

**LIVELIHOOD, POVERTY ERADICATION AND ROLE OF
MICROFINANCE: A CASE STUDY OF TWO DISTRICTS
IN WEST BENGAL**

**A Thesis submitted to the University of North Bengal
For the Award of
Doctor of Philosophy
in
Economics**

**By
Sri Bhajan Chandra Barman**

**Supervisor
Dr. Sadhan C Kar
Principal
Dinhata College**

**&
Co-Supervisor
Prof. K.K. Bagchi**

**Department of Economics
University of North Bengal
October, 2016**

Dedicated to

My Beloved Parents

Late Kshirod Ch. Barman



Late Sabitri Barman

DECLARATION

I declare that the thesis entitled “**LIVELIHOOD, POVERTY ERADICATION AND ROLE OF MICROFINANCE: A CASE STUDY OF TWO DISTRICTS IN WEST BENGAL**” has been prepared by me under the guidance of Dr. Sadhan C Kar, Principal, Dinhata College, Dinhata, Cooch Behar and Prof. K. K. Bagchi, Department of Economics, University of North Bengal. No part of the thesis has formed the basis for the award of any degree or fellowship previously.

Bhajan Chandra Barman

(Bhajan Chandra Barman)
Department of Economics
University of North Bengal
PO: Raja Rammohunpur, Siliguri-734013
District: Darjeeling, West Bengal
India
Date: *19.10.2016*

CERTIFICATE

We certify that Bhajan Chandra Barman has prepared the thesis entitled “**LIVELIHOOD, POVERTY ERADICATION AND ROLE OF MICROFINANCE: A CASE STUDY OF TWO DISTRICTS IN WEST BENGAL**”, for the award of Ph.D. degree in Economics of the University of North Bengal, under our guidance. He has carried out the work in the Department of Economics, University of North Bengal. No part of the thesis has formed the basis for the award of any degree or fellowship previously.

Sadhan chandra Kar

Dr. Sadhan C Kar
(Supervisor)
Principal
Dinhata College
Dinhata, Cooch Behar
Date: 19.10.2016

Dr. Sadhan Ch. Kar
Principal
Dinhata College
P.O. Dinhata, Dt. Cooch Behar



19.10.2016

Prof. K.K. Bagchi
(Co-Supervisor)
Department of Economics
University of North Bengal
Siliguri
Date:

Professor
Department of Economics
North Bengal University

ABSTRACT

The basic problem of our country is the problem of poverty and underutilization of the nationally cheap labour resource. India's effort to eradicate poverty has a long history. As we have seen, since the inception of our planning exercise, that various antipoverty programmes were being undertaken for the poverty-stricken population to reduce their number who lie below the poverty line. However, we have seen that these programmes become a bundle of blossoms rather than blooming since the time of inception. We have had another important problem that also cope up side by side in our rural society is the minimal use of the working potentiality of the employable female adults. So long as these under-utilized rural female labour forces remained in under-utilization state, we will not bring any change in our rural society. The third problem that we like to point out here is the transitional aspect of our rural society that appears in the form of inter-state migration instead of traditional rural urban migration. This new kind of migration emerges in our rural society mainly because of the fact that we have failed to expand the good opportunity of livelihood before the rural employable adults.

Under the circumstances, we have need of a specially prepared target oriented plan and programme for the upliftment of the rural poor so that they can enjoy good standard of living. Microfinance emerged all over the world as an innovative scheme of lending to the poor people, especially women.

The basic objective of this research work is to find out the impact of microfinance on poverty, livelihood or employment and women empowerment in the study area. Moreover, other objectives were: (1) to analyze the development of microfinance activities in the study area; (2) to make an assessment on the pre and post economic position of the SHG members in the light of their group activities and (3) to make a comparative study on the socio-economic conditions of the SHG and non-SHG households.

The hypotheses of this research work have been undertaken: (1) Microfinance helps in increasing the level of employment, income of the SHG members and reduces income inequalities and the level of poverty among the SHG households; (2) There is deference between SHG and non-SHG members regarding their employment generation, mean income level and the level of empowerment. (3) Participation in microfinance programme leads to women empowerment and

In this study, multi-stage sampling technique has been used. The sampling involves (i) selection of Self-Help Group (SHG); (ii) selection of district; (iii) selection of block; (iv) selection of sample. In the first stage, we have selected those women SHGs which are under Swarna Jayanti Gram Swarozgar Yojana (SGSY). At the second stage, we have used purposive sampling for the selection of the study districts. At the third stage, from each district two blocks have been selected on the basis of the highest and the lowest performance in respect of number of project linkage SHGs. At the next stage, from each selected block eight credit linkage SHGs under SGSY have been selected which were formed in 2004-2005. From each selected group, five BPL members (only women) have been selected randomly and total 40 women members have been selected for the purpose of the study. Finally, from each selected block 40 non-SHG BPL women have also been selected for the purpose of the study. Thus, altogether 320 respondents been selected from four blocks of two districts.

This research work consists of nine chapters followed by a bibliography. Chapter 1 deals with the introduction to the study, the problem statement, the objectives, the hypotheses and the methodology. Chapter 2 deals with the review of literature relating to the study. Chapter 3 delineates the socio-economic profile of the study area. Chapter 4 deals with the development of microfinance activities in the study area. In chapter 5, impact of microfinance on livelihood has been analyzed. Chapter 6 deals with the role of microfinance in eradication of poverty. Chapter 7 is related to microfinance and women empowerment. In chapter 8, a comparative study of the two districts has been made in the light of various aspects of livelihood and women empowerment. Chapter 9 presents conclusions and recommendations of the study.

The socio-economic condition of the surveyed respondents shows that most of the SHG members and non-SHG members were married women in the age group of 25 to 40 years. 23.75 per cent of the SHG members and 36.88 per cent of the non-SHG members were illiterate. Around 50 per cent of the SHG members and 36 per cent of the non-SHG members belong to scheduled caste and scheduled Tribe categories. Average family size in the study area is 4.015. 66 per cent of the SHG members and 78 per cent of the non-SHG members do not have any agricultural land. Most of the SHG members (70 per cent) and non-SHG members (53 per cent) have Dochali ghar and Chouwary ghar. 54 per cent per cent of the SHG members and 56 per cent of the non-SHG members use hand pump for drinking water. 16 per cent of the SHG members and twenty nine per cent of the non-SHG members have no latrine facility.

The study shows that microfinance has helped the SHG members to increase their level of employment. Before joining the SHGs, 62 per cent of the total SHG members were employed. but after joining the SHGs, it was 90 per cent. Employment of the respondents is measured in number of employment days per annum. It is found that SHG members were employed for 82 person days per annum before joining the SHGs. But after getting the benefits of microfinance the SHG members are employed for average 130 days. It is found that the non-SHG members are employed for just 80 days per annum as compared to 130 days for the SHG members.

From the analysis it is found that after joining the SHGs, income of the SHG members has increased by Rs.504. Comparing between pre and post-SHG periods it is found that the average income of the SHG members has increased by 1.75 times. It is found that the average income of the SHG households was Rs. 2485 per month in pre-SHG situation but in post-SHG situation it is Rs. 2830 per month. This shows an increase of Rs. 345 per month.

In the study, income Rs. 4075 per family per month has been considered as a poverty line. It was found that out of 160 sample households, 29 households i.e., 18.13 per cent households have been able to cross the poverty line.

To measure women empowerment, nineteen indicators have been considered. It was found that around 27 per cent SHG members and 12 per cent non-SHG members have been able to control over their loan. Again, 33 per cent SHG members and 12 per cent non-SHG members have been able to control over their income and savings. Regarding decision making process, it is observed that 26 per cent of the members take decision for buying/ selling cattle or land as compared to 11 per cent of the non-SHG members.

From the findings and discussion mentioned above, it can be concluded that microfinance in the form of SHG-Bank linkage model has been able to inspire hope in the lives of thousands of rural poor especially poor women by shifting them from debt-trap of informal credit sources to formal credit system. It has been able to contribute to their families' well being through creation of self-employment and income generation.

From the study we can recommend that the members should be involved in those economic activities which have good market in the village such as poultry farm, goatery, *chira* and *muri*, fishery etc. Block and bank officials should make surprise and frequent visit to the respondents to ensure the proper utilization of bank loan on various economic activities.

PREFACE

The basic problem of our country is the problem of poverty and unemployment. The government of India has adopted so many programmes in order to alleviate poverty and unemployment since independence. Most of them are target oriented schemes, not long term schemes. As a result, these programmes have not been successful to eradicate poverty as well as creation of livelihoods. The government of India has also made several attempts to provide credit facilities to the poor. However, experience over the years shows that most of the government implemented credit programmes have not been successful and as a result, poor are not able to avail formal credit especially during the time of their distress when they are in dire need of credit support. Under this backdrop, microfinance can be considered a powerful tool which has been eradicate poverty by creating livelihoods of the rural poor particularly the rural poor women and empower them. In the present research work, I consider the topic Livelihood, Poverty Eradication and Role of Microfinance: A Case Study of Two Districts of West Bengal. I believe that this type of study can help academicians and practitioners to target poor people especially women effectively. My present research is mainly bases on primary data. This research is carried out at the University of North Bengal, Darjeeling, West Bengal. Except second chapter, all other chapters are written on the basis of primary data collected from door to door of the study area during 2012-13. There are nine chapters in my research work. Chapter 1 deals with the introduction to the study, the problem statement, the objectives, the hypotheses and the methodology. Chapter 2 deals with the review of literature relating to the study. Chapter 3 delineates the socio-economic profile of the study area. Chapter 4 deals with the development of microfinance activities in the study area. In chapter 5, impact of microfinance on livelihoods has been analyzed. Chapter 6 deals with the role of microfinance in eradication of poverty. Chapter 7 is related to microfinance and women empowerment. In chapter 8, a comparative study of the two districts has been made in the light of various aspects of livelihoods and women empowerment. Chapter 9 presents conclusions and recommendations and few suggestions have been provided for attaining the goals of sustainable rural livelihood, poverty eradication and women empowerment.

ACKNOWLEDGEMENTS

First and for most, I would like to thank and honor the Almighty God for giving me the strength to start and complete my study.

Along with my sincerity and interest, there are few people, who really helped me to make this endeavor to be a successful one.

First I would like to pass my appreciation, gratitude and thanks to my honorable Supervisor, **Dr. Sadhan C Kar**. His valuable suggestions and ideas in every step of my work helped me a lot to prepare this thesis.

I am very much grateful to my co-supervisor **Prof. Dr. K.K. Bagchi**. He sacrificed his precious time in reading and reviewing the draft and the final output of my work. This thesis could not have been made possible without his constructive comments and cordial support and assistance.

I would like to express my cordial thanks to Dr. Sebak Jana, Department of Economics, Vidyasagar University, for his cooperation and assistance during my statistical analysis.

I am very much grateful to my friends, Ratul Saha who also contributed a lot in accomplishing this piece of work to be a successful one.

I acknowledge the cooperation of the respondents who provided information during long interview.

I sincerely acknowledge the cooperation and the help of the District Rural Development Cell Officer of Nadia district.

More importantly, I would like to thank my wife for her sacrifice, strong encouragement and moral support during this research period.

Finally, I want to say that without the commitment and support of those persons, this study would never be taken shape. For these reasons, I am truly thankful to those people. May the Almighty God bless you all.

Bhajan Chandra Barman

CONTENTS

Abstract.....	v
Preface	viii
Acknowledgements	ix
Table of Contents	x
List of Tables	xv
List of Figures	xx
Abbreviations	xxi
Glossary	xxii
CHAPTER 1: PROBLEM AND METHODOLOGY.....	1-9
1.1 Introduction.....	1
1.2 Basic Problem.....	1
1.3 Objectives of the Present Study.....	5
1.4 Research Hypotheses.....	6
1.5 Research Methodology.....	6
1.5.1 Universe of the Study.....	7
1.5.2 Sampling Frame and Sampling Procedure.....	7
1.5.3 Units of Observation and Sample Size.....	8
1.5.4 Tools and Techniques of data collection.....	8
1.5.5 Data Collection.....	8
1.5.6 Analysis of Data.....	8
1.6 Limitations of the Study.....	8
1.7 Organization of the Study.....	9
CHAPTER 2: REVIEW OF LITERATURE.....	10-19
2.1 Introduction.....	10
2.2 Studies Related to Microfinance and Livelihood.....	10
2.3 Studies Related to Microfinance and Poverty.....	13
2.4 Studies Related to Microfinance and Women Empowerment.....	17
2.5 Research Gap.....	19

	CHAPTER 3: SOCIO-ECONOMIC PROFILE OF THE STUDY AREA.....	20-44
	3.1 Introduction.....	20
Section: I	3.2 Sample District Profile.....	20
	3.2.1 Profile of Darjeeling District.....	20
	3.2.2 Profile of Nadia District.....	24
Section: II	3.3 Sample Block Profile.....	28
Section: III	3.4 Socio-economic Profile of Sample Household.....	29
	3.5 summary.....	44
	 CHAPTER 4: DEVELOPMENTS OF MICROFINANCE ACTIVITIES IN DARJEELING AND NADIA.....	 45-61
	4.1 Introduction.....	45
	4.2 Origin of Microfinance.....	46
	4.3 Meaning of Microfinance.....	47
	4.4 Microfinance Scenario in West Bengal.....	48
	4.5 Development of Microfinance Activities in Darjeeling District.....	49
	4.5.1 Physical Progress of SHGs under SGSY in Different Blocks of Darjeeling District.....	50
	4.6 Development of Microfinance Activities in Nadia District.....	52
	4.6.1 Physical Progress of SHGs under SGSY in Different Blocks of Nadia District.....	53
	4.7 Working of the SHGs in the Study Area.....	56
	4.7.1 Status of SHGs.....	56
	4.7.2 Frequency of Group Meeting.....	57
	4.7.3 Gradation of SHGs.....	57
	4.7.4 Saving Pattern.....	58
	4.7.5 Saving Potentiality.....	58
	4.7.6 Group Saving and Individual Saving.....	59
	4.7.7 Loan, Repayment and Outstanding	60

4.7.8 Purpose of Loan.....	60
4.8 Summary.....	61
CHAPTER 5: IMPACT OF MICROFINANCE ON LIVELIHOOD.....	62-77
5.1 Introduction.....	62
5.2 Concept of Livelihood.....	63
5.3 Microfinance and Livelihood- Some Studies.....	63
5.4 Employment Status of the SHG and No-SHG Members.....	64
5.5 Livelihood Pattern in the Study Area.....	65
5.6 Distribution of Employment Days of the Respondents (per annum).....	69
5.7 Employment Generation through Microfinance.....	70
5.8 Impact of Microfinance on Employment.....	72
5.8.1 Employment Status and Incidence of Employment.....	73
5.8.2 Mean Employment Generation in Person Days.....	73
5.9 Good and Bad Employment.....	75
5.10 Test of Hypotheses.....	75
5.11 Summary.....	77
CHAPTER 6: ROLE OF MICROFINANCE IN ERADICATION OF POVERTY.....	78-100
6.1 Introduction.....	78
6.2 Definition of Poverty.....	79
6.3 Concept of Poverty Line.....	79
6.4 Determination of Poverty Line.....	79
6.5 Income Status of the SHG and Non-SHG Members.....	80
6.6 Distribution of Income of the Respondents and their Households.....	82
6.6.1 Distribution of Monthly Income of the SHG Members.....	82
6.6.2 Distribution of Monthly Income of the Non-SHG Members.....	83
6.6.3 Distribution of Income of the Sample Households.....	84
6.7. Impact of Microfinance on Income.....	85
6.7.1 Impact of Microfinance on Individual Income of SHG Members.....	85
6.7.2 Impact of Microfinance on the Household Income of the SHG Members..	87
6.8. Test of Hypotheses.....	88

6.9 Impact of Microfinance on Income Inequality.....	90
6.10 Impact of Microfinance on Poverty.....	98
6.10.1 Microfinance and Incidence of Poverty.....	98
6.10.2 Microfinance and Depth of Poverty.....	99
6.10.3 Microfinance and Severity of Poverty.....	99
6.11 Summary.....	100

CHAPTER 7: MICROFINANCE AND WOMEN EMPOWERMENT 101-117

7.1 Introduction.....	101
7.2 Concept of Empowerment.....	102
7.3 Women Empowerment.....	102
7.4 Measurement of Women Empowerment.....	103
7.5 Indicators of Women Empowerment Used in the Present Study.....	103
7.6 Impact of Microfinance on Women Empowerment.....	104
7.6.1 Access to and Control over Resources.....	104
7.6.2 Household Decision Making.....	108
7.6.3 Mobility and Social Related Indicators.....	110
7.6.4 Political Related Indicators.....	112
7.6.5 Education Related Indicators.....	114
7.7 Summary.....	117

CHAPTER 8: COMPARISON OF THE TWO DISTRICTS ON VARIOUS ASPECTS OF LIVELIHOOD AND WOMEN EMPOWERMENT.....118-134

8.1 Introduction.....	118
8.2 Comparison in the Light of Microfinance Development.....	118
8.2.1 District-wise Physical Progress of SHGs as on March 2013.....	118
8.2.2 Status of SHGs under SGSY in two Districts as on March 2013.....	119
8.2.3 District-wise Credit & Subsidy Disbursed to the SHGs.....	121
8.2.4 Loan, Repayment & Outstanding of the Sample SHGs.....	121
8.2.5 Purpose of Loan.....	122
8.3 Comparisons in the light of Creation of Livelihood.....	123

8.3.1 Employment Status & Incidence of Employment.....	123
8.3.2 Livelihood Pattern in the Study Area.....	124
8.3.3 Employment Generation.....	125
8.3.4 Good and Bad Employment.....	126
8.4 Comparisons in the Light of Eradication of Poverty.....	127
8.4.1 Comparison in respect of Income.....	127
8.4.2 Comparison in Respect of Incidence, Depth and Severity of Poverty.....	128
8.5 Comparison in Respect of Income Inequality.....	129
8.6 Comparison in the Light of Women Empowerment.....	130
8.6.1 Women’s Access to Employment.....	130
8.6.2 Women Contribution to Household Income.....	130
8.6.3 Women’s Control over Loan, Income and Savings.....	131
8.6.4 Household Decision-making.....	131
8.7 Mobility and Social Awareness Related Indicators.....	132
8.8 Political Related Indicators.....	133
8.9 Summary.....	134

CHAPTER 9: CONCLUSIONS AND RECOMMENDATIONS.....135-141

9.1 Introduction.....	135
9.2 Major Findings.....	135
9.2.1 Findings on Socio-economic Profile of the Sample Households.....	135
9.2.2 Findings on the Development of Microfinance Activities.....	136
9.2.3 Findings on Microfinance and Livelihood Creation.....	137
9.2.4 Findings on the Impact of Microfinance on Poverty.....	138
9.2.5 Findings on the Impact of Microfinance on Women Empowerment.....	139
9.3 Conclusions.....	140
9.4 Recommendations.....	140
Bibliography.....	142-151
Appendix-I Questionnaire	152-154

List of Tables

Table No.	Title	Page No.
1.1	Sample Frame for the Study	7
3.1	Labour Endowment of Darjeeling District as per 2011 Census	21
3.2	Land endowment (utilization) of Darjeeling District 2010-2011	22
3.3	Labour Endowment of Nadia District as per 2011 Census	25
3.4	Land Endowment (utilization) of Nadia District 2010-2011	26
3.5	Demographic Profile of the Four Sample Blocks	29
3.6	Age of the Respondents-Darjeeling District	30
3.7	Age of the Respondents- Nadia District	30
3.8	Age & Sex wise Distribution of the Household Members - Darjeeling District	31
3.9	Age & Sex wise Distribution of the Household Members-Nadia District	32
3.10	Education of the Respondents- Darjeeling District	33
3.11	Education of the Respondents- Nadia District	33
3.12	Education of the Household Members- Darjeeling District	34
3.13	Education of the Household Members- Nadia District	35
3.14	Caste-wise Distribution of the Respondents- Darjeeling District	35
3.15	Caste-wise Distribution of the Respondents- Nadia District	35
3.16	Religion-wise Distribution of Respondents- Darjeeling District	36
3.17	Religion-wise Distribution of Respondents- Nadia District	36
3.18	Marital Status of the Respondents - Darjeeling District	37
3.19	Marital Status of the Respondents - Nadia District	37
3.20	Family Type of the Respondents- Darjeeling District	38
3.21	Family Type of the Respondents- Nadia District	38
3.22	Family Size of the Respondents -Darjeeling District	39
3.23	Family Size of the Respondents -Nadia District	39
3.24	Land Holding Size of the Respondents - Darjeeling District	40
3.25	Land Holding Size of the Respondents - Nadia District	40
3.26	Condition of Dwelling House of the Respondents-Darjeeling District	41

3.27	Condition of Dwelling House of the Respondents-Nadia District	42
3.28	Sources of Drinking Water of the Respondents- Darjeeling District	42
3.29	Sources of Drinking Water of the Respondents- Nadia District	43
3.30	Nature of Latrine of the Respondents-Darjeeling District	43
3.31	Nature of Latrine of the Respondents-Nadia District	44
4.1	District wise Physical Progress of SHGs in West Bengal up to March-2013	49
4.2	Year-wise Formation of SHGs under SGSY in Darjeeling District	50
4.3	Block wise physical progress of SHGs up to March 2013 (under SGSY)	51
4.4	Year-wise Formation of SHGs under SGSY in Nadia District	53
4.5	Block wise physical progress of SHGs up to March 2013 (under SGSY)	54
4.6	Sample Frame for the Study	56
4.7	Frequency of Group Meeting	57
4.8	Gradation of SHG	57
4.9	No. of SHGs According to Activities	58
4.10	Block-wise Monthly Saving Pattern	58
4.11	Block-wise Saving Potentiality of SHG Members	59
4.12	Block-wise Savings of the SHG Members	59
4.13	Block-wise Amount of Group Loan, Repayment and Outstanding (in Rs.)	60
4.14	Block-wise Purpose of Loan	61
5.1	Employment Status of the SHG and Non-SHG Members -Darjeeling District	64
5.2	Employment Status of the SHG and Non-SHG Members - Nadia District	65
5.3	Livelihood Pattern of the Respondents- Darjeeling District	66
5.4	Livelihood Pattern of the Respondents - Nadia District	67
5.5	Livelihood Pattern of the Household Members - Darjeeling District	68
5.6	Livelihood Pattern of the Household Members - Nadia District	68
5.7	Distribution of Employment Days of the SHG Members	69
5.8	Distribution of Employment Days of the Non-participants	69
5.9	Employment Generated in Person Days per Annum (Kharibari Block)	70
5.10	Employment Generated in Person Days per Annum (Garubathan Block)	71
5.11	Employment Generated in Person Days per Annum (Ranaghat-II Block)	71

