

CHAPTER – 1
I N T R O D U C T I O N

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INTRODUCTION

1. Panchayats & Democratic Decentralisation

Democratic Decentralization, often referred to as Panchayati Raj system in India, is meant for the transfer of authority, responsibility and accountability from central to local governments. Any rural development programme in order to be effective should ensure people's active participation. Thus, in the Panchayati Raj system of local self governance, the emphasis has shifted towards the participation of people through Panchayati Raj Institutions (PRIs), in planning, formulation and execution of development programmes. Decentralization is sought to be effected in terms of political, financial and administrative dimensions.

Even today, many are unable to appreciate that the 73rd Amendment has brought about a basic change in the architecture of our polity by bringing in a third tier of representative governance at the district level and below. A large number of intellectuals and professionals fail to understand that the integrity and stability of our Republic really depend on the empowerment of nearly 1,50,000 small units of self government at the cluster of village, block and zilla levels and that the emancipation of the oppressed, disposed and marginalized segments of the rural society can be achieved by appropriately strengthening of these institutions of self government.

Parliament enacted a law "The panchayat (extension to the scheduled areas) Act" in 1996. Apart from extending panchayats to the fifth scheduled areas it gave extensive powers to the Gram Sabhas which their counter parts in the general do not enjoy. To find out the ground reality, a three day work shop on this subject was organized at

Jhabua Madhya Pradesh on November 12-14, 1999, involving tribal elected leaders, bureaucracy and NGOs. It was sponsored jointly by the Rajiv Gandhi Foundation and the Madhya Pradesh Government. The Madhya Pradesh Institute of Social Science Research, Ujjain, Organised it in the field. The non-implementation of this Act along with the relevant Madhya Pradesh Act was confirmed in the workshop and from the discussion what came out was shocking. Not only the elected tribal panchayat functionaries but the bureaucracy and intelligentsia were largely ignorant of these laws and their implication.

Before we discuss the concept and practice of participatory rural development in West Bengal let us start with a brief backdrop of the panchayat system in the state. While India embarked on the first generation Panchayat following the recommendations of the Balventray Mehta Committee in early 1950's, West Bengal started late in early 1960's when the institutions started stagnating in other parts of the country. Although the West Bengal Panchayat Act was passed in 1956 the implementation of the act was made by 1963 and only 50 percent of the villages and 60% of the rural population were covered by the panchayat system. In 1963 came the second Act on Panchayat Raj the West Bengal. The delayed birth of panchayats received further setback because of political violence and upheavals, which engulfed the state after the ceremonial inauguration of Panchayat Raj on October 2, 1964. In 1973 the Congress Govt. attempted to make a consolidated piece of legislation which became the starting point of the second generation panchayat initiated by the Left Front Govt. in 1978. The beginning was made by holding elections to all the three tiers in June 1978 after a long gap.

Unlike in most of the other states panchayats in West Bengal are party-based. The elections to all the three tiers are held on the basis of

open party competition. The table below provides a view of the various tiers and their area of the operation in West Bengal.

Table-1.1

Various Tiers and their area of the operation in West Bengal

Tier	Geographical Area	Average Population	Average number of voters at the tier level (1998)	Average number of voters per seat
Gram Panchayat	Cluster of 10-12 villages	16902	10339	678
Panchayat Samiti	Community Block	165736	101387	3917
Zilla Parishad	District	3407945	1962154	46587

Source : Prabhat Dutta, 2001

The lowest level of electoral unit in the panchayat system in West Bengal is the Gram Panchayat which covers about 10-12 villages totaling around 10,600 residents. It has 15-20 seats of representatives elected every five years. In 1998 elections there were 3,226 Gram Panchayat with 49,199 members. An electorate composed of around 700 voters elects each member.

The Gram Panchayat (GP) is headed by a pradhan and upo-pradhan. They are elected from amongst themselves by the Gram Panchayat members. It is a powerful body wielding powers, authority and resource. Above the village council there is Panchayat Samiti (PS) at the block level each of which covers on an average 115 village having eligible voters of about 1,01,387. In 1998 there were 329 Panchayat Samitis in West Bengal with a total of 8,515 members, all elected by the people. It is headed by Sabhapati and the Sabhadhipati. He enjoys the rank of the minister of state. The P.S. and Z.P. function through a

member of sector specific committees (Prabhat Dutta and Chandan Dutta, 2002).

Unlike in most of the other states Panchayat in West Bengal are proposed to be the centre of development activity. Hence the Government of West Bengal has made panchayat the nodal centre for rural development and clubbed two departments in the form Department of Panchayat and Rural Development instead of having one for the panchayat and one for Rural Development. Panchayats are conceived as bodies for political education of the people. The election to all the three tiers is held on the basis of open party competition. The party plays important role in the running of panchayat. The idea of party based panchayat is in tone with the leftist perspective on panchayat. Arguing the case for it, E.M.S. Nambudripad said that in the name of non-partisanship, the Sarvodaya approach seeks to disarm the poor in their fight against landed gentry who are interested in transforming the panchayat into their instrument. The panchayat in the perception of the Left Front Government (LFG) are not simply instruments of planning for economic and social development, they are political institutions to bring about a change in the co-relation of class force in the country side. People's participation is not understood merely for the purpose of ensuring better governance and more effective implementation of development programs. It has radical connotation.

