

CHAPTER - 4
SHG FEDERATION MODELS IN WEST
BENGAL

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1. SHG Federation Model through Microfinance Institution and NABARD.

Worldwide, the awareness of the importance of micro finance as a poverty reduction strategy has been growing over the years. Microfinance has succeeded in making a dent in poverty in a number of developing countries. Bangladesh Grameen Bank, BRI in Indonesia, KREP in Kenya and BANCOSOL in Bolivia are a few of the success stories. Yet, an intense debate is going on as to how finance alone can change the face of poverty.

Micro finance is not a new activity in India. In fact, we have the largest network of Bank branches in the world. It is one of the few countries which have strategically promoted institutions for providing financial services to the poor.

Group based models of micro finance have captured the attention of the development practitioners all over the world particularly after the success of Bangladesh Grameen Bank to reach out to millions of poor women.

In West Bengal too, group approach was introduced as back as in 1982-83 to strengthen economic base of poor women through collective action and convergence. The institute is engaged in capacity building of developmental functionaries on group approach to development since then. It has propagated for a decade and a half the philosophy that poor women's access to financial services is strongly co-related to the process of social intermediation. In the process, the institute has been able to build up strong collaboration with a number of non-government

organizations who have demonstrated their capability of organizing poor women into self-help groups. The combined initiative has resulted in rapid multiplication of community based structures built on mutual support and trust. In fact, these recent developments in West Bengal have influenced policies of the state government to accept SHG based convergence as an instrument of poverty focused development.

2. Study of Self-Help Group and Micro Finance in West Bengal

To bring about a change in the quality of life of women and children in the rural areas, DWCRA had set the following objectives:

- To help poor women in being organized into groups so as to enable them to seek solutions to their economic, social, educational and political problem.
- To help the women to become critically aware of the society in which they live. This awareness was intended to build up foundation for change in self-concept and to prepare them for ameliorative action.
- To develop the abilities and strength of women, so that they would be able to increase their earning capacity.
- To help the women learn about and take advantage of the current social development resources and services enabling them to gain access to such resources and opportunities.

Upto 31st March, 1999 (when it got subsumed into SGSY), more than 10,000 women's groups were formed with membership of more than 1,40,000 poor women. Though there are success stories like Bagnan Women's Co-operative Credit Society which grew out of women's group & graduated to an MFI in the co-operative sector, yet the failures are astoundingly high. Field studies reveal a host of factors

for large-scale failure like wrong identification, lack of facilitation, absence of linking with savings, almost total dependence on government functionaries for day-today functioning, poor leadership, inappropriate choice of economic activity, absence of linkages and lack of coordinate action to converge basic services. Though DWCRA could not create sizeable impact on the lives of poor women, yet it could amply demonstrate the potential of being organized into groups.

As an alternative paradigm a few non-government organizations in West Bengal were experimenting with organizing the poor based on participative financial management as grass-root initiatives from the early 1990s. These NGOs were working mainly as social intermediaries but were more or less involved in income-generating activities for the poor using mostly donor funds. Experiments in South Asian countries like Bangladesh, Indonesia, Sri Lanka, Thailand and also in Latin American countries like Bolivia in the 1980s gave a fillip to these organizations. The Micro-Credit Summit (1997) became the turning point for them to plunge into the movement of mobilizing the poor into self-help groups for building social capital that would generate a sound base for their members to develop the credibility as borrowers and encourage financial institutions to develop confidence in establishing a lending relationship. The study reveals that involvement of NGOs and CBOs will accelerate the process of facilitation and this will eventually help in emergence of a civil society where the choice of the poor can be heard.

3. Background of Micro-Finance Development in West Bengal

In West Bengal, as in other states of India, there is a vast and multi-agency network of credit institutions comprising commercial banks (with 2113 branches in rural areas), regional rural banks (783 branches), district central co-operative bank (228 branches with about

7020 primary village-level societies) and agricultural and rural development banks (56 branches). The scope of outreach in the formal sector has been widened by the expansion of co-operative structure in the form of thrift and credit co-operatives, women co-operatives and urban co-operative banks. The network is fairly extensive and thus, the average population served by a retail outlet of a credit institution is around 5000 (June, 1997).

As a result of this expansion till the end of 1990, the share of institutional credit to cultivator households in West Bengal has gone up from 33% in 1971 to 75% in 1991 (Debt and Investment Survey, 48th Round, NSSO).

IRDP, which was vigorously implemented in West Bengal as the single largest poverty alleviation programme during the decade (1980-90), extended outreach of formal sector micro-credit to a significantly large number of poor households. Most of these loans were equated with benevolent grants of the government. Many did not create assets because of pressing social and consumption needs. Many felt that the loans would eventually be remitted. As a result, very few could cross the poverty line. Defaults were all pervasive involving heavy costs all around. In spite of laudable objectives, the programme could not create a sizeable impact on poverty.

Simultaneously, Development of Women and Children in Rural Areas (DWCRA) was launched as a sub scheme of IRDP in 1982-83 to strengthen the economic base of poor women through group approach, collective action and convergence of basic services.

NABARD launched the SHG-Bank Linkage programme on pilot basis in February, 1992. This did not initially invoke enthusiasm amongst the bankers in West Bengal in spite of guidelines issued by the RBI as they were heavily burdened with non-performing assets.

Some of the bankers, however, realized (quite late) the advantages of linkage approach and did commendable job in West Bengal in channeling credit to the poor.

The state government is now moving ahead with the policy decision to set up self-help group as a major poverty-alleviation initiative and as the building block of planning. While the Panchayats and Rural Development directly administers self-help group based Swarna Jayanti Swarozgar Yojana, various departments have adopted policy initiatives to bring about poverty focused development with self-help group as the principal mode.

The Department of Health and Family Welfare is running a programme to empower communities through self-help groups so that the groups can establish partnership with the health service providers.

The backward Classes Welfare Department is also assisting the scheduled castes, scheduled tribes, and other backward classes to form self-help groups for economic development by providing training, infrastructure, and institutional finance. There are similar programmes for minorities implemented through the Minorities Development and Finance Corporation.

The Forest Department is implementing a scheme for all-round development of forest fringe dwellers through promotion of self-help groups amongst the poor members of forest protection committee and eco development committee as a part of joint forest management – a unique experiment initiated in West Bengal for conservation of forest through people's participation.

The Cottage and small-scale industries Department has launched a scheme named Deen Dayal Hthkharga Protsahan Yojana to provide support to handloom weavers through self-help groups.

Department of Agriculture has been implementing watershed development projects in areas of scanty rainfall. In the structure, formation of self-help groups and user groups has been conceived as grass-root level organizations.

Director of Sericulture has been implementing a scheme (Seri-2000) under which support is provided to self-help groups of silk worm rears in the form of training and financial assistance.

Department of Women, Child Development and Social Welfare has been implementing a number of schemes where group approach is adopted to generate awareness amongst poor women to help them achieve economic strength and to establish convergence of various services such as literacy and health care. Indira Mahila Yojana (IMY) and Integrated Nutrition and Health Project (INHP) are directly related to health and nutritional status of women and children. Swayamsiddha is now a comprehensive programme particularly designed to facilitate formation of women's groups.

Department of Food Processing and Horticulture is encouraging groups of small and marginal farmers. These groups are proposed to be linked up with marketing cooperatives or processing industries.

