091	252	20	1
7. Gholardanga Mamtaj SGSY	7	4812	1818	37	100	1
8.Laxmipriya	5	1909	9083	475	100	1
9.Amdahara Kohinoor SGSY Dal	5.5	3600	5385	149	28	1
10.Sitala Mata	5	2607	2500	95	49	1
11.Gobindopur Annadata SGSY	2	1460	7600	520	8	1
12.Barageria Marangburu SGSY	5	3600	2167	60	55	1
13.Ayma Kalandar Ambedkar	3	1920	5000	260	28	1
25.Binpur Dompara	5	1781	2000	122	32	1
2.Chowpena Maa Manasha	2	1801	17667	980	68	0
3.Jalleswar SGSY Dal	5	3720	8000	215	100	0
14.I ndas Hazra para Barama	2	1580	9000	570	8.33	0
15.Bidhuchandan Swasahayak Dal	4	2594	5000	192	70	0
16.Katgora Marangburu SGSY	8	2564	5938	232	21	0
17.Goaldawga Maa Manasha	8	2680	5500	205	12	0
18.Maa Durga Swasahayak	7	2532	5454	215	26	0
19.Sahaspur Durgamata	2	1550	7000	452	18.75	0
21.Kalaijuri Maa Manasha SGSY	6	1620	2273	140	35	0
23.Konarpur Mangalchandi	4	1410	1800	128	56	0
24.Andharia Maa Manasha Swasahayak	2	1329	5454	410	35	0
26.Balichack Mother Tereja	2	1255	5000	398	0	0
27.Indus Rai para Shayma	2	1353	5000	369	9.6	0
28.Baharkalaberia Maa Durga	4	3132	2500	80	26	0
29.Konarpur Middyapara Netaji	5	1097	1667	151	13	0
30.Panna Pirbaba SGSY Swanirbhar	3	2160	1500	69	17	0
31.Radhamadavpur Apanjan	2	900	1720	191	13	0

Source: Field Survey (2011-12)

Table A 5.12.4 Percentage distribution of the members of strong, medium, weak SHGs who were getting training facilities

Nature	Strong groups		Medium groups		Weak groups	
	DPAs	non-DPAs	DPAs	non-DPAs	DPAs	non-DPAs
Trained	100	84.9	100	88.5	70.5	83.3
Non-Trained		15.1		11.5	29.5	16.7
Total	100	100	100	100	100	100

Source: Field Survey (2011-12)

Table A 6.1 Percentage distribution of members of SHG by their age structure

Age group (years)	DPAs	non-DPAs
20 - 30	31.3	34.1
30 - 40	30.1	30.3
40 - 50	25.9	25.9
50 – 60	12.7	9.7
Total	100	100

Source: Field Survey (20011-12)

Table A 6.2 Percentage of members by level of education before and after group formation

Level of Education	members in DPAs		members in non-DPAs		other persons in DPAs
	AGF	AGF	BGF	AGF	
Illiterate	46	34.6	43.7	33.6	40.7
Literate	1.3	12.7	2.9	13	5.8
Primary Education	16.7	16.7	19.3	19.3	14.3
Upper Primary Education	25	25	22.6	22.6	22.4
Secondary Education	8.7	8.7	8.1	8.1	11
Higher Secondary Education	1.8	1.8	2	2	4.5
Under Graduate Level	.5	.5	.9	.9	1.3
Post Graduate Level	-	-	.5	.5	
Total	100	100	100	100	100

Source: Field Survey (20011-12).

Table A 6.3 Percentage of members by level of education in DPAs bycaste

Level of education	Gen (%)		SC (%)		ST(%)		OBC (%)	
	BGF	AGF	BGF	AGF	BGF	AGF	BGF	AGF
ILL	19.4	13	59.2	43.6	54.1	42.7	18.2	11.5
LL	2.2	8.6	1	16.6	1	12.4		6.7
PE	17.2	17.2	17.8	17.8	12.7	12.7	40.9	40.9
UPE	41.8	41.8	14.7	14.7	23.4	23.4	27.3	27.3
SE	14.2	14.2	6.8	6.8	6.8	6.8	9.1	9.1
HSE	4.5	4.5	.5	.5	1.5	1.5	-	-
UG	.7	.7	-	-	.5	.5	4.5	4.5
Total	100	100	100	100	100	100	100	100

Source: Field Survey (20011-12).

Table A 6.4 Percentage of members by level of education in non-DPAs by caste

Level of education	Percentage of members in non-DPAs							
	Gen (%)		SC (%)		ST (%)		OBC (%)	
	BGF	AGF	BGF	AGF	BGF	AGF	BGF	AGF
ILL	34.9	26.5	43.9	29.1	69	63.5	19.4	12.3
LL	2.4	10.8	4.1	18.9	2.4	7.9		7.1
PE	12.1	12.1	33.3	33.3	9.2	9.2	9.7	9.7
UPE	30.7	30.7	15.2	15.2	14.9	14.9	41.9	41.9
SE	15.7	15.7	1.2	1.2	3.4	3.4	19.4	19.4
HSE	2.4	2.4	1.8	1.8	-	-	6.5	6.5
UG	1.2	1.2	-	-	1.1	1.1	3.2	3.2
PG	1.6	1.6	.6	.6				
Total	100	100	100	100	100	100	100	100

Source: Field Survey (20011-12).