Another unique feature of Panchayat Raj in West Bengal lies in the social background of Panchayat leadership (Prabhat Dutta, 1993). The representation of the rural poor has been fair and there has been increasing representation of the disadvantage sections namely scheduled caste and scheduled tribes in all panchayat bodies which started even before the reservation was made for them. West Bengal is seen by many as having prepared necessary objective conditions for people's participation during the last two decades. In the first place

panchayats are free from the clutches of the landed gentry and high caste people. The new panchayat in West Bengal represents a break from the past political patterns in rural India. The Panchayat in West Bengal or in most parts of India have seldom been so free of domination by landlord or rich peasants. Second, successful implementation of land reforms programme has changed the rural socio-economic structure. There has been shrinkage in the top categories of the land owning class. According to the data collected by the National Sample Survey Organization 70 percent of the agricultural lands is owned by the small and marginal farmers which in the national areas is 34.30 percent. Again 56 percent of the assignees of the vested land belong to scheduled castes and tribes.

Gram Sabha, under the 73rd Amendment Act, is an institution in the hands of the people to air their grievance and to watch the functioning of the panchayat. It also offers the panchayat an opportunity to share their difficulties with the people who have elected them. This is more necessary in a situation of rising expectations and limitations of funds. The West Bengal Panchayat Act, 1973 as amended in 1994 provides for two participatory bodies, Gram Sabha and Gram Sansad (Ghatak & Ghatak, 2002). The Gram Sabha has been incorporated by all the states in their amended laws on panchayat although there are variation in respect of numbers of meetings to be held, the issue to be discussed, in the meetings and the like. West Bengal has however taken a step by making provision for Gram Sansad apart from Gram Sabha. A Gram Sansad is required to guide and advice the gram panchayat in regard to the schemes for economic development and social justice undertaken or proposed to be undertaken in its area and may:

- (a) Identify or lay down principles for identifications of the schemes which are required to be taken up on priority basis for economic development of the village.
- (b) Identify or lay down principles for identifications of the beneficiaries for various property alleviations programmes.
- (c) Constitute one or more beneficiary committees consisting of not more than five persons, who are not members of the Gram Panchayat.
- (d) Mobilize means participation for community welfare programmes and programme for adult education, family welfare and child welfare.
- (e) Promote solidarity and harmony among all sections of the people irrespective of religion, faith, caste, creed or race; and
- (f) Record its objection to any action of the Pradhan or any other member of the Gram Panchayat for failure to or implement any other development scheme properly or without active participation of the people of the area.

The recent amendment of the West Bengal Panchayat Act 1973 has empowered Gram Sansad. It is laid down that the Gram Panchayat shall not omit or refuse to act upon any recommendation of a Gram Sansad unless it decides in a meeting for reason to be recorded in writing that such recommendations are not acceptable or implementable under the provision of the Act, rules, orders, or directions, such decisions have to be placed in the next meeting of the G.S. The West Bengal Panchayat Act. 1973 has recently been amended to create, inter alia, Village Development Committee (VDC) of the Gram Sansad level in order to insure active participation of the people in implementation, maintenance and equitable distribution of benefits.

The VDC can constitute functional committees. Another major progression in the amended legislation relate to the constitutions of the sub committees and the delegations of powers, functions and duties to them. The GP has to constitute such sub-committees namely finance and planning, agriculture and animal resource development, education and public health, women, child development and social welfare industry and infrastructure.

The sub committees will consists of :

- a) Pradhan or Upo-Pradhan as ex-officio
- b) Such number of member as may be prescribed to be elected by the members from among themselves.
- c) Such other members as may be appointed by the state government.
 - (i) From among the offices of the panchayat bodies having jurisdictions, state govt. or any authority body, corporation or organization or any individual official receiving grant financial assistance or remuneration from the state exchequer.
 - (ii) Any person having specialized knowledge about the locality or any area of the activity. The pradhan will be the ex-officio sanchalak of the finance and planning sub-committees. In case of the other sub committees the member will select one member from more themselves as sanchalak. The functions of the sanchalak are:
 - (a) Convening the meeting of the sub-committees.
 - (b) Coordinating functions of the members within the sub-committees.

- (c) Preparing and placing the report of actions taken proposed to be taken to the Pradhan and the GP from time to time.

Each sub-committee shall hold at least six meeting in a year.

Similar to the Gram Sansad there is a provision for Block Sansad consisting of all members of the GP and all members of the PS. It is the duty of the PS to hold annual and half yearly meeting of the Block Sansad. The Block Sansad will guide and advise the PS for all matters relating development.

Every Zilla Parishad shall have Zilla Sansad consisting of:

- (a) Pradhans of all GPs
- (b) Sabhapatis, Sahakari Sabhapatis and Karmadhyakshas of all PS.
- (c) All members of ZP.

The Gram Sansad has been empowered to constitute one or more beneficiary committees comprising not more than nine persons who are not members of the Gram Panchayat for ensuring active participation of the people in implementation, maintenance and equitable distribution of benefits of one or more schemes in the area.

The Government of West Bengal had taken a policy decision to set up self-help groups as a major poverty alleviation initiative with a view to ensuring a robust economic growth that would be labour intensive and equitable combined with development of the social sectors specially directed towards the poor. Various programmes administered by different Departments of the Central and the State Government, SHG Bank Linkage programme initiated by NABARD and the social intermediation programme followed by NGOs have accelerated the process of organizing the poor particularly women into Self Help Groups. In West Bengal, more than 1,00,000 self help groups