Department of Animal Reserves Development is implementing Women Dairy Cooperative Project where women's groups will be linked up for marketing of their milk to the Milk Union set up under NDDB programme.

Hopefully, this can be achieved through the process of participatory planning under community convergent action.

A brief overview of these developments reveals that West Bengal, though a late starter, is poised to spearhead the movement as the major poverty alleviations strategy.

4. Self-Help Groups in West Bengal

The rural MF sector in West Bengal, despite initiatives to promote linkages between the formal and non-formal sector, has a dualistic structure. The formal banking institutions form the legal and regulated component of micro-finance and largely function as the provider of bulk credit and other financial services. The NGOs, CBOs and SHGs operate outside the legalized structure largely filling up the gaps within the system. This intermediary layer has, of late, demonstrated considerable organizational flexibility and dynamism. Several policy initiatives have contributed to the growth of group-based micro-finance model in West Bengal. DWCRA, based on women's groups, had been the leading initiative. It was supplemented by NGOs organizing the poor into groups for income generating activities. SHG-Bank linkage program initiated by NABARD spurred group-based economic activities. These initiatives were later strongly supported by co-operatives and credit unions. Group-based approach to poverty alleviation has now spawned the development of a host of departmental programmes like Swyamsiddha, Integrated Nutrition and Health Programmes, Eco Development, Water-shed Development, Crafts Development, handloom Development, so on and so forth, Self-employment programmes for the poor launched by the Government have helped exponential growth of MF in West Bengal.

Broadly, six different models have emerged in West Bengal (Manab Sen, 2005):

- SHG-Bank Linkage Model-I where the Ngo acts as a facilitator in linking SHGs to the banks who provide directly loan to the SHGs in proportion to their savings;
- SHG-Cooperative Linkage Model-II where the Primary Agricultural Cooperative Society (PACS) promotes the SHGs as

nominal members and finance them through DCCD (this is unique and is showing promises of high growth);

- SHG-Bank Linkage Model-III where the NGO acts as a financial intermediary in the sense that it promotes the SHGs and provides them loan after availing of the same from the bank in proportion to savings (its share in MF market in West Bengal is rather small)
- SHG-Bank Linkage Model-IV where banks themselves promote SHGs and provide loan to them in proportion to the savings of the groups (very often with the help of farmers' clubs)
- SHG-Bank Model-V where SHGs are organized under government sponsored programmes like SGSY, INHP, IMY, Micro-watershed and Eco-development programmes.
- SHG-Bank Model-V where SHGs are organized by NGO and linked with apex institutions like RKMK, NMDFC, SIDBI, BCDFC or an MFI.

The distinguished features of MF growth in West Bengal as evidenced during the pilot study are :

- i) SHG is the primary mode of MF growth;
- ii) Micro credit is compulsory linked with savings of poor households;
- iii) SHG concept is found to be widely acceptable to poor women whose participation rate is very high (around 96%);
- iv) The promotional agencies have generally selected the poor households;
- v) Membership is open to the poor irrespective of caste, religion, age or social class;

- vi) Thrift, credit and income generation are the strong motivating factors for joining SHG;
- vii) Neighbourhood, joining gender and economic homogeneity are the binding factors in group formation;
- viii) Savings has a value in itself to the poor and it alone helped to access micro credit;
- ix) Micro credit is usually short and unsecured;
- x) Larger use of micro credit is made to increase family income;
- xi) The recovery of micro credit from the SHG is higher than that of direct bank loans;
- xii) Interest rate on micro-credit from the SHG is higher than the rate of banks but much lower than rate in the informal credit market.
- xiii) Because of the smallness of micro credit, the increase in income is found to be small;
- xiv) Micro credit is generally used for traditional micro enterprises like agriculture, animal husbandry, fishery, household industry and services which the local economy can absorb;
- xv) As the credit needs of the poor are large, they take credit from multiple sources but they seldom fail to repay loan to the SHG.
- xvi) The over-all impact of micro-credit on the quality of life is found to be positive.

Earlier a Pilot Project was conducted by a consultant of UNICEF (1999) to find out primarily the impact of women groups on the quality of their lives in West Bengal. In the promotional activities of the NGOs, she found the following major areas of collaboration;

- (a) Finance management and keeping of accounts (100%)
- (b) Group formations (90%)
- (c) Evolving system and procedure (60%)
- (d) Access to banking facilities (60%)
- (e) Training (50%)

While she studied the groups, she found that savings and credit were the major areas of discussion in the meetings (80%) followed by health (66%) and education (53%). Strangely, the economic activities did not figure out prominently in discussion.

She did not find adequate involvement of the Government (9%) and Bank (6%) in promoting such women groups. As a result, the poor women had to depend largely on micro credit drawn from their common fund.

The members of the groups expressed strongly their need for training in finance and accounts management and development of skills. They were also found to be interested in better health care measures.

The major areas of weakness were found to be:

- a) High dependence on the promotional institutions.
- b) Absence of standards and norms;
- c) Weak conflict resolution ability and education skills.

Though the loan interest rate ranged between 12% and 36% per annum, yet the members of the groups reported economic improvement of their living standard.

Inter-District Growth:

District-wide distribution of SHGs (vide Table 4.1) indicates that there are wide inter-district variations and the concentration ratio (group to population) is very high in the districts of 24-Paraganas North, 24-Paraganas South, Hooghly, Nadia and Midnapore while it is very low in the districts of North Bengal (except South Dinajpur where the ratio improves when compared to female work force). The ratio lies in between in the other districts. Since it has been found that there is almost exponential expansion in the earlier years, it is very likely that the imbalances will grow unless special drive is launched in the districts which are lagging.

**Table 4.1A: District-wise distribution of SHGs in West Bengal (2001
and 2002)**

Sl No	District	Number (2000)	Number (2000)	% of growth
1	Coochbehar	320	707	220.94
2	Jalpaiguri	142	665	468.31
3	Darjeeling	455	490	107.69
4	Uttar Dinajpur	415	683	164.58
5	Dakshin Dinajpur	817	918	112.36
6	Malda	574	815	141.99
7	Murshidabad	1201	1943	161.78
8	Nadia	3171	4262	134.41
9	North 24 Paraganas	2787	4269	153.58
10	South 24 Paraganas	5163	6703	129.83
11	Howrah	1853	2037	109.93
12	Hooghly	3602	5264	146.14
13	Midnapore	10900	15450	141.74
14	Bankura	1035	2326	224.73
15	Purulia	501	559	111.58
16	Burdwan	1086	2136	196.69
17	Birbhum	646	1083	167.65
	West Bengal	34668	50310	145.12

(Source: Field Survey (2001) Study of self-help group and Micro Finance
:Manab sen)

Table 4.1B: District-wise total with percentage of SHGs at West Bengal (1999-2007)

