

CHAPTER-IV

SJSRY IN THE DISTRICTS OF UTTAR AND DAKSHIN DINAJPUR—A REVIEW OF SPREAD OF SHGS AND FUNDING

4.1 Introduction

Uttar and Dakshin Dinajpur are backward districts. The rate of illiteracy and unemployment and under employment is very high. In the rural areas some welfare schemes are operating and helping the people to fight against poverty. The need of a scheme like SJSRY was felt very much in the urban areas of these districts. People of urban areas have got the opportunity to get employment opportunity and to fight against the poverty by successful operating of the scheme. The spread and the funding of the scheme in the districts of Uttar and Dakshin Dinajpur will be discussed below:

4.2 Spread Of SJSRY In The Districts Of Uttar Dinajpur and Dakshin Dinajpur

The Swarna Jayanti Sahari Rojgar Yojana (SJSRY) has been implemented in the year 1997. Since then a steady growth is observed in all the components of the scheme all over West Bengal. The districts of Uttar and Dakshin Dinajpur also responded well accordingly. If we go through the information of Thrift and Credit group in the state, we see a steady growth since its inception. The formation of Thrift and Credit Group (TCG) in different years in West Bengal and in the districts of Uttar and Dakshin Dinajpur has been shown in the following table:

Table No.4.2.a

**Trend Of Formation Of Thrift & Credit Groups In Different Municipalities Of
Uttar and Dakshin Dinajpur Districts**

Municipality	Dist.	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	CAGR %
RAIGANJ	UD	32	68	117	168	246	271	322	398	37.04
KALIAGANJ	UD	19	37	89	152	298	338	384	575	53.14
ISLAMPUR	UD	00	00	00	00	01	03	11	27	127.95
DALKOLA	UD	00	00	12	58	118	119	140	212	61.38
TOTAL IN UD	UD	51	105	218	378	663	731	857	1212	48.59
BALURGHAT	DD	37	79	121	180	203	205	253	279	28.73
GANGARAMPUR	DD	12	27	49	84	188	201	223	235	45.04
TOTAL IN DD	DD	49	106	170	264	391	406	476	514	34.15
TOTAL IN WEST BENGAL		1113	3224	5784	9723	13919	19265	21163	33074	52.80

Source: Source: Compilation of reports from municipalities. (Figure denotes no. of group, (CAGR is Cumulative Average Growth Rate)

It is found from the above table that in the year 2001-002, total number of Thrift and Credit Group (TCG) in the district of Uttar Dinajpur was 51 and in the district of Dakshin Dinajpur, it was 49. Among the municipalities in the district of Uttar Dinajpur, in Raiganj, total number of TCG was 32, in Kaliaganj, total number of

TCG was 19, in the municipalities Dalkola and Islampur, no TCG formed during the year 2001-02.

In the district Dakshin Dinajpur, total number of TCG was 49 during this year. Among the municipalities in the Dakshin Dinajpur district, in Balurghat, the number of TCG was 37 and in the Gangarampur municipality, it was 12. During this year, total number of group in West Bengal was 1113.

During the year 2008-09, total number of groups in the district of Uttar Dinajpur was 1212, which was 41.42% more than the previous year 2007-08. In the municipality Raiganj, it was 398, which was 23.60% more than the last year. In the Kaliaganj municipality, it was 575, which was 49.73% more than the previous year 2007-08. During the year 2008-09, in Dalkola municipality, the number of TCG was 212 and in the Islampur municipality, it was 27 ..

So, it is observed that during (2001-02) to (2008-09) the growth in TCG are steady in the districts of Uttar Dinajpur and Dakshin Dinajpur. Cumulative Average Growth (CAGR) of Uttar Dinajpur district (48.59) is higher than Dakshin Dinajpur district (34.15). The CAGR of DWCUA group in West Bengal during 2008-09 was 52.80%. So, the CAGR of these districts are not very far from the growth rate of West Bengal.

Among the municipalities in the Uttar Dinajpur, it can be seen that Raiganj and Kaliaganj municipalities have shown a steady growth from the year 2001-02. Though the municipalities Dalkola and Islampur have started the operation later on, the Cumulative Average Growth Rate of these municipalities are satisfactory. The

Islampur municipality should concentrate on formation of more TCG and DWCUA groups.

It can be found that though the number of TCG formation in the Raiganj and Kaliaganj municipality is more than Dalkola municipality; but the CAGR of Dalkola and Islampur municipalities is higher than other municipalities in the these districts.

Regarding the formation of DWCUA groups in the districts, it can be stated that Development of Women and Children in Urban Area (DWCUA) was one of the major components under the scheme SJSRY. At least 10 women can group together and can start such activity. This DWCUA scheme is a group activity and eligible for 50% subsidy of the project amount subject to a maximum of Rs. 1, 25,000. In the initial stage of the scheme, the component DWCUA was not given much emphasis. The creation of Thrift and Credit Group was given first priority. From the year 2004-05, emphasis was given for creation of DWCUA in West Bengal as well as in the district of Dinajpur also. The progress of DWCUA group in the districts and in West Bengal is discussed as follows:

Table No.4.2.b**Year Wise Trend Of DWCUA in the Districts Of Uttar and Dakshin Dinajpur**

