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An Empirical Analysis of Self Help Groups (SHGs) Performance in West Bengal with Special Reference to Purba Medinipur District

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Abstract: *SHG is one of the latest phenomenons of anti-poverty programme. The study tries to examine economic changes that have occurred to the rural poor as a result of their after joining SHG. The study consider the Moyna block under district of Purba Medinipur in west Bengal. The study considered 400 households (HHs) from 100 SHGs spread over 20 Gram Panchayat in 4 blocks in Purba Medinipur district in West Bengal. The period of the study is from 2015 to 2018. The findings of study revealed that the rural poor were successful in their savings habit, internal lending, and increasing income in post – SHG situation. Field level study also shows that each member has taken loan and earns money after taking IGAs/MEs. The study concluded that the poor people change their life pattern in post-SHG situation that in pre-SHG situation by means of earning with the involvement of income generating activities.*

Keywords: SHGs, Performance, loan, savings

I. Introduction

Several incomes generating programme for rural development has been implemented by the Government of India since independence which are popularly known as IRDP and its allied programmes. These are failed due to certain reason such as over crowing, mountain bad debt, lack of proper monitoring etc. SHG overcome problem of earlier anti-poverty programme since 1992 in India. Swarnajayanti Gram Swarojgar Yojana (SGSI) is thus the outcome of latest review and restructuring of anti-poverty programme, through organizing of the rural poor into self-help Groups (SHGs).

In view of the above, the present paper is entitled as ".An Empirical Analysis of Self Help Groups (SHGs) Performance in West Bengal with Special Reference to Purba Medinipur District.

Thus the plan of this paper is presented below:

Section - I Introduction

Section - II Objectives of the study

Section - III Sample design, Data base and Methodologies

Section - IV Impact assessment of SHG under SGSY.

Section - V Conclusion.

II. SECTION - II OBJECTIVES OF THE STUDY

The present paper makes an attempt to impact assessment of households belonging to SHG member's comprising pre-SHG and post-SHG period on savings, loan repayment performance, assets holding, income etc.

III. SECTION - III SAMPLE DESIGN, DATA BASE AND METHODOLOGIES

a) Sample Design and data base

The present study based on primary data. The study considered 400 households (HHs) from 100 SHGs spread over 20 Gram Panchayat in 4 blocks in Purba Medinipur.

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b) Period of Study

The period of the study is from 2015 to 2018

c) Methodology

Simple statistical techniques like percentage, average etc. are used.

IV. SECTION - IV . IMPACT ASSESSMENT OF SHG

A. Impact Assessment on Savings

Every member of SHG promote small amount of savings. The savings are kept with the banks. The amount of savings per month per member varied across the groups depending on their capacity of SHG members Table –1 show the mean annual incremental savings by the SHGs members for pre and post SHG situation.

Table 1: Mean Annual Incremental Savings per Household.

Age of SHGs	Mean annual savings (Rs.)		Incremental savings (Rs.)	% increased
	Before SHG	After SHG		
Up to 4 years	988	1564	576	160
5 – 9	586	1494	906	255
10– 14	415	1994	2069	480
Over all	663	1684	1021	

Source: Field survey

Above table reflects that mean annual savings per household belonging to SHGs member increased by Rs.1021 during the period under study. The incremental savings as higher for 10-14 years old age SHGs (Rs.2069) as compared to 5 to 9 year's old age SHGs (Rs.906).

B. Impact Assessment on Loan

Table – 2 from analysis of the data of loan availed by SHG members pre and post SHG period reflected that the mean annual loan received by per household belonging to SHG member increased by 348.22%. Incremental borrowings were higher for old aged SHGs (543.44%), as compared to 4 years SHGs (220.08%) and 5 – 9 years SHGs (386.63%).

Table 2: Age Wise Mean Annual Incremental Loan Availed by SHG members (Rs.)

