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How Income of the Minority Women is Generated in the rural districts of West Bengal through Self-Help Groups- A Study

Dr. Zeba Farheen[1]

[1]Ph.D Holder in Commerce/ Ph.D Department/ St. Xavier's College (Autonomous) Kolkata/ Affiliated to University of Calcutta/India

Abstract*

One of the wings of Microfinance- 'Self-Help Group' has proven to be the best tool for creating income among the downtrodden and disadvantaged segment of the society. It provides them with less paperwork credit which the poor women invest in income generating activities. SHGs members are able to save regularly and contribute to a common fund jointly out of which they provide internal lending to its group members. A SHG helps in creating income for both household and economic purposes. This paper attempts to study the role of SHGs in generating income through different activities among its beneficiaries in the rural districts of West Bengal.

Keyword: Microfinance, Self-Help Groups, Internal Lending

I. INTRODUCTION

Self-Help Groups or in-short SHGs is presently a notable idea. It has evoluted just about twenty years ago. It has been reported that the SHGs play a vital part in rushing the country's financial turn of events. SHGs have bought a great development in the grassroot level. Essentially, individuals from the SHGs are ladies. Thus, the interest of women in the country's financial improvement is expanding. They additionally assume a significant part in lifting the monetary status of their families. This has prompted a lift to the course of strengthening women leading to women empowerment.

The beginning of Self-Help Groups can be followed from Grameen bank of Bangladesh, which was established by Mohamed Yunus. SHGs were begun and shaped in 1975. In India NABARD started in 1986-1987. The shortfall of institutional credits in the provincial region has prompted the foundation of SHGs. The idea of self improvement gatherings has been developed to put together the country's poor to meet their household and economic needs out of their own reserve funds. A SHG is a small homogeneous voluntary gathering of the rustic poor intentionally coming to assemble to save modest quantities consistently which are saved in a joint account to meet part crisis needs and to give insurance free advances to group members chosen by the groups.

In 1991-92, NABARD began advancing self-help groups for an enormous scope. Also, it was the genuine take off point for the SHGs development. In 1993, the Reserve Bank of India additionally permitted SHGs to open saving accounts in commercial banks which was a significant lift to the SHGs development. As of now, various NGOs and administrative organizations advance SHGs for a huge scope.

II. SIGNIFICANCE OF THE STUDY

- This paper will help to know how the income is generated through Self-Help Groups in the rural districts of West Bengal.
- This paper will help to show a comparative study of their savings plus expenditures in the rural districts of West Bengal.

III. REVIEW OF THE EXISTING LITERATURE

Karmakar (1999) in his study "Rural credit and Self Help Groups: Microfinance needs and concepts in India", examines the prevailing credit delivery system in India with special reference to the credit requirements of the poor people. He explains the importance of the micro-credit needs for tribal women in rural areas and the micro enterprises in the non-agricultural sector in Orissa. It has been concluded by the author that the microcredit approach through the Self-Help Group is the most excellent mechanism to deliver credit to the rural poor.

IV. OBJECTIVES OF THE STUDY

- To understand the meaning and significance of Self-Help Groups.
- To study the role of SHGs in generating income among Self-Help Group members in the rural districts of West Bengal.
- To highlight how SHG-Bank Linkage Model is useful to generate income among its beneficiaries.

V. RESEARCH METHODOLOGY

This study is based upon both Primary and Secondary data. Primary Data has been collected by conducting field surveys in six Districts of West Bengal.

VI. CONCEPTUAL FRAMEWORK

A Self-Help Group is an exceptionally interesting type of neediness mitigation drive which gives an influence to the oppressed women to inspire their work in a practical manner and opens up extraordinary freedoms to acquire for their vocation as well as to instigate their inward abilities.

The Self-Help Groups (SHGs) are a voluntary group of 15-20 individuals framed to accomplish an aggregate objective. Individuals from SHGs are homogenous with a difference of financial foundation. The Self-Help Groups (SHGs) is the mind offspring of Nobel Peace Prize Winner Prof. Mohammed Yunus who began Grameen Bank of Bangladesh in 1976.