District	YEAR									
	1999-2007		1999-2004		2004-2005		2005-2006		2006-2007	
	No. of SHG	%	No. of SHG	%	No. of SHG	%	No. of SHG	%	No. of SHG	%
N 24 Pgs	11839	7.2	6193	7.72	3865	11.05	1212	3.62	569	2.14
S 24 Pgs	8937	5.2	8495	10.6	77	0.22	365	1.09	838	3.16
Bankura	6940	4.2	3596	4.48	997	2.85	2347	7.02	1299	4.9
Birbhum	10790	6.5	1886	2.36	2125	6.07	4162	12.46	2617	9.87
Burdwan	12187	7.4	4580	5.71	3028	8.65	2910	8.71	1673	6.31
Cooch Behar	9130	5.5	3525	4.39	3780	10.81	1825	5.46	749	2.82
Darjeeling	1460	0.8	812	1.01	264	0.75	384	1.14	290	1.09
Hooghly	3312	2.2	2388	3	417	1.19	507	1.51	1084	4.08
Howrah	4002	2.4	1922	2.39	593	1.69	728	2.17	759	2.86
Jalpaiguri	9053	9.5	4007	5	5453	15.59	2035	6.09	2133	8.04
Malda	7900	5.5	2353	2.93	3157	9.03	3543	10.6	2109	7.95
Murshidabad	7891	4.8	3521	4.35	1936	5.53	2443	7.31	1232	4.64
Nadia	5440	4.8	2441	3.04	1414	4.04	2501	7.48	1535	5.79
U Dinajpur	13272	3.3	714	0.9	1496	4.27	2179	6.52	1043	3.93
Purulia	13272	8	3201	4	3779	10.81	2817	8.43	3475	13.1
D Dinajpur	5795	3.4	1667	2.07	389	1.11	953	2.85	2786	10.51
E Midnapore	13262	8	10809	13.47	927	2.65	834	2.49	690	2.6
W Midnapore	20088	12.2	17233	21.49	1223	3.49	1462	4.37	1393	5.25
Siliguri	1328	0.8	865	1.07	40	0.11	189	0.56	234	0.88
Total	168803	100	80208	100	34958	100	33396	100	26508	100

Source: D.R.D.C.

**Table 4.1C: District-wise total with percentage of SHGs under
SGSY at West Bengal (2007-08)**

District	Total Nos. of SHG (2008)	Grade-I SHG	(%)	Grade-II SHG	(%)	Total SHG of financial involvement	(%)	SHG for women	(%)
N 24 Pgs	12081	9649	79.87	2075	17.18	5922	49.02	10316	85.39
S 24 Pgs	10041	7585	75.54	1590	15.84	6205	61.8	8032	79.99
Bankura	11937	7612	63.77	1067	8.939	6945	58.18	9433	79.02
Birbhum	14179	10686	75.36	1776	12.53	9123	64.34	9367	66.06
Burdwan	14173	11326	79.91	6125	43.22	11649	82.19	9160	64.63
Cooch Behar	9996	8381	83.84	2271	22.72	5661	56.63	9804	98.59
Darjeeling	1993	1379	69.19	416	20.87	1795	90.07	789	39.59
Hooghly	4597	3139	68.28	1214	24.41	1364	29.67	3007	65.41
Howrah	6245	4359	69.8	1900	30.42	5897	94.43	5591	89.53
Jalpaiguri	19248	15818	82.18	301	1.564	14837	77.08	18778	97.56
Malda	12292	9057	73.68	1649	13.42	5686	46.26	9322	75.84
Murshidabad	15766	11886	75.39	4081	25.88	7289	46.23	12279	77.88
Nadia	8250	5596	67.83	1175	14.24	6457	78.27	6536	79.22
U Dinajpur	7251	4810	66.34	1161	16.01	2918	40.24	6186	85.31
Purulia	16527	12977	78.52	72	0.436	8735	52.85	14667	88.75
D Dinajpur	9030	6411	71	990	10.96	931	10.31	8172	90.5
E Midnapore	14924	12773	85.59	4872	32.65	12755	85.47	13190	77.38
W Midnapore	21715	15509	71.82	3684	16.97	13050	60.1	17002	78.3
Siliguri	1860	1153	61.99	248	13.33	894	48.06	1510	81.18
Total	212105	160106	75.48	36667	17.29	128113	60.4	173141	81.63

Source: D.R.D.C.

5. Institutional Mechanism and Their Operational Relationship

Self Help Groups are in the nature of community based organizations and given some inputs of capacity building and skills could be a formidable social force and pressure lobby in promoting poverty focused development.

In West Bengal, self-help groups are of late emerging as the building blocks of poverty-focused development. These groups function below the level of 'Gram Sansad' which is the strongest forum for people's participation in development. Gram Sansad is the people's forum at the grass roots level which enables PRIs to espouse people's participation in their own development. The poor and the marginalized can express their opinions freely in Gram Sansad. In West Bengal, the GPs are mandated to enlist the participation of the people in selection, implementation and monitoring of activities and identification of recipients of government programmes. They are required to report their performance and furnish public accountability to Gram Sansad. There is considerable evidence to support that decentralization, promoted through 73rd Amendment and the State Panchayat Act, can be really effective if Gram Sabhas (Gram Sansads in case of West Bengal) are fully activated. This is the rationale of the state's present policy of participatory planning through community convergent action. The Gram Sansads have not yet emerged as a powerful body. It has, however, the potential create social spaces for the poor. In synchronization with the policy of the government and the potential of Gram Sansad to raise voices of the people, it is appropriate that it (Gram Sansad) should be the first tier of convergence in the SHG-based organizational structure. It does not, however, follow that the spaces will automatically be filled by the poor. At the level of the village above the constituency of Gram Sansad, a village committee has been envisaged not as a separate tier but as a reconciliatory body which can

resolve conflicts and smoothen out the hiatus amongst different interest groups. The local members of the GP representing the village will also be co-opted as members of the village committee.

In tier II, at the level of GP, it is envisaged that 15-20 groups will vertically integrate into a cluster association which may retain the informal character of SHG as its role is purely promotional in the sense that it will liaison with the Gram Panchayat and with the village committee/local PACS/Bank for resolution of conflicts, solution of local problems and provision of non-credit inputs like training, infrastructure facility, marketing, monitoring and storing information. The Cluster Association will be constituted of 2 representatives of each SHG and it will have an executive committee formed from out of the representatives through a process of majority decision. The Cluster Association will not only strengthen the existing primary groups but also help the village committee in forming new groups. At the GP level, there will be an advisory committee comprising member representatives of SHGs, village committees, the GP sub-committee and GP level officials. In case, there are 150-200 SHGs at the GP level, the Cluster Association should be a legal entity, preferably a mutually-aided co-operative society. At the present level of development, a formal structure with a legal personality may not be necessary. SHGs have primary membership in the Federation. Cluster association will be associate members. Representatives of the member organizations will constitute the general body of the federation. They will elect the Executive Committee to manage the activities of the federation. The Federation will have the Karmadhyaksha of Nari-o-Sishu Unnayan-Tran-O-Janakalyan Sthayee Samiti of the Panchayat Samity in its Executive Committee as a nominee of the Panchayat Samity. Similarly, a representative of the Federation will be a member of the Block-Level SGSY committee constituted by the government which may be broad based to avoid duplication.

District Level Society is envisaged as a mutually aided co-operative society of primary groups at the district level particularly to function as the storehouse of information of the SHGs. The society will be constituted of representatives of Block-Level Federations. The Karmadhyaksha of the Sishu-o-Nari Unnayan-Tran-OJanakalyan Sthayee Samity of the Zilla Parishad will be co-opted as a member of the District Level Society. The representatives of the federation will also be a member of District Level SGSY Committee.