5.12	Employment Generated in Person Days per Annum (Chakdah Block)	72
5.13	Employment Status and Incidence of Employment	73
5.14	Block-wise Average Employment Generated in person Days per Annum	74
5.15	Good and Bad Employment of SHG & Non-SHG Household Member	75
5.16	Paired Samples Statistics	76
5.17	Paired Samples Test	76
5.18	Result of the Chi-Sq (χ^2) test	76
6.1	Income Status of the SHG & Non-SHG Members - Darjeeling District	80
6.2	Income Status of the SHG & Non-SHG Members - Nadia District	81
6.3	Income Status of the SHG & Non-SHG Members	81
6.4	Distribution of Monthly Income of SHG Members in Pre- & Post-SHG Period	83
6.5	Distribution of Monthly Income of the Non- SHG Members	83
6.6	Distribution of Household Monthly Income- Kharibari Block	84
6.7	Distribution of Household Monthly Income- Garubathan Block	84
6.8	Distribution of Household Monthly Income- Ranaghat-II Block	85
6.9	Distribution of Household Monthly Income- Chakdah Block	85
6.10	Monthly Average Income of SHG Members (Pre- and Post-SHG)	86
6.11	Monthly Average Income of SHG & Non-SHG Members	87
6.12	Monthly Average Income of SHG & Non-SHG Households	87
6.13	Paired Samples Statistics	88
6.13a	Paired Samples Correlations	88
6.13b	Paired Samples Test	89
6.14	Group Statistics	89
6.14a	Independent Samples Test	90
6.15	Gini-coefficient for the SHG Households of Kharibari Block (Pre-SHG)	91
6.15a	Gini -coefficient for the SHG Members of Kharibari Block (Post-SHG)	91
6.15b	Gini-coefficient for the Non-SHG Households of Kharibari Block	92
6.16	Gini-coefficient for the SHG Households of Garubathan Block(Pre-SHG)	93
6.16a	Gini -coefficient for the SHG Households of Garubathan Block(Post-SHG)	93
6.16b	Gini-coefficient for the Non- SHG Members of Garubathan Block	93

6.17	Gini -coefficient for the SHG Households of Ranaghat-II Block (Pre-SHG)	94
6.17a	Gini-coefficient for the SHG Members of Ranaghat-II Block (Post-SHG)	95
6.17b	Gini-coefficient for the Non- SHG Households of Ranaghat-II Block	95
6.18	Gini-coefficient for the SHG Households of Chakdah Block (Pre-SHG)	96
6.18a	Gini-coefficient for the SHG Member of Chakdah Block (Post-SHG)	97
6.18b	Gini -coefficient for the Non- SHG Households of Chakdah Block	97
6.19	Block-wise Incidence of poverty	99
6.20	Block-wise Depth of Poverty	99
6.21	Block-wise Severity of Poverty	100
7.1	Indicators of Women Empowerment	104
7.2	Block-wise Average Employment Generated in person Days per Annum	105
7.3	Monthly Average Income of the Respondents	105
7.4	Access to and Control over Family Resources-Darjeeling District	106
7.5	Access to and Control over Family Resources-Nadia District	107
7.6	Saving in Own Name in the Bank- Darjeeling District	107
7.7	Saving in Own Name in the Bank- Nadia District	108
7.8	Household Decision Making-Darjeeling District	108
7.9	Household Decision Making-Nadia District	109
7.10	Mobility and Social Related Indicators - Darjeeling District	110
7.11	Mobility and Social Related Indicators -Nadia District	111
7.12	Regarding Vote Giving-Darjeeling District	112
7.13	Regarding Vote Giving -Nadia District	113
7.14	Know the Name of GP, CM & PM and Participation in GP Meeting -Darjeeling	113
7.15	Know the Name of GP, CM & PM and Participation in GP Meeting - Nadia	114
7.16	Level of Education – Darjeeling District	115
7.17	Level of Education of – Nadia District	116
7.18	Ability to do Basic Calculation –Darjeeling District	116
7.19	Ability to do Basic Calculation – Nadia District	117
8.1	District- wise Physical Progress of SHGs as on March, 2013	119
8.2	Year-wise Formation of SHGs under SGSY up to March, 2013	119

8.3	Status of SHGs under SGSY in two Districts as on March 2013	120
8.4	District-wise Credit & Subsidy Disburse to the SHGs upto March 2013 (Rs. in lakh)	121
8.5	District-wise Amount of Group Loan, Repayment and Outstanding (in Rs.)	121
8.6	District-wise Purpose of Loan	122
8.7	Employment Status & Incidence of Employment	123
8.8	Livelihood Pattern of the Respondents	124
8.9	Employment Generated in Person Days per Annum	125
8.10	Good and Bad Employment of SHG & Non-SHG Households	127
8.11	Monthly Average Income of the SHG Members	128
8.12	Monthly Average Income of SHG & Non-SHG Households	128
8.13	Incidence, Depth & Severity of Poverty among SHG & Non-SHG Households	129
8.14	District-wise Average Employment Generated in person Days per Annum	130
8.15	Average Income of the SHG and Non-SHG members per month	131
8.16	Access to and Control over Family Resources	131
8.17	Role of Women in Household Decision Making	132
8.18	Mobility and Social Awareness Related Indicators	133
8.19	Know the name of GP, CM and PM and Participation in GP Meeting	133

List of Figures

Figure No.	Title1	Page No.
4.1	Block wise Saving, Credit & Project Linkage Groups in Darjeeling District	52
4.2	Year wise formation of SHGs in Nadia District during 2003-2013	53
4.3	Block wise physical progress of SHGs in Nadia District	55
5.1	Employment Status of the Respondents	73
5.2	Block-wise Mean Employment Days of the Respondents	75
6.1	Income Status of the Respondents	82
6.2	Block-wise Mean Income Level of the SHG & Non-SHG Households (in Rs.)	88
6.3	Lorenz Curve for Kharibari Block	92
6.4	Lorenz Curve for Garubathan Block	94
6.5	Lorenz Curve for Ranaghat-II Block	96
6.6	Lorenz Curve for Chakdah Block	98
8.1	Year-wise Formation of SHGs under SGSY up to March, 2013	120
8.2	Total Employment Days of the Respondents	126
8.3	Mean Employment Days Per Annum of the Respondents	126
8.4	Lorenz Curve for Darjeeling and Nadia Districts (Post-SHG Period)	129

ABBREVIATIONS

ADB	Asian Development Bank
BRI	Bank Rakyat Indonesia
BPL	Below Poverty Line
CM	Chief Minister
DGHC	Darjeeling Gorkha Hill Council
DRDC	District Rural Development Cell
FINCA	Foundation for International Community Assistance
GM	Gram Panchayat
MFI	Microfinance Institutions
MYRADA	Mysore Resettlement and Development Authority
NABARD	National Bank for Agriculture and Rural Development
NGO	Non Government Organization
PM	Prime Minister
P&RD	Panchayat & Rural Development Department
PPP	Purchasing Power Parity
ROSCAs	Rotating Savings and Credit Associations
RRB	Regional Rural Banks
SGSY	Swarnjayanti Gram Swarozgar Yojna
SHG	Self Help Groups
SLBC	State Level Bankers Committee
SEWA	Self-Employed Women's Association
WDO	Women Development Officer

GLOSSARY

We have used some local terms in different chapters. English meaning of these terms are given below:

1. Asberter Ghar= Houses with roof made of asbestos and wall with jute sticks or bamboo work.
2. Tally Ghar= Houses with roof made of earthen tiles and walls made of either thatch or jute sticks or wood.
3. Chapra Ghar= Houses with roof made of one shaft corrugated tin and wall with either wood or bamboo work or corrugated tin.
4. Dochali Ghar= Houses with roof made of two shaft corrugated tin and wall with either wood or bamboo work or corrugated tin.
5. Chouwary Ghar= Houses with roof made of four shaft corrugated tin with walls either made of bamboo work or wood or corrugated tin.
6. Open latrine= Field, bamboo garden or Jungles
7. Kucha latrine = Dug well with wall made of jute sticks or plastic sheet and without roof
8. Semi-pucca latrine = Earthen or cemented ring well and wall made of jute sticks or bamboo and with roof made of plastic or earthen tally.
9. Pucca latrine= Cement pan and wall made of bamboo or corrugated tin and roof made of earthen tally corrugated tin.
10. Pan= betel- leaf
11. Chira=A kind of food made by rice.
12. Muri= A kind of food made by parching rice on hot sand.
13. Mela=fair

CHAPTER 1

PROBLEM AND METHODOLOGY

1.1 Introduction

Development of a nation largely depends on the development of the rural areas and the people living in those areas (Tandon 2009). Development of a country does not only refer to the development of infrastructure, innovations and technology but it is actually related to the development of each and every citizen in terms of their quality of life. A country will move on the development path if all the citizens are involved in the development process and enjoy good standard of living by having access to basic amenities of life such as food, clothing, housing, health, clean water, education, employment and good natural and social environment. But, if the people of a country are poor they will think about earning their livelihood only and their inclusion in the progress of nation will be miles away.

1.2 Basic Problem

The basic problem of our country is the problem of poverty and underutilization of the nationally cheap labour resource. India's effort to eradicate poverty has a long history. As we have seen, since the inception of our planning exercise, that various antipoverty programmes were being undertaken for the poverty-stricken population to reduce their number who lie below the poverty line. Side by side our national planners are also very keen to expand the number of working days to reduce the number of underutilization days through the various employment generation schemes. The main objectives of these programmes are to supply some sort of pecuniary help directly to the poverty trodden people through various developmental schemes and other schemes conceived at the top. But the fact remains and as we have observed since the middle of the last decade of last century that the working of these schemes and the subsequent trickle down effects of these centrally selected schemes are very low.

Another important point to be noted here is that these schemes were meant mainly for the men folk of the poverty trodden population neglecting the other section of the population of both of our rural and urban society. On the other hand, the anti-poverty programmes whatever have

been taken by the Republic is being trickled at a very lower rate towards the targeted population. This may be the poor functioning of the programmes already been taken as a result of the lethargic approach of the administrative officials in the execution of the projects, in the one hand, or may be due to lack of positive attitude of the beneficiaries for whom these projects were meant for. As a result, these programmes become a bundle of blossoms rather than blooming since the time of inception. We have seen that the failure of one anti-poverty scheme has been supplemented by another new scheme just to fulfill the planning preambles. This tradition is going on since the implementation of the anti-poverty programmes.

We have had another important problem that also cope up side by side in our rural society is the minimal use of the working potentiality of the employable female adults. This is equally true, more or less, for the men but for women it is in point of serious concern. From a recent village study it has been seen that more than 91 percent employed female adults are failed to make use even 40 percent of their labour power (Kar, 2009). Again, it is very clear from the employable male-female distribution of our labour population that the number of women labour is not less than half of the total labour force. So it might have been an important national task in front of our national planners to bring this under-utilized labour force in the fold of utilized labour force. So long as these under-utilized rural female labour forces remained in under-utilization state, we will not bring any change in our rural society. They are needed to be organized for doing something for their own sake and to establish the decision of their choices and voices.

Third problem that we like to point out here is the transitional aspect of our rural society that appears in the form of inter-state migration instead of traditional rural urban migration. This new kind of migration emerges in our rural society mainly because of the fact that we have failed to expand the good opportunity of livelihood before the rural employable adults. As a result, as we have noticed elsewhere in our rural area, that a large number of rural employable adult labour force left their houses just for searching of a better livelihoods in other states of our country. This type of inter-state migration creates some sort of severe social problems. In the first place, the children of the families who left the village for searching livelihood are generally deprived from their school education at the very first stage. When they come back again with their families they go to the schools either as a drop-out student or as a backward student. Secondly, these children

remain as isolated children in the new work place of their parents due to language and other environmental problems. In some cases, as has been reported by many sufferer families, they had been housed in such places far away from the locality and also far away from the civil living amenities. Thirdly, in some cases where the head of the family left the village for livelihood, the other family members remain in the villages as unsecured members with some social hegemony. These transitional aspects have a long term effect, as we think, on the society and on our civilization in a very near future.

In the development strategy adopted up to 1980s, institutional credit was considered as a powerful instrument for enhancing production and alleviating poverty. It was thought that lending to the poor should be a part of the normal business of banks. The strategy devised for this purpose was comprised of the expansion of the institutional structure, directed lending to the priority sector and subsidized interest rates to the poor. A multi-agency approach was adopted for delivering credit to the rural poor people. The institutional vehicles chosen for this purpose were cooperative banks, commercial banks and regional rural banks. The nationalization of fourteen major commercial banks in 1969 and another six commercial banks in 1980 and the setting up of regional rural banks in 1975 enabled the creation of an extensive financial infrastructure for taking banking to the far-flung rural areas. The extensive bank branch network was expected to meet the financial needs of the entire rural population.

It is true that development alone cannot bring peace and prosperity unless social justice and gender equality are ensured. There was a need for an innovative programme for credit which must be collateral free, flexible and must fulfill the needs of underprivileged classes. It has been well accepted that various development programmes have bypassed women who constitute about half of the population of the country. As a result, they remained laggard and less participative in poverty alleviation processes. Unless this section is provided opportunities to improve their condition, the poverty alleviation efforts are bound to fail and the development would be imperfect. As a result, the developing countries including India prioritized the combined goal of poverty alleviation and women empowerment among their development plans. Moreover, alleviating extreme poverty, gender equality and women empowerment were specified as

important targets to be achieved under the Millennium Development Goals set by World Bank and Organization for Economic Co-operation and Development in 2000.

Although the share of formal financial sector in total rural credit increased progressively from 8.8 per cent in 1951 to 53.3 per cent in 1991 but it was found that the rural banks served only the needs of comparatively rich rural borrowers instead of the deserving poor (Basu and Srivastava, 2005). This was mainly due to the reason that the lack of collateral makes the poor people not-bankable. Rural Finance Access Survey 2003 indicated that 70 per cent of marginal/landless farmers did not have a bank account and 87 per cent did not have any access to credit from a formal source.

Under the circumstances, we have need of a specially prepared target oriented plan and programme for the upliftment of the rural poor so that they can enjoy good standard of living. The rural poor, especially women with the intermediation of voluntary organizations join together for self help to secure better economic growth. Microfinance emerged all over the world as an innovative scheme of lending to the poor people, especially women. Under this programme collateral free small loans are given to a group of poor people who make savings regularly. These small loans are known as micro-credit, whereas microfinance is a broader term and it provides not only micro-credit but also savings, insurance and some other non-financial services such as guidance and motivation to start income generating activities and occupational training etc. The microfinance programme provides a model of development that is based on bottom up approach. According to Md. Yunus, microfinance can be defined as “giving access to financing means, to a maximum of poor people, by allowing them to use their capacities in favour of a durable development” (Yunus, 2003).

The United Nations proclaimed 2005 as the year of Micro-credit to globally promote the benefits and potentials of microfinance as means to fight poverty. In 2006, Muhammad Yunus, founder of microfinance programme in Bangladesh and the Grameen Bank was awarded the Nobel Peace Prize for his efforts in the economic and social development of poor people. Before the miracle had done by Md Yunus it was elsewhere in the air that the poor are not credit worthy. As a result, the poor remain out of the proximity of the credit net work as launched by the

commercial and other rural regional banks of our country. Credit goes to Prof. Yunus who for the first time had established his social laboratory in Bangladesh and had successfully proved that the poor are also credit worthy.

In India, microfinance programme was formally initiated by National Bank for Agriculture and Rural Development (NABARD) in 1992; and now it is the world's largest microfinance programme in terms of its client outreach. Microfinance in India is mainly provided through Self-Help Groups (SHGs), Microfinance Institutions (MFIs) and some other methodologies. The network of many financial institutions like public and private sector commercial banks, co-operative banks, regional rural banks and MFIs is used to provide microfinance to the poor people.

A number of studies on microfinance programme have been conducted in different States of India but there is a dearth of studies in West Bengal. In West Bengal, microfinance programme was started in 1998-99, and no comprehensive study, by any researcher or government organization, is available so far, which assessed the impact of microfinance programme in West Bengal. The study in hand is a modest attempt to assess the impact of microfinance programme on poor people. In this study the impact of microfinance programme has been assessed on livelihood and poverty alleviation in two districts of West Bengal.

1.3 Objectives of the Present Study

The basic objective of this research work is to find out the impact of microfinance on poverty, livelihood or employment and women empowerment in the study area. However, we mention below the objectives of our study in detail:

- 1) To find out the role of microfinance in the working of the SHGs.
- 2) To justify the working of the microfinance and SHGs in the existing socio-economic scenario.
- 3) To analyze the development of microfinance activities in the study area.
- 4) To find out the impact of microfinance on livelihood or employment creation for the people who are directly or indirectly involved in the everyday working of the SHGs.
- 5) To find out whether the groups are only interested in enjoying the subsidy amount of their loan amount or very keen to develop the productive activities of the group.

- 6) To make an assessment on the pre and post economic position of the SHG members in the light of their group activities.
- 7) To justify the impact of microfinance on income, income equality and poverty among the SHG households.
- 8) To find out the nature and extent of the empowerment enjoyed by the SHG members as a result of the working of the SHGs.
- 9) To find out the problem faced by the SHG members in the study area.
- 10) To make a comparative study on the socio-economic conditions of the SHG and non-SHG households.

1.4 Research Hypotheses

We have tested the following hypotheses in this study:

1. Microfinance helps in increasing the level of employment of the SHG members.
2. There is deference between SHG and non-SHG members regarding their employment generation.
3. Microfinance increases the level of income and reduces income inequalities among the SHG households.
4. There is difference between mean income level of the SHG and non-SHG households.
5. Microfinance reduces the level of poverty among the SHG households.
6. Participation in microfinance programme leads to women empowerment.
7. There is deference between SHG and non-SHG members regarding their level of empowerment.

1.5 Research Methodology

In the present study, the impact of microfinance programme has been analyzed by comparing two districts as well as SHG and non-SHG women members and their respective households in the rural areas. Here non-SHG women are those who are not involved in any microfinance programme.

1.5.1 Universe of the Study

To perform the research two districts have been selected from the state of West Bengal. They are Darjeeling district, a northern district of West Bengal and Nadia district, a southern district of West Bengal. These two districts make the universe of the present study.

1.5.2 Sampling Frame and Sampling Procedure

In this study, multi-stage sampling technique has been used. The sampling involves (i) selection of Self-Help Group (SHG); (ii) selection of district; (iii) selection of block; (iv) selection of sample. In the first stage, we have selected those women SHGs which are under Swarna Jayanti Gram Swarozgar Yojana (SGSY). At the second stage, we have used purposive sampling for the selection of the study districts. At the third stage, from each district two blocks have been selected on the basis of the highest and the lowest performance in respect of number of project linkage SHGs. At the next stage, from each selected block eight credit linkage SHGs under SGSY have been selected which were formed in 2004-2005. Therefore, our pre-SHG period was 2004-2005. From each selected group, five BPL members (only women) have been selected randomly and total 40 women members have been selected for the purpose of the study. For checking the BPL members, we have used Rural Household Survey Report 2005 and this report was collected from panchayat office. Finally, from each selected block 40 non-SHG women members who are BPL category have also been selected for the purpose of the study. Thus, altogether 320 respondents been selected from four blocks of two districts. The sampling design has been presented in Table 1.1

Table: 1.1
Sample Frame for the Study

District	Blocks	No. of SHGs	SHG Members	Non-SHG Members
Darjeeling	1.Kharibari	8	40	40
	2.Garubathan	8	40	40
Nadia	1.Rnaghat-II	8	40	40
	2.Chakdaha	8	40	40
Total	4	32	160	160

1.5.3 Units of Observation and Sample Size

Our unit of the observation has been the SHG and SHG members. Side by side we have also investigated the households where there are no members of any SHGs. So the non-SHG members (control group) have also been our unit of observation. We have taken 160 SHG members and the same number of non-SHG members from the two districts. Altogether 320 members were the sample size in our study.

1.5.4 Tools and Techniques of Data Collection

We have used two types of schedule for the collection of primary data. One was the SHG-schedule through which we collected all the relevant data on SHGs. The other was the specially prepared household-schedule. We have used this schedule to collect information on the basis of our hypotheses and objectives from the SHG member households. Side by side we have also collected secondary data from the various development agencies and officials.

1.5.5 Data Collection

We have collected the relevant data on the basis of the objectives of the study and through a structured questionnaire.

1.5.6 Analysis of Data

Data collected from the study area have been processed and analyzed carefully. Simple average and percentage techniques have been used to analyze the data. Findings of the study have been presented with the help of tables and graphs. A number of statistical techniques, such as t-test, F-test, Chi-square test, poverty measurement indexes, Lorenz Curve, Gini-coefficient etc., have been used to find out the impact of microfinance programme.

1.6 Limitations of the Study

In order to conduct and complete this study in a meaningful and manageable way with the available time, some limitations have been identified, especially in methodology. The limitations are as follows:

1. The data collection was restricted to four blocks of Darjeeling and Nadia districts in West Bengal, which may fail to represent the actual scenario of the whole country.

2. Only the women who are in BPL category and involved in Swarna Jayanti Gram Swarozgar Jojana (SGSY) programme were considered for this study.
3. Only 320 rural women were considered for the study.
4. There are several indicators cited by different authors or researchers on women's livelihood, but in this study for measuring rural women's livelihood we have used only two indicators, viz., (i) employment of the SHG members before and after joining SHGs and (ii) employment of the SHG and non- SHG members.

1.7 Organization of the Study

This research work consists of nine chapters followed by a bibliography. At the end, an appendix section has been included for further information on some specific issues. A brief outline of the chapters is as follows:

Chapter 1 deals with the introduction to the study, the problem statement, the objectives, the hypotheses and the methodology.

Chapter 2 deals with the review of literature relating to the study.

Chapter 3 delineates the socio-economic profile of the study area.

Chapter 4 deals with the development of microfinance activities in the study area.

In chapter 5, impact of microfinance on livelihoods has been analyzed.

Chapter 6 deals with the role of microfinance in eradication of poverty.

Chapter 7 is related to microfinance and women empowerment.

In chapter 8, a comparative study of the two districts has been made in the light of various aspects of livelihood and women empowerment.

Chapter 9 presents conclusions and recommendations of the study. In this chapter, few suggestions have been provided for attaining the goals of sustainable rural livelihood, poverty eradication and women empowerment.