Age of SHGs	Before SHG	After SHG	Incremental borrowings	Percentage
Up to 4 years	6804	14974	8170	220.08
5 – 9	4315	16683	12368	386.63
10– 14	3619	19667	16048	543.44
Overall	4913	17108	12195	348.22

Source: Field survey

C. Impact Assessment of Loan in respect of Utilization

The purpose of loan taken by the members of sample SHGs were classified into two categories namely production purpose and non-production purpose. Production purpose purpose includes involvement of any micro enterprises i.e. farm activities non-farm activities, off farm activities. Loan for non-production purpose includes loan used for consumption purpose includes loan used for consumption purpose, old loan settlement purpose, medical or other social function like marriage etc.

Table 3: Age-wise Composition of Loan Portfolio of Sample HHs

Sl. No.	Purpose	No. of HHs	Age of members (years)		
			Up to 4 years	5 – 9 yrs	10 – 14 yrs
1.	Production purpose	326 (81.5)	35 (10.74)	137 (42.02)	154 (47.24)
2.	Non-production	74	35	22	17

	purpose	(18.5)	(47.30)	(29.72)	(22.97)
	Total	400 (100.00)	70	159	171

Table – 3 reflected that out of sample(400) SHGs, 81.5% of SHGs were used loan for production activities and remaining 18.5% of SHGs was used loan for consumption and other emergency need. Table revealed that older SHGs reported a higher share of loans used for income generating activities as compared to less older SHGs.

D. Repayment performance of SHGs

Loan repayment performance of SHGs to banks shows its sustainability strength. Table - 4 observed that overall repayment performance of the sample SHGs to banks were 99.92 %. No thick variation in the repayment performance of older SHGs than less old SHGs, but older SHG was better repayment performance compared to newer SHGs. Higher repayment performance of older SHGs due to dynamics group developed and shifted their economic activities to MEs/ IGAs.

Table 4: Annual Repayment Performance of Sample SHG to Banks

Age of SHGs	Repayment performance of Sample SHGs to Bank (Rs in lakh)			
Years	Demand	Collection	Balance	(%) Recovery
Up to 4 years	1.250	1.155	0.950	92.4
5 – 9	6.095	5.923	0.172	96.6
10– 14	328.55	328.55	-----	100.00
Overall	335.895	335.628	1.123	99.92

Source: field survey

E. Impact Assessment of Assets Holding by Sample SHG Members

The value of assets hold by the sample SHG members during post-SHG period was worth Rs. 5284while it was Rs. 2568 during pre SHG period (Table – 5).

Table 5: Average Value of Assets Holding by Sample SHG Members

Type of Assets	Value of Assets(Rs.)		Increase (%)
	Pre – SHG	Post-SHG	
Production Assets	1460	3498	239.59
Consumer Goods	1108	1786	161.19
Total	2568	5284	205.76

Source: Field Survey

Therefore, in percentage there was an average increase of 205.76% in the value of assets holding by the sample HHs during the post-SHG period. The Production Assets acquired highest ranks to increase (239.59%) in assets value in post-SHG period followed by Consumer Goods (161.19%) .

F. Impact Assessment on Income

Table (6) observed that mean annual income of the HHs belonging to SHGs member have been increased by 228.8%. The table also reflected that mean annual income of 10-14 years older SHGs is higher (247.67%) than up to 4 years older SHGs (218.39). This clearly indicated that rural poor increase their income after joining SHG/ post-SHG period through income generating activities by taking loan.

Table 6: Age wise mean annual incremental income by SHG members (Rs.)

Age of SHGs	Before SHG	After SHG	Incremental income	Percentage
Up to 4 years	424	926	502	218.39
5 – 9	569	1208	639	212.30
10– 14	726	1798	1072	247.67
Overall	573	1311	738	228.80

Source: Field survey

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V. SECTION - V: CONDUCTING OBSERVATION

Conclusion

The study concluded that the sample SHGs and SHGs members have played a major role in group activities. The study examined the significant impact on income, loan, savings, assets holding of the household belonging to SHG members. The poor people change their life pattern in post-SHG situation than that in the pre-SHG situation by the means of earning with the involving income generation activities. The field level survey revealed that there exists both internal and external resistances, that is from village elders, husbands of female members, political party etc. in the way of functioning SHGs. Thus the Govt. should take some steps for solving there problems.

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