At the state level, the Panchayats and Rural Development Department may be designed as the nodal department to evolve policies, norms, guidelines, and to liaison. The department will be aided and assisted by the State Level SGSY Committee which may be broad based by including members of the West Bengal Micro-Finance Forum.

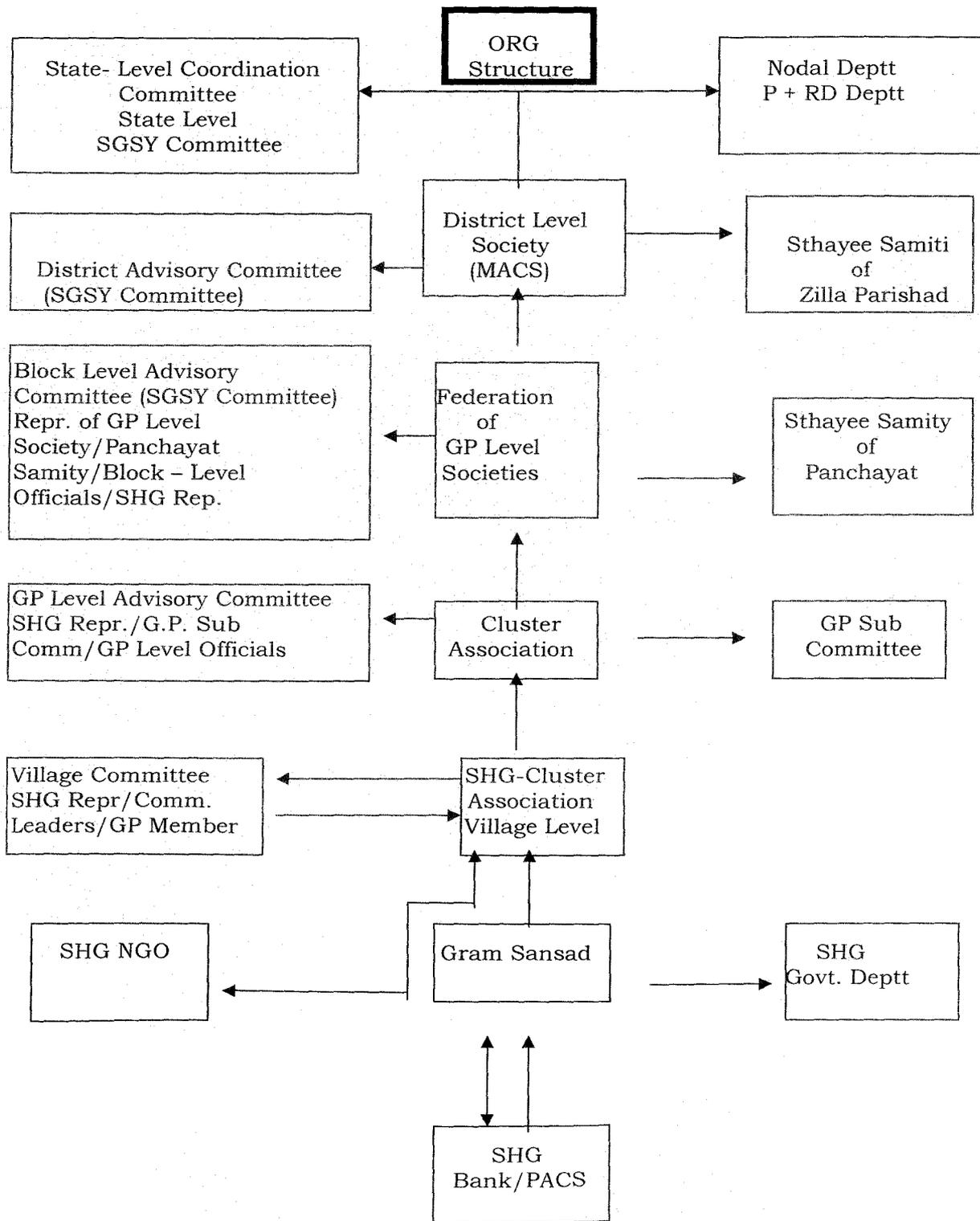
It has already been stated that poverty is not purely about material and monetary conditions of living. It also refers to other forms of deprivation. Access to social opportunities helps to increase quality of life, self-esteem and confidence. While some of the basic services are provided by the government, field studies reveal that these are not accessible to the poor, most of who do not know that such services are available.

The impact of income – generating credit in the short-term cannot be simply understood by promotional model of credit. Credit facility, no doubt, gives borrowers 'one step up' in the income ladder. However 'survival skills' rarely provide the technological or entrepreneurial basis, to scale up micro-enterprise and move on the escalator of income growth. It is, therefore, necessary that with credit access, skills, market and technology are to be upgraded.

An organization develops into an institution when its members have full ownership of the body. The members develop cultures and systems of their own organization. SHG-based institutions are intended to give the poor a space to grow in confidence and skills. The set of interrelationships will be effectively governed if the space is given by all of the institutions who are mandated to stand by the poor. If SHGs do not own these institutions and instead conforms to be rules and norms of the official system, the movement is bound to collapse. It requires time to develop people's institutions. These will require help and support of the government and the donor agencies for at least three years. Detailed financial study has shown that there after they can become viable.

6. Advisory Committees SHG Supporting Structure

Table: 4. 2
The structure of committees for supporting SHGs



7. Convergence of Support Services For Development of Micro-Enterprises of Members of Self-Help Groups

Table : 4.3

The structure of support services for SHGs

Sl No	Sector	Need	Provider	Responsibility	Contact Point
1	Agriculture	a) Seed Production/ Bio-Nutrient Hort/Training	Agriculture Development	Federation	Panchayat Samity
2	Animal Resources	Fodder/Feed/Diseases Control/ Prevention/ Training	Animal Resources Dev. Deptt.	Federation	Panchayat Samity
3	Fisheries	Group formation, training, management, coastal fishing	Department of Fisheries	Federation	Panchayat Samity
4	Cottage and Small scale Industries	a) Training, Raw Materials, Market Enterprise Dev. b) - Do - Handlooms/ Handicrafts c) - Do - Khadi and Village Industries d) - Do - Sericulture	Department of C+SSI Directorate of Handlooms and Textiles/ Directorate of Sericulture KVIB	District Society District Society District Society District Society	Zilla Parishad Zilla Parishad Zilla Parishad Zilla Parishad

Source : Study of Self Help Group in West Bengal and Micro Finances, Manab Sen.

8. Convergence of Basic Services for Social Development of Members of Self-Help Groups

Table: 4.4: The structure & nature of basic services for SHG members

SI No	Need	Provider	Programme	Responsibility	Contact Point
1	Primary Education of Children	a) Social Education Deptt.	DPEP	Cluster Association	Gram Panchayat
		b) P+RD Deptt	SSK	Cluster Association	Gram Panchayat
2	Health checkup of mother and the child and basic health care services	Deptt of Women Child Development and Social Welfare	ICDS	Cluster Association	Gram Panchayat
3	Pre-natal, post-natal and ante-natal care of mothers for safe motherhood.	Deptt. of Health and Family Welfare	RCH	Cluster Association	Gram Panchayat
4	Access to safe drinking water	Deptt. of P&RD/PHE	RWS	Cluster Association	Gram Panchayat
5	Access to sanitation	Deptt. of P+RD	CSRP/TSP	Cluster Association	Sanitary Mart
6	a) Nutrition of Children	Deptt. of W&CD and SW	ICDS	Cluster Association	Gram Panchayat
	b) Supplementary Nutrition of exp. mothers	Department of Health and FW	RCH	Cluster Association	Gram Panchayat
7	Housing	P+RD Deptt	IAY	Cluster Association	Gram Panchayat
8	Social Security	P+RD	NSAP	Cluster Association	Gram Panchayat
9	Legal Aid	Judicial Deptt	Legal Service	Federation	Gram Panchayat
10	Disaster Management	Relief Deptt		Cluster Association	Gram Panchayat

Source : Study of Self Help Group in West Bengal and Micro Finances, Manab Sen.