have been formed by different organizations (both government and non-government) with Swarna Jayanti Gram Swarojgar Yojana (SGSY-SHG based programme implemented by Rural Development Department) contributing formation for about 55699 SHGs. Although there are about 20 programmes operating in Self Help group mode, it has been felt that optimum use of these resources available under these programmes are not being made at the district level and SHGs are being formed programme wise without any specific assessment of employment potential or requirement of the area on the whole. District Rural Development Agency commonly known as DRDA was merged with the Zilla Parishad from April, 2000. Thenceforth it has been functioning as District Rural Development Cell under the Zilla Parishad. The Cell is mainly entrusted with the task of implementation of SGSY which aims at bringing the rural BPL families of the district above the poverty line in a phased manner with the assistance of external facilitators like NGOs, Community Based Organisations (CBOs), Self Help Promoting Institutions (SHPIs) and active participation of Panchayat functionaries and Block officials through Self Help Groups and individual Swarogaries providing them training, credit, technology, infrastructure, and marketing facilities. Apart from the above, the Cell holds money for payment of benefit under NAOPS and NFBS. Funds for the above purpose are directly credited to the Bank Account of the Gram Panchayats and Municipalities. Moreover, the Cell receives money for other centrally sponsored schemes like IAY, SGRY-I & II, PMGSY directly from the Government of India. Excepting PMGSY other funds are transferred to the Zilla Parishad. At present the fund for PMGSY is kept State-wise in the Bank in Kolkata. Very recently, State Government has taken initiative for convergence of SHG based programmes at grass roots level by formation of federation of SHGs at different levels for augmentation of livelihood opportunities of SHG members and for extending outreach of basic services to the poor

people specially women members in which DRDC and Federations of SHGs are supposed to play crucial role in participatory rural development. The government has also created a new Department, namely, SHG and Self Employment, as a specialized agency in this regard.

2. Statement of the Problem

The Swarnijayanti Gram Swarozgar Yojana (SGSY) is a major self employment scheme launched in April, 1999 after restructuring and combining the IRDP with allied programmes i.e. TRYSEM, DWCRA, SITRA, GKY, MWS, It has been designed as a holistic self employment scheme aimed at providing sustainable income to rural BPL families through income generating assets & economic activities so as to bring them out of the poverty line. It is a process oriented scheme involving processes like organization of the rural poor (BPL) into Self-Help Groups (SHGs) through social mobilization, capacity building & training, provision of revolving fund, making available credit and subsidy, technology, infrastructure & marketing. Each preceding process has a bearing on the successive process. The fund for SGSY is shared between the Centre and the State on 75:25 basis. SGSY is a credit cum subsidy programme wherein, credit is the key component and subsidy is only a minor and enabling element. Subsidy under the SGSY will be uniform at 30% of the project cost, subject to a maximum of Rs. 7500. In respect of SC/STs and disabled however, these will be 50% and Rs. 10,000/- respectively. For Groups of Swarozgaris (SHGs), the subsidy would be at 50% of the cost of the scheme or per capita subsidy of Rs. 10,000/- or Rs. 1.25 lakh, whichever is less. There will be no monetary limit on subsidy for irrigation projects. Subsidy is back ended. The SGSY seeks to promote multiple credits rather than a one-time credit injection. The SGSY has a special focus on the vulnerable groups among the rural poor, SC/STs shall account for at least 50 per

cent and women 40 per cent of the total swarozgaris. Minorities and the persons with physical disability shall constitute 15 per cent and 3 per cent of the swarozgaris respectively. Under the scheme focus is on the group approach. The SHGs may consist of 10-20 members and in case of minor irrigation, and in case of disabled persons and difficult areas i.e. hills, deserts and sparsely populated areas, this number may be from 5-20. Self-Help Group (SHG) should also be drawn from the BPL list approved by the Gram Sabha. The SHGs broadly go through three stages of evolution such as group formation, capital formation through the revolving fund and skill development and taking up of economic activity for income generation. Making institutional arrangements for marketing of rural products is a thrust area under the SGSY. In order to assist the poor rural BPL swarozgaris to showcase and market their products, the Ministry of Rural Development organizes SARAS fairs across the country. These fairs provide ideal venues to the rural BPL poor to sell the products directly to buyers. Since 2003-2004, the Ministry has organized 93 SARAS Fairs in different parts of the country and more than 29000 rural SHGs/Artisans have benefited from these Fairs. Under Swarnjayanti Gram Swarozgar Yojana (SGSY), since inception (i.e. 1.04.1999) upto March, 2008, 28,35,772 Self-Help Groups (SHGs) have been formed, out of which 23,29,528 were women SHGs which is 82% of the total Groups formed. The total Swarozgaris assisted during the period was 1,02,53,593 out of which 47,83,110 Swarozgaris were SC/STs and 56,66,463 Swarozgaris were women which is 46% and 53% respectively. So far the total investment incurred since inception is Rs. 22,099.30 crore, out of which Rs. 14857.41 crore is credit and Rs. 7241.90 crore is subsidy. The average per capita investment during the period stands at Rs. 22031.

In the SGSY guidelines, the concept of SHG Federations has been touched upon in para 3.6 which reads as follows:

“BY and large, the SHG will be an informal group. However, the groups can also register themselves under the Societies Registration Act, the State Cooperative Act or as a partnership firm. The SHGs can be further strengthened and stabilized by federating them at say village or cluster of villages or block or District level depending upon the number of Self-Help Groups and their spatial distribution. DRDAs may facilitate in planning of network of SHGs by federating them at appropriate level, once SHGs have reached the stage of maturity and have stabilized. This would facilitate regular interaction, pooling of surplus with the groups, exchange of experiences including flow of information from DRDAs and other departments, bulk access to Credit from various Micro-Finance Institutions and help them to plan for desired backward forward linkages including marketing of their products.”