SHGs and Microfinance (MF) in the new age have arisen as instruments for financial inclusion and women empowerment. The fundamental standards of the SHGs are group approach, mutual trust of small and sensible groups, request based loaning/internal lending, guarantee free credit, peer pressure in reimbursement/ repayment, institutional building and strengthening (Lalitha 1998).

In the time of nineties and twentieths, National Agriculture Bank for Rural turn of events (NABARD), GovernmentOrganization,Non-governmental Organizations (NGOs), Micro Finance Institutions (MFIs), started and began Self-Help Groups for microfinance, miniature credit exercises for women empowerment strengthening and financial inclusion.

The Legislature of India had chosen to rebuild the independent work programs as the prior programs were as of now not in operation. Another program known as Swarna Jayanti Gram Swarozgar Yojana (SGSY) was dispatched in April 1999. The SHGs have turned into the reason for financial transformation and construct a relationship of common trust among individuals.

SIGNIFICANCE OF SHGs:

A woman is a significant part of a family and she deals with her family in a distinct manner. A lady is the foundation of a family. She additionally oversees finance in a coordinated manner. The idea of SHG is really a women arranged framework where women are assumed to be a significant part in dealing with their funds.

In 1987, NABARD made an endeavor to look for elective instruments to work on the entrance of the poor for monetary administrations in a savvy and reasonable way, as the conventional establishments have neglected to offer monetary types of assistance to the less fortunate areas of the general public and advance their financial turn of events. This hunt brought about the improvement of a conveyance system, which includes monetary connections between causal associations of poor people and the banks. Later on, with the required reinforcement strategy support from the Reserve Bank and the Central Government, the SHG Bank linkage program was dispatched by NABARD in 1992 and led a 'pilot project'. On the achievement of the pilot project, the Government of India has concurred noticeable quality to the program of SHGs as an instrument for strengthening of rustic milieu particularly ladies, expanding effort of the financial framework and lightening destitution. It has been demonstrated that Microcredit has worked effectively to a great extent through SHGs overall and ladies bunches specifically.

FUNCTIONS OF SHGs:

The following are the functions of SHGs

- SHGs hold weekly or monthly meetings mostly during non-working hours.
- They promote savings habits among members.
- They contribute to a common-fund slowly and use them as a security for fetching loans.
- They establish linkage with bank and government departments.
- They provide internal loans to the members and
- They maintain books of records

VII. DATA SET

COLLECTION OF DATA (PRIMARY) AND DATA ANALYSIS

The sample consists of 300 women participants from SHGs operating in Jalpaiguri, Darjeeling, Murshidabad, North 24 Parganas, South 24 Parganas and Malda districts of West Bengal.