Municipality	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	CAGR
RAIGANJ(UD)	00	00	01	03	21	38	56	103	116.50
KALIAGANJ(UD)	00	00	02	04	46	90	85	157	106.92
DALKHOLA (UD)	00	00	00	00	03	07	19	19	58.63
ISLAMPUR(UD)	00	00	00	00	00	00	03	15	123.60
TOTAL(UD)	00	00	03	07	70	135	163	294	114.71
BALURGHAT(DD)	00	00	00	03	13	24	42	76	90.87
GANGARAMPUR(DD)	00	00	00	00	00	02	26	38	166.84
TOTAL(DD)	00	00	00	3	13	26	68	114	106.99
WEST BENGAL	74	102	178	656	966	1258	1669	1903	50.06

Source: compilation of reports of municipalities. (CAGR: Cumulative Average Growth Rate)

It has been found from the above table that in the year 2001-002 and 2002-03, there was no of DWCUA group formed in the districts of Uttar Dinajpur and Dakshin Dinajpur.

In the year 2003-04 total number of DWCUA groups in Uttar Dinajpur district was 3 and in Dakshin Dinajpur no DWCUA groups was formed during this year. In the year 2004-05, total number of groups in Uttar Dinajpur district was 7 and in Dakshin Dinajpur, it was 3 i.e. total number of groups in Dinajpur districts were 10. It has been found that though the formation of DWCUA was started in the year 1997-98, the actual

operations have started from the year 2005-06 in the districts of Dinajpur. During this year, total number of DWCUA group in the districts of Dinajpur was 83 and at the end of the year 2008-09, total number of DWCUA groups in the districts of Uttar and Dakshin Dinajpur was 408. In West Bengal total number of DWCUA group in the year 2008-09 was 1903. It was 21.44% of the DWCUA groups formed in West Bengal.

Among the municipalities under Uttar and Dakshin Dinajpur, Kaliaganj municipality has formed maximum number of DWCUA group. It is also shown that the CAGR of the districts of Uttar and Dakshin Dinajpur is higher than the CAGR of West Bengal.

**(In case of calculating CAGR, the Years when first groups are formed have been taken as base year for each municipality).

The year wise growths of TCGs and the DWCUA have been presented in the following tables.

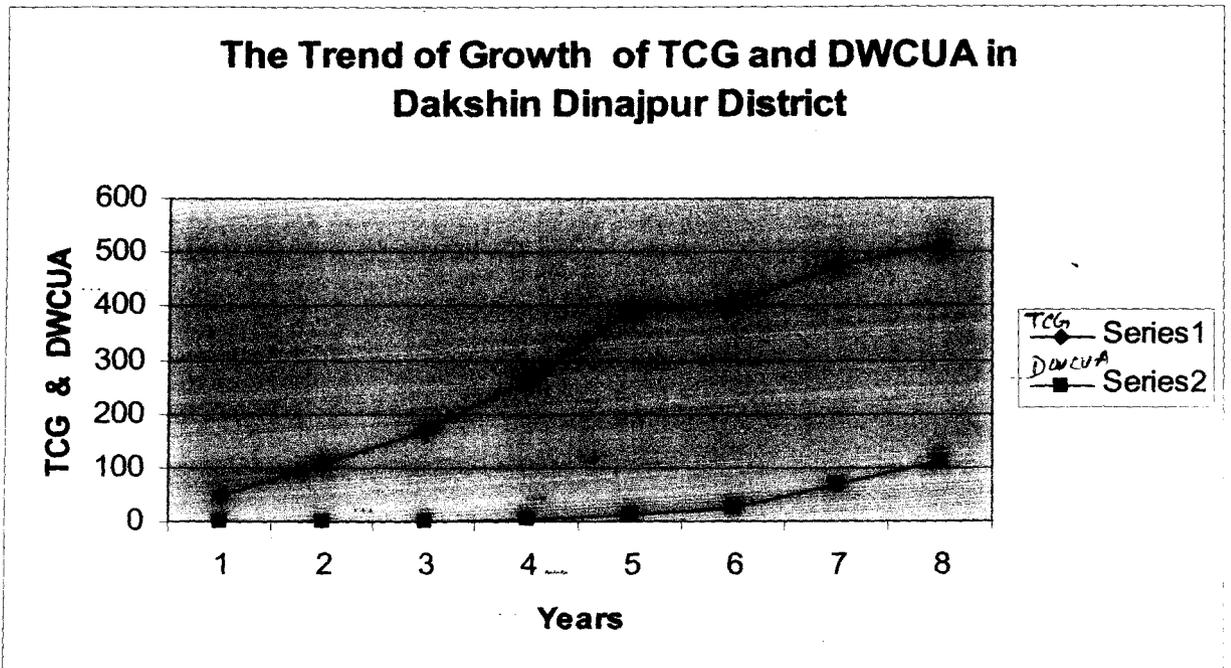
Table no: 4.2.c

The Trend Of TCG and DWCUA in the Dakshin Dinajpur District

Year	TCG	DWCUA
2001-02	49	00
2002-03	106	00
2003-04	170	00
2004-05	264	3
2005-06	391	13
2006-07	406	26
2007-08	476	68
2008-09	514	114

Source : : compilation of reports of municipalities under Uttar Dinajpur district

A line diagram of the above table can explain the trend of TCG and DWCUA in the of Uttar Dinajpur district.