Table A 6.5 Percentage of non-SHG members by level of education in DPAs by caste

Level of education	Gen (%)	SC (%)	ST (%)	OBC (%)
ILL	14	26.8	54.7	38.5
LL	4.7	7.1	7.4	30.8
PE	20.9	21.4	12.2	15.4
UPE	30.2	25.9	18.9	15.4
SE	16.3	10.7	5.4	0
HSE	11.6	5.4	1.4	0
UG	2.3	2.7		0
Total	100	100	100	100

Source: Field Survey (2011-12;)

Table A 6.6 Percentage distribution of children of families of SHGsby enrollment Status

	DPAs		non-DPAs	
	BGF	AGF	BGF	AGF
Children Enrolment Ratio	85	85.8	91.5	92.1
Drop-out Ratio	9.5	0	5.1	0

Source : Field Survey (2011-12)

Table A 7.1 Percentage distribution of members in DPAs by per capita ownership of land holding

Size of Holding per capita (Dec.)	Before group formation	After group formation	
	OWH (%)	LP	OWH(%)
0	45.8	-	45.7
0 - 5	18.8		18.8
6 - 10	12.1	.2	12.3
11-20	13	-	13
21-30	3.8	-	3.8
31-40	3.4	-	3.4
41-60	1.6		1.6
61-80	.9	-	.9
80 - 100	.4	-	.4
101 and above	.2	-	.2
Total	100	.2	100

Note: OWH-Ownership holding, LP- Land purchased
Source: Field Survey (2011-12)

Table A7.2 Percentage distribution of members in DPAs by per capita operating Landholding in DPAs

Size of holding per capita (Dec.)	Percentage of members				
	Before group formation	After group formation			
	OWH	OWH	LP	LLI	OH
0	45.8	45.8			40.2
0 - 5	18.8	18.8		3.3	22.1
6 - 10	12.1	12.1	.2	1.3	13.8
11-20	13	13		.4	13.4
21-30	3.8	3.8		.2	4
31-40	3.4	3.4			3.4
41-60	1.6	1.6		.2	1.8
61-80	.9	.9			.7
80 - 100	.4	.4			.4
101 and above	.2	.2			.2
Total	100	100	.2	5.4	100

Note: OH-Operational holding, LP-Land purchased, LLI- Land leased in
Source: Field Survey (2011-12)

Table A 7.3 Percentage distribution of SHG members by activity status

Activity Status	DPAs		non-DPAs	
	BGF	AGF	BGF	AGF
Principal activities (PS)	13.3	9.6	16.5	14.6
Subsidiary activities SS)	54.7	59.7	48.3	51.5
Both Principal and Subsidiary activities(PS+SS)	32	30.7	35.2	33.9

Source : *Field Survey (2011-12)*

Table A 7.4 Percentage of members by their different activities after passing Grade II

	DPAs	Non-DPAs
Agricultural activities	30.3	31
HH Manufacturing	31.3	36.6
Agricultural input production	25.3	32.4
Vending of agricultural produce	13.1	

Source : Field Survey (2011-12)

Table A 8.1 Percentage distribution of members by their socio-economic status in the DPAs

Poverty based on	APL		BPL		EP	
	BGF	AGF	BGF	AGF	BGF	AGF
Expenditure	16.2	19.6	74.6	71.2	9.2	9.2

Source : Field Survey (2011-12)

Table A. 8.2 Percentage of members by their socio-economic status based onexpenditure

	Percentage of Members							
	Gen		**SC**		ST		OBC	
	BGF	AGF	BGF	AGF	BGF	AGF	BGF	AGF
APL	2.1	2.6	2	2.7	1.3	1.8	.4	.5
BPL	18.5	18.3	30.2	29.9	32.3	31.8	3.6	3.5
EP	4.2	3.9	3.1	2.7	2.3	2.3		

Source : Field Survey (2011-1)

Annexure-A

Questionaire: individual member of SHGs

Dist- Block- G.P- Village –

1. Details of the individual members of SHGs

1	2	3	4	5	6
Name	Sex	Age	Caste	BPL	Edu.
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

2. Assets of the members of SHGs

Land (Dec.)	
Before	After
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

3. Employment

1		2		3	
Agri-activities Day/year wage/day/hr/day		Agri-labour Day/year wage/day/hr/day		Allied Activities Name Investment Duration Income Own SHG Other	
Before	After	Before	After	Before	After
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

Employment

4. Non-Agri-activities Day/year wage/day/hr/day		5..NREGA Day/year wage/day/hr/day		6. Mid-day meal Day/year wage/day/hr/day	
Before	After	Before	After	Before	After
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

4. Institutional Activities

1. Attend meeting Day/month	2.Training Name duration	3. Participation Health Education . Other programmes	
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