9. Aim of the Training

To enable the participants to perform as members of SHGs (Self Help Groups) it is required that they get comprehensive training which has many ramifications.

Training Need:

The members of SHG need to enhance their knowledge on :

- Concept of SHGs
- Role & responsibilities of Group members.
- Role & responsibilities of Group leaders & Office bearers.
- Financial discipline to be practiced by the Groups.
- Possibilities of micro-finance to be taken up by the individual member or by collective initiative.
- Possibilities of social initiative to be taken by the groups.
- Significance of Panchayats & involvement of SHGs in the development initiatives taken under the leadership at Panchayats.
- Services offered by different Govt. departments.
- Govt. schemes suitable for the SHGs
- Services offered by the Nationalised banks & cooperatives.
- Mechanism for establishing relationship with different development functionaries including panchayats Govt. Department NGOs, etc.

Training Objectives:

At the end of the training the participants will be able to

- Demonstrate the process of organizing themselves into SHG.
- Explain the role & responsibility of SHGs and individual members in Group
- Identify the micro enterprises suitable for the members of groups.
- Identify the possible social initiative to be taken by SHGs.
- Explain the role of SHGs in the entire rural development process.
- Explain the mechanism for getting services offered by different Govt. Departments.

Enabling Objectives:

The training is aimed at following objectives:

1. To be able to identify the necessity of organizing groups for improvement of their own status and the status of their family.
2. To be able to identify the need of SHGs in bringing changes in the society.
3. To be able to access the strength of SHGs for sustainability of development.
4. To be able to clarify the operational aspect of small savings.
5. To be able to identify their role & responsibility as members of SHGs

6. To be able to explain the role of Group leaders & assistant group leaders or treasurers.
7. To be able to categorize different economic activities that can be taken up by the members of the SHGs.
8. To be able to categorize the social initiatives to be taken by the members of the SHGs.
9. To be able identify different Public Services available at Block/G.P. Level.
10. To be able to explain the broad schemes under different Departments applicable for the numbers of SHGs.
11. To be able to clarify the role of SHGs in Gram Sansad based decentralized planning process.
12. To be able to explain the role of SHGs in development initiatives taken under the leadership of Panchayats.
13. To be able to identify the criteria for monitoring their own performance as SHG.

10. Some Observations Regarding SHGs

So far most detailed study on SHGs in West Bengal has been made by Manab Sen (Year) in which several issues were identified and pertinent observation have been made thereon. Below we present a summary of those issues and observations.

In course of surveys, group discussions and seminars, several issues have been raised which are wide ranging – from identification of the poor to viability of promotional institutions. There are no simple answers to many of the issues.

In the field; the poor households are not identified using the same criteria like income/consumption, quality of life or vulnerability. As a result, there is a duality in approach. Under SGSY, the operational list is itself a problem in formation of groups because of lack of socio-economic homogeneity or scattered nature of identified households (The issue has been partially addressed in amendments to guidelines of SGSY).

There is a multitude of poverty determinants. It only substantiates the diverse experiences in the lives of the poor. During field studies, it has been found that though generally, the poor have been identified by different promotional institutions by using different set of criteria, all the groups represent three broad bands of capability sets – lower poor, middle poor and upper poor.

II

The PRIs are not interested in the SHGs promoted by banks, co-operatives or non-government organizations since it seems that their responsibility is to implement SGSY for which they are accountable.

PRIs are mandated to plan for economic development and social justice and implement all schemes which serve these two objectives. They should encourage, support and advocate formation of SHGs by all facilitating agencies so long they serve the interests of the poor. They are not agents of the state government for implementation of SGSY.

Because of subsidy available under SGSY, there is lot of discontent amongst other SHGs as the latter are denied of this facility.

There is strong evidence based on field studies to state that the poor do not need subsidy; they need easy access to credit. The funds of the government should better be utilized in capacity building, infrastructure, skill development and marketing link for the poor households (recent amendments in SGSY guidelines have attempted to make a level playing field).

Because of massive default in villages under the earlier government sponsored programmes, it is difficult to form SHGs as one or two entrants might have defaulted.

It has been stipulated clearly in RBI guidelines that one or two members who had earlier defaulted should be included in the SHG though they should not receive external credit until the default is cleared. There is strong evidence during field study that inclusion of defaulter in the SHG has definitely improved recovery of past dues and reduction of non-performing assets.

Does individual financing run the risk of strengthening existing inequitable relationship ?

It has been found during field studies that a few MFIs are financing individuals along with financing SHGs aggressively as there is a huge unmet gap in the informal credit market. Under SGSY too, individual swarozgars can be assisted for income generating activities with credit and subsidy. Individual financing under SGSY needs also to be reviewed.

It has been observed that most of the members of SHGs prefer to take up household enterprises of their own. Under SGSY, to encourage group enterprises, the scale and quantum of subsidy are much higher which is the best policy ?

Past experience has shown that the failure rate of group enterprises is very high. There is, therefore, some prudence on the part of members not to take large-scale recourse to group enterprise initially. It has, however been seen that in a few cases, the groups themselves have taken land or water body on lease for productive utilization of natural resources for income generation. It seems better to leave the decision to the discretion of SHGs.

How can SHGs establish effective links with PRIs for supportive services as also for participation in developmental activities?

It has been observed that a larger number of women members are attending the meeting of the Gram Sansad than before. This increase, it is found in some area is directly attributable to confidence by working together. PRIs should encourage SHGs to attend meetings of Gram Sansad and involve them effectively in planning and development.

Female participation in MF activities cannot be treated as a direct indicator of women empowerment.

Participation of women in MF programme irrespective of caste, religion or social class is significantly large and impressive. The field studies reveal that after joining SHG, the relative isolation of women has significantly been reduced. Their attendance in the meetings of SHGs is astoundingly high. This opportunity has enabled them to share experience and discuss ideas. Women speak out in public meetings and can voice their problems. Most of them have said that their confidence has been raised and their social esteem is increasing. Many of them do not hesitate to go out of their home and visit a bank branch or a public office. Instances are replete with women groups fighting for social injustice, launching anti-liquor campaign or collectively acting for removal of illiteracy. Their attendance in meetings of Gram Sansad has also improved.

How can outreach of MF sector be extended in space, depth and breadth ?

From study of the micro-finance outreach in West Bengal, it is revealed that its spatial outreach is largely skewed. The concentration ratio is high in 24 Paraganas North, 24 Paraganas South, Nadia, Howrah, Hooghly and Midnapore. It is low in Darjeeling, Jalpaiguri, Coochbehar, Malda, North Dinajpur, South Dinajpur, Murshidabad, Birbhum and Purulia. At the present level, the outreach is not more than 20% of the poor households.