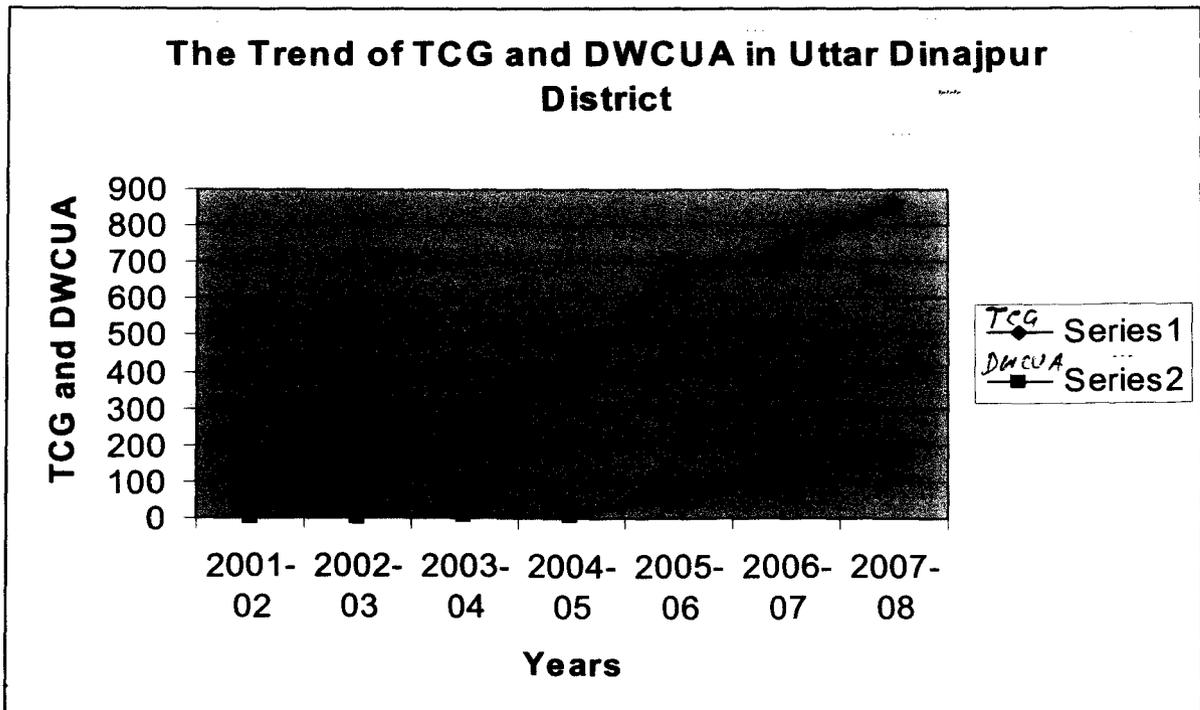
In the district of Dakshin Dinajpur, it has been shown in the line diagram that an upward trend in the case of formation of TCGs and DWCUA. The trends of growth in TCGs are more than the DWCUA groups. It is also shown that the TCGs have a steady growth over the years. The growth in formation of DWCUA has started from the year 2004-05 onwards.

Table no:4.2.d

The Trend Of TCG and DWCUA in the Uttar Dinajpur District

Year	TCG	DWCUA
2001-02	51	00
2002-03	105	00
2003-04	218	03
2004-05	378	07
2005-06	663	70
2006-07	731	135
2007-08	857	163
2008-09	1212	294

Source : : compilation of reports of municipalities



In case of the district of Uttar Dinajpur, the line diagram of the above table has shown an upward trend in the case of formation of TCGs and DWCUA. The trends of growth in TCGs are more than the DWCUA groups. It is also shown that the TCGs have a steady growth over the years. The growth in formation of DWCUA has started from the year 2004-05 onwards.

4.2.1 Spread Of TCG And DWCUA Group in Relation to The Demography and Geography Of The District

In this section it will be examined whether the number of the groups formed bears any relationship to the geographical area, population and CDS in the municipalities.

The following table gives an idea of the distribution of groups in relation to the above

Table no: 4.2.1.a

TCGs and DWCUA Groups in 2008-09 in Relation to Population, Area and CDS

Municipality	District	No. of CDS	No. of TCGs	No. of DWCUA	Total Groups	Urban Population as per census 2001	Urban Area (Sq,km)	No. of Groups per sq.km	No. of Group per 1000 population
Raiganj	UD	5	398	103	501	74691	10.76	47	6.7
Kaliaganj	UD	2	575	157	732	28688	10.67	69	25.5
Dalkola	UD	2	212	19	231	22459	15.90	15	10.28
Islampur	UD	2	27	15	42	28122	11.40	4	1.49
Balurghat	DD	5	279	76	355	37397	10.56	34	9.5
Gangarampur	DD	2	235	38	273	21846	10.29	27	12.5

Source: : compilation of reports of municipalities

The objective of any micro finance programme is to reach all sections of the poor in a given area. As such the members of the TCGs and DWCUA groups formed should be in accordance with the size of the targeted area and the population regarding in it. In addition to this, the CDS in an area is responsible for developing, nurturing and assisting the groups. It can therefore be logically be argued that the more the number of CDS in any area, the more would be the number of groups formed.

To find out whether the number of TCG and DWCUA groups formed in municipalities depended on the geographical and demographic factors the following hypotheses were formulated.