5. Income of HHs

6. Loan matter

					1.Loan dec.		2. Purpose of loan	
Agri Act	Agri lab.	Agri Allied	Non-Agri Act	SHG	Male	Female	Produc.	Non-produc.
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								

7. Expenditure

Total Expenditure (Rs. /Month)					
food	Clothings	education	health	electricity	other
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

Annexure-B

Questionaire (SHG / Organization basis)

(Collective data)

1. Name of the
a) District _____ b) Block _____

b) Gram Panchayat _____ d) Village _____

2. Name of the Group (SHG) _____ and Group formation date _____

3. a) Total no. of members ____ out of which
i) General _____ ii) SC _____ iii) ST _____ iv) OBC _____
a) Gender i) Men _____ ii) Women _____

Out of which
i) SC women _____ ii) ST women_____ iii) OBC women _____

4. Members having BPL card _____

5. a) Literacy (members) i) literate_____, ii) illiterate _____

b) If literate, how many members passed

i) Upto class IV____ ii) Upto class VIII____ iii) Madhyamik and above ____

6. No of members of the Group engaged in
a) Agricultural labour _____ b) Non- Agricultural labour ____ c) Small farmer___

d)Marginal farmers _____ e) Small busimen ___ f) Any other _____

7. Types of economic activities undertaken by the SHG

	During Grade I	DuringGrade II
a)	Fishery	_____
b)	Piggery _____	_____
c)	Poultry _____	_____
d)	Animal husbandry _____	_____
e)	Bidi making _____	_____
f)	Agricultural allied _____	_____
g)	Any other _____	_____

8. Monthly average income of the members from their own source (income from agriculture and non-agriculture and income as agricultural labour) Rs._____ and after engagement as a member of SHG Rs._____

9. a) Up-to-date savings of the group Rs._____

b) Up-to-date investment of the group Rs._____

10.Purpose of loan: a) income generating activity: i) business _____

ii) agriculture____ iii) purchase of raw materials_____ iv) investment _____

v) purchase of movable and immovable assets _____ vi) hiring of labour_____

vi) financing of spouse's business_____ viii) infrastructural development _____

11. Whether Group passed i) Grade I_____ and year_____

ii) Grade II _____ and year_____

iii)credit receipt year_____

iv)credit linked year_____

v)number of times loan availed: a) once____ b) twice_____

c) thrice_____ d) more than once _____

12 a)Assistance from gram panchayat: yes/ no
If yes, then how _____
_____

b) Assistance from bank_____

13. Repayment Rs. ____/ year

14. Utilization of institutional credit: purposes _____

15. Assistance from non-institutional sources
a)_____ b)_____ c)_____

16. No. of women built banking habit _____

17.Any training from block/ Gram Panchatat _____

18. .a) Requirement of credit _____

b) Actual receipt of credit _____ (time of sanctioning credit)

21. Prolems faced by the group

a) Financial problems: i) shortage of fixed capital _____ ii) shortage of working

capital _____ iii) high rate of interest_____ iv) meager government

assistance and delay_____

b)Non- cooperation by the bank: i)_____ ii)_____

c)Marketing problems: i) poor quality____ ii) high price_____ iii) paking and branding _____ iv) lack of advertisement _____ v) transportation expenses _____

d)Intra-group rivalry_____ e) Inter-group rivalry_____

f) Other_____

Annexure-C

Questionaire: individual member of non-SHG persons

Dist- Block- G.P- Village –

1. Details of the individual person (non-SHG person)

1	2	3	4	5	6
Name	Sex	Age	Caste	BPL	Edu.
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

2. Assets of the non-SHG person

Land (Dec.)	
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

3. Employment of the non-SHG person

1	2	3
Agri-activities Day/year wage/day/hr/day	Agri-labour Day/year wage/day/hr/day	Allied Activities Name Investment Duration Income Own SHG Other
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

Employment

4. Non-Agri-activities Day/year wage/day/hr/day	5..NREGA Day/year wage/day/hr/day	6. Mid-day meal Day/year wage/day/hr/day
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

4. Income of HHs 5. Loan Issues

					1.Loan dec.		2. Purpose of loan	
Agri Act	Agri lab.	Agri Allied	Non-Agri Act	SHG	Male	Female	Produc.	Non-produc.
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								

6. Expenditure

Total Expenditure (Rs. /Month)					
food	Clothings	education	health	electricity	other
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

List of Publication

1.Bisai, S, Majumder, D and Sau, S.S (2014),Performance of Self Help Groups (SHGs): A Case of Jangalmahal in West Bengal. Artha Bikhan, Vol. 23, No. 1, June.

2. Bisai, S, Majumder, D (2015), Empowering Women through Financial Inclusion: A Case of Jangalmahal, West Bengal, Trans –Asian Journal of Marketing and Management Research, Vol. 4, Issue, 1-2, January-February.

3. Bisai, S, Majumder, D (2015), Women Empowerment through SHGs –A Case of two Backward Districts of West Bengal, Asian Journal of Research in Social Sciences and Humanities, Vol. 5, Issue, 1, January.