At the present level of growth of savings and micro-credit in West Bengal, is it not necessary to introduce prudential regulation?

It has been found during field studies that the growth of MF is totally unregulated. Savings mobilization is almost-everywhere a vital component of micro-finance. Micro-credit operations are conducted on a large scale through internal lending from own resources. All these operations are completely unregulated. The promotional institutions

are also freely using savings of people for lending or otherwise without being regulated. The introduction of some prudential norms can no longer be delayed.

11. Policy Gaps

Based on field studies and review of the on-going micro-finance programmes, the policy gaps identified and action points emerging, may help each of the players to perform their roles effectively with the super ordinate goal of poverty alleviation and set out objectives appropriate to each of the players.

Government of India:

- It is necessary to evolve policy guidelines, in consultation with the Reserve Bank of India, on a regulatory framework that will be conducive to the growth of micro-finance in India. In this connection, the recommendations of the Task Force constituted by NABARD in November, 1998 need to be considered immediately to control unregulated and undesirable growth.
- The guidelines issued for implementation of SGSY with primary focus on self-help groups (SHGs) need to be reviewed to make these the single most important government sponsored micro-finance programme so as to synchronise this with the flexibility of operations of SHGs promoted by banks, co-operatives and non-government organizations. This is also needed to avoid overlapping and cross-migration; (recent amendments of guidelines by the GOI have been made keeping these in view).
- The existing policies in insurance relating to life, livestock, crop, house and other assets of the poor may have to be reviewed for coverage through self-help groups.

Below we present the need of reform in different sectors:

12. State Government

- With the focus of poverty-focused and people-centered development, it is necessary to adopt a policy decision to promote self-help group as the building block of planning and development particularly in rural areas under a single command structure preferably under the Panchayats and Rural Development Department; (SHG-based convergence has since been accepted by the state government as a matter of policy)
- It is necessary to identify, and allocate social spaces to non-government organizations, community-based organizations, farmers' organizations, women organizations, youth organizations as also other people's organizations and support them for capacity building of self help groups and micro-finance institutions. These people's institutions will complement the decentralized structure of governance namely the PRIs;
- It is necessary and expedient to direct the line departments like agriculture, animal resources development, fisheries, cottage and small-scale industries and other specialized institutions like KVIB to develop skills and expertise of the poor people through SHGs to enable them to upscale their micro-enterprises and mainstreaming these activities;
- It is necessary to direct the line departments providing social services like health and family welfare or school education or social welfare to converge their services through SHGs
- It is necessary and expedient to evolve Gram Sansad as the effective grass-roots level forum for self-help groups to participate in the process of planning and development. This forum will

ensure convergence of services to the poor households through SHGs. The Gram Sansads should evolve gradually as the planning and coordinating forum at the base level for people's empowerment through micro-finance.

- It is necessary to prepare a data base at the block level which can be used for monitoring of micro-finance programmes and other group-based activities: (the amendment of guidelines by the GOI has emphasized on preparation of data base)
- It is necessary to bring about legislative changes particularly of the WB. Co-operative Societies Act and the West Bengal Societies Registration Act in order to facilitate growth of MFIs federated at the GP or PS level;
- It is necessary to evolve policy guidelines for utilization and management of common property resources through self-help groups.
- It is necessary to review purchase policies of the government to facilitate marketing of SHG products or supply of goods and services through the SHGs on the pattern of incentives given to small-scale units;
- It is necessary to integrate the economic activities of SHGs with the existing schemes of sector-specific organizations like Co-operative Milk Union;
- It is necessary to evolve policy guidelines for the private sector (where the State encourages entry or private sector) for subcontracting through SHGs;

- It is necessary to evolve policy guidelines for joint management of natural resources like forests and micro-watersheds with self-help groups.

13. Reserve Bank of India

In the first phase, policy guidelines have already been issued to mainstream micro-finance operations of SHGs with scheduled commercial BANKS. The SHG Bank Linkage Programme itself can take care of the emerging MF needs in India. It is, however, necessary that recommendations of the Task Force constituted by the NABARD in November, 1998 in the areas of registration, regulation and supervision are seriously considered as the MF sector has already taken off. This is an essential pre-requisite for further growth of MF in the second phase. Finally, the RBI may have to consider separate banking laws to establish community-based local financial institutions as has been done in case of co-operative banks under Banking Regulation Act.

14. NABARD

The Indian experience of SHG-Bank Linkage Programme initiated by NABARD is unique in the world of micro-finance. It has been instrumental in not only flagging off the programme but also in creating a wave in the country. By extending financial services to more than 45 lakh poor households by March, 2001. It has proved to be the largest MF initiative in the world in terms of outreach. To reach 20 million families through 1 million SHGs over the next 10 years as its mission, NABARD is required to consider policy changes for grant support to NGOs and SHPIs as follows :

- a) The branches of commercial banks including regional rural banks and the PACS who have promoted a sizeable number of SHGs may be considered of grant support towards capacity

building of SHGs and for administering a facilitating mechanism either through farmers' clubs or through other village-based organizations. This will help them to graduate into MFI; (under SGSY, the GOI has since allowed participation of farmers' clubs linked with banks to promote SHGs)

- b) In its new role (Act No 55 of 2000), NABARD should consider financing NGOs directly where the banks fail as a delivery mechanism, for on-lending to SHGs (this may done by exception rather than by rule and after appropriate rating of the organization);
- c) In its new role, NABARD may consider in consultation with the RBI to take on the functions of registration, regulation and supervision of MFIs at the national level;
- d) NABARD should consider hiving off MF business to a subsidiary as the latter, in it, is poised to grow sufficiently large.

15. Banks

All scheduled commercial banks, regional rural banks and district central co-operative banks are the most important links and the largest stakeholders in the delivery chain of micro finance in the current scenario prevailing in West Bengal. They will have to consider micro-finance as a business proposition. For many of them like rural branches of commercial banks, regional rural banks, and primary agricultural co-operative societies, the MF market is emerging in West Bengal as a new business opportunity for their long-term viability. In the deregulated environment, all these institutions need institutional transformation approach. Their in-house capacity is to be built up. In their areas of operation, they will have to support and encourage

growth of organizations like farmers' club and youth organizational which are eminently suited to social intermediation. They will have to :

- a) Introduce simple and uniform rules for lending to SHGs;
- b) Encourage growth of micro savings of poor households and introduce computerization for handling of large number of small accounts;
- c) Develop right type of attitude and orientation through training and exposure;
- d) Develop expertise in grading of self-help groups;
- e) Assist SHGs in financial management and housekeeping;
- f) Visit SHGs on non-banking working days;
- g) Design products and financial services appropriate to the households;
- h) Draw up schemes for incentives to groups for timely repayment and non financial incentives to staff
- i) Introduce progressive lending for up-scaling micro-finance.

16. PRIs

PRIs are constitutionally mandated to prepare plans and implement schemes for economic development and social justice. SHGs are to be recognized as base-level peoples' organizations to help them in fulfilling their constitutional obligations and not as parallel institution. They should encourage growth of SHGs and MF not merely as government sponsored programmes but as building blocks of people-centered development. In particular, they should :

- a) facilitate formation and development of self help groups;
- b) encourage SHGs to participate in the planning process;
- c) extend support to promotional institutions and allow the social spaces to work in a collaborative environment;
- d) attend periodically meetings of SHGs to help and guide them;
- e) promote convergence of basic services through SHGs,
- f) co-ordinate the activities of SHGs with similar activities under government programmes;
- g) facilitate working environment with other institutions including primary co-operatives;
- h) encourage SHGs to attend of Gram Sansads.