The Ministry of Rural Development, GOI, has been emphasizing the need for creating federation of Self-Help Groups at various levels to improve their capacity, proper book keeping of the records which in turn would help in effectively accessing the bank finance. Organizing the poor into Self-Help Groups and federating them up to the national level has been identified as an important support activity of the Ministry. The activities of the federations range from social mobilization, articulation of common concerns, organizing awareness campaigns, undertaking procurement operations, provision of forward and backward linkages to marketing activities etc. The work of formation of federations under the SGSY has mostly been done, to a significant extent, in three States only i.e. Andhra Pradesh, Tamil Nadu and Kerala. Further, in States like Maharashtra, West Bengal and Madhya Pradesh the process of federating SHGs has progressed to a little higher extent at the level of Gram Panchayat/Block/District. In Madhya Pradesh, the Self-Help Groups formed under the DPIIP seem to be federated upto the District level in majority of the districts whereas

under the SGSY Scheme, few activity based federations have been formed. In Tamil Nadu, Panchayat level federations are being funded by the State Government and the efforts are going on vigorously to federate at other levels. Uttarakhand has taken good initiative in forming federations at Block and District level and also constitution of apex body at State level is under progress there. However, in States like Bihar, Chattisgarh, A&N Islands and Goa the process is in a nascent stage. Other States, so far, have not been reporting any significant progress on the formation of SHG Federations. Few States like Kerala, Andhara Pradesh and Maharashtra have expressed concerns that State Level Federations may ultimately become aligned on political lines thereby adversely impacting the SHG movement per sec.

SHG federations in India have evolved quite differently and are known by various names throughout the country, making it difficult to generalize when discussing them. Federations can be classified according to (1) geographical coverage, (2) their functions, (3) legal status, (4) structure and mode of functioning, (5) source of funds, (6) size, and (7) promoter. Federations are more commonly known by geographical unit. A general four tier linear federation structure explains almost all geographical federations in the country. The four tier linear structure is illustrated with the help of Zilla Samakhya (district federation) of the Society for Elimination of Rural Poverty (SERP), Andhra Pradesh. In this general structure, the basic units, i.e. SHGs, get federated as Primary Level Federations (PLF) which in turn get federated as Secondary Level Federations (SLF) and finally the SLF get federated as Apex Level Federations (ALF). However the States reflect different patterns of organization. In India, structures of different federations, the relationship between different tiers of a federation and functions of different tiers of a federation are illustrated with six prominent models of federations. These are (a) Mysore Resettlement and Development Agency (MYRADA) (APMAS, 2009) model of CMRCs

(b) Andhra Pradesh's SERP model of Indira Kranthi Patham (c) Tamil Nadu Women's Development Corporation model (d) DHAN foundation's Nested model (e) Orissa Government model adopted in Dhenkanal District and (f) Kerala's Kudumbashree model. All these models together account for over four-fifths of the total federations in the country. Most of the other federations are broadly following these models informally and few federations are following them formally. The 'Convergence Model' of West Bengal needs to be studied in relation to them and also in relation to overall political role of the Panchayat and the kind of centrality that was given to it relation to overall political role of the Panchayat and the kind of centrality that was given to it for rural development. In a Memorandum (No. 1702-SRD(Tr)3T-6/02. Kolkata, the 12th March, 2003 for the Government of West Bengal, Panchayats & Rural Development Department Guidelines were announced for Convergence of Self-Help Group (SHG) based programmes at the grass roots level and Formation of Federation of SHGs to act as a forum for augmentation of livelihood opportunities and extension of basic services in rural areas & dissemination of information at the grass roots level for empowerment of the rural poor These include the following: (a) Setting-up State Level Steering Committee consisting of members from different Government Departments which are promoting SHG based programmes to look after the Convergence activities at the State level and other works stipulated in the enclosed model, (b) At the District Level, Zilla Parishad will initiate the process of setting-up District Level Committee consisting of members stipulated in the enclosed model to look after the Convergence activities at the District level and other works included in the model and take steps for formation of Block/GP level Societies. District SGSY committee may serve the purpose of district level committee. The District Rural Development Cell (DRDC) of Zilla Parishad will act as Nodal agency for this purpose. (c) The Panchayat Samities in consultation with the Zilla

Parishads will initiate the process of setting-up Block Level Committee consisting of members stipulated in the enclosed model to look after the Convergence activities at the Block level and other works included in the model and take steps for formation of Block/GP level Societies. Block SGSY committee may serve the purpose of block level committee. Block Development Officer will act as Nodal officer for this purpose.

These guidelines do not seem exhaustive and it was hoped that working procedure will emerge on formation of societies at the field level. It was emphasized that formation of Federation of SHGs is primarily meant to ensure functional coordination and partnership at grass roots level of services of the Department of Health, Social Welfare, Rural Development, Backward Classes Welfare, Co-operation, Agriculture, C& SSI, Animal Resource etc, and agencies like banks via SHG federation to channelize and converge the inputs & resources for the poor and dissemination of information at the grass roots level for empowerment of the rural poor. What needs to be studied is how the Panchayati Raj Institutions relate to SHGs and their Federations and with what effect on rural development and political empowerment of rural people. To put it differently, in the new voice for convergence, NGOs, Panchayati Raj and Self-Help Groups are being considered as Motivators of Public' and complementary to each other" but are they in so real field situation? If these agencies are all necessary for a convergent approach to rural development and livelihood generation how does one have to comprehend the politically educative role of the PRIs in relation to apparently apolitical governance based participatory approach to rural development and livelihood generation through SHGs and their federations. There may be gradual erosion in the political role of PRIs to the extent other participatory institutions flourish or PRIs may move from being largely implementing agencies to ones preparing for a more autonomous role of educators of people. The problem therefore is to understand the role of PRIs in relation to a new and

evolving frame of convergence model. Not only one needs to evaluate the role of the NGOs, the SHGs and the PRIs in relations to the experimental Convergence Model, one has also to examine the key role that has been assigned to bureaucracy particularly at the block level in West Bengal (role of BLDO, BLWDO for example) with respect to SHGs, their formation and grading, and now in relating to SHG federations too. Moreover the role of other functionaries such as two Resource Persons from members of SHGs at each GP level needs to be studied along this line.

