



# A Study On Self Help Groups Performance Towards Socio-Economic Development Of Birbhum District Of West Bengal, India

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## ABSTRACT:

Self Help Groups are non-formal cooperatives that are causing a silent revolution in rural India through micro credit and various other economic activities involving women are the major change agents. SHGs in Birbhum district of West Bengal that had made a notable success in micro finance. This study has focused on the functioning of 112 SHGs located in rural areas of 19 blocks of Birbhum district of West Bengal. These SHGs were found to save a portion of their meagre income and pool that money for their inter-lending among them at an interest decided by the SHGs. The survey revealed that credit and loans were used for better sustainability and enhancement of income from various livelihood activities. Empowerment of women was undertaken through training and other assistance given by local panchayat, NGOs and Govt. officials. The SHG members increase in self-confidence, leadership qualities and skill.

Key Words: Self Help groups, Socio-economic development, loan, Savings, Empowerment.

## INTRODUCTION:

Self Help Groups (SHGs) movement is an important effort towards alleviation of poverty in rural areas of India. Women are the core factors in mobilization of Self Help Groups (SHGs) irrespective of caste, creed and religion. Need based training and credit are the two vital components of all economic activities of Self Help Groups. SHG can be defined as a voluntary group valuing personal interactions and mutual aid as a means of altering or ameliorating the problems perceived as alterable, pressing and personal by most of its participants (Smith and Pillheimer, 1983). Women development programmes must be given importance with a view to eradicate poverty and to enhance economic growth that leads to standard of living particularly in rural and backward regions of the country. The Self Help Groups are mostly informal groups whose members have a common perception of need and impulse towards collective action (Satish, 2001). These SHGs have a common perception of need and an impulse for collective action (Batiwala, 1994). The SHGs promote small savings and

disburse loan among its members for domestic as well as income generating activities (IGA) for very short to long period. Central and State Government, NGOs and other organisations promotes marketing facilities to SHGs products & services. Prof. Yunus (1994), claims, “if we are looking for one single action which will enable the poor to overcome their poverty, I would go for credit, Money is Power.” The SHGs are useful in increasing family income and generate gainful employment. Aquaculture can benefit the landless from utilization of common resources and fisheries enhancement in communal water bodies (Edwards, 1999, IIRR *et.al.*,2001, Tacon, 2001). Apart from augmenting income SHGs perform various social works which are relevant to social reforms. This paper attempts to identify the role of SHGs to enhance income and savings to rural poor families in Birbhum District of West Bengal. The specific objectives of the study were undertaken of the followings:

- i) To study the caste distribution of SHG members
- ii) To study the monthly subscription and total savings of SHGs.
- iii) To study the total loan disbursed and recovered by the SHGs.
- iv) To study the income generating activities (IGA) in rural household by the SHGs.

## **MATERIALS AND METHODS**

The present study was carried out in 19 blocks of Birbhum district. The source of information was based on primary as well as secondary data. A detail survey was carried out among 112 no's Self Help Groups (SHGs) comprising of 1196 members. Each SHG had it unique name and consists of about 10 to 15 members. Three categories of SHGs were found i.e. male SHGs, female SHGs and mixed i.e. both male and female SHGs. The objectives of the study were achieved through quantitative as well as qualitative assessment. A pre-survey schedule has been used to collect primary data by physical meeting and questionnaires the SHG members. Secondary information was collected from books, ledgers, resolution copy and registers maintained by SHGs and these data were crossed checked in the Office of the District Rural Development Cell (DRDC). General information like management of the groups, capacity building training, social work, group meeting, banking transaction, increase of family income of the members etc. were also asked. Information collected was further cross checked with non-sample population through informal discussion. The survey was carried out in the year 2019.

## RESULTS AND DISCUSSION

Distribution of SHGs by socio-economic classification of members is presented in Table 1. Survey reveals that Below Poverty Line (BPL) members formed the largest (85 %) numbers followed by Above Poverty Line (APL) members (15 %). It was also observed that scheduled caste dominant (51 %) over minority (31 %), scheduled tribe (5 %) and other caste (13 %). It is by design that BPL members were overwhelmingly large. It was also rational that those who opted for fishery as an economic activity would necessary be higher for those belonging to scheduled castes.

Table 1. Distribution of SHGs by socio-economic classification of members.

Sl. No.	Classification of members	No. of members	% of total
1.	Total member	1196	
2.	BPL	1020	85
3.	APL	176	15
4.	Female member	644	54
5.	Male Member	552	46
6.	Scheduled Caste	608	51
7.	Minority	366	31
8.	Others	157	13
9.	Scheduled Tribe	65	5

Source: Field survey.

Distribution of SHGs by rate of monthly savings is shown in Table- 2. The rate of monthly savings was varying from group to group depending upon the financial status of the members. Majority (55 %) of the SHGs monthly savings rate per member/ month was Rs. 30 followed by Rs. 50 of the SHGs (29 %). Savings more than Rs. 50 were found in 4 % of the SHGs. It was indicated that the rate of savings depends upon the capacity of the members to generate surplus

Table 2 Distribution of SHGs by rate of monthly savings.

Sl. No.	Rate of monthly savings	Source No. of SHGs	% of total
1.	Rs.30/-	62	55
2.	Rs.50/-	33	29
3.	Others	13	12
4.	More than Rs. 50/-	4	4
	Total	112	100

Source: Field survey.

Distribution of SHGs by amount of group corpus is presented in Table-3. Nearly half (48 %) of the SHGs having group corpus above Rs. 20000/- and 39 % had between Rs. 10001 to 20000/- Minimum amount of group corpus was found between Rs. 3001 to Rs. 5000 in 1 % of the SHGs. This indicated that savings motivation was very strong amongst SHG members

Table 3 Distribution of SHGs by amount of group corpus.