CHAPTER 2

REVIEW OF LITERATURE

2.1 Introduction

The review of literature is the core part of the thesis. It provides the reader's insight about the theories involved in his work. Not only that it also helps a researcher to get familiarized with selected research problem and also may provide some guidelines in selecting a proper research methodology. It is also helpful in finding out the research gaps in the existing literature. It helps the researcher to bring a consistency between research problem and methodology. Thus, it is very important to investigate the review of literature. A large number of studies have been conducted so far by the researchers on different issues of microfinance highlighting their working, impact on livelihood and poverty, empowering the rural poor women and strength, weakness and challenges etc. In this chapter, review of such earlier works has been presented. The reviews have been placed under three heads, viz., studies related to microfinance and livelihood, studies related to microfinance and poverty and studies related to microfinance and women empowerment. They are reviewed below one by one.

2.2 Studies Related to Microfinance and Livelihood

Daniels (1999) in his study on five Sub-Saharan African countries estimated that while the micro and small enterprises sector offers employment on average to 22 percent of the work force, the formal sector provides employment to only 15 percent of the adult working age.

In a study conducted in Kenya in 1994, Daniels (1999) found that micro and small enterprises significantly contribute to job creation and national income in Kenya.

Manimekalai and Rajeswari (2001) in their study analyzed the nature of economic activities. For the purpose of the study a sample of 150 SHG members was selected who were studied according to the nature of their activities from 5 blocks of Tiruchirapalli district of Tamil Nadu. The nature of micro-enterprises run by the groups included trade, agriculture, animal husbandry, processing of food, tailoring, gem cutting, catering, petty shop, bamboo based units

and agro-based units etc. The SHG women were employed both in agricultural and non-agricultural activities. The study found that women SHGs earned the highest profit from agriculture, followed by trade related activities and catering services. The income of the SHG women almost doubled after taking up micro-enterprises.

Dunn and Arbuckle (2001) studied the impact of micro-credit on the Mibanco clients in Peru. The impact was measured using cross-sectional data collected in two parts, once in 1997 and again in 1999. The study demonstrated a very significant positive impact on its clients in terms of income and employment generation. It was found that the participation in the programme led to 9 additional days of employment per month. The authors calculated that based on 40,000 Mibanco members at the end of 1999, 17414 full time jobs were created. It was also found that Mibanco clients earned \$266 more per household member per year than the non-participants.

Mishra and Hossain (2001) in their study assessed the impact on mahila-mandal (a rural SHG in Orissa) in terms of employment generation through programme participation of rural women. The impact was assessed, comparing the pre-1996 and post-SHG situation (2001) of the programme participants. The study revealed that the average net income per member per year increased from Rs. 6465 to Rs. 15325 through scientific cotton cultivation, livestock maintenance and small business like retail shop, dry fish trading etc. Additional employment generated worked out to be 185 person days per member.

Robinson (2001) made a study of 16 different MFIs from all over the world and pointed out that having access to MF services have led to an enhancement in the quality of life of clients, had increased their self confidence, and had helped them diversify their livelihood security strategies and thereby increase their income.

Singh (2001) conducted a study in Uttar Pradesh comparing the pre and post SHG situations of women SHGs. He found that the average value of assets increased by 46% and the annual income per household by 28% between pre and post SHG periods. The borrowing for consumption purpose was also done during pre SHG but it was completely absent in the post SHG situation. Credit delivery was easier through SHGs compared to formal and informal institutions. SHGs replaced the moneylenders; credit delivery was made simple and quick with

lower interest. It was suggested to improve the awareness and educate the members to keep records proper to grow in future.

Fisher and Sriram (2002) have shown in their studies that micro-credit is necessary but not a sufficient condition for micro-enterprise promotion. They believe that identification of livelihood opportunities, establishing market linkages for inputs and outputs, adapting technologies, organizing producers, sub-sector analysis and policy reform would be required to upscale the micro enterprises and create a strong impact in the rural areas.

Bhat and Bhuvanewari (2004) examined on the determinants of earnings of rural women under SHG's schemes in Puduchery. The findings show that the majority of the respondents are engaged in non-farm activities which are mostly remunerative in nature. All have been done through the financial assistance and institutional support like training, marketing and information on latest technology.

Indira and Rao (2005) studied SHGs in Andhra Pradesh and found sizable increase in number of days of employment. They concluded that substantial economic empowerment has taken place.

Borbora and Mahanta (2008) in their case study in Assam examined the role of credit in generation of employment opportunities for the poor. It was found that the programme had succeeded in generating employment among the members. 43 per cent of the sample beneficiaries expanded their income generating activities. The SHGs had helped to set up a number of micro-enterprises for income generation.

Bansal and Bansal (2012) concluded that poor households use microfinance to move from everyday survival to planning for the future. They invest in better nutrition, housing, health, and education.

Bhuiyan et al. (2012) revealed in the study of Malaysia, that there is much contribution of microcredit towards the sustainable livelihood of the poor borrowers. The study also concluded that microfinance is providing the poor the accessibility for the credit to increase their total family through different livelihood strategies of Income Generating Activities (IGAs) and thus, sufficient income provides a hope to the poor to ensure achievement of sustainable livelihood by

improving good health, access of children's education, achieving skill, acquiring assets, taking part in social activities

2.3 Studies Related to Microfinance and Poverty

Hulme and Mosley (1996) in a comprehensive study on the use of microfinance to combat poverty, argue that well-designed programmes can improve the incomes of the poor and can move them out of poverty. They also point out that when loans are associated with an increase in assets, when borrowers are encouraged to invest in low-risk income generating activities and when the very poor are encouraged to save; the vulnerability of the very poor is reduced and their poverty situation improves.

Using the data from 87 villages in Bangladesh in 1991-92, Pitt and Khandker (1996, 1998) estimated the margin of credit on a number of welfare indicators. Their study showed that household income increases by 18 taka for every 100 taka lent to woman. They also found net positive impacts of credit programs on both human and their physical assets. They have found mixed results when measuring the impact of credit programs on education. The education of boys increased irrespective of whether the borrower was male or female; but the education of girls have increased only when women borrow from the Grameen Bank.

Yunus (1997) opined that for making a poverty free economy, micro credit is not enough. The poor people should be linked to markets, financial institutions and even multinationals. Moreover, he also added that the social investment is able to convert the disadvantaged sections of the society into entrepreneurs.

Otero (1999) points out that microfinance creates access to productive capital for the poor, together with human capital, addressed through education and training and social capital achieved through local organization building enable people to move out of poverty.

Dunn (1999) in a case study of microfinance clients in Lima, Peru, reports only 28 percent of clients live below the poverty line compared to 41 percent of non-clients. She also found that the average income of households participating in microfinance is 50 percent higher than the income of nonparticipating households.

World Bank (1999) survey conducted for the mid-term review of the poverty alleviation and microfinance project among 675 micro-credit borrowers in Bangladesh showed that there had been positive change in the economic and social status of the surveyed borrowers. The survey showed that income had increased for 98 per cent of borrowers; 89 per cent of the borrowers accumulated new assets; and 29 per cent had purchased new land, either for homestead or for agriculture. Food intake, clothing and housing had improved for 89, 88 and 75 per cent of the borrowers. Sanitation conditions improved for 69 per cent and child education for 75 per cent of the borrowers. The improvements had mainly achieved due to the increased level of self-employment of women participants.

Khandker (1999) pointed out very clearly by relating micro finance with school education that 1 percent increase in loans to women increases the probability of school enrolment by 1.97 percent for girls and 2.4 percent for boys. He further shows that 1 percent increase in loan to men increases only the boy's enrolment by 3.1 percent and no increase in girl enrolment.

Puhazhendhi, (2000) has studied on topic "Micro finance Operations, Performance and some Issues" in Tamilnadu. It was found that 80 percent of the total SHGs was linked to only 8 banks. Some groups were organized by different financial institutions and some of by NGOs. The study found that the average annual net family income of the member of SHGs became double due to bank linkage. However, no information was provided about the growth measurement and the growth of income reported from any comparative control group and therefore the change of income caused by SHGs with bank linkage.

Mayoux (2000) points out that the impact of microfinance on women varies from woman to woman. These differences arise due to the difference in productive activities or different background. Sometimes, microfinance mainly benefit the women who are already better off, whereas the poor women are either neglected by the microfinance programmes or are least able to benefit because of their low resource base, lack of skills and market contacts. However, poorer women can also be more free and motivated to use credit for production.

Remenyi and Quinones (2000) conducting a case study in Asia and Pacific concluded that household income of families with access to credit is significantly higher than for comparable

households without access to credit. In Indonesia, a 12.9 percent annual average rise in income from borrowers was observed while only 3 percent rise was reported from non-borrowers. In Bangladesh, a 29.3 percent annual average rise in income was recorded and 22 percent annual average rise in income from non-borrowers. Sri-Lanka indicated a 15.6 percent rise in income from borrowers and 9 percent rise from non-borrowers. In case of India, 46 percent rise in income was reported among borrowers with 24 percent increase reported from non-borrowers.

The study by Mosley (2001) reveals that the achievement of microfinance in reducing the poverty in Bolivia, Bangladesh and Indonesia is quite impressive and reached reasonably large number of poor but not the vulnerable poor or extreme poverty.

Dasgupta (2001) through his paper pointed out that the informal credit in the form of group approach created a number of benefits like savings mobilized by the poor, access to the required amount of credit by the poor, matching the demand and supply of credit, reduction in transaction cost for both the lenders and borrowers, tremendous improvement recovery, introducing a subsidy-less and a corruption less credit and remarkable empowerment of the women.

Rao's (2002) study is very much interesting. It reveals that the existing formal financial institutions have failed to provide finances to the under privilege sections in the rural society. On the other hand, he has established that the working of the SHGs help the poorest of the poor to encourage savings and to promote income generating activities with the help of a tiny amount of loan. This kind of credit sustainable working helps borrowers to save themselves from the vicious circle of poverty.

Murdoch and Haley (2002) in their study show that microfinance can significantly increase the income of poor households, which translates into better nutrition and health for impoverished families. The nutritional benefits are particularly felt by children. The remunerations from increase in household income and better nutrition spill over into many other areas in which the poor are in need of help. The holistic impact of microfinance can create a deep and lasting impact on poverty alleviation.

Harper (2003) in his study revealed that saving mobilization is an important issue among the poor for various reasons. Mobilizing savings lift up important considerations for development

programs that are working to boost productive income and employment among low income groups.

Khandker (2005) conducted a study in Bangladesh and found that women's credit has a significant and positive impact on poverty reduction, education, especially in boys, food expenditure, children's health, especially girls and adult status.

Shetty's (2006) through his article "Micro Finance: An Integrated Approach for Micro enterprise Development in India" based on the sample of selected SHG units in Belthangady Taluk of Dakshina Kannada district in Karnataka has established that through the SHG activities incomes of the SHG members increased in a reasonable manner and they had spend more on food articles, on children's education, on health facility, on new house construction or repair of old houses, on clothes etc than before.

Vinayagamoorthy (2007) made an attempt in his study in North Tamil Nadu, to know the impact of SHGs on the income, expenditure and savings of the members and role of the SHGs in providing rural credit, with the help of primary data. The Study revealed that the income of the members as well as the expenditure has increased considerably. However, the rate of growth of savings is slower because of the incremental expenditure. On the other side, the repayment of loan is prompt among the members of SHG's.

Osmani (2007) analyzed the impact of credit on the well being of Grameen Bank women clients. The project was found to have increased their autonomy in that they were able to spend family income more freely than non-clients. They had greater control over family planning, but the project was not shown to have had an impact on clients' control over other decision-making but they were found to have greater access to household resources than non-clients did.

Bebczuk and Haimovich (2007) used household survey data on poor households from a number of Latin American countries to undertake their analysis. They found that credit increased labor income in a statistically and economically significant manner. Access to credit increased the hourly labor income of poor individuals compared with a similar population without access

to credit by 4.8 times (Bolivia at 10 percent level of significance), 12.5 times (Guatemala at 1 percent level of significance), and 4.5 times (Haiti at 5 percent level of significance).

Kour (2008), in a case study in Jammu District in Jammu & Kashmir examined the impact of SHG's on rural development by comparing villages with and without SHGs. It is observed that there is no remarkable difference in development between the two groups of villages and suggested that the state agencies should formulate SHG's and finance them on strict criteria of income generation and poverty alleviation and overall rural development.

2.4 Studies Related to Microfinance and Women Empowerment

Hashemi et al (1996) examined whether women's access to credit has any impact on their lives, irrespective of who had the managerial control. Their results suggest that women's access to credit contributes to the livelihood of an increase in asset holdings in their own names, to an increase in their exercise of purchasing power, and in their political and legal awareness as well as in composite empowerment index. They also found that access to credit was also associated with higher levels of mobility, political participation and involvement in major decision-making for particular credit organizations.

Schuler et al (1996) in their study suggest that group-based credit programs can reduce men's violence against women by making women's lives more public. The problem of men's violence against women is deeply rooted. However, the authors argue that much more extensive interventions will be needed to significantly undermine it.

Gopalan (1997) in her article "Empowerment of women, a case of Andhra Pradesh" identifies the factors responsible for women empowerment, argues that over and above the literacy level, knowledge and awareness put great pressure on empowerment. According to her, group formation is vital for collective strength and access to information.

Gupta (1998) in his paper "Empowerment : A Socio-psychological approach to Self Help Groups Formation" claims that empowerment of the deprived begins with their ability to voice their opinion through the process of consensus politics and dialogue backed up by access to education, information, organization, employment and credit.

Joshi (1999) opined that, in the absence of any appropriate measure of empowerment, commonly found measures like education, health and employment are used as the surrogates. While these proxy measures are important and are ideally associated with empowerment, they may not capture all aspects of the multidimensional concept of empowerment.

Barna and Borkakoty (2000) in a study conducted among the women entrepreneurs in Assam to find out the impact of EDP strongly argue that women can be the vital agents of change. Trained women can able to manage and reap the benefits of different schemes.

Ashe and Parrott (2001) in their study on the impact of microfinance and women empowerment in Nepal exhibit that 68 percent women experienced an increase in their decision making role in relation to family planning, children marriage, selling property and sending their daughters to school.

Reddy (2002) in his paper “Empowering women through self-help groups and Micro-credit shows that SHGs have positive impact on the status of women in their households and communities. However, in the context of bridging gaps in gender inequality, increasing attention is being paid to enable women to become active partners in decision making, implementation and evaluation of all interventions.

Krishna (2003) examines the role of SHGs in empowering rural poor in Paravda village of Visakhapatnam. The study reveals that SHG concept was successful to some extent in achieving social empowerment and economic progress through improving access to institutional credit. The study further reveals that SHGs have a positive impacts on beneficiaries especially women in respect of social and economic empowerment such as improvement in participation in the development programmes, ability to meet government officials, awareness of property rights, improving decision making improving marketing, communication skills, building self-confidence and the living standards of beneficiaries.

Sinha (2004) in her study ‘Microfinance for women’s empowerment’ finds micro-finance as an effective instrument for women empowerment. It can contribute to solve the problem of

inadequate housing and urban services. She suggests a system of ‘multipurpose composite credit’ for making the SHG concept more effective.

Kabeer (2005) is very much keen to the women empowerment. She examines the impact of microfinance on women empowerment and then on poverty alleviation. Through her writing she try to establish that micro finance is working as an important and effective means to achieving changes on economic, social and political fronts. She, further, opined that the success of microfinance organizations in building up the organizational capacity of poor women provides the basis for their social mobilization that many other development interventions have not been able to achieve.

2.5 Research Gap

Thus, we see that there are so many literatures in this field and so many studies that had been made across the world on the activities of microfinance and the SHGs. But the fact is that almost all the researchers made their research mainly on the financial performance of the self-help groups and confined themselves in the self-help group activities only. But in our study we not only confined ourselves in the financial and group activities of the self-help groups. We take special care about the socio-economic conditions of the member households of the self-help groups along with the other poor households of the lower income strata who are not yet come in the preview of the microfinance network in details. Not only that, we also search in details along with the search of livelihood about the benefits accrued by the member households to be a member of the self-help groups in comparison with the households who are not to be a member of any group. This type of study, as we think, will help us to find out the expectations that generally expected by all from the officials to beneficiaries at the eve of the formation of the self-help groups particularly among the poor people of the rural area. The present work is an attempt in that direction.

CHAPTER 3

SOCIO-ECONOMIC PROFILE OF THE STUDY AREA

3.1 Introduction

In this chapter an attempt has been made to study the socio-economic profile of the study area and the sample households of the SHG and non-SHG members. In section-I and II we have discussed briefly the socio-economic profile of the study districts and selected blocks and in section-III, an attempt has been made to present a socio-economic profile of the sample households of SHG and non-SHG members in relation to age, sex, education, caste, religion, marital status, family type and family size, land holding size, condition of house, source of drinking water and sanitation, etc.

Section-I

3.2 District Profile

In section-I we discuss the socio-economic profile of two districts, viz., Darjeeling district and Nadia district of West Bengal. We discuss them one by one below:

3.2.1 Profile of Darjeeling District

Location and Size

Darjeeling district is a backward district of West Bengal. This district is a part of Jalpaiguri division of West Bengal located at the extreme north of the state. It came as a new district of West Bengal in 1850 consisting of two regions -Tarai area & Hilly area. This district lies between 26°27' 10" and 27°13'05" north latitudes and 87°05'30" and 88°05'00" east longitudes. The district is bounded by Sikkim on the north, by Bangladesh and Uttar Dinajpur district and Bihar on the south, by Nepal on the west and by Bhutan and Jalpaiguri on the east. Its north to south extension is of 87 kms. that of east to west is of 90 kms. The district is divided into two regions, hilly and the plain area. The northern part of the district is fully mountainous and the southern part is almost plain. Topographically the district is divided into the five sub-micro regions. They are (i) Darjeeling Himalayas (ii) Kurseong Range (iii) Kalimpong Range (iv) Western Duars and (v) Mahananda.

Area and Population

The total area of the district is 3,149 sq. kms. Its rank in respect of the area in the state is 12th. As per census report 2011, the total population of this district is 1842034 of which male population is 934796 and female population is 907238. The density of population of this district is 511 per sq. km. and according to the density of population its rank in West Bengal is 17th as per 2011 census. According to the census report 2011, the labour utilization of this district is shown in the following Table.

Table: 3.1
Labour Endowment of Darjeeling District as per 2011 Census

Parameter	Total	Male	% to Total	Female	% to Total
Population	1846823	937259	50.75	909564	49.25
Worker	683726	479586	70.14	204140	29.86
Main worker	532855	396341	74.38	136514	25.62
Main cultivator	51984	41632	80.09	10352	19.91
Main Agricultural labourers	32087	23372	72.84	8715	27.16
Main workers in household industries	10517	7863	74.76	2654	25.24
Main other workers	438267	323474	73.81	114793	26.19
Marginal workers	150871	83245	55.18	67626	44.82
Marginal cultivators	24194	13062	53.99	11132	46.01
Marginal agricultural labourers	33954	16996	50.06	16958	49.94
Marginal workers in household industries	6062	2804	46.26	3258	73.74
Marginal other workers	86661	50383	58.14	36278	41.86
Non workers	1163097	457673	39.35	457673	60.65

Source: Census Report 2011

River

The main rivers of the district are the Tista, the Jaldhaka and the Mahanadi (Mahananda).

Climate

The climate of upper Darjeeling is cool. The atmosphere of the northern part of the district is highly humid throughout the year. In the plains, the relative humidity is however slightly less. The spring and autumn are the most refreshing seasons in the district. The monsoon is a period of bothersome with frequent mist and nagging rain. The winter after December, is usually too cold and unpleasant. On an average there is about 120 rainy days in a year with rainfall of 12.5 mm per day.

Soil and Cropping Pattern

The soil of hills is mainly brown forest soil which is acidic in nature. This type of soil is suitable for plantation but not very much suitable for growing paddy. Apart from plantation, maize, paddy, wheat, jute and potato are also produced in the district.

Land and Land-use Pattern

Total land area and land use pattern are given in the following Table.

Table: 3.2
Land endowment (utilization) of Darjeeling District 2010-2011

Details	Area in hectare	Area in percentage
Area under forest	124589.53	38.28
Area not available for cultivation	42994.45	13.21
Other uncultivated land excluding current flows	7876.35	2.42
Current flows	16436.19	5.05
Net area sown	133572.48	41.04
Total Area (hectares)	325469	100.00

Source: Economic Review, 2011-12

Agriculture

Darjeeling has only over 41 percent cultivable land in proportion to its total geographical area. Broadly, agricultural crops in the Himalaya can be grouped into two categories- Food crops and cash crops. Food crops include rice, maize, potato, wheat, barley etc. while the cash crops are tea, cinchona, ginger etc. Fruits such as orange, papaya, peaches, guava, plums and even mangoes are grown in the valleys. Subsistence agriculture, livestock and animal husbandry, forestry, plantations and allied activities are the major activities of the rural folks.

Irrigation

In the district irrigation from private canal is nil. The source is mainly from government canals, tanks, wells and other sources. Out of total area under crop around 9 thousand hectares of land is under irrigation as per 2001 report. In the district various sources of irrigation are available.

Administrative Set-up

The district has four sub-divisions, namely, Darjeeling (Sadar), Kalimpong, Kurseong and Siliguri. There are 16 Police Stations in the district, namely, (1) Lodhama (2) Pulbazar (3) Darjiling (4) Rangli Rangliot (5) Kalimpong (6) Jaldhaka (7) Gorubathan (8) Jore Bungalow (9)

Sukia Pokhri (10) Mirik (11) Naxalbari (12) Kurseong (13) Matigara (14) Siliguri (15) Phansidewa and (16) Kharibari. There are in all 12 Community Development Blocks in the district, viz., (1) Darjeeling Pulbazar (2) Rangli Rangliot (3) Kalimpong-I (4) Kalimpong-II (5) Gorubathan (6) Jorebungalow Sukiapokhri (7) Mirik (8) Kurseong (9) Matigara (10) Naxalbari (11) Phansidewa and (12) Kharibari. There are 9 urban units including 3 municipalities - Darjiling, Kurseong, Kalimpong and one Municipal Corporation - Siliguri Municipal Corporation. The district has 12 Panchayat Samities with 134 Gram Panchayats consisting of 708 villages. The three tier Panchayat system has been functioning in the district since 1978.

Panchayat and Rural Development Department

There was a single tier Panchayat System in the district of Darjeeling. Gram Panchayat used to be under Darjeeling Gorkha Hill Council (DGHC) with forty one of them in Kalimpong, thirty in Kurseong and forty one in Darjeeling. Currently however, the Panchayat system does not exist and only DGHC is operational in Darjeeling.