3. Research Objective

The proposed research has as its primary objective the desire to study the role of PRIs in relation to formation, grading and federation of SHGs at Block level where most of such activities are centered. To the extent SHGs under SGSY are conceived as primary agencies of livelihood generation we will be focusing on SGSY related SHGs primarily. A related objective is judge the effectiveness of the Convergent Model in terms of its efficacy and effectiveness for rural development in an effort to understand the nature of progress in moving towards political decentralization through PRIs.

4. Review of Literature

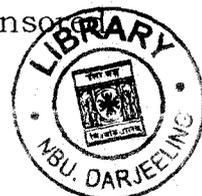
Panchayati Raj has been a focal thing for several streams of research in social science disciplines, such as Political Science, Public Administration, Economics, Sociology, Rural Development and the like. It is neither possible nor necessary to indicate the variety of works in Panchayati Raj here. For those who are interested in the range of studies in the Panchayati Raj can benefit from several annotated bibliographical sources (Inamdar et.al., 1991).

There are thrust areas in which panchayats have been studied. One is the history of Panchayat Institution in India. Some works trace

panchayats to Pre-British Period including Vedic Period (Mathew George, 2000; Altekar, 1997). Some works focus on the British Period (Rajsekharan, 2001, Sahai, 1968; Maddick, 1970, Inamder, 1970). On panchayat in independent India there are several works (RajSebistin et.al.1998, Chandra Sekhar, 2000).

In recent years Gram Sabha has become a focal theme of research after the passes of 73rd amendment. B.S. Bhargava (1979) viewed Gram Sabha as open for general review and scrutiny of work done by the Panchayat. Siva Ramaprasad (1981) observed that Gram Sabha Meeting are not attended more than four percent (4%) member of the village. There is a very small body of literature in women's participation of Gram Sabha meeting. Apart from some insightful articles in journal of Rural Development, the Administrator Kurukshetra and Gandhi Marg (Jain, 1999; Mathur, 1999; Aslam, 1999). After independence the Govt. of India did take various initiative to include the status of women in India. The Govt. initiative can be characterized as 'women and development', 'gender and development' and finally 'right-base development'. Details has been discussed by many (Human Development in South Asia, 2001; Mahanti Maharajan, 2004).

Several studies have focused on the impact of panchayat on the lives of women after the passes of 73rd amendment (Buch, 2000). An important but in less focus area is concerned with the impact of SHGs on women's lives. Vijayanthi (2002) refers to the impact of group mobilization on women's traditional status of family as well as its enabling character for public speaking. Several studies have been conducted to assess the impact of micro-credits on the status of women (Kabeer, 2005). It appears that there is a need for more systematic work connecting the three area of democratic decentralization through PRIs, SHGs receiving micro-credit from institutions and centrally sponsored



scheme such as SGSY under which women SHG inter linked PRIs, Bureaucracy and Banks. As the foregoing review suggests there is a distinct gap in contemporary research which the present work proposes to fill in.

There is a related area of SHG and MF which represents another thrust area of contemporary social science research. Self-Help Groups are voluntarily formed informal groups. An SHG consists of 10-20 members. The members are encouraged to save on regular basis they use the pooled resources to meet the credit needs of the group members. The groups are democratic in nature and collectively make decisions. Since the members are neighbours and have common interest, the group is a homogenous one and cohesiveness is one of the characteristic features of the group. Regular saving periodic meetings compulsory attendance, proper repayment and systematic training are the salient features of the SHG.

Even though the terms micro credit and micro finance are interchangeably used, the terms micro finance connotes broader activity. Now, there is a shift from micro credit (small loans) to micro finance in which in addition to credit mobilization of savings, insurance, training and support services like assistance in marketing of client's insurance, training and support services like assistance in marketing of client's products are provided which are otherwise known as 'credit plus'

NABARD has defined micro finance as follow: Micro finance is all about provision of thrift, credit and other financial services and products of very small amount to the poor in rural semi urban and urban areas for enabling them to raise their standard of living (Sharma K.C. (2007).

Puhazhendi and Satyasai (2000) studied socio-economic impact of Self-Help Groups and found that the overall impact of Self-Group was significant both on social and economic spheres of the house hold. Their research reveals the following:-

Economically weaker section accounted for 84 per cent of the membership (small farmers 29 per cent, marginal farmers 23 per cent and agricultural labourers 32 per cent)

Average value of assets per household of INR 6843 during pre Self-Help Group situation. About 58.6 per cent of the sample house hold registered in increase in assets from pre to post Self-help Group situation.

Only 23 per cent households were saving before forming Self-Help Groups and 100 per cent of households were able to save after joining Self-Help Groups.

The average net income of INR 20177 per year from the income generating activities before Self-Help Group has increased to INR 26889 after group formation, recording 33 per cent increase.

Members were relatively more assertive on confronting with social evils and problem situations and the groups significantly contributed to improve Self confidence and the feeling of self worth of the members. Their study concluded that the impact of micro finance was relatively more pronounced on social aspects than economic aspects (Sarkar, A.N. (2003).

Nedumaran et al. (2001) studied the performance and the socio economic impact of SHGs in Tamil Nadu and found that there was an increase of 23 percent in the net income the post SHG situation, compared to the pre-SHG situation. Social conditions of the members

also considerably improved after joining the Self Help Group (Nedumaran, S., K. Palanisami., & L.P.Swaminathan, 2001).