Ho: The numbers of groups formed in municipalities do not depend on the area, population and number of CDS of the municipalities.

H1: The numbers of groups formed in municipalities depend on the area, population and number of CDS of the municipalities

The hypothesis were tested using multiple regression analysis where number of groups formed were taken as the dependent variable and area, population and number of CDSs were taken as the explanatory variables. The results are given in following tables:

**Table no: 4.2.1.b
Regression Result (with CDS)**

Model	R	R Square	Adjusted R Square	Std. Error Of the Estimate	Durbin-Watson
1	.428(a)	.183	-1.042	341.37235	2.042

a predictors (constant),Area, Population, CDS

b Dependent Variable: No. of Group

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
Regression		52330.672	3	17443.557	.150	.921
Residual		233070.161	2	116535.080		
Total		285400.833	5			

a. predictors (constant),Area, Population, CDS

b. Dependent Variable: No. of Group

Coefficients

Model		Unstandardised Coefficient		Standardised Coefficient	t	Sig
		B	Std. Error	Beta		
1	Constant	604.575	1045.824		.578	.622
	CDS	-26.395	164.755	-.171	-.160	.887
	Population	.005	.013	.400	.379	.741
	Area	-29.341	75.979	-.263	-.386	.737

A Dependent Variable: No. of Group

It is seen that the value of R^2 is only 0.183 which is also statistically not significant. The dependent variable can only explain 18% of the variation in the number of groups. The null hypothesis is accepted and it can be said that the number of groups formed have not been formed based on area or population.

4.3 Funding Pattern and Funding Procedures

Funding under SJSRY will be shared between the Centre and the States in the ratio of 75:25. For Special Category States (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Jammu & Kashmir, Himachal Pradesh and Uttarakhand) this ratio will be 90:10 between the Centre and States.

The Central share under SJSRY will be tentatively allocated between the States / UTs in relation to the incidence of urban poverty (number of urban poor) estimated by the Planning Commission from time to time. However, additional parameters like absorption capacity (based on the past trend in utilization of SJSRY funds) and special requirement will be taken into consideration during the course of the year.

Central funds will be released to the States/UTs only after they fulfill the prescribed criteria regarding submission of Utilization Certificates (UCs) as well as release of matching State share for the past releases. However, in order to promote better utilization of funds under the Scheme, the idle funds at the Central level, which could not be released to the States/UTs not fulfilling the prescribed criteria, may be diverted to better-performing States/UTs in the fourth quarter of a financial year, keeping in view their performance and demand for additional funds.

Release of funds to the States/UTs will be made for SJSRY as a whole, without segregating into components, thereby giving flexibility to them in utilizing funds. However, indicative component-wise allocation of Central share may be intimated by the Ministry of Housing & Urban Poverty Alleviation to the States/UTs from time to time to ensure balanced coverage of all the components of SJSRY as well as better utilization of available funds. State/UT-wise annual physical targets under the scheme will be fixed based on the all India targets decided by the Ministry of Housing & Urban Poverty Alleviation. State/UT-wise progress will be monitored against these targets and therefore the States/UTs ought to prioritize the flow of funds

to different components of the scheme so that the annual targets are achieved. Revolving fund which is granted by the

Government to the groups is one of the sources of fund. The procedure of getting Revolving fund and other aspects have been discussed below:

4.3.1 Revolving Fund

Under the scheme SJSRY, when a group's vintage is more than one year, it would be eligible for an extra fund other than their own contribution. This is called revolving fund. Revolving fund is one of the most important funds in the success of the scheme the SJSRY. The groups do not get this fund at the very beginning stage of the starting their operation as a group member. After completion of one year from the date of their start in operation, the groups became eligible of getting revolving fund. But, the groups which were eligible for getting revolving fund did not get this fund for different reasons like deficit of fund, due to improper application for revolving fund, lack of initiatives of the members of the group etc. This fund is provided by the government to be used exclusively for business purposes. The amount of revolving fund is Rs. 2000 per member of the group subject to a maximum of Rs.25000 per group. In the district of Uttar and Dakshin Dinajpur, many groups were formed as a part of the scheme of SJSRY and most of the groups have received revolving fund for setting up micro enterprises. The details of the groups who have received revolving fund are given below:

4.3.1.1 Groups Received Revolving Fund

In the districts of Uttar and Dakshin Dinajpur, huge number of TCGs has been formed during last few years. The groups which expire one year are eligible to get Revolving fund from the Government. The groups which have received Revolving fund can be found from the following table:

Table No.4.3.1.1.a

Number Of Groups Received Revolving Fund in Uttar and Dakhsin Dinajpur

Districts:

Municipality	2004-05 NRF	2004-05 % of NRF	2005-06 NRF	2005-06 % of NRF	2006-07 NRF	2006-07 % of NRF	2007-08 NRF	2007-08 % of NRF	2008-09 NRF	2008-09 % of NRF
RAI GANJ	144 (168)	85.71	171 (246)	69.51	201 (271)	74.17	230 (322)	71.42	242 (398)	60.80
KALIA GANJ	87 (152)	57.23	158 (298)	53.02	179 (338)	52.96	217 (384)	56.51	297 (575)	51.65
ISLAM PUR	0 (00)	00	00 (00)	00	0 (03)	00	01 (11)	9.09	02 (27)	7.40
DAL KOLA	0 (52)	00	0 (118)	00	38 (119)	31.93	97 (140)	69.28	112 (212)	56.60
TOTAL	231 (372)	62.09	330 (662)	49.85	418 (731)	57.18	545 (857)	63.59	651 (1212)	53.71
BALUR GHAT	118 (180)	65.55	139 (203)	68.47	167 (205)	81.46	203 (253)	80.23	231 (279)	82.79
GANGA RAMPUR	53 (84)	63.09	71 (188)	37.76	75 (201)	37.31	105 (223)	47.08	167 (235)	71.06
TOTAL	171 (264)	64.77	210 (391)	53.70	242 (406)	59.60	308 (476)	64.70	398 (514)	7.43

Source: : compilation of reports of municipalities (NRF=No. of Group Received Revolving Fund , Figures in parenthesis represents total no. of groups formed)

In this case, the analysis has been shown from the year 2004-05 to 2008-09. Though the scheme SJSRY has been implemented in the year 1997-98, the real operation has been started from the year 2000 onward. The data were available from 2004-05 onwards.

It is seen that in the year 2004-05, total number of groups in the district of Uttar Dinajpur covered under revolving fund were 231. Out of which in Raiganj municipality, it was 144 and in Kaliaganj municipality, it was 87. During this year, no groups in the municipalities Dalkola and Islampur were covered under revolving fund. It is found that 85.71% of the TCGs formed have been covered by Revolving Fund in Raiganj and 57.23% in Kaliaganj. The rate of groups received revolving fund in the district of Uttar Dinajpur is 62.09%.

In the district of Dakshin Dinajpur, 65.55% of the groups in Balurghat municipality have received Revolving Fund and in Gangarampur municipality the rate is 63.09%. In Dakshin Dinajpur district, the overall rate of groups covered under Revolving Fund is 64.77%

It has been seen that in the year 2008-09, total number of groups in the district of Uttar Dinajpur covered under revolving fund were 651. Out of which in Raiganj municipality, it was 242 and in Kaliaganj municipality, it was 297. During this year, in Dalkola and Islampur municipalities the numbers of groups covered by Revolving Fund were 112 and 2 respectively. It is found that 60.80% of the TCGs formed have been covered by revolving fund in Raiganj and 57.23% in Kaliaganj. In Dalkola municipality the rate was 56.60% and in Islampur municipality it was 7.40%. The rate of revolving fund linkage in the district of Uttar Dinajpur is 53.71%.

In the district of Dakshin Dinajpur 77.43% of the total TCGs are covered under Revolving Fund. Out of which 82.79% of the groups in Balurghat municipality have received Revolving Fund and in Gangarampur municipality the rate is 71.06%.

So, it is observed the rate of coverage of Revolving Fund in case of TCGs in the district of Uttar Dinajpur and Dakshin Dinajpur is satisfactory. In Raiganj, Kaliaganj and Dalkola municipalities the rate of coverage is steady. In Islampur municipality the rate of coverage is low. Islampur municipality should concentrate in increasing the number of TCGs as well as the Revolving Fund linkage of the groups

In Dakshin Dinajpur district, Balurghat and Gangarampur municipalities have shown a satisfactory rate of Revolving Fund linkage of the TCGs. It can also be observed that though the number of TCG formation in the district of Uttar Dinajpur is more than Dakshin Dinajpur district, the rate of Revolving fund linkage in the district of Dakshin Dinajpur is higher than Uttar Dinajpur district.

4.3.1.2 Disbursement Of Revolving Fund

Revolving fund is granted to be used for the business purposes. Accordingly the funds are disbursed keeping in view the economic activities to be undertaken by the groups. The amount of Revolving Fund disbursed is on the rise as evident from the following table.

Table no.4.3.1.2.a**Disbursement of Revolving Fund as on 31.3 2009 in the Districts of Uttar and Dakshin Dinajpur (Rs. in lakhs)**

Municipality	Dist.	2004-05	2005-06	Grth (%)	2006-07	Grth (%)	2007-08	Grth (%)	2008-09	CAGR
RAIGANJ	UD	18.30	21.46	17.26	28.49	65.06	27.77	(2.52)	32.13	11.91
KALIAGANJ	UD	14.51	20.12	38.66	28.09	(27.34)	31.65	12.67	35.23	19.41
ISLAMPUR	UD	0	0	0	0	0	0.1238	00	.2516	---
DALKOLA	UD	0	0	0	5.74	-	14.95	160	17.34	44.56
TOTAL	UD	32.81	41.58	26.72	63.13	51.82	76.37	20.97	78.24	18.98
BALURGHAT	DD	18.75	25.11	8.20	33.32	6.42	36.79	10.41	39.26	15.92
GANGARAMPUR	DD	7.19	9.99	38.94	9.99	00	14.86	48.75	15.28	16.27
TOTAL	DD	25.94	36.10	14.35	43.31	5.37	51.65	19.75	54.54	10.81

Source: : compilation of reports of municipalities

It has been found that in the year 2004-05, in the district of Uttar Dinajpur, the amount of revolving fund release was Rs.32.81 lakhs and in the district of Dakshin Dinajpur, it was Rs.25.94 lakhs. It has been also found that within Uttar Dinajpur district, in the Raiganj municipality, the amount of release of revolving fund was Rs. 18.30 lakhs and in the municipality Kaliaganj, the amount of revolving fund release was Rs.14.51 lakhs. During this year in the municipalities Dalkola and Islampur, there was no release of revolving fund. Within the Dakshin Dinajpur district, in Balurghat

municipality, the amount of revolving fund release was Rs.18.75 lakhs and in the municipality, Gangarampur the amount of revolving fund release was Rs.7.19 lakhs.