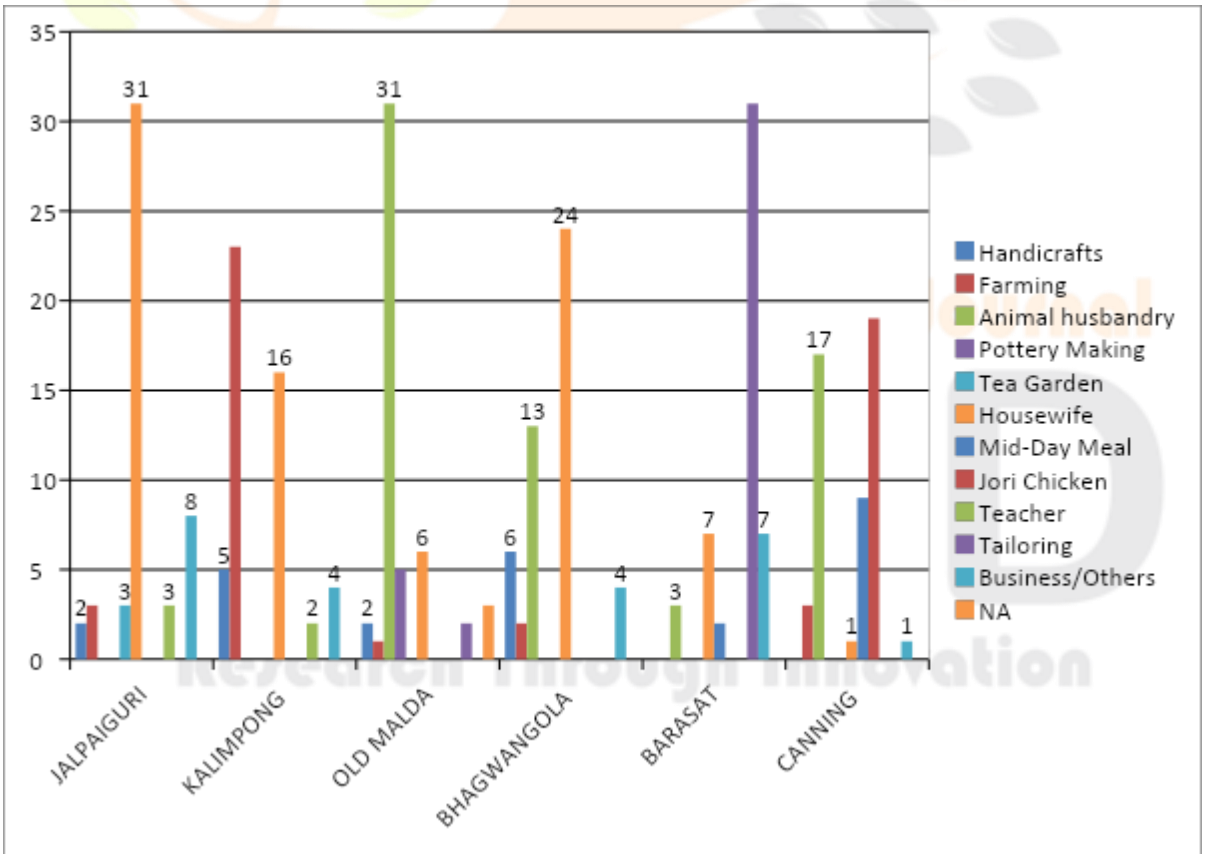
1) Occupation of the Respondents:

In the below table, it was found that 28.3% of the respondents belong to the 'Housewife' group who are engaged in SHGs. It shows that most housewives prefer to work in a group rather than individually. This is because they get a good team to work with and that too with their own business ideas without taking the hustle of going out and working under someone in a job. Whereas, 62% in Old Malda, 26% in Bhagwangola, 34% in Canning 1 of the respondents are engaged in animal husbandry.

Table 1: Occupation of the Respondents: Block-wise (percentage in brackets)

Occupation	BLOCKS						WEST BENGAL
	JALPAIGURI	KALIMPONG 1	OLD MALDA	BHAGWANGOLA 2	BARASAT 1	CANNING 1	
Handicraft	2 (4)	5 (25)	2 (4)	6 (12)	0 (0)	0 (0)	15 (5)
Farming	3 (6)	23 (46)	1 (2)	2 (4)	0 (0)	3 (6)	32 (10.6)
Animal Husbandry	0 (0)	0 (0)	31 (62)	13 (26)	3 (6)	17 (34)	64 (21.3)
Pottery maker	0 (0)	0 (0)	5 (10)	0 (0)	0 (0)	0 (0)	5 (1.67)
Tea Garden Worker	3 (6)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	3 (1)
Housewife	31 (62)	16 (32)	6 (12)	24 (48)	7 (14)	1 (2)	85 (28.3)
Mid-day meal worker	0 (0)	0 (0)	0 (0)	0 (0)	2 (4)	9 (18)	11 (3.67)
Jori Chicken Worker	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	19 (38)	19 (6.33)
Teacher	3 (6)	2 (4)	0 (0)	0 (0)	0 (0)	0 (0)	5 (1.67)
Tailoring	0 (0)	0 (0)	2 (4)	0 (0)	31 (62)	0 (0)	33 (11)
Business/ Others	8 (16)	4 (8)	0 (0)	4 (8)	7 (14)	1 (1)	24 (8)
NA (unemployed)	0 (0)	0 (0)	3 (6)	0 (0)	0 (0)	0 (0)	3 (1)
TOTAL	50 (100)	50 (100)	50 (100)	50 (100)	50 (100)	50 (100)	300 (100)