Economic Resources

(i) Forest Area

Out of 1,188 thousand hectares of the state forest area the district has 1.2 thousand hectares under forest. The forest region is mainly located in the Terai area of the district having trees like Sal, Segun etc. Out of 1.2 thousand hectares 1.02 thousands hectares are under Khas forest.

(ii) Mineral Product

The mining and mineral products are conspicuous by its absence in the district. The mineral products required by the district are imported from other places outside the district.

Infrastructure Facilities

(i) Electricity and Power

In the district there are 9 towns and 708 villages with 391 villages having been electrified. Out of them, 381 villages are having electricity for domestic purpose, 60 villages for agricultural purpose and 141 villages for other purposes and 35 villages are using electricity for all purpose.

(ii) Industry

Unfortunately, the economic status of rural Darjeeling is very disappointing. Darjeeling is excluded from the industrial map of the country other than tea manufacturing industry. Surely,

the economic viability and environmental feasibility does not welcome the industries. Tea manufacturing is the main industry in the district. In most cases plantation and processing for manufacturing is done in the same area. There are 14,434 cottage and small-scale industries in this district.

(iii) Trade and Commerce

The main items of export of the district are tea, orange and timber. Darjeeling tea is exported not only to other district or state but also to other countries. The economy of the district is also dependent particularly on tourism. The main tourist spots are Darjeeling, Kurseong, Kalimpong and Mirik. Tourism industry of the district is very much strong.

(iv) Transport

There are 486.25 kms. of road maintained by PWD (Road) in Darjeeling district of which 168.25 kms. are under National Highways. There is a narrow gage railway track connecting Darjeeling Himalayan Railways is the authority for running railway.

3.2.2 Profile of Nadia District

Location and Size

Nadia district is situated in the heart of the Bengal delta bound by Ganga. The entire district lies in the alluvial plain of the Ganga and its tributaries. It lies between 22052'30" and 24054'0" north latitudes and 88008'10" and 88048'15" of east longitudes. The district is bounded on the north and northwest by the district of Murshidabad. On the north east and east it is bounded by Bangladesh. The mid-line of the river Bhagirathi forms the western boundary except for a small strip of land around and including Nawadwip. In the south and southeast the district is bounded by the district of North 24 Parganas.

Area and Population:

The district has an area of 3,927 sq. kms. As per census report 2011, total population of the district is 5168488 of which male is 2655056 and female is 2513432. The density of population is 1316 per square Km. and according to the density of population its rank in West Bengal is 5th. According to the census report 2011, the labour utilization of Nadia district is shown in the following Table.

Table: 3.3
Labour Endowment of Nadia District as per 2011 Census

Parameter	Total	Male	% to total	Female	% to total
Population	5167600	2653768	51.35	2513832	48.65
Worker	1842607	1554090	84.34	288517	15.66
Main worker	1595880	1405191	80.05	190689	19.95
Main cultivator	293229	286621	97.75	6608	2.05
Main Agricultural labourers	461580	436313	94.53	25267	5.47
Main workers in household industries	130486	78186	59.92	52300	40.08
Main other workers	710585	604071	85.01	106514	14.99
Marginal workers	246727	148899	60.35	97828	39.65
Marginal cultivators	15513	10434	67.26	5079	32.74
Marginal agricultural labourers	94554	76987	81.42	17567	18.58
Marginal workers in household industries	38652	8464	21.90	30188	78.10
Marginal other workers	98008	53014	54.09	44994	45.91
Non workers	3324993	1099678	33.07	2225315	66.93

Source: Census Report 2011

River

Bhagirathi, commonly known as Hooghly, Jalangi the Bhairab-Jalangi and the Mathabhana-Churni are the main rivers of the district.

Climate

The climate of this district is characterized by an oppressive hot summer and high humidity. The cold season is from about the middle of November to the end of February. The period from March to May is the summer season. The southwest monsoon commences about the beginning of June and lasts till the end of September. The average rainfall in the district is 1,310.4 mm. Humidity is high throughout the year.

Soil and Cropping Pattern

The district of Nadia is characterized by alluvial soil and rich in rice production. The soil varies but little all over the district. This type soil under suitable weather conditions can grow good aman rice, but often water logging makes it unsuitable for rabi cultivation or cultivation is threatened by inadequate rainfall.

Land and Land-use Pattern

The classification of land use area in the district Nadia as on 2010-2011 is given in Table 3.4 below:

Table: 3.4
Land Endowment (utilization) of Nadia District 2010-2011

Details	Area in hectare	Area in percentage
Area under forest	1211	0.31
Area not available for cultivation	90241.33	23.10
Other uncultivated land excluding current flows	4570.67	1.17
Current flows	4180	1.07
Net area sown	290452	74.35
Total Area (hectares)	390655	100.00

Source: Economic Review, 2011-12

Agriculture

Agriculture plays a vital role in the economy of the district. The main agricultural crops are paddy, wheat, pulses and jute.

Irrigation

Out of the total area under crop, 211.67 thousand hectares of land is under irrigation as per 2000-01. In the district sources of river irrigation are available.

Administrative Set-up

Administratively the district now consists of four subdivisions, namely, Krishnanagar Sadar, Ranaghat, Kalyani and Tehatta. There are in all 17 CD blocks and 19 Police Stations in the district. (1) Karimpur-I, (2) Karimpur-II, (3) Tehatta-I, (4) Tehatta-II, (5) Kaliganj, (6) Nakashipara, (7) Chapra, (8) Krishnagar-II, (9) Nabadwip, (10) Krishnagar-I and (11) Krishnaganj, (12) Hanskhali, (13) Santipur, (14) Ranaghat-I, (15) Ranaghat-II., (16) Chakdah and (17) Haringhata. There is no municipal corporation in Nadia and the number of the municipalities is 8 in 2001 against 6 in 1991. They are (1) Krishnanagar, (2) Nabadwip, (3) Santipur, (4) Birnagar, (5) Ranaghat, (6) Chakdah, (7) Kalyani and (8) Gayespur. There are 15 census towns in the district.

Gram Panchayat

The three tier Panchayat system has been functional in this district since 1978. There is Gram Panchyat at the lowest level consisting of elected members from the respective villages. Since 1978 the panchayat system has been performing a vital role for the development activists from village to district level.

Economic Resources

(i) Forest

The district has 3,649.11 hectares of land under forest. Out of the total forest area, 302.39 hectares of land is under protected forest and 510.40 hectares of land is under reserved forest.

(ii) Mineral Product

The district has no mines and minerals. However, products like brick, tiles and sand are available in the district.

(iii) Animal Husbandry

As per last cattle census report, there were 805,322 cattle, 62,931 buffalo and 804,360 goats in the district (Source: District Statistical Hand Book, 2001, Govt. of West Bengal).

Infrastructure Facilities

(i) Electricity and Power

In the district there are 25 towns and 1,346 villages with 1,161 villages having been electrified.

(ii) Industry

Nadia is essentially an agricultural district. There is no heavy industry located in the district, but a few large scale industries have been set up in the district such as manufacturing of cycle parts, production of yarn, re-rolling of steel rods etc. The power loom units are found in Ranaghat, Santipur, Phuliya and Birnagar. The cotton weaving is a very important industry in the district.

(iii) Trade and Commerce

In the district, Ranaghat is a very important centre of commerce. Ranaghat itself carries large river traffic. Main export item in Nadia district is jute. Besides gram and pulses, vegetables, potatoes and wheat are exported to Kolkata. The clay dolls and models of Krishnanagar, mainly human figures are finest workmanship of the local artisan.

(iv) Transport

About 2081 kms. of roads in the district are maintained by P.W.D., Govt. of West Bengal Highway Division and by the local authorities.

Section- II

3.3 Sample Block Profile

Out of two districts four sample blocks have been chosen for the study purpose. From Darjeeling district we have selected two blocks. They are (i) Kharibari block and (ii) Garubathan block. On the other hand, from Nadia district we have selected two blocks. They are (i) Ranaghat-II block and (ii) Chakdah block. Profile of the four blocks has been discussed briefly below.

Kharibari Block:

Kharibari is a development block of Siliguri subdivision in Darjeeling district. Headquarters of this block is at Kharibari. It is located at 26°34'19"N 88°08'51"E. It has an area of 143.50 km². The town of Kharibari lies near the India-Nepal border. Siliguri is 30 km to its north-east. Naxalbari, Phansidewa and Thakurganj are the nearby towns. The nearest airfield is Bagdogra airport. The nearest major railway station is at New Jalpaiguri. Kharibari block consists of rural areas only with 4 gram panchayats, viz., Binnabari, Buraganj, Kharibari-Panishali and Raniganj–Panishali. This block has one police station at Kharibari.

Gorubathan Block:

Gorubathan is a block in the Kalimpong subdivision of Darjeeling district. Gorubathan is located at 26.97°N 88.70°E. This block consists of rural areas only with 11 gram panchayats, viz. Dalim, Gorubathan–I, Gorubathan–II, Patengodak, Todeytangta, Kumai, Pokhreybong, Samsing, Aahaley, Nim and Rongo. This block has two police stations: Gorubathan and Jaldhaka. Among the locals the place is also known as *Sombaray*. Gorubathan is situated on the east bank of the Chel River. It is 90 km from Kalimpong town and 59 km from Siliguri.

Ranaghat-II:

Ranaghat-II is a development block of Ranaghat subdivision in Nadia district of West Bengal. Ranaghat and Dhantala police stations serve this block. Headquarters of this block is at Nokari. There is one census town in this block. It has an area of 262.28 km². Gram panchayats of Ranaghat II block/ panchayat samiti are: Anishmali, Aranghata, Bahirgachhi, Baidyapur I, Baidyapur II, Debagram, Duttapulia, Jugalkishore, Kamalpur, Majhergram, Nokari, Raghunathpur Hijuli I, Raghunathpur Hijuli II and Shyamnagar.

Chakdah:

Chakdah is a development block of Kalyani subdivision of Nadia district of West Bengal. Chakdah and Kalyani police stations serve this block. Headquarters of this block is at Chakdah. There are two census towns in this block: Darappur and Madanpur. Chakdah is located at 23°05'N 88°31'E. It has an area of 234.86 km². Gram panchayats of Chakdah block/ panchayat samiti are: Chanduria-I, Chanduria-II, Dewli, Dubra, Ghetugachhi, Hingnara, Kanchrapara, Madanpur I, Madanpur II, Saguna, Sarati, Silinda I, Silinda II, Simurali, Tatla I, Tatla II and Rautari.

Demographic profile of the four blocks has been given in the following Table:

Table: 3.5
Demographic Profile of the Four Sample Blocks

Parameter	Kharibari	Garubathan	Ranaghat-II	Chakdah
Total Household	107038	12662	84715	23167
Total Population	516713	60663	364405	95203
Total Male	262933	31054	187615	48047
Total Female	253780	29609	176790	47156
Children(0-6 age group)	45581	6441	34566	7277
SC Population	43884	4027	172778	22668
SC Population (Percent)	8.49	6.64	4741	23.81
ST Population	52565	14315	16142	2602
ST Population (Percent)	10.17	23.60	4.43	2.73
Literate Population	420210	41687	261476	79834
Literacy Rate (Percent)	81.32	68.72	71.75	83.86
Illiterate Population	96503	18976	102929	15369
Illiteracy Rate (Percent)	18.68	31.28	28.25	16.14
Total Worker	179603	24139	127146	33818
Non Worker	33710	36524	237259	61385
Sex Ratio (Females per 1000 Males)	965	953	942	981

Source: Census Report 2011.

Section-III

3.4 Socio-economic Profile of Sample Household

Socio-economic indicators at the household level help us to know the status of poor, inequalities of wealth and other assets distribution which have significant impact on overall levels of living standard of rural poor. Therefore, it is very important to examine the socio-economic conditions of sample households. For this, the present section discusses the socio-

economic profile of the selected 320 households of Kharibari, Garubathan, Ranaghat-II and Chakdah blocks of Darjeeling and Nadia districts respectively.

Age of the Respondents

In the present study, most of the surveyed SHG members are in the age group of 25- 40 and 40-60 years in all the four blocks. This age group is considered as the most productive period. Tables 3.6 and 3.7 present the age group of surveyed respondents.

Table: 3.6
Age of the Respondents-Darjeeling District

Age Group	SHG members			Non-SHG members		
	Kharibari	Garubathan	Total	Kharibari	Garubathan	Total
Below-25	1 (2.5)	2(5.0)	3(3.75)	2(5.0)	2(5.0)	4(5.0)
25-40	16(40.0)	23(57.5)	39(48.75)	18(45.0)	16(40.0)	34(42.5)
40-60	19(47.5)	12(30.0)	31(38.75)	15(37.5)	14(35.0)	29(36.25)
Above 60	4(10.0)	3(7.5)	7(8.75)	5 (12.5)	8(20.0)	13(16.25)
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Table: 3.7
Age of the Respondents- Nadia District

Age Group	SHG members			Non-SHG members		
	Ranaghat-II	Chakdah	Total	Ranaghat-II	Chakdah	Total
Below-25	2(5.0)	3(7.5)	5(6.25)	8(20.0)	4(10.0)	12(15.0)
25-40	14(35.0)	16(40.0)	30(37.5)	13(32.5)	16(40.0)	29(36.25)
40-60	22(55.0)	17(42.5)	39(48.75)	12(30.0)	13(32.5)	25(31.25)
Above 60	2(5.0)	4(10.0)	6(7.5)	7(17.5)	7(17.5)	14(17.5)
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)

Source: field survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Table 3.6 shows that among the SHG member of Darjeeling district 3.75 per cent belong to below 25 years, 48.75 per cent belong to 25-40 years, and 38.75 per cent and 7.5 per cent belong to 40- 60 years and above 60 years respectively. Similarly, among the non-SHG members 15 per cent, 36.5 per cent, 31.5 per cent and 17.5 per cent belong to age groups below 25 years, 25-40 years, 40-60 years and above 60 years respectively.

Again Table 3.7 shows that among the SHG member of Nadia district 6.25 per cent, 37.5 per cent, 48.75 per cent and 7.5 per cent belong to age groups below 25 years, 25-40 years, 40-60 years and above 60 years respectively. On the other hand, among the non-SHG members of Nadia district, 15 per cent, 36.25 per cent, 31.25 per cent and 17.5 per cent belong to age groups below 25 years, 25-40 years, 40-60 years and above 60 years respectively.

Age and Sex of the Household Members

The age wise distribution of the household members is an important determinant since lesser the proportion of dependents (children and old persons above 60 years of age) better will be the economic position of a family. Age and sex structure of the sample households have been presented in Tables 3.8 and 3.9 respectively.

Table: 3.8
Age and Sex wise Distribution of the Household Members - Darjeeling District

Age Group	SHG members					Non-SHG members				
	Kharibari		Garubathan		Total	Kharibari		Garubathan		Total
	Male	Female	Male	Female		Male	Female	Male	Female	
Up to 5	3 (3.75)	7 (8.05)	8 (10.96)	6 (10.0)	24 (8.00)	5 (5.68)	4 (4.76)	6 (7.69)	9 (12.68)	24 (7.48)
5-15	10 (12.5)	14 (16.09)	11 (15.07)	9 (15.0)	44 (14.67)	13 (14.77)	10 (11.9)	12 (15.38)	10 (14.08)	45 (14.02)
15-25	16 (20.0)	23 (26.44)	10 (13.70)	6 (10.0)	55 (18.33)	18 (20.4)	20 (23.8)	14 (17.95)	8 (11.27)	60 (18.69)
25-35	14 (17.5)	14 (16.09)	17 (23.29)	21 (35.0)	66 (22.00)	15 (17.0)	14 (16.7)	16 (20.51)	13 (18.31)	58 (18.07)
35-45	12 (15.0)	14 (16.09)	11 (15.07)	13 (21.7)	50 (16.67)	11 (12.5)	18 (21.4)	14 (17.95)	17 (23.94)	60 (18.69)
45-55	16 (20.0)	10 (11.49)	13 (17.81)	4 (6.67)	43 (14.33)	15 (17.0)	1 (15.5)	1 (1.28)	11 (15.49)	49 (15.26)
>55	9 (11.25)	5 (5.77)	3 (4.11)	1 (1.67)	18 (6.00)	11 (12.5)	5 (5.96)	6 (7.69)	3 (4.23)	25 (7.79)
Total	80 (100)	87 (100)	73 (100)	60 (100)	300 (100)	88 (100)	84 (100)	78 (100)	71 (100)	321 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Table: 3.9
Age and Sex wise Distribution of the Household Members-Nadia District

Age Group	SHG members					Non-SHG members				
	Ranaghat-II		Chakdah		Total	Ranaghat-II		Chakdah		Total
	Male	Female	Male	Female		Male	Female	Male	Female	
Up to 5	3 (4.0)	2 (2.99)	2 (2.30)	2 (2.82)	9 (3.00)	3 (3.49)	2 (2.63)	5 (5.82)	6 (7.59)	16 (4.91)
5-15	5 (5.67)	8 (11.94)	11 (12.64)	8 (11.27)	32 (10.7)	6 (6.98)	7 (9.21)	14 (16.5)	13 (16.5)	40 (12.3)
15-25	19 (25.33)	14 (20.99)	24 (27.59)	15 (21.13)	72 (24.0)	23 (26.74)	18 (23.7)	20 (23.5)	16 (20.3)	77 (23.6)
25-35	10 (13.33)	8 (11.94)	9 (10.34)	11 (15.49)	38 (12.7)	13 (15.12)	9 (11.8)	5 (5.82)	12 (15.2)	39 (11.9)
35-45	16 (21.33)	24 (35.82)	13 (14.94)	23 (32.39)	76 (25.3)	18 (20.93)	19 (25.0)	15 (17.6)	13 (16.4)	65 (19.9)
45-55	16 (21.33)	9 (13.43)	20 (22.99)	9 (12.68)	54 (18.0)	15 (17.44)	14 (18.4)	17 (20.0)	12 (15.2)	58 (17.8)
>55	6 (8.0)	2 (2.99)	8 (9.20)	3 (4.23)	19 (6.33)	8 (9.30)	7 (9.21)	9 (10.6)	7 (8.86)	31 (9.51)
Total	75 (100)	67 (100)	87 (100)	71 (100)	300 (100)	86 (100)	76 (100)	85 (100)	79 (100)	326 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

From the above two Tables it is revealed that about 22.67 per cent and 13.7 per cent SHG household members in Darjeeling and Nadia districts respectively belonged to the age group of below 15 years. On the other hand, 14.4 per cent and 21.94 per cent non-SHG household members in Darjeeling and Nadia districts belonged to age group of below 15 years. Again It was further observed that the proportion of working force was relatively higher among male population compare to female population in both the districts.

Education

The level of literacy of the SHG and non- SHG members as well as their households is separately analyzed in Tables 3.10, 3.11, 3.12 and 3.13 respectively. The literates are classified into four categories such as Primary, Secondary, H.S. and Graduate. It can be noted from the Tables 3.10 and 3.11 that around 22.5 per cent SHG members and 40 per cents non-SHG members are illiterate in Darjeeling district and 25 per cent SHG members and 40 per cent non-SHG members are illiterate in Nadia district. In Darjeeling district 77.5 per cent SHG members are literate and 68 per cent non-SHG members are literate. On the other hand, in Nadia district 75

per cent SHG members are literate and 66.25 per cent non-SHG members are literate. The literacy rate is relatively higher in Darjeeling district compare to Nadia district.

Table: 3.10
Education of the Respondents- Darjeeling District

Education	SHG members			Non-SHG members		
	Kharibari	Garubathan	Total	Kharibari	Garubathan	Total
Illiterate	12(30)	6 (15)	18 (22.5)	16(40)	16(40)	32(40)
Primary	14 (35)	12(30.00)	26(32.5)	14(35)	10(25)	24(30)
Secondary	12(30)	18(45.00)	30(37.5)	8(20)	13(32.5)	21(26.25)
H.S.	1(2.5)	3(7.50)	4(5.00)	1(2.5)	1(2.5)	2(2.5)
Graduate	1(2.5)	1(2.50)	2(2.50)	1(2.5)	-	1(1.25)
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Table3:11
Education of the Respondents- Nadia District

Education	SHG members			Non-SHG members		
	Ranaghat-II	Chakdah	Total	Ranaghat-II	Chakdah	Total
Illiterate	9(22.50)	11(27.50)	20 (25.00)	12(30.00)	15(37.50)	27(33.75)
Primary	7(17.50)	9(22.50)	16(20.00)	12(30.00)	12(30.00)	24(30.00)
Secondary	20(50.00)	18(45.00)	38(47.50)	14(35.00)	10(25.00)	24(30.00)
H.S.	3(7.50)	1(2.50)	4(5.00)	1(2.50)	1(2.50)	2(2.50)
Graduate	1(2.50)	1(2.50)	2(2.50)	1(2.50)	2(2.50)	3(3.75)
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Table: 3.12
Education of the Household Members- Darjeeling District

Education	SHG members					Non-SHG members				
	Kharibari		Garubathan		Total	Kharibari		Garubathan		Total
	Male	Female	Male	Female		Male	Female	Male	Female	
Illiterate	13 (16.9)	25 (32.0)	15 (23.8)	6 (10.2)	59 (21.6)	14 (17.7)	20 (26.3)	16 (22.8)	18 (30.0)	68 (23.8)
Primary	25 (32.5)	15 (19.2)	11 (17.6)	20 (36.4)	71 (26.0)	28 (35.4)	27 (35.5)	25 (35.7)	17 (28.3)	97 (34.04)
Secondary	31 (40.3)	30 (38.5)	30 (47.6)	26 (47.3)	117 (42.8)	25 (31.6)	22 (28.9)	23 (32.9)	17 (28.3)	87 (30.53)
H.S.	4 (5.19)	5 (6.41)	5 (7.94)	2 (3.64)	16 (5.87)	7 (8.86)	4 (5.26)	4 (5.71)	5 (8.34)	20 (7.02)
Graduate	4 (5.19)	3 (3.85)	2 (3.17)	1 (1.82)	10 (3.67)	5 (6.33)	3 (3.94)	2 (2.86)	3 (5.0)	13 (4.55)
Total	77 (100)	78 (100)	63 (100)	55 (100)	273 (100)	79 (100)	76 (100)	70 (100)	60 (100)	285 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Table: 3.13
Education of the Household Members- Nadia District

Education	SHG members					Non-SHG members				
	Ranaghat-II		Chakdah		Total	Ranaghat-II		Chakdah		Total
	Male	Female	Male	Female		Male	Female	Male	Female	
Illiterate	14 (20.0)	18 (28.1)	17 (20.2)	15 (22.4)	64 (22.5)	14 (26.4)	23 (46.0)	19 (30.1)	21 (38.2)	77 (34.8)
Primary	10 (14.3)	7 (10.9)	12 (14.3)	10 (14.9)	39 (13.7)	17 (32.0)	11 (22.0)	16 (25.4)	13 (23.6)	57 (25.79)
Secondary	36 (51.4)	32 (50.0)	46 (54.8)	34 (50.7)	148 (51.9)	14 (26.4)	12 (24.0)	20 (31.7)	18 (32.7)	64 (28.96)
H.S.	7 (10.0)	4 (6.25)	7 (8.33)	5 (7.46)	23 (8.07)	4 (7.54)	2 (4.0)	5 (7.94)	2 (3.64)	13 (5.88)
Graduate	3 (4.29)	3 (4.69)	2 (2.38)	3 (4.47)	11 (3.86)	4 (7.54)	2 (4.0)	3 (4.75)	1 (1.82)	10 (4.52)
Total	70 (100)	64 (100)	84 (100)	67 (100)	285 (100)	53 (100)	50 (100)	63 (100)	55 (100)	221 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

The data relating to literacy level of the households members of the SHG members and non-SHG members are presented in Tables 3.12 and 3.13 respectively. From Table 3.12 it is found that in Darjeeling district 21.6 per cent SHG household members and 23.8 per cent non-SHG household members are illiterate. On the other hand, Table 3.13 shows that in Nadia district, 22.5 per cent SHG and 34.8 per cent non-SHG household members are illiterate.