During the year 2008-09, the amount of revolving fund release in the district of Uttar Dinajpur was Rs.78.24 lakhs, which was 2.44 % more than the previous year 2007-08.

In the year 2008-09, in Uttar Dinajpur district, in Raiganj municipality, the amount of revolving fund release was Rs. 32.13 lakhs, which was 15.70% more than the previous year 2007-08. In the Kaliaganj municipality, the amount of revolving fund release during the year was Rs.35.23 lakhs, which was of 11.31% more than the last year. In the municipalities, Islampur there only two groups have received Revolving Fund amounting Rs. .2526 lakhs and in Dalkola the amount of revolving fund release was Rs.17.34 lakhs, which was 11.98% more than the previous year 2007-08.

During the year 2008-09, in the district of Dakshin Dinajpur, the amount of revolving fund release was Rs. 54.54 lakhs, which was an increase of 5.59% from the previous year 2007-08. Among the municipalities under the Dakshin Dinajpur district, in Balurghat the amount of revolving fund release during the year 2008-09 was Rs.39.26 lakhs, which was of 6.71 % more than the last year. In the municipality Gangarampur, the amount of revolving fund release during this year was Rs.15.28 lakhs, i.e. an increase of 2.82 % than the last year 2007-08.

It is observed that the amount of disbursement of Revolving Fund in the district of Uttar Dinajpur is more than the amount disbursed in the district of Dakshin Dinajpur.

It is also seen that during 2004-05 to 2008-09 the Cumulative Average Growth Rate (CAGR) of Revolving fund in the district of Uttar Dinajpur was 18.98 %. Under the Uttar Dinajpur district, in the municipality of Raiganj it was 21.53% and in the municipality Kaliaganj it was 27.84%. In the municipality Dalkola the CAGR was 61.38% and in Islampur municipality no group have received revolving fund. It is seen hat during 2004-05 to 2008-09 the Cumulative Average Growth Rate (CAGR) in the district of Dakshin Dinajpur was 10.81%. In the municipality of Balurghat it was 15.92% and in the municipality of Gangarampur it was 16.27%.

Table no.4.3.1.2.b

Statement Of Groups Received Average Revolving Fund in the Districts Of Uttar and Dakshin Dinajpur (Rs. In Lakhs)

Municipality	Dist.	2004-05 RF Rec	2004-05 Avg RF	2005-06 RF Rec	2005-06 Avg RF	2006-07 RF Rec	2006-07 Avg RF	2007-08 RF Rec	2007-08 Avg RF	2008-09 RF Rec	2008-09 Avg RF
RAIGANJ	UD	18.30	.1270	21.46	.1256	28.49	.1417	27.77	.1207	32.13	.1327
KALIAGANJ	UD	14.51	.1667	20.12	.12.73	28.09	.1569	31.65	.1458	35.23	.1186
ISLAMPUR	UD	0	0	00	00	00	00	.1238	.1238	.2516	.1258
DALKOLA	UD	0	0	00	00	5.47	.14.39	14.95	.1541	17.34	.1548
TOTAL	UD	32.81	.1420	41.58	.1263	63.13	.1510	76.37	.1401	78.24	.1202
BALURGHAT	DD	18.75	.1588	25.11	.18.06	33.32	.1995	36.79	.1812	39.26	.1699
GANGARAMPUR	DD	7.19	.1356	9.99	.1394	10.18	.1357	14.86	.1415	15.28	.091
TOTAL	DD	25.94	.1517	36.10	.1957	43.50	.17.97	51.65	.1677	54.54	.1370

Source: : compilation of reports of municipalities

The data have been available from the year 2004-05 to 2008-09. So, the discussion have been made during 2004-05 to 2008-09.

In Raiganj municipality average amount of revolving fund per group in the year 2004-05 was Rs.1270 lakhs and in the year 2008-09 it was Rs. .1327 lakhs per group. So, the average fund per group has been increased. In case of other two municipalities Kaliaganj and Dalkola the total amount of revolving fund and average amount of revolving fund per group also increased in the year 2008-09 than 2005-06. Only Islampur municipality has got revolving fund from the year 2007-08. Average amount of Revolving Fund in case of Uttar Dinajpur district has decreased from Rs. .1420 lakhs to Rs..1202 lakhs from the year 2005-06 to the year 2008-09.

In Balurghat municipality average amount of revolving fund per group in the year 2004-05 was Rs. .1588 lakhs and in the year 2008-09 it was Rs. .1699 per group. So, the average fund per group has been increased. In case of Gangarampur municipality, average Revolving fund per group in the year 2004-05 was Rs. .1356 lakhs and in the year 2008-09 it has increased to Rs. 0.091 lakhs per group. Average amount of Revolving Fund per group in case of Dakshin Dinajpur district has decreased from Rs. .1517 to Rs. .1370 from the year 2004-05 to the year 2008-09.