Fig. 1: Occupation of the Respondents: Block-wise



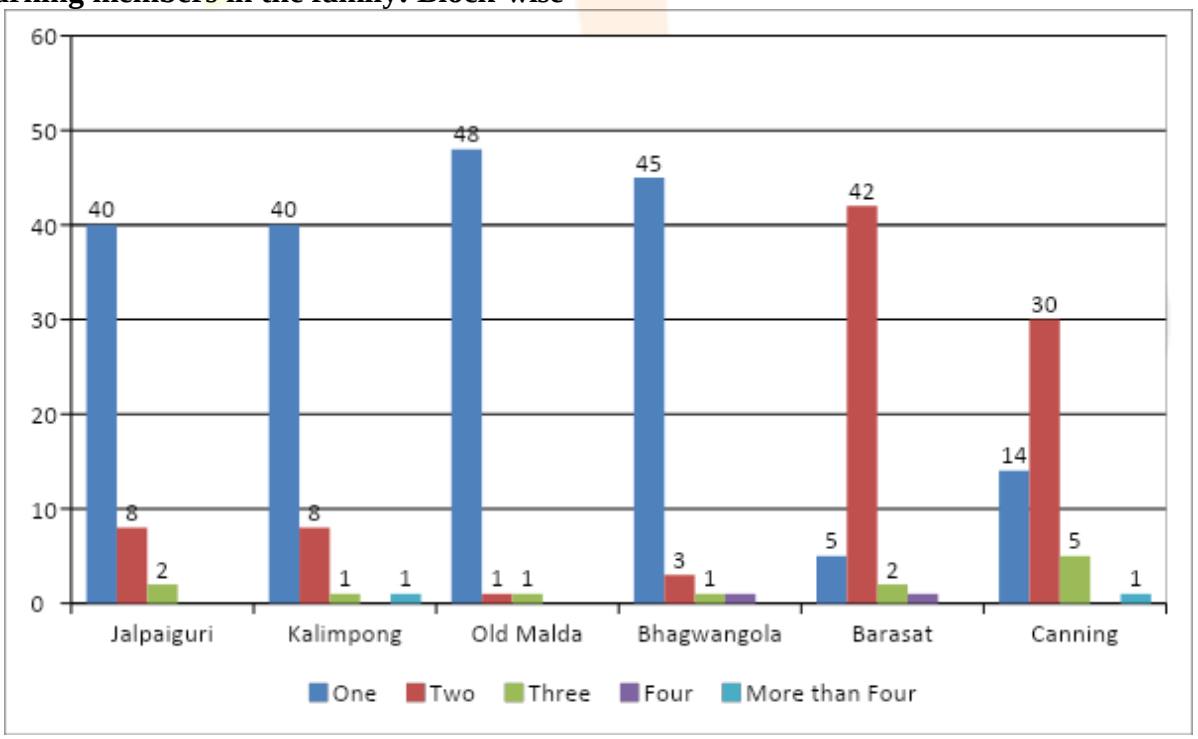
2) Earning Members in the Family:

The above table shows that except Barasat 1 and Canning 1, the maximum number of earning members in all other Blocks is one whereas in Barasat and Canning it is two. It shows that more penetration of microfinance is the need of the hour for women to participate and earn their living without depending upon their husbands or any guardian.

Table 2: Earning members in the family: Block-wise (percentage in brackets)

Earning Members in the Family	BLOCKS						WEST BENGAL
	JALPAIGURI	KALIMPONG 1	OLD MALDA	BHAGWANGOLA 2	BARASAT 1	CANNING 1	
One	40 (80)	40 (80)	48 (96)	45 (90)	5 (10)	14 (28)	192 (64)
Two	8 (16)	8 (16)	1 (2)	3 (6)	42 (84)	30 (60)	92 (30.67)
Three	2 (4)	1 (2)	1 (2)	1 (2)	2 (4)	5 (10)	10 (3.33)
Four	0 (0)	0 (0)	0 (0)	1 (2)	1 (2)	0 (0)	2 (0.67)
More than four	0 (0)	1 (2)	0 (0)	0 (0)	0 (0)	1 (2)	2 (0.67)
TOTAL	50 (100)	50 (100)	50 (100)	50 (100)	50 (100)	50 (100)	300 (100)