Literacy rate among the SHG household members in Darjeeling and Nadia districts are 78.4 per cent and 76.2 per cent respectively. Again, literacy rate among the non-SHG household members in Darjeeling and Nadia districts are 76.2 per cent and 65.2 per cent respectively. Thus, one can say that literacy rate among the non-SHG household members in Darjeeling district is relatively higher compare to Nadia district.

Social status

The social status of the SHG and non-SHG members has been analyzed with the help of the following two Tables 3.14 and 3.15 respectively. From Table 3.14 it is found that most of the SHG members (41.25 percent) belong to SC community in Darjeeling district. Only 12.50 per cent SHG members are ST community. Again, OBC and GEN SHG members are 26.25 per cent and 20 per cent respectively. In case of non-SHG members, most of the respondents are OBC community (35 percent).

Table: 3.14
Caste-wise Distribution of the Respondents-Darjeeling District

Caste	SHG members			Non-SHG members		
	Kharibari	Garubathan	Total	Kharibari	Garubathan	Total
SC	19 (47.50)	14(35.00)	33(41.25)	13(32.50)	6(15.00)	19(23.75)
ST	2(5.00)	8(20.00)	10(12.50)	4(10.00)	5(12.50)	9(11.25)
OBC	15(37.50)	6(15.00)	21(26.25)	16(40.00)	12(30.00)	28(35.00)
GEN	4(10.00)	12(30.00)	16(20.00)	7(17.50)	17(42.50)	24(30.00)
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Table: 3.15
Caste-wise Distribution of the Respondents -Nadia District

Caste	SHG members			Non-SHG members		
	Ranaghat-II	Chakdah	Total	Ranaghat-II	Chakdah	Total
SC	18(45.00)	11(27.50)	29(36.25)	7(17.50)	12(30.00)	19(23.75)
ST	4(10.00)	3(7.50)	7(8.75)	5(12.50)	3(7.50)	8(10.00)
OBC	9(22.50)	6(15.00)	15(18.75)	8(20.00)	13(32.50)	21(26.25)
GEN	9(22.50)	20(50.00)	29(36.25)	20(50.00)	12(30.00)	32(40.00)
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

On the other hand, from Table 3.15 it is revealed that most of the SHG members (45 percent) of Ranaghat-II block belong to SC community and in Chakdah block; most of the SHG members belong to GEN category. In case of non-SHG members, in both the blocks most of the respondents belong to GEN category.

Religion

From Tables 3.16 and 3.17 it is observed that in all the study blocks most of the SHG members and non-SHG members belong to Hindu religion. Only a few members belong to Christian religion.

Table: 3.16
Religion-wise Distribution of the Respondents -Darjeeling District

Religion	SHG members			Non-SHG members		
	Kharibari	Garubathan	Total	Kharibari	Garubathan	Total
Hindu	38(95.00)	32(80.00)	70(87.50)	36(90.00)	35(87.50)	71(88.75)
Christian	2(5.00)	8(20.00)	10(12.50)	4(10.00)	5(12.50)	9(11.25)
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Table: 3.17
Religion-wise Distribution of the Respondents -Nadia District

Religion	SHG members			Non-SHG members		
	Ranaghat-II	Chakdah	Total	Ranaghat-II	Chakdah	Total
Hindu	36(90.00)	37(92.50)	73(91.25)	35(87.50)	37(92.50)	73(91.25)
Christian	4(10.00)	3(7.50)	7(8.75)	5(12.50)	3(7.50)	8(8.75)
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

In Darjeeling district 87.50 per cent SHG members and 88.75 per non-SHG members belong to Hindu. On the other hand, 12.50 per cent SHG members and 11.25 per cent non-SHG members belong to Christian. Again in Nadia district, 91.25 per cent SHG members and the same percentage non-SHG members belong to Hindu. On the other hand, 8.75 per cent participant and the same non-SHG members belong to Christian.

Marital status

The marital status indicates whether a person is married or unmarried or widow or divorced or separated (husband and wife neither live together nor divorced) and this is one of the important factors that determines the status of women. From Tables 3.18 and 3.19, it is observed that in all the study blocks, the majority of the respondents are found to be married, and a small number of respondents are found either unmarried or widowed or divorced.

Table: 3.18
Marital Status of the Respondents- Darjeeling District

Marital Status	SHG members			Non-SHG members		
	Kharibari	Garubathan	Total	Kharibari	Garubathan	Total
Married	32(80.00)	33(82.50)	65(81.25)	37(92.50)	38(95.00)	75(93.75)
Unmarried	4(10.00)	3(7.50)	7(8.75)	-	-	-
Widow	4(10.00)	3(7.50)	7(8.75)	3(7.50)	2(5.00)	5(6.25)
Divorced	-	1(2.50)	1(1.25)	-	-	-
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Table: 3.19
Marital Status of the Respondents -Nadia District

Marital Status	SHG members			Non-SHG members		
	Ranaghat-II	Chakdah	Total	Ranaghat-II	Chakdah	Total
Married	37(92.50)	35(87.50)	72(90.00)	38(95.00)	36(90.00)	74(92.50)
Unmarried	-	-	-	-	-	-
Widow	3(7.50)	5(12.50)	8(10.00)	2(5.00)	3(7.50)	5(6.25)
Divorced	-	-	-	-	1(2.50)	1(1.25)
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Table 3.18 shows that 81.25 per cent of the SHG members and 93.75 per cent of the non-SHG members are married and the remaining 8.75 per cent and 1.25 per cent of the respondents are unmarried, widow and divorced respectively. Similarly, Table 3.19 shows that 90 per cent of the SHG members and 92.50 per cent of the non-SHG members are married and the remaining 10 per cent of the SHG members are widow.

Family Type

The study area being a backward region, an attempt is made to get information on the living patterns of the SHG and non-SHG members either as joint family or as nuclear family and the data are presented in Tables 3.20 and 3.21 respectively. It can be noted that in four blocks most of the families belong to nuclear family. But, the existence of joint family can be seen in almost all the study blocks. In Darjeeling district 80 per cent SHG members and 68.75 per cent non-SHG members belong to nuclear family and 20 per cent SHG members and 31.25 per cent non-SHG members belong to joint family.

Table: 3.20
Family Type of the respondents- Darjeeling District

Family Type	SHG members			Non-SHG members		
	Kharibari	Garubathan	Total	Kharibari	Garubathan	Total
Nuclear	29(72.50)	35(87.50)	64(80.00)	24(60.00)	31(77.50)	55(68.75)
Joint	11(27.50)	5(12.50)	16(20.00)	16(40.00)	9(22.50)	25(31.25)
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentage

Table: 3.21
Family Type of the Respondents- Nadia District

Family Type	SHG members			Non-SHG members		
	Ranaghat-II	Chakdah	Total	Ranaghat-II	Chakdah	Total
Nuclear	31(77.50)	24(60.00)	55(68.75)	30(75.00)	25(62.50)	55(68.75)
Joint	9(22.50)	16(40.00)	25(31.25)	10(25.00)	15(37.50)	25(31.25)
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

On the other hand, in Nadia district, 68.75 per cent SHG members and Non-SHG members belong to nuclear family and 31.25 per cent SHG members and Non-SHG members belong to joint family.

Family Size

The size of the family influenced the economic status of the household. In the low income group households, bigger the size of the family, larger will be the scope for the income generation. This depends upon the number of adult work force available in the family. The size

of the family will also help to assess the awareness of family planning among the sample households. Accordingly, the respondents' family size was studied. The results are shown in the following Tables 3.22 and 3.23 respectively.

Table: 3.22
Family Size of the Respondents -Darjeeling District

Family Size	SHG members			Non-SHG members		
	Kharibari	Garubathan	Total	Kharibari	Garubathan	Total
Up to 2	4(10.00)	7(17.50)	11(13.75)	4(10.00)	12(30.00)	16(20.00)
3-4	24(60.00)	29(72.50)	53(66.25)	20(50.00)	19(47.50)	39(48.75)
5-6	6(15.00)	4(10.00)	10(12.50)	8(20.00)	5(12.50)	13(16.25)
Above 6	6(15.00)	-	6(7.50)	8(20.00)	4(10.00)	12(15.00)
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)
Average Family Size	4.20	3.35	3.78	4.50	3.55	4.03

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Table: 3.23
Family Size of the Respondents -Nadia District

Family Size	SHG members			Non-SHG members		
	Ranaghat-II	Chakdah	Total	Ranaghat-II	Chakdah	Total
Up to 2	5(12.50)	3(7.50)	8(10.00)	7(17.50)	2(5.00)	9(11.25)
3-4	26(65.00)	20(50.00)	46(57.50)	22(55.00)	20(50.00)	42(52.50)
5-6	5(12.50)	11(27.50)	16(20.00)	6(15.00)	11(27.50)	17(21.25)
Above 6	4(10.00)	6(15.00)	10(12.50)	5(12.50)	7(17.50)	12(15.00)
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)
Average Family Size	3.80	4.35	4.08	3.83	4.48	4.16

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

In Darjeeling district it can be observed that 80 per cent of the SHG members and nearly 69 per cent of the non-SHG members have small families with up to four persons. 12.50 per cent of the SHG members and nearly 16.25 per cent of the non-SHG members have medium size families with up to six persons. However, 7.50 per cent of the SHG members and nearly 15 per cent of the non-SHG members have more than six persons in their families. Similarly, in Nadia district it is found that 67.50 per cent of the SHG members and nearly 63.75 per cent of the non-SHG members have small families with up to four persons. 20 per cent of the SHG members and 21.25 per cent of the non-SHG members have medium size families with up to six persons. However, 12.50 per cent of the SHG members and 15 per cent of the non-SHG members have

more than six. It is found that average family size in Nadia district is larger than that of Darjeeling district.

Land Holding Size

Possession of land is one of the indicators of the economic status in rural areas. In the study area, all the respondents being BPL category, most of them have no agricultural land. Land holding size of the respondents is presented in Tables 3.24 and 3.25 respectively.

Table: 3.24
Land Holding Size of the Respondents- Darjeeling District

Land Holding Size(Bigha)	SHG members			Non-SHG members		
	Kharibari	Garubathan	Total	Kharibari	Garubathan	Total
Land Less	25(62.50)	36(90.00)	61(76.25)	31(77.50)	37(92.50)	68(85.00)
Up to 1	5(12.50)	2(5.00)	7(8.75)	2(5.00)	2(5.00)	4(5.00)
1-2	6(15.00)	2(5.00)	8(10.00)	3(7.50)	1(2.50)	4(5.00)
2-3	2(5.00)	-	2(2.50)	3(7.50)	-	3(3.75)
Above 3	2(5.00)	-	2(2.50)	1(2.50)	-	1(1.25)
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

1 Bigha= 0.33 acre

Table: 3.25
Land Holding Size of the Respondents - Nadia District

Land Holding Size(Bigha)	SHG members			Non-SHG members		
	Ranaghat-II	Chakdah	Total	Ranaghat-II	Chakdah	Total
Land Less	18(45.00)	26(65.00)	44(55.00)	27(67.50)	30(75.00)	57(71.25)
Up to 1	15(37.50)	7(17.50)	22(27.50)	8(20.00)	5(12.50)	13(16.25)
1-2	4(10.00)	3(7.50)	7(8.75)	3(7.50)	4(10.00)	7(8.75)
2-3	2(5.00)	2(5.00)	4(5.00)	1(2.50)	1(2.50)	2(2.50)
Above 3	1(2.5)	2(5.00)	3(3.75)	1(2.5)	-	1(1.25)
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

1 Bigha= 0.33 acre

From Table 3.24 it is observed that on an average 76.25 per cent of the SHG members and 85 per cent of the non-SHG members in Darjeeling district are without agricultural land. The landless is highest in Garubathan block. Again from Table 3.25 it is found that 55 per cent of the SHG members and 71.25 per cent of the non-SHG members in Nadia district have no

agricultural land. Among the SHG members in Darjeeling district, 27.50 per cent, 10 per cent, 2.5 per cent and 2.5 per cent have possessed the land up to 1 bigha, 1-2 bighas, 2-3 bighas and above 3 bighas respectively. Similarly, among the SHG members in Nadia district, 27.50 per cent, 8.75 per cent, 5 per cent and 3.75 per cent have possessed the land up to 1 bigha, 1-2 bighas, 2-3 bighas and above 3 bighas respectively.

Condition of House

House is a place where the entire family takes shelter after doing hard work at night. It is the place which protects the family members in case of some natural calamities like rain, earthquake, cold, heat etc. For these reasons, housing structure of the sample households is examined here. All the houses of the respondents of the study area are classified into five categories on the basis of roof materials:

- (i) Houses with roof made of earthen tiles and walls made of either thatch or jute sticks or wood.
- (ii) Houses with roof made of one shaft corrugated tin and walls with jute sticks or bamboo work or wood.
- (iii) Houses with roof made of two shaft corrugated tin and wall with either wood or bamboo work or corrugated tin.
- (iv) Houses with roof made of four shaft corrugated tin with walls either made of bamboo work or wood or corrugated tin and
- (v) houses with roof made of asbestos and wall with jute sticks or bamboo work.

These houses are locally known as tally ghar, chapra ghar, dochali ghar, chowary ghar and asbester ghar. On the basis of this distinction we have distributed all the dwelling houses of our study area under five categories as given in Tables 3.26 and 3.27 respectively.

Table: 3.26
Condition of Dwelling House of the Respondents-Darjeeling District

Type of Dwelling House	SHG members			Non-SHG members		
	Kharibari	Garubathan	Total	Kharibari	Garubathan	Total
Tally Ghar	-	4(10.0)	4(5.0)	4(10.0)	8(20.0)	12(15.0)
Chapra Ghar	3(7.5)	8(20.0)	11(13.75)	12(30.0)	4(10.0)	16(20.0)
Dochali Ghar	7(17.5)	19(47.5)	26(32.5)	10(25.0)	17(42.5)	27(33.7)
Chowary Ghar	24(60.0)	2(5.0)	26(32.5)	10(25.0)	1(2.5)	11(13.7)
Asbester Ghar	6(15.0)	7(17.5)	13(16.25)	4(10.0)	10(25.0)	14(17.5)
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Table: 3.27
Condition of Dwelling House of the Respondents-Nadia District

Type of Dwelling House	SHG members			Non-SHG members		
	Ranaghat-II	Chakdah	Total	Ranaghat-II	Chakdah	Total
Tally Ghar	-	1(2.5)	1(1.25)	2(5.0)	7(17.5)	9(11.25)
Chapra Ghar	5(12.5)	3(7.5)	8(10.0)	8(20.0)	7(17.5)	15(18.7)
Dochali Ghar	10(25.0)	15(37.5)	25(31.2)	14(35.0)	12(30.0)	26(32.5)
Chouwary Ghar	20(50.0)	15(37.5)	35(43.7)	10(25.0)	10(25.0)	20(25.0)
Asbester Ghar	5(12.5)	6(15.0)	11(13.7)	6(15.0)	4(10.0)	10(12.5)
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

It is very clear from Tables 3.26 that most of the houses of the SHG members are Dochali Ghar and Chouwary Ghar (32.5%) and in case of non- SHG members the same are 33.7 percent and 13.7 per cent respectively. On the other hand, from Table 3.3 it is found that most of the houses of the SHG members are Chouwary Ghar (43.7 per cent) which are best quality house in our sample and the same are 25 per cent for the non-SHG members.

Sources of Drinking water

Tables 3.28 and 3.29 exhibit the sources of drinking water used by the respondents. From Tables 3.28 and 3.29 it is found that except Garubathan block, majority of the SHG members and non-SHG members have access to hand pump for drinking water and the proportion is highest (90 per cent) in Chakdah block..

Table: 3.28
Sources of Drinking Water of the Respondents-Darjeeling District

Source of drinking water	SHG members			Non-SHG members		
	Khari bari	Garu bathan	Total	Khari bari	Garu bathan	Total
Own Hand Pump	21(52.5)	-	21 (26.25)	12	-	12(15.0)
Public Hand Pump	5(12.5)	-	5(6.25)	12	-	12(15.0)
Well	14 (35.0)	-	14(17.5)	16	-	16(20.0)
Street Tap	-	-	-	-	-	-
Piped Water	-	30(75.0)	30(37.5)	-	22	22(27.5)
Stream	-	10(25.0)	10(12.5)	-	18	18(22.5)
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

In Kharibari block there is neither street tap nor piped water. Only few wells are found there. In Ranaghat-II block 30 per cent of the respondents and 20 per cent of the non- SHG members get drinking water from the street tap. SHG members and non-SHG members of Garubathan block use piped water stream as the source drinking water.

Table: 3.29
Sources of Drinking Water of the Respondents-Nadia District

Source of drinking water	SHG members			Non-SHG members		
	Ranaghat-II	Chakdah	Total	Ranaghat-II	Chakdah	Total
Own Hand Pump	20(50.0)	30(75.0)	50(62.5)	17(42.5)	25(62.5)	42(52.5)
Publichand pump	4(10.0)	6(15.0)	10(12.5)	10(25.0)	13(32.5)	23(28.75)
Well	4(10.0)	4(10.0)	8(10.0)	5(12.5)	2(5.0)	7(8.75)
Street Tap	12(30.0)	-	12(15.0)	8(20.0)	-	8(10.0)
Piped Water	-	-	-	-	-	-
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Status of Sanitation

The most important problem of rural sanitation is the problem of evacuation. Provision of proper sanitary facilities in each household is an important component of sanitation, which is required for better standard of living. During field visit a relevant question was asked to the SHG and non-SHG members relating to their household sanitation status. We see that SHG member households have some sort of sense about sanitation. But the consciousness is absent completely in the non-SHG member households.

Table: 3.30
Nature of Latrine of the Respondents-Darjeeling District

Latrine Type	SHG members			Non-SHG members		
	Kharibari	Garubathan	Total	Kharibari	Garubathan	Total
Open	5(12.5)	10(25.0)	15(18.75)	12(30.0)	18(45.0)	30(37.5)
Kucha	17(42.5)	20(50.0)	37(46.25)	20(50.0)	18(45.0)	38(47.5)
Semi-pucca	13(32.5)	9(22.5)	22(27.5)	7(17.5)	4(10.0)	11(13.75)
Pucca	5(12.5)	1(2.5)	6(7.5)	1(2.5)	-	1(1.25)
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

In Darjeeling district it is found that 18.75 per cent of SHG member households and 37.5 per cent of non-SHG member households have no latrine facility (Table 3.30). Again, 46.25 per cent SHG member households and 47.5 per cent non- SHG member households have kucha type

latrine and only 7.5 per cent SHG member households and 1.25 per cent non-SHG member households have pucca latrine.

On the other hand, in Nadia district it is observed that 12.5 per cent s of SHG member households and 20 per cent of non- SHG member households have no latrine facility (Table 3.31). Again, 35 per cent SHG member households and 48.75 per cent non SHG member households have kucha type latrine and only 12.5 per cent SHG members and 5 per cent non-SHG member households have pucca latrine. The results are shown in the following Table 3.31.

Table: 3.31
Nature of Latrine of the Respondents-Nadia District

Latrine Type	SHG members			Non-SHG members		
	Ranaghat-II	Chakdah	Total	Ranaghat-II	Chakdah	Total
Open	4(10.0)	6(15.0)	10(12.5)	7(17.5)	9(22.5)	16(20.0)
Kuccha	10(25.0)	18(45.0)	28(35.0)	24(60.0)	15(37.5)	39(48.75)
Semi-pucca	20(50.0)	12(30.0)	32(40.0)	8(20.0)	13(32.5)	21(26.25)
Pucca	6(15.0)	4(10.0)	10(12.5)	1(2.5)	3(7.5)	4(5.0)
Total	40(100)	40(100)	80(100)	40(100)	40(100)	80(100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

One can see from these two Tables that the households of the SHG members are enjoyed with better evacuation facility than the households of the non-SHG members. 15.63 per cent SHG member households use open field or bamboo garden or jungles as a place of evacuation.

3.5 Summary

This chapter has been divided into three sections, viz., section-I section-II and section-III. In section-I, we have discussed the socio-economic background of the sample districts. Socio economic background contains location and size, area, population, climate, river, soil and cropping pattern, land and land-use, agriculture, irrigation, administrative set-up, panchayat and rural development, economic resources, infrastructure facilities and so on. In section-II, we have discussed the sample block profile. In the last section, an attempt has been made to represent a socio-economic profile of the sample households of the SHG and non-SHG members regarding their age, sex, education, caste, religion, marital status, family type, family size, land holding size, condition of house, sources of drinking water and sanitation.

CHAPTER 4
DEVELOPMENT OF MICROFINANCE ACTIVITIES
IN DARJEELING AND NADIA

4.1 Introduction

There is widening gap between the urban and rural areas, though crores of rupees have been spent by successive governments to reduce the same (Chamber, 1983). The poor are totally excluded from development. Thus, to bring the poor into the main stream of development, administrators, policymakers and planners should look for alternative approach. Many countries in Asia have proved that the group approach can yield very good fruits. The sustainable development of rural areas can be attained by adopting the group approach which paves the way for participation of all people, enhances discussion, develops confidence and empower the people.