Puhazhendi and Badyata (2002) studied the impact of Self Help Groups in Orissa, Chattisgarh and Jarkhand. Their findings are as follows:

- 1) The Self Help Group – Bank linkage programme with better access to credit brought increased income to the Self Help Group members and the incremental net income was the result of loans for productive purposes in farm, off-farm and non-farm activities.
- 2) Easy and timely availability of credit enhanced different economic activities which increased employment in non-farm and off-farm employment.
- 3) Self Help Group linkage programme impacted social empowerment i.e. self worth, treatment by neighbours, quality of treatment by members of family, involvement in group activity, confidence in managing financial crisis of the family, decision making capacity in household matters and assertiveness in protesting against social evils like drinking, gambling and wife beating (Puhazhendi, V., & Badatya K.C., 2002).

Krishnaiah (2003) situated Self Help Groups in Andhra Pradesh and observed that as a result of group formation, women were able to diversify their activities by undertaking non-farm and animal husbandry related activities. He concluded that repayment of loans by the groups is very high because of peer pressure, members are known to each other and they are aware of the credit worthiness of members and the good performance of repayment from members to groups and groups to banks helped to get higher loans subsequently (Krishnaiah, P. 2003).

Silvia (2004) studied Self Help Groups in Tumkur district (Karnataka) covering 245 respondents. She reported that 19 percent women said that increase in income is about 25 percent, 35 percent women said increase in income is about 50 percent and 4 percent women said there was no change in income. She observed that women have clear idea about loan priority and they are aware of their own skills and abilities and women are active in community activities (Kova, Silvia Jut., 2004).

Rao (2004) reviewed the genesis and development of Self Help Groups in India and revealed that existing formal financial institutions failed to provide finance to landless, marginalized and disadvantaged groups and experiences available in our country and elsewhere suggested that Self Help Groups are sustainable, have replicability, stimulate savings and help borrowers to come out of poverty. Number of studies revealed that Self Help Groups helped in improving the socio-economic conditions of members (Rao, V.M., 2004).

Parameswaran (2005) studied 347 SHGs formed in Panchayat Level Development Planning (PLDP) in Kerala and observed that keeping money in bank accounts in the own name of women and enjoying freedom of spending that money as they wished were in fact new experience for many of them. When women gained control over their earnings, they got more freedom in domestic decision making, gained confidence, cut down wasteful expense and enjoyed better status in family and in social circles. Women associated with SHGs became self reliant in the management of their activities especially in decision making, book keeping, conflict resolution and to a certain extent in the management of micro enterprises (Parameswaran, M.P., 2005).

Leelavathy and Aradhana (2006) studied Self Help Groups in Nalbari district of Assam and reported that 69 percent of the

respondents had a high degree of participation in decision making and most of the members of the group expressed that they were economically empowered after joining Self Help Groups they concluded that Self Help Groups brought about a sea change in personality, equipped with problem solving ability and enhanced self confidence (Chandramani, 2005).

Some studies have shown the negative impact of SHGs. A sketch of such studies that criticize the functioning of SHGs is presented in the following paragraphs.

Datar and Prakash (2004) found throughout the country SHGs are successful in covering non-bankable credit needs but not so in income generating activities. A majority of the women do not have the cultural moorings to become entrepreneurs; they lack requisite skills, infrastructural facilities and finance. Trainings are inadequate and there is no linkage between training and credit or credit and marketing. There is no integration with local economy as there is little demand for such products (Datar, Chhaya & Assem Prakash, 2004).

Selvarajan and Elango (2004) observed that some groups charge 24 percent interest to the members and it is obvious that the high rate of interest is very much oppressive causing hardships to the poverty stricken groups (Selvarajan, E., & R. Elango, 2004).

Dhara and Nitra (2005) studied Self Help Groups in Hooghly district of West Bengal and found the members cannot be said to be hard decision makers and the empowerment is only at elementary level since they are not confident to carry out activities on their own. Members are not aware of the banking procedure and leaders are finding it difficult to maintain account books (Dhara, Aparajita., & Nita Mitra, 2005).

Sinha (2006) studied 214 SHGs in Andhra Pradesh, Karnataka, Orissa and Rajasthan and concluded that-

- SHG members contribute to women's election in Panchayat Raj but do not appear to inform what they can achieve if elected.
- 26 SHGs have taken up issues on social justice (i.e. 12 percent of 214 SHGs) such as drunken husband, violence, dealing with dowry, prevention of child marriage, bigamy.
- Leaders obtained more loans to the tune of 25 to 30 percent – both in terms of frequency and amount borrowed.
- Default rate was 28 percent (high in A.P.), 38 percent of very poor members have more over due, in Andhra Pradesh defunct groups emerging as an indicator of loan default (Sinha, Frances, 2006).

Swain and Wallentin (2007) studied Self Help Groups in 5 states (Orissa, Tamil Nadu, Andhra Pradesh, Uttar Pradesh and Maharashtra) and concluded that there is significant increase in the level of women empowerment over a period of time (2000-2003). However, it does not mean that every woman has been empowered to the same degree, but on the average, the Self Help Group members were empowered over this period (Swain, Ranjula Bali., & Fan yang Wallentin, 2007).

Tripathy and Jain (2008) studied Self Help Groups in Haryana and Orissa and concluded that micro finance has a negligible income impact on asset less rural poor, the deprived and disadvantaged (Tripathy, K.K., & Sudhir K.Jain, 2008).

Nirmala and Geetha (2009) informed that many Indian studies have reported the positive impact of microfinance. They quoted Puhazhendi and Satyasai (2000) Nedumaran (2001) Mishra and Hossain (2001) Rajesh Chakraborti (2004) Ajai Nair (2005) Hannover

(2005) Jayaraman (2001) Rajat Wanchoo (2007). Their observations are given below.

1. Micro finance helps very poor households for meeting basic needs and protecting them from risks.
2. It contributes to the improvement in household economic welfare and enterprise stability or growth.
3. Micro finance is empowering women, bringing gender equality (Nirmala. K.A. and Geetha Mohan, 2009).