Sl. No.	Group corpus	No. of SHGs	% of total
1.	More than Rs. 20000/-	54	48
2.	Rs.10001 to 20000/-	44	39
3.	Rs. 5001 to 10000/-	13	12
4.	Rs. 3001 to 5000/-	1	1
	Total	112	100

Source: Field survey

Table 3.a SHGs monthly savings rate and corpus amount.

Values with different superscript letters differ significantly ( $P < 0.01$ ).  
Figures in Parenthesis indicate number of groups (SHGs)

	Rate of monthly savings		Corpus amount (Mean $\pm$ SE)
1	More than Rs.50/-	(4)	41250.00 <sup>a</sup> $\pm$ 1493.04
2	Rs.50/-	(33)	23636.36 <sup>b</sup> $\pm$ 468.35
3	Rs.30/-	(62)	17362.90 <sup>c</sup> $\pm$ 515.77
4	Others	(13)	6538.46 <sup>d</sup> $\pm$ 491.80
	Overall	(112)	18808.04 $\pm$ 704.64

Monthly savings wise corpus amount is highly significant ( $P < 0.01$ ). The group 1 (4) had highest amount (41250.00  $\pm$  1493.04) of corpus and the lowest amount (6538.46  $\pm$  491.80) was found in group 4 (13) which was statistically significant ( $P < 0.01$ ).

Distribution of SHGs by internal lending from group corpus is presented in Table-4.. It was observed that majority (66 %) of members received loan from group corpus and 34 % did not taken loan. The highest and lowest amount of loan given to an

individual was Rs. 23000 and Rs.600 respectively. It was also found that 46 percent of the members used loan for income generation activity and 20 percent for household consumption. It is interesting to find that 34 % of the members did not have access to loan from the group. This needs to be further probed to whether it is voluntary or involuntary.

Table 4. Distribution of SHGs by internal lending from group corpus.

Sl. No.	Loan from SHG	No. of members	% of total
1.	Members accessing loan	793	66
2.	Members not yet receiving loan	403	34
3.	Highest amount of loans issued	23000/-	
4.	Lowest amount of loan issued	600/-	
5.	Use of loan to increase income	549	46
6.	Use of loan to meet consumption	244	20

Source: Field survey.

Distribution of SHGs by repayment system of group loan is shown in Table-5. The mode of loan repayment varied from SHG to SHG like at a time in 32 percent of the SHGs, instalments in 31 percent and no rule of repayment schedule in 37 percent of the SHGs. It was evident that lending norms were not decided in the group meeting and repayment terms were being arbitrarily fixed.

Table 5. Distribution of SHGs by repayment system of group loan.

Sl. No.	Repayment	No. of SHGs	% of total
1.	No rule	41	37
2.	At a time	36	32
3.	In instalment	35	31
	Total	112	100

Source: Field survey.

Distribution of SHGs by repayment status is presented in Table-6. Survey indicates that 52 % of the SHGs updated their loan ledgers whereas provision for system of fine on defaulters was observed in 30 % of the SHGs. Irregular repayment of loan was noticed in 18 % of the SHGs respectively. It indicates that book-keeping system has not yet been standardised and loan rule are yet to be formed.

Table 6. Distribution of SHGs by repayment status.

Sl. No.	Repayment	No. of SHGs	% of total
1.	Loan ledger updated	58	52
2.	System of fine on default	34	30
3.	Irregular repayment	20	18
	Total	112	100

Source: Field survey.

Distribution of SHGs by use of corpus fund to increase income is shown in Table-7. Majority of members of the SHGs (68 %) used loan up to Rs. 5000/- for increasing income and maximum amount of loan from Rs. 20001 to 30000/- was used by 4 % of the SHGs. 22 percent of the SHGs used loan from Rs.5001 to 10000/- for increasing income through economic activity. It was indicated that SHG members take time to increase the scale of economic operations as most of them have not yet developed entrepreneurship qualities. The survey, however, indicates that micro-credit is not adequate increase the scale of production and it has a consumption smothering effect.

Table 7. Distribution of SHGs by use of corpus fund to increase income.

Sl. No.	Amount issued for increase in income.	No. of SHGs	% of total
1.	a) Up to 5000/-	76	68
2.	b) Rs. 5001 to 10000/-	25	22
3.	c) Rs. 10001 to 20000/-	6	6
4.	d) Rs. 20001 to 30000/-	5	4
	Total	112	100

Source: Field survey.

## CONCLUSION

Self Help Groups play a vital role towards the significant reduction of poverty in rural and backward villages in Birbhum district. Majority of SHG members are women belonging to below poverty line (BPL). Monthly subscription of SHG members accumulated in savings bank account and a cash credit account (CC A/C) is opened by the respective bank. Rate of savings depends upon the capacity of the members to generate surplus. Savings motivation was very strong amongst SHG members. SHG members taken up loan from thrift fund and cash credit A/C/ to meet up their requirements including economic activities. Loans are disbursed according to their need of the members and lending norms were not decided in the group meeting and repayment terms were being arbitrarily fixed. Easily accessible to loan encouraged the SHG members to take up traditional income generating activities especially pisciculture, animal rearing and rice processing etc. Most of the members augmented their income through various economic activities which increased their purchasing power. Micro-

credit is not adequate increase the scale of production and it has a consumption smothering effect. Thus, it may be concluded that the women SHG members are empowered with self-confidence. Consequently, the members are able to increased household income and improve their standard of living.

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