Fig. 2: Earning members in the family: Block-wise



3) INCOMES OF SHGs:

Table 3: Incomes of SHGs; Block-wise

Income of SHGs	BLOCKS Percentage in brackets						WEST BENGAL
	JALPAIGURI	KALIMPONG	OLD MALDA	BHAGWANGOLA	BARASAT	CANNING	
Less than Rs.5000 p.m	50 (100)	33 (66)	50 (100)	50 (100)	20 (40)	30 (60)	233 (77.67)
Rs.5000-10000 p.m	0 (0)	12 (24)	0 (0)	0 (0)	29 (58)	13 (26)	54 (18)
Rs.10000-20000 p.m	0 (0)	5 (10)	0 (0)	0 (0)	1 (2)	7 (14)	13 (4.33)
TOTAL	50 (100)	50 (100)	50 (100)	50 (100)	50 (100)	50 (100)	300 (100)

In table 3, Income of SHGs in most cases is less than Rs.5000 whereas in Barasat I (58%), Canning I (26%) and Kalimpong I (24%), income is more than Rs.5000. It shows that SHGs in these Blocks are more economical than the rest of the Blocks.

4) EXPENDITURES OF SHGs:

Table 4: Expenditures of SHGs: Block-wise

Expenditure Of the SHGs	BLOCKS Percentage in brackets						WEST BENGAL
	JALPAIGURI	KALIMPONG	OLD MALDA	BHAGWANGOLA	BARASAT	CANNING	
Less than Rs.5000 p.m	50 (100)	40 (80)	50 (100)	50 (100)	40 (80)	18 (36)	248 (82.67)
Rs.5000-10000 p.m	0 (0)	10 (20)	0 (0)	0 (0)	7 (14)	19 (38)	36 (12)
Rs.10000-20000 p.m	0 (0)	0 (0)	0 (0)	0 (0)	3 (6)	10 (20)	13 (4.33)
TOTAL	50 (100)	50 (100)	50 (100)	50 (100)	50 (100)	50 (100)	300 (100)

In table 4, it can be seen that expenditures are more in these Blocks in comparison to their incomes. It shows that the SHGs are more focussed on investing in their business and marketing of products than to save and use for their own economic needs. This shows their determination in leading their groups. But in Canning I (20%), most of them said that their expenditures are more than their incomes because of mismanagement of finance and underutilisation of funds which creates unnecessary wastage of credits.

5) SAVINGS OF SHGs:

Table 5: Savings of SHGs; Block-wise

Interest Rates	Percentage in brackets BLOCKS						WEST BENGAL
	JALPAIGURI	KALIMPONG	OLD MALDA	BHAGWANGOLA	BARASAT	CANNING	
Less than Rs.5000 p.m	50 (100)	45 (90)	50 (100)	50 (100)	6 (12)	6 (12)	207 (69)
Rs.5000-10000 p.m	0 (0)	5 (10)	0 (0)	0 (0)	44 (88)	44 (88)	93 (31)

Rs.10000-20000 p.m	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	10 (20)	10 (3.33)
TOTAL	**50 (100)**	**50 (100)**	**50 (100)**	**50 (100)**	**50 (100)**	**50 (100)**	**300 (100)**

In table 5, it is evident that the respondents are saving their funds in the best possible way in comparison to their income. This shows that they are more focussed on one of the pillars of SHGs norms i.e. saving habits among the groups. Out of all the Blocks, Barasat I (88%) and Canning I (88%) are able to save more than Rs.5000. This not only brings them a chance to secure a good grade for grading purposes but also helps them to maintain the funds in a better way so that they may invest properly without being deficit in funds.

VII. LIMITATIONS OF THE STUDY

- The study is only restricted to the rural districts of West Bengal which might not give the full picture of India.

IX. CONCLUSION

These SHGs have collective action. Though they practice different occupations individually yet collectively they make an adequate living through practices like handicrafts, Pottery making, jori chicken work, etc. There is balance between their incomes and expenditures which enables them to save more. Their saving pattern is satisfactory. SHGs are now gaining acceptance as an alternative system for credit delivery for meeting the credit needs of rural poor. Thus SHGs are helpful in promoting saving habits among its beneficiaries.

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