Sharma (2007) concluded that micro finance through Self Help Groups is contributing to poverty reduction in a sustainable manner and significant changes have taken place in the standards of living of rural women in terms of increase in income level, assets, savings, borrowing capacity and income generating activities (Sharma K.C., 2007).

Gaiha and Nandhi (2007) studied the impact of micro finance in Pune district and observed that 98.6 percent respondents informed that their self confidence improved and 72.6 percent respondents informed that their self confidence improved and 72.6 percent respondents informed that they actively participated in village Panchayat (Gaiha, Raghav, & Mani Arul Nandhi, 2007).

Malapur (2008) reported that in many countries micro credit programme, as an effective instrument, facilitated the people to overcome their difficulties and at the same time helped them to come out of the clutches of poverty and enabled them to increase their participation in the economic and political process of the society. The economic activities have had a positive impact and the benefits are not merely economic, but also helped the women to gain qualities of

leadership and attain self confidence and self respect (Malapur, Rashmi. 2008).

There is a voluminous literature on PRIs in India. Some compare them across States (Mathur, 1970; Jha and Mathur, 1999), some trace its history (Awasthy, 2006) and some focus on panchayats in West Bengal, its evolution and distinctiveness (Mukherjee and Bandopadhyay, 1992; Dutta, 2003). We do not feel the need to summarize their views or to exhaustively report them here as our research problem is related to a relatively recent phase of West Bengal experience, Studies linking SHGs and PRIs are relatively rare but are being undertaken more commonly on SHGs. An early attempt can be seen in Rural Empowerment : Through Self Help Groups (SHGs); Non Government Organisations (NGOs) and Panchayati Raj Institutions (PRIs)/edited by S.B. Verma and Yaswant Tukaram Pawar, New Delhi, Deep and Deep, 2005. But it does neither go into details of SHG federations nor does it contain anything on West Bengal experience. An illustrative bibliography we hope will be enough for highlighting the research gap in the area of Convergence Model in West Bengal.

5. Research Questions

The problem, as we see, is not one of understanding how much people participate say in Gram Sansad meetings but to understand how do the panchayet members acting as people's representatives and bureaucracy contribute to participatory rural development through previously non-federated SHGs and now through emerging 'Convergence Model'. In relation to this the most important questions that we are going to ask are:

- 1 Do the members, both of PRIs and SHGs, get politically empowered in the sense of greater awareness, ability, leadership, education in governance and a larger vision of

autonomy and self reliance or get more 'administered' and increasingly apolitical or anti-political?

- 2 Has there been a change of policy in real terms towards an integrated approach of development of PRIs and Rural Development to one of rural development through a Convergence Model in which PRIs are no longer seen as the primary agents of democratic decentralization?
- 3 How does the Convergence Model compare with other Models of SHG Federations in different priority areas such as education and women's empowerment?

6. Theoretical Framework

Any institutional arrangement closer to the people, whether PRIs or SHGs, Civil Society Organizations, represent social contradictions, the reformist attempts of the dominant classes to reproduce the extant practices and the attempts of the subjugated to fight out the domination and bring out the alternative emancipatory possibility. The PRIs were preceded in West Bengal by many mass movements and many local level political issues were resolved by mass organizations in India as also in West Bengal. The West Bengal Pradeshik Krishak Sabha (WBPKS) was a case in point. Since its inception in 1973 it remained the vanguard of many popular peasant uprisings in the state like the Canal Cess Movement, the Tank Movement, Tebhaga movement in the pre-independence era. It also played crucial role in agrarian reforms programme. However with the institutionalization of PRIs they became the epicenter of political and economic activities. It would however be one-sided to hold the new panchayats as responsible for eroding mass organizations when they can indeed play the role of instruments of peoples struggle. However the State may not be neutral agent altogether and devolution of powers to PRIs did not take place in the absence of struggle for the same, as the state of enabling

legislations (of 73rd Amendment Act) indifferent States have shown. The SHGs as new institutions are similarly placed. They are offered with apolitical guidelines but they also represent alternative political avenues of struggle to improve livelihood possibilities of the marginalized and to politicize the consciousness of the people about the limits of extant structure and possibilities of its alternative, At any given point of time they may be more oriented to reproduce the dominant relations of production or to challenge such. The convergence model keeps alive both the possibilities.

7. Methodological Aspect

The research would make use of both survey research techniques for selecting SHGs under SGSY (for the purpose of administering Schedule) and interviews of key functionaries such as bureaucrats, NGO representatives, Bank Officials and members of Panchayats. The district of Cooch Behar was initially selected on the basis of the report that it recorded highest rate of people's participation in Gram Sansad meetings among all the districts of West Bengal. According to census report in 1872 there was 5,32,565 people in Cooch Behar and in 1891 was 5,78,856. Presently, 2001 we have the following features to note about the district:

- (1) Geographical area: 372,035.37 hector, 3386 squire Kim. (Rural : 3345.66 sq. km. and Urban : 41.34 sq. km.)
- (2) Total number of Mouza- 1280 (adjacent to Bangladesh 110 chit mouza)
- (3) Population: 24,79,155 (Male : 1272094 & Female : 1207061) SC Population : 1242374 (Male: 636446 & Female : 605928) ST Population : 14246 (Male : 7425 & Female : 6821) (2001-census)
- (4) Gram Panchayat: 128
- (5) Panchayat Samiti: 12