What is more ironic is that the rural poor are bypassed in the network of rural credit delivery system. The main reason is absence of any recognized employment and hence absence of collateral with the poor. Apart from this, formal financial institutions do not have the perfect information about the poor borrowers and the high risk and the high transaction costs of banks associated with small loans and savings deposits are other factors which make them non-bankable. The lack of loans from formal institutions leaves the poor with no other option but to borrow money from local money-lenders on huge interest rates (Adams and Vogel, 1986). Women's World Banking (1995) estimated that in most developing countries, the formal financial system reaches to only top 25 per cent of the economically active population. This leaves the bottom 75 per cent without access to financial services apart from those provided by money-lenders and family. Thus, the inability of formal credit institutions to deal with the credit requirements of poor effectively has led to emergence of microfinance as an alternative credit system for the poor. Microfinance scheme provides a wide range of financial services to people who have little or nothing in the way of traditional collateral. It helps them to build up assets, survive crises and to establish small business to come out of poverty.

4.2 Origin of Microfinance Activities

The concept of providing financial services to the poor is very old. Many informal credit groups have been operating in many countries for several years like the *susus* in Nigeria and Ghana, *chit funds* in India, *tontines* in West Africa, *pasanaku* in Bolivia, etc. It is believed that initially, the informal financial institutions emerged in Nigeria in the 15th century. Such type of institutions started establishing in Europe during the 18th century when in 1720 the first loan fund targeting poor people was founded in Ireland (Seibel, 2005).

In 1847, some credit co-operatives were created in Germany which served 1.4 million people. In 1880s the British controlled government of Madras in South India tried to use the German experiment to address poverty in India. This effort resulted in membership of more than nine million poor to credit co-operatives by 1946 (Schwiecker, 2004). In 1973, ACCION, a USA based NGO, disbursed its first loan in Brazil at commercial interest rate to start a micro-enterprise. One year later in 1974, the Self-Employed Women's Association of India (SEWA) started a bank to provide loans to poor women. In 1976, Muhammad Yunus, a professor of Economics at Chittagong University, Bangladesh initiated an experimental research project of providing credit to the rural poor. He gave a small loan of 856 Taka (\$27) from his pocket to 42 poor bamboo weavers and found that small loans radically changed the lives of these people and they were able to pay back the loans with interest. The success of this idea led Yunus to establish Grameen Bank in 1983 in Bangladesh. This programme showed a remarkable growth rates in Bangladesh, particularly during the 1980s and 1990s. It is now adopted worldwide in the countries of different continents.

In India, the first initiative to introduce microfinance was the establishment of Self-Employed Women's Association (SEWA) in Gujarat in 1972. In 1988-89, National Bank for agriculture and rural development (NABARD) undertook a survey to study the functioning of the SHGs and launched a pilot project of linking 500 SHGs with banks in 1991-92. The programme acquired a national priority from 1999 through Government of India budget announcements. Realizing the potential in the field of microfinance, the government allowed various private organizations to provide microfinance in the country.

4.3 Meaning of Microfinance

Microfinance refers to a variety of financial services that target low-income clients, particularly women. Since the clients of microfinance institutions (MFIs) have lower income and often have limited access to other financial services, microfinance products tend to be for smaller monetary amounts than traditional financial services. These services include loans, savings, insurance, and remittances. Microloans are given for a variety of purposes, frequently for microenterprise development. The diversity of products and services offered by microfinance reflects the fact that the financial needs of individuals, households, and enterprises can change significantly over time, especially for those who live in poverty.

Microfinance is a type of banking service that is provided to unemployed or low-income individuals or groups who would otherwise have no other means of gaining financial services. Ultimately, the goal of microfinance is to give low income people an opportunity to become self-sufficient by providing a means of saving money, borrowing money and insurance.

According to Otero (1999) microfinance is the provision of financial services to low-income poor and very poor self-employed people.

Schreiner and Colombet (2001) define microfinance as “the attempt to improve access to small deposits and small loans for poor households neglected by banks.”

The Asian Development Bank (2000) defines microfinance as the provision of broad range of services such as savings, deposits, loans, payment services, money transfers and insurance to poor and low income households and their micro-enterprises. This definition of microfinance is not restricted to the below poverty line people but it includes low income households also.

The Micro Financial Sector Bill, (2007) defines microfinance as the provision of financial assistance and insurance services to an individual or an eligible client either directly or through a group mechanism for small and tiny enterprise, agriculture, allied activities. The eligible clients which may get financial assistance under this scheme may be landless labourers and migrant labourers; artisans and micro-entrepreneurs; disadvantaged cultivators of agricultural land including oral lessees, tenants, and share croppers; and farmers.

Robinson,(2001) defined microfinance as small-scale financial services primarily credit and savings provided to people who farm or fish or herd; who operate small enterprises or micro

enterprises where goods are produced, recycled, repaired, or sold; who provide services; who work for wages or commissions; who gain income from renting out small amounts of land, vehicles, draft animals, or machinery and tools; and to other individuals and groups at the local levels of developing countries, both rural and urban.

Therefore, microfinance involves the provision of financial services such as savings, loans and insurance to poor people living in both urban and rural areas who are unable to obtain such services from the formal financial sector.

4.4 Microfinance Scenario in West Bengal

Microfinance programme was started in India in the year 1992 but in West Bengal it was started in 1998-99 and it gained momentum only after the year 2000. In this state, there are three major streams under which SHGs are promoted. NABARD's SHG Bank linkage programme (SBLP) and Swarna Jayanti Gram Swarozgar Yojana (SGSY) under Panchayat and Rural Development Department (P&RDD) are the main two pillars in this regard. SHG movement in West Bengal has experienced exponential growth since 2000 covering 9 lac SHGs mostly poor women and 1 crore families being covered under SHGs. The state was late starter in SHG Bank Linkage but now become a front runner.

From 1 April, 1999 Government of India initiated Swarnjayanti Gram Swarozgar Yojana (SGSY) which is a self-employment programme of Ministry of Rural Development that aims at providing assistance to the Below Poverty Line (BPL) rural poor for establishing micro-enterprises through bank credit and government subsidy to acquire an income-generating asset. SGSY was launched in West Bengal from the 1st of April, 1999. Formation of SHGs started in right earnest from 2001-02. So far as microfinance scenario of West Bengal is concerned, 402657 SGSY groups have been formed till March 2013. Out of those groups 342905 no of SGSY groups belong to women groups, 343197 groups have passed Grade-I and 290831 groups have already availed the credit facility. 148372 groups have passed Grade-II. and 45244 groups are linked with Project

The growth of microfinance through SHGs is revealed skewed over the state among the different districts. There has been an inter-district variation in formation of groups. Physical performance scenario of all the districts of West Bengal is shown in the following Table 4.1

Table: 4.1
District wise Physical Progress of SHGs in West Bengal up to March-2013

Sl. No.	District	SHGs Formed	Percentage to Total
1	24 PARGANAS(N)	24252	6.02
2	24 PARGANAS(S)	33509	8.32
3	BANKURA	21408	5.32
4	BIRBHUM	24512	6.09
5	BURDWAN	23931	5.94
6	COOCHBEHAR	23692	5.88
7	DARJEELING	8730	2.17
8	DINAJPUR (S)	11033	2.74
9	DINAJPUR (N)	12833	3.19
10	HOOGLY	15328	3.81
11	HOWRAH	11063	2.75
12	JALPAIGURI	25600	6.37
13	MALDAH	20207	5.02
14	MURSHIDABAD	41540	10.32
15	MEDINIPUR (E)	23906	5.94
16	MEDINIPUR (W)	37819	9.38
17	NADIA	20765	5.16
18	PURULIA	22528	5.58
Total	WEST BENGAL	402657	100.00

Source: P & RD Department, WB, 2012-13.

District wise formation of SHGs under SGSY in West Bengal has been shown in Table 4.1. From the figure it is found that out of 18 districts, position of Murshidabad district is first regarding formation of SHGs(41540 groups) . West Mednipur and 24 Parganas South and have got 2nd and 3rd position regarding formation of SHGs respectively. The lowest number of SHGs has been formed in Darjeeling district and the number is 873.

4.5 Development of Microfinance Activities in Darjeeling District

The microfinance movement in the form of Swarnajayanti Gram Swarozgar Yojana (SGSY) had been initiated in Darjeeling on 1st April, 1999. Total 8730 groups under SGSY have been formed since its inception to March 2013. Out of those groups 5508 are women groups.6603 groups have passed Grade-I. and 6039 groups have already availed the credit facility. 2105 groups have passed Grade-II. and 562 groups are linked with Project. Total number of SHGs that have defunct since inception is 1395. The main reasons for defunct is conflict among the group members.

It is found that out of 18 districts, position of Darjeeling is 18th in West Bengal in respect of number of SHGs formed. The year wise formation of SHGs under SGSY is given in Table 4.2

Table: 4.2
Year-wise Formation of SHGs under SGSY in Darjeeling District

Year	Since 1/4/99	During the year	Total
2003-2004	111	1031	1142
2004-2005	1142	509	1651
2005-2006	1651	695	2346
2006-2007	2346	946	3292
2007-2008	3292	836	4128
2008-2009	4128	1629	5757
2009-2010	5757	817	6574
2010-2011	6574	1024	7598
2011-2012	7598	343	7941
2012-2013	7941	789	8730

Source: DRDC, Darjeeling, 2012-13

4.5.1 Physical Progress of SHGs under SGSY in Different Blocks of Darjeeling District

Darjeeling district has 12 development blocks. SHG movement spreads in all blocks. However, there are inter-block variations in formation of groups. SHG bank linkage is more widespread in 7 blocks and in the rest 5 blocks formation of SHGs is not so good. The highest number of SHGs (1272) is formed in Phansidewa block and the lowest number of SHGs (318) is formed in Garubathan block. Block-wise physical progress of SHGs under SGSY up to March 2013 has been shown in the following Table 4.3. From the table it is found that the number of SHGs qualified for Grade-I is 6603 and the number of SHGs that passed Grade-II is 2105. The percentage of Grade-I SHGs over saving linked SHGs in all the blocks is above 70 percent except Jorebunglow Sukhia Pokhri (64.98 percent). The overall 31.88 percent Grade-I groups have been promoted to Grade-II while percentage of Grade-II groups in Kharibari, Matigara, Naxalbari and Phansidewa blocks is found to be less than 25 percent. The table also shows that more than 40 percent of savings linked groups are linked with credit except Kalingpong-I (38.22 percent). But it is very bad condition that only 9.95 percent of total credit linked groups are promoted to project linkage stage. The lowest project linkage groups over credit linkage groups is found in Garubathan block (0.45 percent). The number of project linkage groups is found to be highest (173) in Kharibari block and lowest (1) in Garubathan block. It is also found

that more than 63 percent groups are women groups indicating that rural women are more empowered for the socio-economic development.

Table: 4.3
Block wise physical progress of SHGs up to March 2013 (under SGSY)

Block	No. of Savings linkage SHGs	Grade-I		Grade-II over Grade-I		No. of CLGs over Grade-I		No of PLGs over CLG		No. of women groups	% over SLGs
		No.	%over SLGs	No.	%	No.	%	No.	%		
Darjeelig Pullbazar	764	564	73.82	240	42.55	497	88.12	7	1.41	346	45.29
Garubathan	357	256	71.71	96	37.50	220	85.94	1	0.45	182	50.98
Jorebunglow SukhiaPokhri	474	308	64.98	127	41.23	244	79.22	13	5.33	212	44.73
Kalingpong-I	675	567	84.00	276	48.68	527	92.75	16	3.04	258	38.22
Kalingpong-II	653	526	80.55	276	52.47	470	89.35	26	5.53	282	43.19
Kurseong	498	358	71.89	176	49.16	324	90.50	22	6.79	242	48.59
Mirik	444	350	78.83	210	60.00	293	83.71	12	4.10	221	49.74
Rangli-Rangliot	570	420	73.68	201	47.86	383	91.90	22	5.74	303	53.16
Khoribari	988	791	80.06	184	23.26	714	90.27	173	24.23	779	78.85
Matigara	857	694	80.98	151	21.76	614	88.47	147	23.94	755	88.10
Naxalbari	1054	788	74.76	75	9.52	642	81.47	54	8.41	847	80.36
Phansidewa	1396	981	70.27	93	9.48	720	73.49	69	9.58	1081	77.44
Darjeeling	8730	6603	75.64	2105	31.88	5648	85.54	562	9.95	5508	63.09

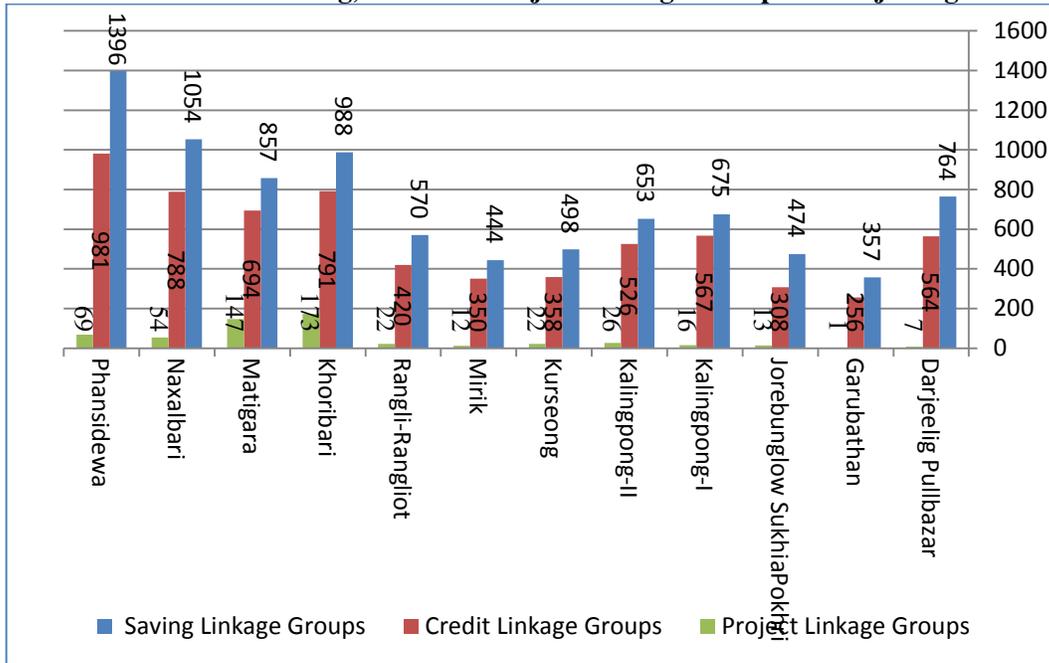
Source: DRDC, Darjeeling, 2012-13

Note: SLG=Savings linked groups, CLG= Credit linked groups, PLG = Project linked groups

Block wise saving linkage, credit linkage and Project linkage groups in Darjeeling district have been shown in the following figure 4.1. From the figure it is found that the highest number of SHGs have been formed in Phansidewa block (1396 groups) and the highest number of groups(981 groups) have got credit from the bank for economic activities. However, the highest number number of SHGs (173 groups) in Kharibari block have got project loan from bank. Main reasons behind good performance are (i) most of the groups which are surveyed of this block maintained all records; (ii) they are updated within previous three months; (iii) they have no apparent errors (iv) they maintained previous registers and with no apparent errors etc.

On the other hand only one group in Garubathan block has got project loan from bank. There are various internal as well as external factors behind low performance in regarding project linkage groups formed.

Figure: 4.1
Block wise Saving, Credit & Project Linkage Groups in Darjeeling



During survey we found some internal weak quality records among the groups such as gaps in SHG record keeping, meeting register not updated, does not record outstanding bank loan, or separate interest payments from principal, or does not match with passbooks, bank passbook not updated for new loan, previous records not available, individual passbooks not available/updated, no signatures of group members in meeting register, loan repayment details not entered every month, double entry or overwriting, internal loan of a member (from the group savings) not reflected in her passbook, error in addition of savings, etc. Moreover, there are some external factors such as lack of monitoring and supervision of SGSY committee to look after the groups at panchayat samiti level and block level, lack of coordination between Women Development Officer (WDO) and resource person (RP), conflict between group members (may be political or social), lack of education of the leader etc.

4.6 Development of Microfinance Activities in Nadia District

The microfinance movement in the form of Swarnajayanti Gram Swarozgar Yojana (SGSY) had been initiated in Nadia on 1st April, 1999. In this district total 20765 groups (5.17 percent of the state total) under SGSY have been formed since its inception to March 2013. Out

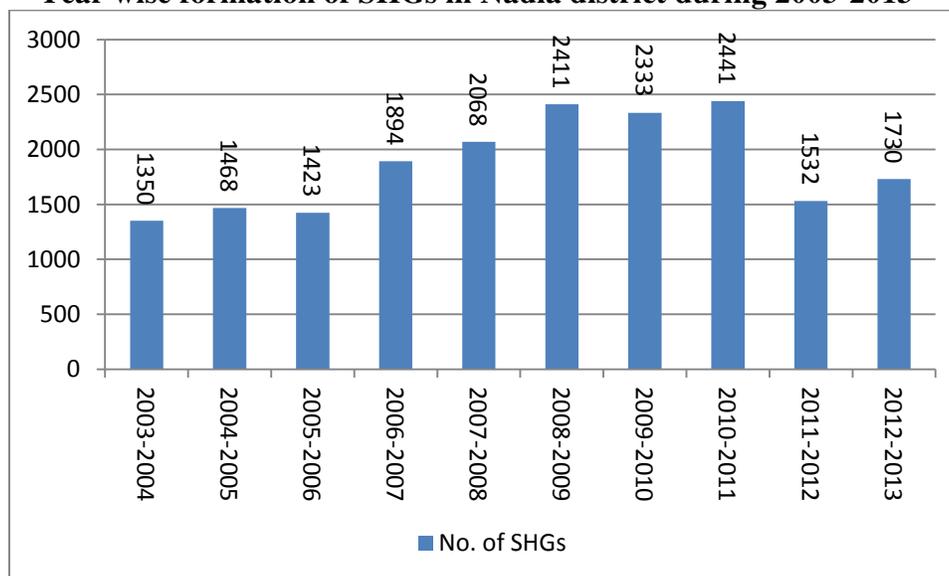
of those groups 18018 are women groups.16526 groups have passed Grade-I. and 15711 groups have already availed the credit facility. 5780 groups have passed Grade-II. and 4805 groups are linked with Project. Total number of SHGs that have defunct since inception is 765. It is found that out of 18 districts, position of Nadia is 12th in West Bengal in respect of number of SHGs formed. The year wise formation of SHGs under SGSY is given in Table 4.4.

Table: 4.4
Year-wise Formation of SHGs under SGSY in Nadia District

Year	Since1/4/99	During the year	Total
2003-2004	2115	1350	3465
2004-2005	3465	1468	4933
2005-2006	4933	1423	6356
2006-2007	6356	1894	8250
2007-2008	8250	2068	10318
2008-2009	10318	2411	12729
2009-2010	12729	2333	15062
2010-2011	15062	2441	17503
2011-2012	17503	1532	19035
2012-2013	19035	1730	20765

Source: DRDC, Nadia, 2012-13

Figure: 4.2
Year wise formation of SHGs in Nadia district during 2003-2013



4.6.1 Physical Progress of SHGs under SGSY in Different Blocks of Nadia District

There are seventeen blocks in Nadia district. SHG movement spreads in all blocks. However, there are inter-block variations in formation of groups. SHG bank linkage is more widespread in

fourteen blocks and in the rest three blocks formation of SHGs is not so good. The highest number of SHGs (1767) is formed in Karimpur block-II and the lowest number of SHGs (679) is formed in Tehatta-II. During the study we have been taken to select sample SHGs from two blocks of the district where one block represent high performance of SHGs and the other block represent relatively low performance of SHGs.

Block-wise physical progress of SHGs under SGSY up to March 2013 has been shown in the following Table 4.5.

Table: 4.5
Block wise physical progress of SHGs up to March 2013 (under SGSY)

Block	No. of Savings Linked SHGs	Grade-I		Grade-II over Grade-I		No. of CLGs over Grade-I		No of PLGs over CLG		No. of women groups	% over SLGs
		No.	%over SLGs	No.	%	No.	%	No.	%		
Chakdaha	1047	641	61.22	109	17.00	636	99.22	69	10.76	979	93.51
Chapra	1673	1283	76.69	272	21.20	1259	98.13	243	10.94	1486	87.75
Hanskhali	1092	784	71.79	264	33.67	697	88.90	255	32.53	981	89.84
Hringhata	1499	1250	83.39	575	46.00	1138	91.04	467	31.15	1310	87.39
Kaliganj	1579	1003	63.52	375	37.39	940	93.72	287	28.61	1395	88.35
Karimpur-I	1379	1066	77.30	325	30.49	1016	95.31	227	21.29	1182	85.71
Karimpur-II	1767	1466	82.97	401	27.35	1394	95.09	243	16.58	1577	89.25
Krishnaganj	778	658	84.58	231	35.11	594	90.27	172	26.14	647	83.16
Krishnagar-I	1349	1080	80.06	230	21.30	966	89.44	193	17.87	1157	85.77
Krishnagar-II	766	673	87.86	277	41.16	670	99.55	232	34.47	703	91.78
Nabadwip	901	855	94.89	306	35.79	792	92.63	235	27.49	716	79.47
Nakashipara	1571	1252	79.69	332	26.52	1229	98.16	306	24.44	1450	92.30
Ranaghat-I	1082	907	83.83	415	45.76	817	90.08	360	36.69	898	82.99
Ranaghat-II	1542	1234	80.03	611	49.51	1173	95.06	526	42.63	1184	76.78
Santipur	958	858	89.56	387	45.10	804	93.71	328	38.23	789	82.36
Tehatta-I	1103	947	85.86	382	40.34	939	99.15	348	36.75	1014	91.93
Tehatta-II	679	569	83.80	288	50.62	547	96.13	244	42.88	550	81.00
Nadia	20765	16526	79.59	5780	34.98	15611	94.46	4805	30.78	18018	86.77

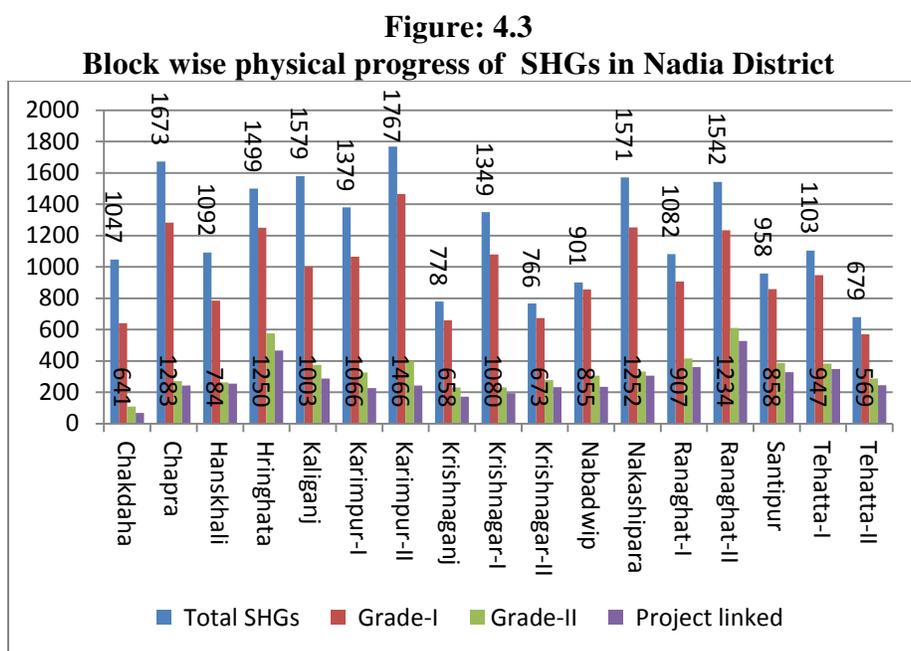
Source: DRDC, Nadia, 2012-13

Note: SLG=Savings linked groups, CLG= Credit linked groups, PLG= Project linked groups.