17. Convergence Model With Respect To SGSY in West Bengal (With Special Reference to Representation System of SHG)

In West Bengal group approach was introduced as back as in 1982-83 to strengthen economic base of poor women through collective action and convergence. The Institute is engaged in capacity building of development since then It has propagated for a decade and a half the philosophy that the poor women's access to financial services is strongly co-related to the process the Institute has been able to build up strong collaboration with a number of non-government organizations who have demonstrated their capability of organizing poor women into self-help groups. The combined initiative has resulted in rapid multiplication of community based structures built on mutual support and trust. In fact these recent developments in West Bengal have influenced policies of the state govt. to accept SHG-based convergence as an instrument of poverty focused development.

Self-help groups in West Bengal

The rural Micro Finance (MF) sector in West Bengal despite initiatives to promote linkage between the formal and non-formal sector, has a dualistic structure. The formal Banking institutions from the legal and regulated component of micro finance and largely function as the provider of Bank credit and other financial services. The NGOs, CBOs, and SHGs operate outside the legalized structure largely filling up the gaps within the system. Several policy initiatives have contributed to the growth of group based microfinance model in West Bengal. DWCRA based on women's groups had been the leading initiative. It was supplemented by NGOs organizing the poor into groups for income generating activities. SHG Bank linkage program one initiated by NABARD spurred group-based economic activities. Group-based approach to poverty alleviation has now spawned the development of a host of departmental programmers like Swayamsiddha Integrated Nutrition and Health programmes, ECO development water shed development. So on and so forth self employment programmes for the poor launched by the Govt. have helped exponential growth of MF in West Bengal.

Model Structure of SHG based organization

At Gram Panchayat Level:

- Existing (departmental/NGOs formed) SHGs are to be networked at G.P. level.
- For new groups to be formed existing practice for selection of beneficiaries may be followed by SHG promoting organizations. But majority of the beneficiaries should come from BPL families. For selection of hard core poor, BPL list of G.P. may be consulted. Animator may be Anganwadi worker / Health assistant / Govt.

officials at G.P. level/ Panchayat Member / NGO / Local Club / Sahayika of Sihsu Siksha Kendra etc.

- If no. of SHGs ranges between 50-60, informal cluster association may be formed at G.P. level. More than one cluster association may be formed at G.P. level, if needed. This committee will have promotional and advisory role.
- Each cluster association will have a general body, a Governing body, every group members will be member of the general body.
- Governing body will consist of a chairperson, a vice chairperson and five committee members of SHGs through a process of majority decision. Each member should be in charge of a portfolio such as health, education, income generation, infrastructure etc. ICDS supervisor Gram Sevika. Chairman of G.P. level sub-committee for women & children constituted under section 32A of W.B Panchayat Act will be inducted in the governing body as co-opted members.
- G.P. level monitoring committee will be formed with Pradhan as president of that committee. Other members may include G.P. level officials. Representative of G.P. level society, N.G.O. representative, representative of banks, three reputed persons of the locality to be co-opted by the committee.
- One or two representatives of SHGs may be co-opted into the G.P. level sub-committees. Selection of representatives of SHGs in the respective Sub-committees may be done through open Gram Sabha meeting. The members of the SHGs in the committees would act as pressure groups in those committees and they could articulate their needs in different sectors & promote and protect

their own interest. In this way, Convergence between PRIs, CBOs (in from of SHGs) and the line departments would be ensured.

- The data base of SHGs formed within the G.P. will be maintained in G.P.s office.

At Block Level:

- Federation of SHGs at block level if no. of groups exceeds 100 and thrift & credit co-operative society will be formed at block level to mobilize the savings of SHGs. For federation of SHGs, only matured groups (at least 1 year old) will be considered.
- Block Level Society will be constituted of representatives of G.P. level associations. This should be a registered body.
- Block Level society will have a general body and a governing body.
- General Body will consist of the chairpersons & Vice Chairpersons of G.P. level cluster associations.
- Governing Body will consist of chairpersons, vice chairperson & seven committee members. Chairperson, vice chairperson are to be elected from among the chairpersons, Vice chairpersons of G.P. level associations. All other members will be elected from members of G.P. level societies. Karmadhyaksha of Nari-o-Sishu Unnayan-Tran-O Janakalyan Sthayee Samiti of the Panchayat Samiti. LEOSE/Gram Sevika, CDPO may be inducted as co-opted members.
- Specific working groups will be formed in each block level societies to co-ordinate govt. sponsored programmes, assess training and capacity building needs of primary groups, infrastructural and marketing facilities for primary groups.

- Members from SHGs will be co-opted in the standing committees of P.S. from amongst the co-opted members of sub-committees of the G.P.s for each activity group. Selection may be done through an open meeting of the Panchayat Samiti.
- Block level SGSY committee will monitor SHG programme which may be broad based to avoid duplication. One or more representations block level federation may be inducted in SGSY committee as co-opted member.
- The data base of SHGs at block level will be maintained in B.D.O.s office. B.D.O. will be the nodal officer for this programme.

At District Level:

- District level society will be constituted of representatives of Block level societies. It will function as the storehouse of information of SHGs and marketing advisory body. It need not be registered.
- District level society will have a general body and a governing body.
- General body will consist of all the chairpersons & Vice chairpersons of Block level societies.
- Governing Body will consist of a Chairperson & seven committee members. Chairperson, vice chairpersons are to be elected from among the chairpersons, vice chairpersons of Block level societies. All other members will be elected from members of Block level societies. Karmadhyaksha of Nari-O Sisu Unnayan-Tran-O-Janakalyan Sthayee Samiti of the Zilla Parishad, Deputy project Director (women Development), District Social Welfare officer, Programme officer (ICDS) may be inducted as co-opted members. Members from SHGs will be co-opted in the standing

committees of Zilla Parishad from amongst the co-opted members of Sthayee Samities of the Blocks. Selection may be done through an open meeting of the Zilla Parishad.

- District level SGSY committee will monitor SHG programme in the district which may be broad based to avoid duplication. A representative of District level society, NGO representatives may be inducted in SGSY committee as co-opted members.
- District Rural Development cell of Z.P. will act as nodal agency for this purpose. The data base of SHGs will be maintained in DRDC's office.

State Level:

- State Level steering committee will monitor SHG programme in the state and will evolve policies, guidelines for promotional development of SHGs state level SGSY committee may function as state level steering committee which may be broad based by including two N.G.O. representatives to be nominated by state Govt.

State level steering committee will identify various schemes which could be converged in the state and issue specific recommendation to the concerned line departments. The main functions will be :

1. Review, guidance and monitoring.
2. Coordination with the line departments.
3. Monitoring of involvement of other departments.

District Level Societies:

1. Guidance & monitoring of Block level societies.
2. Review of progress of various activities of SHGs.
4. Marketing of SHG products.
5. Linkage with other mainstream institutions.
6. Identification of schemes for convergence at district level.
7. Assessing training needs for AHG members
8. Preparation of SHG specific plans for capacity building and skill development for SHG members.
9. Review of fund position of Thrift & Credit Societies.
10. Arranging dissemination of information to Block level societies.