Among the municipalities under the districts the groups under Balurghat municipality has got highest amount of Revolving Fund per group and the Kaliaganj municipality rank second regarding that.

It is also observed that regarding Revolving Fund per group, the performance of the municipalities under the district Dakshin Dinajpur is better than the municipalities under the district Uttar Dinajpur.

4.3.1.3 Disbursement and Utilisation of Revolving Fund:

In the district of Uttar and Dakshin Dinajpur, a large number of urban populations were unemployed and under employed. In this district, there were no major industries where people could get employment. The main area of activities was confined within agriculture. However, due to increase in population, the marginal productivity became negative and a large number of disguised unemployment was created. In such a situation, the scheme SJSRY worked a lot for the poor people of these districts. The revolving fund helped those poor people a lot for their commercial activities. The beneficiaries used the revolving fund and helped to fulfill the social objectives of the scheme. The utilization of the revolving fund can be observed from the following table. The utilisation and unutilisation of the revolving fund will be observed from the following.

Table no.4.3.1.3.a

Disbursement and Utilisation of Revolving Fund in the Districts of Uttar and Dakshin Dinajpur (Rs. in lakhs)

Municipality	Dist.	2004-05 Dis	2004-05 Uti	2005-06 Dis	2005-06 Uti	2006-07 Dis	2006-07 Uti	2007-08 Dis	2007-08 Uti	2008-09 Dis	2008-09 Uti
RAIGANJ	UD	18.30	17.89	21.46	21.46	28.49	27.92	27.77	27.16	32.13	30.87
KALIAGANJ	UD	14.51	13.78	20.12	17.57	28.09	25.80	31.65	29.48	35.23	34.69
ISLAMPUR	UD	00	00	0	00	00	00	.1238	.1168	.2516	.2314
DALKOLA	UD	00	00	00	00	5.74	4.55	14.95	12.14	17.34	14.36
TOTAL	UD	32.51	31.67	41.58	39.03	63.13	58.27	76.37	67.78	84.95	80.15
BALURGHAT	DD	18.75	17.63	26.11	15.40	33.32	24.11	36.79	26.78	39.26	33.68
GANGARAMPUR	DD	7.19	6.31	9.99	7.12	9.99	7.33	14.86	11.62	15.28	12.96
TOTAL	DD	25.94	23.94	36.10	22.52	43.31	31.44	51.65	38.4	54.54	46.64

Source: : compilation of reports of municipalities

The scheme SJSRY has been implemented from the year 1997-98. But the scheme actually started its operation in the year 2000 onwards. Due to lack of availability of data, the analysis has been shown from the year 2004-05. It is seen that in the year 2004-05, the disbursement of revolving fund was 18.30 lakhs and utilisation was Rs.17.89 lakhs in Raiganj municipality. In Kaliaganj municipality the amount disbursed was 14.51 lakhs and the amount utilised was 13.78 lakhs. In the district of Dalkola and Islampur, there was no disbursement of revolving fund during this year. It is seen that in the district of Uttar Dinajpur, total amount of revolving fund disbursed were Rs. 32.51 lakhs and utilisation of fund was 31.67 lakhs which was 97.41% of the total fund disbursed. So, it is found that the rate of utilisation in this district is highly satisfactory.

In the municipality Balurghat, total amount of revolving fund disbursed during the year 2004-05 was 18.75 lakhs and the amount utilised was Rs. 17.63 lakhs. It was 94.02% of the amount disbursement. In the Gangarampur municipality, the amount of revolving fund disbursed was Rs. 7.19 lakhs and the amount utilised were Rs.6.31 lakhs. So, it is seen that total utilisation in the district of Dakshin Dinajpur district is 77.54% of the fund disbursed. The rate of utilisation is satisfactory but it is less than the utilisation rate of Uttar Dinajpur district. Total amount utilised was Rs. 22.52 lakhs out of disbursement of Rs.36.10 lakhs in the district of Dakshin Dinajpur district that was 62.38% of the total amount disbursed.

It is seen that in the year 2008-09, the disbursement of revolving fund was Rs 32.13 lakhs and utilisation was Rs.30.87 lakhs in Raiganj municipality. In Kaliaganj municipality, the amount disbursed was Rs.35.23 lakhs and the amount utilised was

Rs. 34.69 lakhs. In the district of Dalkola the amount of disbursement was 17.34 lakhs and the amount utilised was Rs.14.36. In Islampur, only two groups have received Revolving Fund and the rate of utilisation of revolving fund is 92% during this year also. It is seen that in the district of Uttar Dinajpur, total amount of revolving fund disbursed were Rs.84.95 lakhs, amount utilised were Rs. 80.15 lakhs, which is 94% of the amount disbursed.

In the municipality Balurghat, total amount of revolving fund disbursed during the year 2008-09, were Rs. 39.26 lakhs and the amount utilised were Rs. 33.68 lakhs. In the Gangarampur municipality, the amounts of revolving fund disbursed were Rs. 15.28 lakhs and the amount utilised were Rs.12.69 lakhs. It is seen that in the district of Dakshin Dinajpur, the amount of total revolving fund disbursed were Rs.54.54 lakhs and the amount utilised out of that fund were Rs. 46.64 lakhs which is 85.51% of the amount of disbursement.