From the table it is found that the number of SHGs qualified for Grade-I is 16526 and the number of SHGs that passed Grade-II is 5780. The percentage of Grade-I SHGs over saving linked SHGs in all the blocks is above 70 percent except Chakdah, (61.22 percent), and

kaliganj(63.52percent). The overall 34.98 percent Grade-I groups have been promoted to Grade-II while percentage of Grade-II groups in Chakdah, Chapra and Krishna-I blocks is found to be less than 25 percent. The table also shows that more than 90 percent of savings linked groups are linked with credit except two blocks, viz., Hanskhali (88.90 percent) and Krishnagar-I (89.44 percent). But it is very bad condition that only 30.78 percent of total credit linked groups are promoted to project linkage stage. The lowest project linkage groups over credit linkage groups is found in two blocks, viz., Chakdah (10.76 percent) and Chapra (10.94). The number of project linkage groups is found to be highest (526) in Ranaghat-II block. It is also found that more than 86 percent groups are women groups indicating that rural women are more empowered for the socio-economic development.

Block wise physical progress of SHGs in Nadia district has been shown in the following figure 4.3.



From the figure it is seen that the highest number of saving linkage groups (total 1767 groups) and credit linkage groups (total 1466 groups) have been formed in Karimpur-II block since inception to March 2013 and the lowest number of saving linkage groups (total 679 groups) found in Tehatta-II block. As far as the project linkage group is concerned, Ranaghat-II block has formed the highest number (total 526 groups) of project linkage groups. Main reasons for good performance have been already mentioned above. On the other hand, Chakdah block has formed

lowest number (69 groups) of project linkage groups. There are various internal as well as external factors behind low performance in regarding project linkage groups formed in this block. There is a lack of monitoring and supervision of SGSY committee to look after the groups at panchayat Samiti level and block level. Moreover, there is a lack of coordination between WDO (Women Development Officer) and Resource Person (RP); conflict between group members (may be political or social); lack of education of the leader, lack of communication etc.

4.7 Working of the SHGs in the Study Area

This section explains the general characteristics of SHGs surveyed in the study. These characteristics include status of SHGs, frequency of group meeting, saving pattern, saving potentiality, individual saving, loan, repayment and outstanding, purpose of loan, interest on loan etc. Now we explain them below one by one.

4.7.1 Status of SHGs

In order to get a comprehensive understanding of the status of the present SHGs, we conducted a detailed study of 32 SHGs under SGSY programme. All groups were promoted by Gram Panchayat. Out of these, 16 SHGs are selected from two blocks (Kharibari and Garubathan) of Darjeeling district and the other 16 SHGs from two blocks (Ranaghat-II and Chakdah) of Nadia district of West Bengal. Five members (BPL category) are interviewed from each of the selected SHGs. In this way, total 160 SHGs members are surveyed. Table 4.6 shows the status of SHGs surveyed in this study.

Table: 4.6
Sample Frame for the Study

District	Blocks	No. of SHGs	SHG members
Darjeeling	1.Kharibari	8	40
	2.Garubathan	8	40
Nadia	1.Rnaghat-II	8	40
	2.Chakdaha	8	40
Total	4	32	160

4.7.2 Frequency of Group Meeting

The group sustainability largely depends on the frequency of group meeting. The frequency of periodical meeting may varies from group to group. This is shown in the following Table 4.7.

Table: 4.7
Frequency of Group Meeting

Frequency meeting	Kharibari	Garubathan	Ranaghat-II	Chakdah	Total	Percentage
Weekly	2	-	2	-	4	12.5
Fortnight	2	-	-	2	4	12.5
Monthly	4	8	6	6	24	75.0
Total	8	8	8	8	32	100

Source: Field Survey, 2012-13

From the above Table it is observed that majority of the groups conduct meetings monthly (75 per cent of the total groups). Only 12.5 percent of them are holding the meeting by fortnight and the same per cent conduct their meeting weekly.

4.7.3 Gradation of SHGs

From the study area we have taken four groups (12.5 per cent) which passed only first gradation though they had been formed before eight years or more. On the other hand 28 groups (87.5 per cent) passed second grade and among them nine groups (37.5 per cent) have got project loan from bank. All are given in Tables 4.8 and 4.9 respectively.

Table: 4.8
Gradation of SHG

Gradation	Kharibari	Garubathan	Ranaghat-II	Chakdah	Total
1 st Grade	1 (12.5)	1 (12.5)	1 (12.5)	1 (12.5)	4 (12.5)
2 nd Grade	7 (87.5)	7 (87.5)	7 (87.5)	7 (87.5)	28 (87.5)
Total	8 (100)	8 (100)	8 (100)	8 (100)	32 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Table: 4.9
No. of SHGs According to Activities

Activities	Kahari bari	Garubathan	Ranaghat-II	Chakdah	Total
Project Loan Activities	4 (50.0)	-	4 (50.0)	4 (50.0)	12 (37.5)
Economic Activities	4 (50.0)	8 (100)	4 (50.0)	4 (50.0)	20 (62.5)
Total	8 (100)	8 (100)	8 (100)	8 (100)	32 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

4.7.4 Saving Pattern

Saving is the first activity of the SHGs. After the formation of the group, the SHG members are expected to make voluntary thrift on a regular basis. But the saving pattern differs from one group to another. Block-wise monthly saving pattern is shown in Table 4.10.

Table: 4.10
Block-wise Monthly Saving Pattern (in Rs.)

Monthly Saving	No. of groups				Total
	Kharibari	Garubathan	Ranaghat-II	Chakdah	
30	-	2(25.0)	-	1(12.5)	3(9.38)
50	3(37.5)	3(37.5)	-	5(62.5)	11(34.38)
75	2(25.0)	1(12.5)	3(37.5)	1(12.5)	7(21.87)
100	2(25.0)	2(25.0)	2(25.0)	1(12.5)	7(21.87)
125	-	-	2(25.0)	-	2(6.25)
150	1(12.5)	-	1(12.5)	-	2(6.25)
Total	8 (100)	8 (100)	8 (100)	8 (100)	32 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

The study shows that the members save between Rs. 30 to Rs. 150 per month. Out of 16 SHGs covered in this study, same percentage (6.25 percent) of the SHGs save Rs.30, Rs.125 and Rs.150 per month respectively. But majority of the groups (56.25 per cent) save Rs.500 per month.

4.7.5 Saving Potentiality

Saving potentiality is another important activity of the SHGs. It is explained with the help of the following Table 4.11.

Table: 4.11
Block-wise Saving Potentiality of SHG Members

Category	Khari bari	Garu bathan	Rana ghat-II	Chak dah	No. of members
Regular	30(75.0)	20(50.0)	35(87.5)	26(65.0)	111(69.38)
1 or 2 month interval	5(12.5)	7(17.5)	2(5.0)	10(25.0)	24(15.0)
Irregular	5(12.5)	13(32.5)	3(7.5)	4(10.0)	25(15.62)
Total	40 (100)	40 (100)	40 (100)	40 (100)	160 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

One can see from Table 4.12 that 69.38 per cent members deposited their thrift share regularly and only 15.62 per cent failed to deposit regularly. Some members deposited their saving amount after one or two month's gap but in a regular interval and in percentage figure it stands at 15.62 per cent.

4.7.6 Group Savings and Individual Savings

Information on the amount of savings by the sample SHGs from the time of inception till the date of survey is also collected. These are shown in Table 4.12.

Table: 4.12
Block-wise Savings (in Rs.) of the SHG Members

Particular	Kharibari	Garubathan	Ranaghat-II	Chakdah
Total SHGs	8	8	8	8
Total Members	40	40	40	40
Total Savings	303900	218900	360000	177200
Savings per Group	75975	54725	90000	44300
Individual Savings	7597	5472	9000	4430

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

From the above Table it is found that the total group savings are Rs.303900, Rs.218900, Rs.360000 and Rs.177200 in Kharibari, Garubathan, Ranaghat-II and Chakdah block respectively. Again the above Table also shows that the average amount of total savings are Rs.75975, Rs.54725, Rs.90000 and Rs.44300 in Kharibari, Garubathan, Ranaghat-II and Chakdah block respectively. In the same way, individual savings have also been shown in the Table.

4.7.7 Loan, Repayment and Outstanding

Repayment of group credit is one of the important determinants to assess the efficient functioning of the SHG. This helps the SHGs to obtain access to the bank credit.

Block-wise amount of loan, repayment and outstanding of the SHGs. are shown in Table 4.13.

Table: 4.13
Block-wise Amount of Group Loan, Repayment and Outstanding(in Rs.)

District	Block	Loan Amount	Repaid Amount	Outstanding Amount
Darjeeling	Kharibari	426000 (33.15)	329072 (77.25)	96928 (22.75)
	Garubathan	145000 (11.28)	145000 (100)	-
Nadia	Ranaghat-II	376000 (29.27)	321798 (85.58)	54202 (14.42)
	Chakdah	338000 (26.30)	290735 (86.02)	47265 (13.98)
	Total	1285000	1086605	198395

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

From Table 4.13 it is seen that among the four blocks, the SHG members of Kharibari block have got the highest amount of group loan (Rs.426000, i.e., 33.17 per cent) of total group loan. On the other hand, out of total group loan, the amount of group loan is lowest (Rs.145000, i.e., 11.28 per cent) in Garubathan block. Again, out of total group loan share of Ranaghat-II block is 29.27 per cent and the same is 26.30 per cent for Chakdah block. Regarding repayment it is seen that the groups in all blocks show their good ability to pay of loan amount.

4.7.8 Purpose of Loan

Bank provides the loan to the group only for the purpose of investing in productive activities. During the survey group members were also asked about the different purposes for which they utilize the group loans. Table 4.14 shows the loan utilization pattern of the SHG members. From Table 4.14 it is revealed that 35.63 per cent of the total group loan is utilized by the members for productive purposes such as farming, petty business and land mortgage etc and 64.37 per cent loan is used for other purposes. The percentage of loan used for

productive purpose is highest in Ranaghat-II block (55 per cent) followed by Kharibari block (32.5 per cent), Garubathan block (25 per cent) and Chakdah block (30 per cent).

Table: 4.14
Block-wise Purpose of Loan of the SHGmembers

Purpose of Loan	Khari bari	Garubathan	Ranaghat-II	Chakdah	Total SHG members
Farming	5(12.5)	-	8(20.0)	5(12.5)	18(11.25)
Petty Business	5(12.5)	10(25.0)	10(25.0)	7(17.5)	32(20.0)
Land Mortgage	3(7.5)	-	4(10.0)	-	7(4.38)
Consumption	4(10.0)	5(12.5)	2(5.0)	3(7.5)	14(8.75)
Medical	3(7.5)	5(12.5)	2(5.0)	4(10.0)	14(8.75)
House Repair/ Construction	5(12.5)	3(7.5)	3(7.2)	4(10.0)	15(9.37)
Marriage & other Ceremonies	5(12.5)	4(10.0)	2(5.0)	9(22.5)	20(12.50)
Durable Goods	5(12.5)	4(10.0)	3(7.2)	1(2.5)	13(8.13)
Education	4(10.0)	5(12.5)	6(15.0)	4(10.0)	19(11.87)
Repay Previous Loan	1(2.5)	4(12.5)	-	3(7.5)	8(5.0)
Total	40(100)	40(100)	40(100)	40(100)	160(100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

4.8 Summary

In this chapter, first we have discussed the origin of microfinance activities, meaning of microfinance and its scenario in West Bengal. Secondly, we have discussed the development of microfinance activities as well as physical progress of SHGs under Swarna Jayanti Gram Swarozgar Yojana (SGSY) in Darjeeling and Nadia districts. Thirdly, we have discussed the characteristics of SHGs surveyed in the study area. These characteristics include the status of SHGs, group meeting, savings pattern, loan repayment and outstanding etc.

CHAPTER 5

IMPACT OF MICROFINANCE ON LIVELIHOOD

5.1 Introduction

The basic problem of rural area is the problem of underemployment rather than unemployment and it is high incidence of unemployment and underemployment among the economically weaker sections, viz., rural poor women, landless labour, marginal and small farmers. Various grass root level studies have revealed that more than 60 percent employed adults of the grass-root area economies have failed to make use of even 40 percent of their labour power (Kar, 1992). This is mainly because of two reasons. Firstly, due to the lower value of the land intensity index and secondly, the very weak base of the non-agricultural sectors in the rural area.

Again, the availability of employment in agriculture is not only low but also fluctuates over the seasons. Each agricultural season has two periods-- peak period and slack period. During the peak period, the demand for the agricultural labourers is very high and they get maximum days of employment during peak season. On the other hand, the demand for labourers is very low during slack period. In this backdrop, the M.S. Swaminathan Research Foundation (2004) had pointed out that it has become essential to promote multiple livelihood opportunities in the rural sector especially among the socially and economically disadvantaged groups. Therefore, to make poor people capable there is an urgent need to create and strengthen sustainable livelihood opportunities. Over the years, the need was felt to work for the people, who are marginalized, excluded from the economic, social, and political mainstream and unable to participate in sustainable livelihood activities.

Under the circumstances, microfinance can be considered to be a powerful tool which has been able to create self-employment by entrepreneurship development in the grass-root rural areas and has helped the rural poor to expand their multiple livelihood opportunities.

5.2 Concept of Livelihood

In the dictionary the word livelihood refers to a ‘means of living’. In development thinking, livelihood refers to the way people make a living. A person’s livelihood refers to his “means of securing the necessities of life”. The term ‘livelihood’ has been defined variously by the scholars. According to Chambers and Conway (1992), livelihoods are the ways in which people satisfy their needs, or gain a living. A livelihood comprises the capabilities, assets, and activities required for the means of living. This definition has been further expanded by Ellis (2000) who states that a livelihood comprises the assets (natural, physical, human, financial and social capital), the activities, and access to these (mediated by institutions and social relations) that together determine the living gained by the individual or the household. According to Parker et al. (2001) a livelihood is a means of support, something that provides income to live on, especially paid work to secure the necessities of life. According to Reddy (2005) livelihood activities are economic activities that people know, own and undertake to earn income today and into the future. Rural livelihood is defined by the Food and Agriculture Organization (FAO, 2003) as “the capabilities, assets and activities that rural people require for a means of living”.

5.3 Microfinance and Livelihood - Some Studies

A number of studies regarding the microfinance and livelihoods have been mentioned in the review of literature. Several studies across the world show that microfinance positively affects the livelihood development activities of members and their communities. Here some studies are pointed out.

Khandker et al. (1998) in their study found that microfinance accelerated the shift from wage employment in the informal rural sector to self-employment among the poor participants.

Dunn and Arbuckle (2001) in their study found that the participation in the microfinance programme led to 9 additional days of employment per month.

Mishra and Hossain (2001) in their study found that the average net income per member per year increased from Rs. 6465 to Rs.15325 through scientific cotton cultivation, livestock maintenance and small business like retail shop, dry fish trading etc.

Puhazhendi and Badatya (2002) compared the socioeconomic conditions of the members between pre and post SHG situations. They found that due to effectively engage in income generating activities, SHG household have been able to improve their socio-economic condition.

Thus, the review of literature revealed that microfinance programme had a significant positive impact on livelihoods of rural poor especially rural poor women. In our study, we try to examine the impact of microfinance on livelihood creation of the rural poor in Darjeeling and Nadia Districts of West Bengal. For the purpose we have made a comparative study between pre- and post-SHG period and SHG and Non-SHG members and their respective households regarding their livelihood creation. In this study the impact of microfinance on livelihood has been shown in terms of the changes of average employment days per annum of the SHG member and livelihood creation has been measured in terms of average employment days per annum from different occupations of the SHG members as well as non-SHG members.

5.4 Employment Status of SHG members and Non-SHG Members

The employment status of both the SHG and non-SHG members of Darjeeling district is presented in Table 5.1. From this Table, it is observed that microfinance programme has helped SHG members to increase their level of employment. It is found that before joining the SHGs 57.5 per cent of the total SHG members were employed and 42.5 per cent were unemployed. However, after joining the SHGs, employment increases from 57.5 per cent to 88.75 per cent.

Table: 5.1
Employment Status of SHG and Non-SHG Members-- Darjeeling District

Employment Status	SHG members						Non-SHG members		
	Pre-SHG			Post-SHG			Khari bari	Garu bathan	Total
	Khari bari	Garu bathan	Total	Khari bari	Garu bathan	Total			
Employed	24 (60.0)	22 (55.0)	46 (57.5)	37 (92.5)	34 (85.0)	71 (88.75)	27 (67.5)	26 (65.0)	53 (66.25)
Unemployed	16 (40.0)	18 (45.0)	34 (42.5)	3 (7.5)	6 (15.0)	9 (11.25)	13 (32.5)	14 (35.0)	27 (33.75)
Total	40 (100)	40 (100)	80 (100)	40 (100)	40 (100)	80 (100)	40 (100)	40 (100)	80 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

The employment status of both the SHG members and non-SHG members of Nadia district is presented in Table 5.2. From the Table it is seen that after joining the SHGs, employment increases from 57.5 per cent to 88.75 per cent.

Table: 5.2
Employment Status of the SHG and Non-SHG Members -- Nadia District

Employment Status	SHG members						Non- SHG members		
	Pre-SHG			Post-SHG			Rana ghat-II	Chak dah	Total
	Rana ghat-II	Chak dah	Total	Rana ghat-II	Chak dah	Total			
Employed	28 (70.0)	25 (62.5)	53 (66.25)	38 (95.0)	35 (87.5)	73 (91.25)	32 (80.0)	28 (70.0)	60 (75.0)
Unemployed	12 (30.0)	15 (37.5)	27 (33.75)	2 (5.0)	5 (12.5)	7 (8.75)	8 (20.0)	12 (30.0)	20 (25.0)
Total	40 (100)	40 (100)	80 (100)	40 (100)	40 (100)	80 (100)	40 (100)	40 (100)	80 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

5.5 Livelihood Pattern in the Study Area

During the survey in the study area, we have got a vivid picture of the livelihood of the SHG members and non-SHG members and their respective family members. According to the nature of activities taken by the respondents and their family members, livelihoods can be divided into eight categories, viz., (1) farmers those who are farming on own land (any amount) as well as on land taken on lease, (2) agricultural labourer, (3) animal husbandry, (4) other than agricultural labourers (e.g. rickshaw/van puller mid-day-meal worker, 100 days work, bidi rolling worker, handloom weaving, worker in rice mill or in wheat mill, in sweet shop, in medicine shop, in cloth shop, in grocery, in power mill, in hotel, in tea factory and village makers etc., (5) petty shop and small business, traders, including petty businessmen, shop keepers, selling cloths and processing of *chira* and *muri* (6) village artisans, including carpenter, mason, tailor etc., (7) service holder and (8) private tutor.

Livelihood patterns of the respondents have been shown in Tables 5.3 and 5.4 respectively.

Table: 5.3
Livelihood Pattern of the Respondents- Darjeeling District

Livelihood Pattern	No. of SHG members				Total no. of persons		No. of Non-SHG members		Total no. of persons
	Kharibari		Garubatha		Pre-SHG	Post-SHG	Khari bari	Garubathan	
	Pre-SHG	Post-SHG	Pre-SHG	Post-SHG					
Farmer	8 (20.0)	7 (17.5)	3 (7.5)	3 (7.5)	11 (13.75)	10 (12.5)	9 (22.5)	3 (7.5)	12 (15.0)
Agril. Lab.	7 (17.5)	4 (10.0)	10 (25.0)	6 (15.0)	17 (21.25)	10 (12.5)	8 (20.0)	14 (35.0)	22 (27.5)
Animal Husbandry	1 (2.5)	6 (15.0)	-	4 (10.0)	1 (1.25)	10 (12.5)	-	-	-
Other Worker	2 (5.0)	1 (2.5)	2 (5.0)	2 (5.0)	4 (5.0)	3 (3.75)	-	-	-
Petty Shop & Small Business	3 (7.5)	10 (25.0)	3 (7.5)	10 (25.0)	6 (7.5)	20 (25.0)	2 (5.0)	7 (17.5)	9 (11.25)
Village Artisans	2 (5.0)	8 (20.0)	1 (2.5)	6 (15.0)	3 (3.75)	14 (17.5)	8 (20.0)	2 (5.0)	10 (12.5)
Private Tutors	1 (2.5)	1 (2.5)	3 (7.5)	3 (7.5)	4 (5.0)	4 (5.0)	-	-	-
Unemployed	16 (40.0)	3 (7.5)	18 (45.0)	6 (15.0)	34 (42.5)	9 (11.25)	13 (32.5)	14 (35.0)	27 (33.75)
Total	40 (100)	40 (100)	40 (100)	40 (100)	80 (100)	80 (100)	40 (100)	40 (100)	80 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

From Tables 5.3 and 5.4 it is found that before joining the SHGs 40 per cent respondents in Kharibari block were unemployed and they were housewives only. Similarly, 45 per cent in Garubathan block, 30 per cent in Ranaghat-II block and 37.5 per cent in Chakdah block were housewives only. In case of non-SHG members, these figures are 32.5 per cent, 35 per cent, 20 per cent and 30 per cent in Kharibari block, Garubathan block, Ranaghat-II block and Chakdah block respectively. But after joining the SHGs, unemployment in each block reduces and these are 7.5 per cent, 15 per cent, 5 per cent, and 12.5 per cent in Kharibari, Garubathan, Ranaghat-II and Chakdah respectively. The fact is that microfinance programme has helped the SHG members to undertake various economic activities. With the help of micro-loan, the programme SHG members have started small self-employment activities such as animal husbandry, rope making, silver ornament making, petty shops etc.