Block Level Societies:

1. Guidance & monitoring of G.P. level Societies.
2. Review of progress of various activities of SHGs.
3. Review of fund position of Thrift & Credit Societies.
4. Identification of schemes for convergence at block level.
5. Assessing training needs of group members.
6. Implementation of projects involving two or more Gram Panchayat level societies.
7. Arranging dissemination of information to lower level societies.

GP Level Societies:

1. Guidance & monitoring of SHGs.
2. Arranging credit to group members.
3. Monitoring of fund management of groups.
4. Linkages with banks & other financial institution.
5. Ensuring participation of SHG members in Gram Sansad meetings.
6. Assisting all concerned for the preparation of women's plan.
8. Encouraging participation of group members in all social sector programmes thus ensuring smooth delivery of services at the lowest level.
9. Encouraging group members to participate in the planning process.
10. Encouraging people to form more SHGs.
11. Ensuring selection of the members of SHGs in gram sansad meeting.

18. The Convergence Model

The structure of convergence proposed by the Government of West Bengal was as follows:

CONVERGENCE MODEL**GOVERNING BODY****SHG STRUCTURE****SUPPORTING
STRUCTURE**

Nodal Deptt.

State Level Steering Committee

Nodal Agency DRD Cell

District Level SHG Committee

Governing Body Elected representative of. B.L. societies

State Level Steering Committee

District level society monitoring & guidance to block level societies

Governing Body-Elected representatives of G.P. level

Block level SHG Committee

Federation of SHGs at Block Level (Registered) more than 100 SHGs

Governing Body-Elected representatives of SHGs

G.P. level SHG Committee

Cluster Association at G.P. level

50 – 60 SHGs

An important aspect of the above model was women's empowerment through women's SHGs and therefore in line with national priority.

19. National policy for the empowerment of women, 2001

Women's equality in power sharing and active participation decision making including decision making in political process at all levels will be ensured for the achievement of the goals of empowerment. Women friendly personal notices will also be drawn up to encourage women to participate effectively in the development process.

Women, who belong to the economically socially weaker section of society, have been even more depressed. Till recent times, women's participation in the decision making is very low. Sustainable development helps economic growth and fairly equal opportunity for all. Sustainability means continuance of any program or development.

In the context of self-help group, sustainability means that SHG became a permanent movement to every out programs for the economic development. Outside support is not possible for all the time; therefore, self supporting or self sustaining efforts of SHG now play an important role. SHG facilitates a process of economic development of women to achieve a better quality of life.

The principle of gender equality is enshrined in the Indian constitution in its preamble, fundamental rights, fundamental duties and directive principles of states.

The constitution not only grants equality to women, but also empowers the state to adopt measures of positive discrimination in favor of women. Within the frame work of a democratic society, our laws, development policies, plans and programs have aimed at women's advancement in different spheres. From the Fifth Five Year Plan (1974-78) there is a marked shift in the approach to women's issues from welfare to development. In past year the empowerment for women has been recognized as the central issue in determining the status of women.

The national commission for women was set up by an act of Parliament in 1990 to safeguard the rights and legal entitlements of women. Gender disparity manifests itself in various forms, the most obvious being the trend of continuously declining female ratio in the population in the last few decades social stereo typing and violence at the domestic and social levels one some of the other manifestations .Discrimination against girl children ,adolescent girls and women persists in some parts of the country. The underlying causes of gender I equality are related to social and economic structure, which is based on informal and formal norms and practices. Consequently the access of women particularly those belonging to weaker section including scheduled caste/schedule tribes/other back word classes and minorities to education, health and productive recourses among other is inadequate Therefore they remain largely marginalized poor and socially excluded.

Need for women Empowerment:

These an urgent necessity to improve the status of women by will conceived planned development program which owned have active community participation based on the women's needs is order to emancipate and empower them. The physical strength and alleged dominance of man has been an important instrument of controlling women's freedom of action.

Objectives of Women's self-help groups:

Following are the main objectives of these groups:

- *To develop women in socially and economically who live below the poverty line.
- *To stop treating the women as slaves.
- *To develop self-confidence among the women.

- *To bring out the potential in women.
- *To promote gender equality and equal rights.
- *To promote unity among women, learn to work together.
- *To abolish dowry.
- *To enhance community harmony.
- *To promote education and make cent percent literacy for women.
- *To give importance to the differently able person and help them.
- *To follow the small family norms.
- *To encourage women to take over village level administration.
- *To take part in the political process.
- *To voluntarily save their income and expenditure.
- *To take small loans without having to pledge jewels, money, land or pledge documents in the banks.
- *To pay the school fees of children and meet emergency medical expenses from out of the savings.
- *To understand about the economic, political situation and visit different places like government offices, banks, etc.
- *To get schemes to meet the basic needs of the village or women themselves.

20. Convergence of SHG

Convergence means a meeting place. Programs can be implemented through groups as per their needs. The panchayat office or Anganwadi centre is used as a meetings place. The group leaders from the village act as the nodal person for receiving information and for various schemes. Village level workers can also contact him/her for information on schemes. As per memorandum No. 1702 (Trg) 3T-6/02 Kolkata the 12th march 2003 guidelines for convergence of self- help group (SHG) based programs are as follows:

1. For quite some time now the Self-Help Group (SHG) mode of generating Self-employment in the rural areas has been an accepted mode operationalising Poverty Alleviation and Social Intermediation programmes administered by different Department of the State Government. A large number of these programmes are either facilitated or directly implemented by the Panchayat Bodies of this State. This apart, NABARD and a number of NGOs are also setting up such groups in the rural areas.
2. Convergence of SHG based programmes at grass roots level by formation of Federation of SHGs at different levels was felt necessary for augmentation of their livelihood opportunities and for extending outreach of basic services to the poor people. In order to achieve such Convergence, several interactions were held among different Department, line departmental officials at the district level, Bank representatives, Panchayat functionaries, SHG leaders, NGO representatives from time to time to evolve a model for the proposed federation of SHGs.
3. On the basis of the responses received from different Departments and others mentioned above, a model structure of SHG based organisation has been developed for initiating follow-up actions

at all levels in order to ensure formation of federation of SHGs to act as a forum for promotion of various activities related to SHGs in rural areas and dissemination of information at the grass roots level for empowerment of the poor.

4. The State/District/Block /G.P level Committees/Societies be set up as early as possible as per the model structure discussed above for the purpose of achieving convergence through SHG Federations in the State keeping in view the following guidelines:-

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/G.P 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 Panchayt Samities in consultation with the Zilla Parishad will initiate the process of setting-up Block Level Committee consisting of members stipulated in the enclosed model to look after the activities at the Block level and other works included in the model and take steps formation of Block/G.P level Societies. Block SGSY committee may serve the purpose of block level committee. Block Development Officer will act as officer for this purpose.

5. While issuing these guidelines the Government of West Bengal observed that they are not exhaustive and the working procedure will

emerge on formation of societies at the field level. However, it may be emphasized that formation of Federation of SHGs is primarily meant to ensure functional co-ordination & 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 Resources 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.

In the subsequent chapter we present a report on the state of this convergence scheme on the basis of our field study.