It is observed from the above table that regarding the utilisation of Revolving fund that the district of Uttar Dinajpur has a steady high utilisation rate of Revolving Fund. The Dakshin Dinajpur has shown a growth in using Revolving fund in the year 2008-09 than the year 2004-05. Still the performance of the municipalities under Uttar Dinajpur district is better than the municipalities in the district of Dakshin Dinajpur. The trend of the disbursement and utilisation of Revolving fund in the district of Uttar and Dakshin Dinajpur have been presented in the following table and diagram.

Table no: 4.3.1.3.b

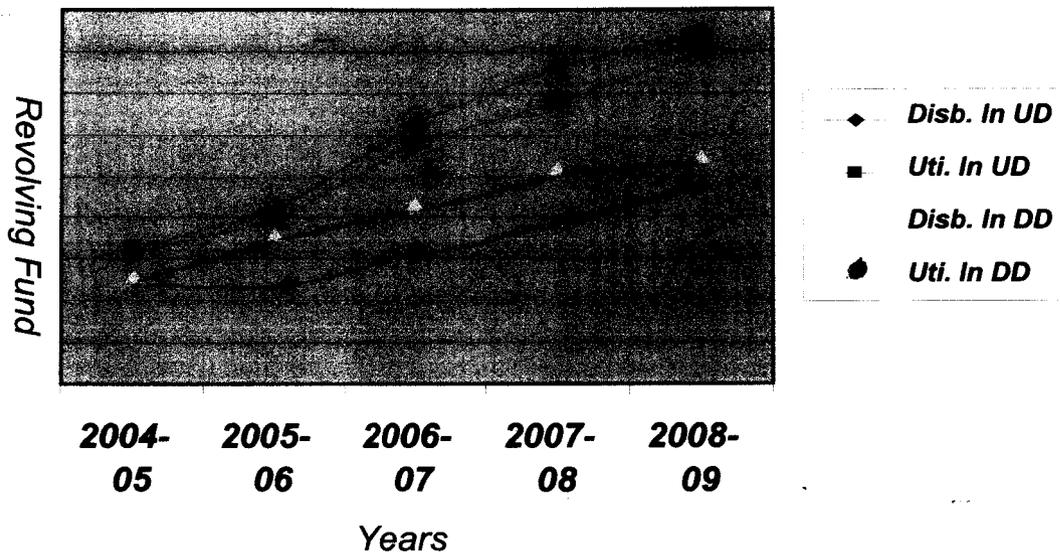
**The Trend Of Disbursement and Utilisation Of Revolving Fund
in Uttar and Dakshin Dinajpur Districts (in lakhs)**

Year	Disb. In UD	Uti. In UD	Disb. In DD	Uti. In DD
2004-05	32.51	31.67	25.94	23.94
2005-06	41.58	39.03	36.10	22.52
2006-07	63.13	58.27	43.31	31.44
2007-08	76.37	67.78	51.65	38.40
2008-09	84.95	80.15	54.54	46.64

Source: : compilation of reports of municipalities

The above table has been presented in the above line diagram. From the diagram it is shown that the ratio of disbursement and utilisation of Revolving Fund in the districts are satisfactory. The ratio of disbursement of Revolving Fund and its utilisation in the district Uttar Dinajpur is higher than the Dakshin Dinajpur district.

Disbursement and Utilisation of Revolving Fund



4.4 Reasons for Unutilisation of Revolving Fund:

The officials of State Urban Development Agencies (SUDA) and CDS were interviewed and the reasons for not utilisation of the Revolving Fund have come out.

The main reasons for unutilisation of revolving fund are as follows:

- i) Sometimes, it was found that the members were not very much motivated about utilisation of the revolving fund. Lack of motivation is one of the important reasons for that. It may be due to non-cooperation from family members, neighbors etc.
- ii) The revolving fund can only be used for business purposes. So, the members should start new micro enterprises or invest such amount in their

existing business. Lacks of such businesses were also one of the reasons for non-utilisation of revolving fund.

- iii) Some of the members of the groups were engaged with seasonal business. In such cases, the members keep the fund in hand to be used at the time when their products have demand in the market.

The discussion made so far has shown that there has been an increasing trend in the growth of groups, a compounded annual growth rate of about 15% in both the districts.

However, it has to be pointed out that spread of micro finance and growth of TCGs and DWCUA groups cannot be sporadic, because the scheme is intended to serve the below poverty line population evenly throughout a given area. It is therefore necessary to find out whether the groups were formed taking into account the areas of the municipalities, the population and the poverty level.

4.5 Conclusion:

The scheme SJSRY had been started in December 1997. But in the initial years the people were not very much optimistic about the scheme. Though the start up was due to lack of awareness and dissemination of information. The failure of IRDP has also shaken the confidence of the people about the scheme. All those other schemes concentrated at one time help to the people. The monitoring systems under the said schemes were not so good and as a result the loan amount has not been recovered and the purposes were not served. But under the SJSRY system to create and sanction of loans at a stage when the groups develop capacity to run enterprise

became the pivotal attributes of a good micro finance scheme. In addition to this, a very good monitoring system has helped to reduce default and quick recovery. Gradually recognizing the attributes of the scheme from the year 2000 onwards people started to accept the scheme. The number of TCG and DWCUA groups are in the districts of Uttar and Dakshin Dinajpur have been growing at a fast pace. In additions to this, most of the municipalities have been concentrating also on quality of the groups together with focusing on quantity targets.