- (6) Number of village: 1,168
- (7) Sub division: 5(five), Cooch Behar Sadar, Dinhata, Matha Bhanga, Tufanganj, Mekhliganj
- (8) Block: 12(twelve) Cooch Behar I & II, Dinhata I & II, Sitai Hat, Tufanganj I & II, Matha Bhanga I & II and Sitalkuchi, Mekhliganj, and Haldibari.
- (9) Municipality: 6(six) Cooch Behar, Dinhata, Matha Bhanga, Tufanganj, Mekhliganj and Haldibari.
- (10) Police Station: 11(eleven)
- (11) Tea Garden: 3(Three)
- (12) Forest: 13170 hector (area)
- (13) Rural population of 100: 92.19%
- (14) Percentage of urban people: 7.81%
- (15) Density of population: 637 (Per squire K.M.)
- (16) Increasing rate of people: (1981-91) 21.82%

We have selected Dinhata Sub-Division and its Block I and II for zeroing on the SHGs randomly, we may now note some features of these blocks as below:

Dinhata - I Block:

- (1) Panchayat Samit: 1(one) Dinhata-I P. Samity
- (2) Gram Panchayat: 16(Sixteen)
- (3) Gram Sansad: 204
- (4) Mouza: 130 (1991)
- (5) Area: 279.67 (Square K.M)
- (6) Total population: 254682 (Male: 130747 & Female: 123935)
(2001 Census)

- (7) Rural Population : 250546 (Male : 128633 & Female : 121936)
- (8) Schedule Caste : 111985 (2001 Census), (Male : 57468 & Female :54517)
- (9) Schedule Tribe : 743 (2001 Census), (Male : 374 & Female :369)
- (10) Urban Population: 4113 (2001 Census), (Male : 2114 & Female :1999)
- (11) Literate people: 135200 (2001 Census), (Male : 79371 & Female :55829)
- (12) Rural Literate People: 132383 (2001 Census), (Male : 77789 & Female :54594)
- (13) Rural Scheduled Caste: 110695 (2001 Census), (Male : 56810 & Female :53885)
- (14) Rural Scheduled Tribe: 743 (2001 Census), (Male : 374 & Female :369)
- (15) Agricultural Land: 23968 hectre
- (16) Crops : Tobacco, Paddy, Jute, Potato and Vegetable.

Dinhata – II Block:

- (1) Panchayat Samiti: 1 Dinhata-II, P. Samity.
- (2) Gram Panchayt: 12 (twelve)
- (3) Gram Sansad: 159
- (4) Mouza: 119(1991)
- (5) Area: 246.98 (Square k.m.)
- (6) Total population: 205546 (Male: 104627 & Female: 100919) (2001 Census)
- (7) Rural Population : 205546 (Male : 104627 & Female : 100913)

- (8) Schedule Caste : 92470 (2001 Census), (Male : 47116 & Female :45354)
- (9) Schedule Tribe : 896 (2001 Census), (Male : 473 & Female :423)
- (10) Urban Population: Nil (no municipal area)
- (11) Literate people: 114856 (2001 Census), (Male : 67305 & Female :47551)
- (12) Rural Literate People: 114856 (2001 Census), (Male : 67305 & Female :47551)
- (13) Schedule Caste : 92470 (2001 Census), (Male : 47116 & Female :45354)
- (14) Schedule Tribe : 896 (2001 Census), (Male : 473 & Female :423)
- (15) Agricultural Land: 19954 hectre
- (16) Crops : Paddy, Potato, Tobacco, Jute, and Vegetable.

There are 33 clusters of SHGs totaling 1504 as on 24-12-2008 in Dinhata-I spread over 16 GP having a range of 1-7 for the GP. 1219 nos were passed through first grading and 359 could pass second grading. In Block 2 There are 12 clusters of SHGs totaling 1003 as on 31-03-2008 Dinhata-II spread over 12 GP having a range of I cluster for each GP. 932 nos were passed through first grading and 397 could pass second grading.

We proposed to select a sample of both 1st and 2nd graded SHGs in equal numbers from both the blocks for administering the schedule. As far as GPs are concerned 3 from each block would be selected in terms of highest, lowest and mean in terms of total number of SHGs each GP has. Administration of schedule will also be accompanied by interviews of all key functionaries such as Bank Managers, Block Officials and Resource Persons.

Synoptic Outline

The study sought to bring together an attention on SHGs characteristics of development studies in recent years and focus on Panchayati Raj in an attempt to evaluate the proposed “**Convergence Scheme**” the guidelines of which were developed by the Government of West Bengal to accommodate the new thrust on SHGs within the long continued primacy on Panchayats as an agency of rural development. The proposed research has as its primary objective the desire to study the role of PRIs in relation to formation, grading and federation of SHGs at Block level where most of such activities are centered. To the extent SHGs under SGSY are conceived as primary agencies of livelihood generation we focused on SGSY related SHGs primarily. A related objective was to judge the effectiveness of the Convergent Model in terms of its efficacy and effectiveness for rural development in an effort to understand the nature of progress in moving towards political decentralization through PRIs.

The research made use of both survey research techniques for selecting SHGs under SGSY (for the purpose of administering Schedule) and interviews of key functionaries such as bureaucrats, NGO representatives, Bank Officials and members of Panchayats. The district of Cooch Behar was initially selected on the basis of the report that it recorded highest rate of people’s participation in Gram Sansad meetings among all the districts of West Bengal. Two Blocks of Cooch

Behar district, namely Dinhata I and Dinhata II were selected for extensive field studies in which we covered a sample of 61 SHGs.

The thesis has 6 chapters including the introduction and conclusion. In West Bengal Panchayat elections are fought under the banners of political parties that explains its highly politicized aspect of rural development strategy of any kind. In this background the study inquired into, among other things, the nature of the political role that the SHGs performed. Finally the practical working of the "Convergence Scheme" was also examined critically and observations made on them.