Table: 5.4
Livelihood pattern of the Respondents - Nadia District

Livelihood Pattern	No. of SHG members				Total		No. of Non-SHG members		Total
	Ranaghat-II		Chakdah		Pre-SHG	Post-SHG	Rana ghat-II	Chak dah	
	Pre-SHG	Post-SHG	Pre-SHG	Post-SHG					
Farmer	10 (25.0)	8 (20.0)	5 (12.5)	5 (12.5)	15 (18.75)	13 (16.2)	5 (12.5)	6 (15.0)	11 (13.75)
Agril. Lab.	7 (17.5)	4 (10.0)	12 (30.0)	10 (25.0)	19 (23.75)	14 (17.5)	12 (30.0)	14 (35.0)	26 (13.75)
Animal Husbandry	2 (5.0)	6 (15.0)	1 (2.5)	3 (7.5)	3 (3.75)	9 (11.2)	1 (2.5)	2 (5.0)	3 (3.75)
Other Worker	3 (7.5)	3 (7.5)	3 (7.5)	6 (15.0)	6 (7.5)	9 (11.2)	6 (15.0)	3 (7.5)	9 (11.25)
Petty Shop & Small Business	3 (7.5)	9 (22.5)	2 (5.0)	6 (15.0)	5 (6.25)	15 (18.7)	3 (7.5)	1 (2.5)	4 (5.0)
Village Artisans	2 (5.0)	6 (15.0)	1 (2.5)	4 (10.0)	3 (3.75)	10 (12.5)	4 (10.0)	1 (2.5)	5 (6.25)
Private Tutors	1 (2.5)	2 (5.0)	1 (2.5)	1 (2.5)	2 (2.5)	3 (3.75)	1 (2.5)	1 (2.5)	2 (2.5)
Unemployed	12 (30.0)	2 (5.0)	15 (37.5)	5 (12.5)	27 (33.75)	7 (8.75)	8 (20.0)	12 (30.0)	20 (25.0)
Total	40 (100)	40 (100)	40 (100)	40 (100)	80 (100)	80 (100)	40 (100)	40 (100)	80 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

As far as the agricultural labourer is concerned, after joining the SHGs the percentage of agricultural labourer reduces from 21.25 per cent to 12.5 per cent in Darjeeling district and the same 23.75 per cent to 17.5 per cent in Nadia district. On the other hand, the highest percentage change in employment is found in case of animal husbandry (from 1.25 percent to 12.5 percent in Darjeeling district and 3.75 percent to 11.25 percent in Nadia), petty shop (from 7.5 percent to 25 percent in Darjeeling and 6.25 percent to 18.75 percent in Nadia) and village artisans (from 3.75 percent to 11.25 percent in Darjeeling and 6.25 percent to 18.75 percent in Nadia). On the whole, a drastic change has been found in the case of livelihood pattern among the SHG members from wage employment to self-employment remunerative activities which fetch them more income.

Livelihood patterns of the household members of two districts are shown in Tables 5.5 and 5.6 respectively. From two Tables, it is found that livelihood patterns of the SHG households and non-SHG household members of all the blocks are more or less same.

Table: 5.5
Livelihood Pattern of the Household Members of the Respondents - Darjeeling

Livelihood Pattern	SHG Household		Total	Non- SHG Household		Total
	Kharibari	Garubathan		Kharibari	Garubathan	
Farmer	13 (12.75)	8 (10.13)	21 (11.60)	22 (31.43)	4 (6.56)	26 (19.85)
Agricultural Labourer	19 (18.63)	8 (10.13)	27 (14.93)	14 (20.0)	24 (39.34)	38 (29.01)
Animal Husbandry	6 (5.88)	4 (5.06)	10 (5.52)	-	-	-
Other Worker	5 (4.90)	26 (32.91)	31 (17.13)	14 (20.0)	6 (9.84)	20 (15.27)
Petty Shop & Small Business	22 (21.57)	16 (20.25)	38 (20.98)	9 (12.86)	17 (27.87)	26 (19.85)
Village Artisans	33 (32.35)	10 (12.66)	43 (23.75)	10 (14.29)	8 (13.11)	18 (13.74)
Service Holders	3 (2.94)	4 (5.06)	7 (3.87)	-	-	-
Private Tutors	1 (0.98)	3 (3.80)	4 (2.22)	1 (1.42)	2 (3.28)	3 (2.28)
Total	102 (100)	79 (100)	181 (100)	70 (100)	61 (100)	131 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Table: 5.6
Livelihood Pattern of the Household Members of the Respondents - Nadia

Livelihood Pattern	SHG Household		Total	Non-SHG Household		Total
	Ranaghat-II	Chakdah		Ranaghat-II	Chakdah	
Farmer	15 (15.79)	17 (15.04)	32 (15.38)	8 (9.88)	11 (13.40)	19 (11.67)
Agricultural Labourer	18 (18.95)	22 (19.47)	40 (19.23)	16 (19.75)	21 (25.61)	37 (22.70)
Animal Husbandry	6 (6.32)	3 (2.65)	9 (4.33)	1 (1.23)	2 (2.44)	3 (1.84)
Other worker	13 (13.68)	33 (29.20)	46 (22.12)	20 (24.69)	30 (36.59)	50 (30.67)
Petty Shop & Small Business	11 (11.58)	16 (36.28)	27 (12.97)	9 (11.11)	8 (9.76)	17 (10.43)
Village Artisans	27 (28.42)	12 (10.62)	39 (18.75)	23 (28.40)	6 (7.32)	29 (17.79)
Service holders	1 (1.05)	4 (3.54)	5 (2.41)	-	-	-
Private tutors	4 (4.21)	6 (5.30)	10 (4.81)	4 (4.94)	4 (4.88)	8 (4.90)
Total	95 (100)	113 (100)	208 (100)	81 (100)	82 (100)	163 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

5.6 Distribution of Employment Days of the Respondents (per annum)

The distribution of employment days per annum of the respondents is presented in the following two Tables. It is understood that the employment days of the respondents have increased to a good extent. The data relating to the employment days of the respondents prior to joining SHGs as well as the employment days after joining SHGs are presented in Tables 5.7 and 5.8 respectively.

Table: 5.7
Distribution of Employment Days of SHG members in Pre- & Post-SHG Period

Employment Days (per annum)	Block-wise no. of SHG members							
	Kharibari		Garubathan		Ranaghat-II		Chakdah	
	Pre-SHG	Post-SHG	Pre-SHG	Post-SHG	Pre-SHG	Post-SHG	Pre-SHG	Post-SHG
0-50	20 (50.0)	4 (10.0)	21 (52.5)	7 (17.5)	17 (42.5)	4 (10.0)	18 (45.0)	7 (17.5)
50-100	2 (5.0)	6 (15.0)	7 (17.5)	6 (15.0)	3 (7.5)	8 (20.0)	9 (22.5)	6 (15.0)
100-140	6 (15.0)	8 (20.0)	6 (15.0)	9 (22.5)	8 (20.0)	6 (15.0)	6 (15.0)	8 (20.0)
140-180	10 (25.0)	12 (30.0)	5 (12.5)	11 (27.5)	9 (22.5)	9 (22.5)	5 (12.5)	10 (25.0)
Above 180	2 (5.0)	10 (25.0)	1 (2.5)	7 (17.5)	3 (7.5)	13 (32.5)	2 (5.0)	9 (22.5)
Total	40 (100)	40 (100)	40 (100)	40 (100)	40 (100)	40 (100)	40 (100)	40 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Table: 5.8
Distribution of Employment Days of the Non-SHG members

Employment Days (per annum)	Block-wise Employment Days of Non-SHG members			
	Kharibari	Garubathan	Ranaghat-II	Chakdah
0-50	13(32.5)	14(35.0)	10(25.0)	16(40.0)
50-100	10(25.0)	10(25.0)	10(25.0)	11(27.5)
100-140	9(22.5)	8(20.0)	12(30.0)	6(15.0)
140- 180	6(15.0)	6(15.0)	5(12.5)	3(7.5)
Above 180	3(7.5)	2(5.0)	3(7.5)	4(10.0)
Total	40 (100)	40 (100)	40 (100)	40 (100)

Source: Field Survey, 2012-13

Note: Figures in parentheses indicate percentages.

5.7 Employment Generation through Microfinance

We have analyzed below the activity-wise employment generation per annum of the respondents. Table 5.9 shows the average employment days per annum of the respondents of Kharibari Block. From the table it is found that after joining the SHGs, average employment days per annum of the SHG members increased 48 days per annum. Again, if we compare between SHG and non-SHG members, we see that employment days per annum of the SHG members are more (50 days) compare to the non-SHG members.

Table: 5.9
Employment Generation in Person Days per Annum (Kharibari Block)

Activities	SHG members						Non- SHG members		
	Pre-SHG			Post-SHG			No. of Person	Total Employment	Mean Employment
	No. of Person	Total Employment	Mean Employment	No. of Person	Total Employment	Mean Employment			
Farmer	8	488	61	7	490	70	9	657	73
Agril. Labour	7	574	82	4	320	80	8	664	83
Animal Husbandry	1	100	100	6	600	100	-	-	-
Other Worker	2	600	300	1	300	300	-	-	-
Small Business	3	828	276	10	1840	184	2	599	299.5
Village Artisans	2	480	240	8	1440	180	8	1280	160
Private Tutition	1	210	210	1	210	210	-	-	-
Unemployed	16	-	-	3	-	-	13	-	-
Total	40	3280	82	40	5200	130	40	3200	80

Source: Field Survey, 2012-13.

Table 5.10 shows the employment generation in person days per annum of the respondents of Garubathan block. If we compare between pre and post SHG situation we see that average employment days per annum of the SHG members increased 44 days per annum. On the other hand, employment days per annum of the SHG members were more (42 days) compare to non-SHG members.

Table: 5.10
Employment Generation in Person Days per Annum (Garubathan Block)

Activities	SHG members						Non- SHG members		
	Pre-SHG			Post-SHG			No. of Person	Total Employment	Mean Employment
	No. of Person	Total Employment	Mean Employment	No. of Person	Total Employment	Mean Employment			
Farmer	3	150	50	3	150	50	3	156	52
Agril. Lab.	10	800	80	6	480	80	14	980	70
Animal Husbandry	-	-	-	4	400	100	-	-	-
Other Worker	2	300	150	2	300	150	-	-	-
Small Business	3	870	290	10	2360	236	7	250	1750
Village Artisans	1	200	200	6	480	80	2	117	234
Private Tution	3	720	240	3	630	210	-	-	-
Unemployed	18	-	-	6	-	-	14	-	-
Total	40	3040	76	40	4800	120	40	3120	78

Source: Field Survey, 2012-13.

Table 5.11 shows the employment generation in person days per annum of the respondents of Ranaghat-II block.

Table: 5.11
Employment Generation in Person Days per Annum (Ranaghat-II Block)

Activities	SHG members						Non-SHG members		
	Pre-SHG			Post-SHG			No. of Person	Total Employment	Mean Employment
	No. of Person	Total Employment	Mean Employment	No. of Person	Total Employment	Mean Employment			
Farmer	10	750	75	8	640	80	5	350	70
Agril. Labour	7	574	82	4	344	86	12	960	80
Animal Husbandry	2	200	100	6	606	101	1	100	100
Other Worker	3	600	200	3	540	180	6	930	155
Small Business	3	600	200	9	1800	200	3	480	160
Village Artisans	2	516	258	6	900	150	4	600	150
Private Tution	1	240	240	2	450	215	1	180	210
Unemployed	12	-	-	2	-	-	8	-	-
Total	40	3480	87	40	5280	132	40	3600	90

Source: Field Survey, 2012-13.

From the above Table it is observed that after joining the SHGs, average employment days per annum of the respondents increased 45 days. If we compare between SHG and non-SHG members it is observed that average employment days per annum of the SHG members were more (47 days) than non-SHG members.

Table 5.12 shows the employment generation in person days per annum the respondents of Chakdah block.

Table: 5.12
Employment Generation in Person Days per Annum (Chakdah Block)

Activities	SHG members						Non-SHG members		
	Pre-SHG			Post-SHG			No. of Person	Total Employment	Mean Employment
	No. of Person	Total Employment	Mean Employment	No. of Person	Total Employment	Mean Employment			
Farmer	5	375	75	5	380	76	6	480	80
Agril. Labour	12	1032	86	10	840	84	14	1190	85
Animal Husbandry	1	100	100	3	300	100	2	200	100
Other Worker	3	510	170	6	900	150	3	510	170
Small Business	2	600	300	6	1620	270	1	200	200
Village Artisans	1	223	223	4	660	165	1	210	210
Private Tutors	1	240	240	1	180	180	1	210	210
Unemployed	15	-	-	5	-	-	12	-	-
Total	40	3080	77	40	4880	122	40	3000	75

Source: Field Survey, 2012-13.

From the above Table it is observed that after joining the SHGs, average employment days per annum of the respondents increased 45 days. If we compare between SHG and non-SHG members it is observed that average employment days per annum of the SHG members were more (42 days) than non-SHG members.

5.8 Impact of Microfinance on Employment

The SHG members used microcredit to start productive activities which raise their level of employment. Two methods have been used to know the impact of microfinance on employment. These are: (i) employment status of the SHG members is compared before and after joining the

SHGs and the employment status of the SHG members is compared to the non-SHG members and (ii) mean employment generation in person days. Now we discuss them one by one below.

5.8.1 Employment Status and Incidence of Employment

The employment status and the incidence of employment of both the SHG and non-SHG members are presented in Table 5.13. From the Table it is found that before joining the SHGs, incidence of employment was 61.88. However, after joining the SHGs, it is 90. From the table it is clear that incidence of employment of the non-SHG members is relatively low as compared to that of SHG members.

Table: 5.13
Employment Status and Incidence of Employment

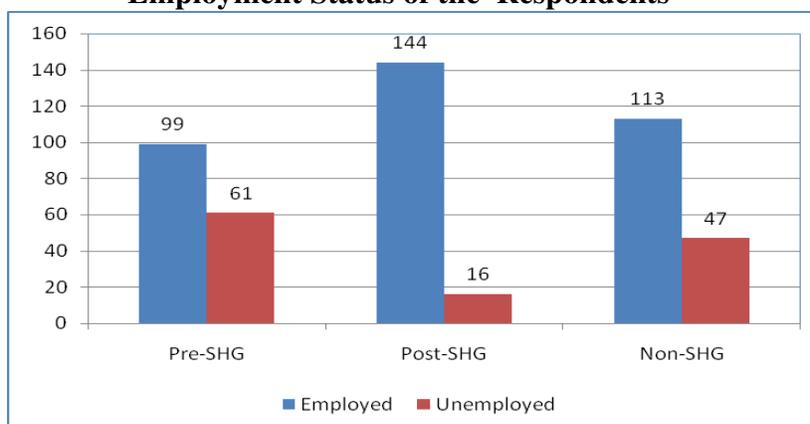
Status of Employment	SHG members		Non- SHG members
	Pre-SHG	Post-SHG	
Employed	99 (61.88)	144 (90.0)	113 (70.63)
Unemployed	61 (38.12)	16 (10.0)	47 (29.37)
Total	160 (100)	160 (100)	160 (100)
Incidence of Employment (in percentage)	61.88	90.0	70.63

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Employment status of the SHG members and non-SHG members are shown in the following figure.

Figure: 5.1
Employment Status of the Respondents



5.8.2 Mean Employment Generation in Person Days

Table 5.14 shows the average employment days of the respondents measured in person days per annum as well as paired sample t-test in each block.

Table: 5.14
Block-wise Mean Employment Generation in person Days per Annum

Block	Average Employment Days				Increase in Employment Days	
	SHG members			Non- SHG members	Pre and Post SHG Analysis	SHG and Non-SHG members Analysis
	Pre-SHG	Post-SHG	Value of 't'			
Kharibari	82	130	4.550*	80	48	50
Garubathan	76	120	5.136*	78	44	42
Ranaghat-II	87	132	10.046*	90	45	42
Chakdah	77	122	6.857*	75	45	47
All Block	80	126	11.667*	81	46(57.50)	45(55.56)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

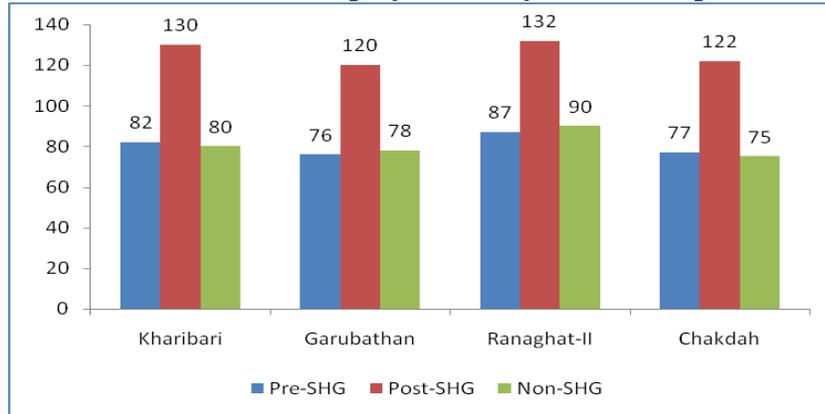
* Significant at 5% level of significance.

From the Table it is found that after joining the SHGs, the SHG members have been able to generate 46 additional days of employment per annum. It is highest in Kharibari block followed by Chakdah block, Garubathan block and Ranaghat-II block.

A paired sample t-test is used to measure the significance of difference between the mean employments of the SHG members. The test shows that the difference between the mean employments of the SHG members in the pre- and post-SHG situation is significantly different at 5 per cent level in all the blocks.

Again, if we compare between SHG and non-SHG members regarding their mean employment days, we see that SHG members have generated 45 more days of employment per annum as compared to the non-SHG members. Block-wise mean employment days of the SHG members and non- SHG members are shown in the following figure.

Figure: 5.2
Block-wise Mean Employment Days of the Respondents



5.9 Good and Bad Employment

We define elsewhere in analyzing the rural employment the term good employment as the employment for more than 150 days and bad employment as employment for less than 150 days in a complete agricultural year (Kar, 1993). On the basis of this definition we have distributed all the employed adults of our sample in the following Table 5.15 given below.

Table: 5.15
Good and Bad Employment of SHG and Non-SHG Household Members

Nature of Employment	SHG Household Members		Non-SHG Household Members	
	No.	Per cent	No.	Per cent
Good Employment	266	68.38	144	48.98
Bad Employment	123	31.62	150	51.02
Total	389	100.00	294	100.00

Source: Field Survey, 2012-13.

From the Table it is found that the employed adults of the SHG households are significantly in better position than the employed adults of the non-SHG households.

5.10 Test of Hypotheses

1. Microfinance helps in increasing the level of employment of the SHG members.

H_0 : There is no significant improvement in the employment level of SHG members.

H_1 : There is significant improvement in the employment level of the SHG members.

To test this hypothesis pre and post period employment position has been considered and paired t-test is used. The result is given below.

Table: 5.16
Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Employment Before-SHG	80.5000	160	81.39723	6.43502
	Employment After-SHG	126.0000	160	59.94998	4.73946

Table: 5.17
Paired Samples Test

		Paired Differences				t	df	Sig(2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference			
Pair 1	Employment Before -After	-45.50	49.3312	3.89998	-53.2024 -37.797	-11.66	159	.000

From Table 5.17 it is found that the 2-tailed significance value is 0.000, this is the p value and it is less than the level of 0.05 (the significance value which the researcher had set). Since p value is less than 0.05, we reject our null hypothesis and we conclude that there is significant improvement in the employment level of the programme participants.

2. There is difference between SHG and non-SHG members regarding employment generation.

H_0 : There is no significant difference between SHG and non-SHG members regarding employment generation.

H_1 : There is significance difference between SHG and non-SHG members regarding employment generation.

To test this hypothesis Chi-Sq (χ^2) test is used and the results are given below.

Table: 5.18
Result of the Chi-Sq (χ^2) Test

χ^2	Degree of freedom	5% level of significance		Decision
		Observed value	Table value	Ho is rejected
	1	19.00	3.84	

From Table 5.18 it is found that calculated value of Chi- square (19.00) is greater than the table value (3.84) at 5% level of significance. Therefore, null hypothesis is rejected and it can

be concluded that there is significance difference between SHG and non-SHG members regarding employment generation.

5.11 Summary

This chapter studies the impact of microfinance on livelihood of the rural poor in Darjeeling and Nadia districts of West Bengal. In the beginning of this chapter, we have had a clear concept of microfinance and review of literature. Next, we have explained some issues like the employment status of the respondents, livelihood patterns in the study are, distribution of employment days of the respondents, employment generation through microfinance, incidence of employment, mean employment generation, good and bad employment etc. At last, to test the hypotheses we have used two statistical tools like paired-t test and Chi-square test.

CHAPTER 6

ROLE OF MICROFINANCE IN ERADICATION OF POVERTY

6.1 Introduction

After joining the microfinance programme, the beneficiaries get small loan to start productive activities which raise their employment level. There is no doubt that the working of microfinance can significantly increase the income of the poor family (Murdoch and Haley, 2002) and improve the living conditions of the rural poor (Chavan and Ram Kumar, 2002). In this chapter, we would like to measure the impact of microfinance on poverty based on the empirical data collected from Darjeeling and Nadia district of West Bengal. We have used some poverty measurement indexes, viz., headcount index (incidence of poverty), poverty gap index (depth of poverty) and squared poverty gap index (severity of poverty). Moreover, we have also used Lorenz curve and Gini-coefficient for the measurement of inequality in income distribution among the sample households.

6.2 Definition of Poverty

Poverty is a multidimensional phenomenon. It depends on the context and perspective that one is looking at. It can be defined as a socio-economic phenomenon in which a section of the people of a country is unable to fulfill the basic necessities of life, such as food, shelter, cloth, health facilities and education. Thus, poverty is the inability to fulfill the minimum requirements of life.

According to Yunus (1997) “poverty is that characteristic of being in a state of joblessness, illiteracy, landlessness, homelessness, lack of adequate capital, facilities and food to earn a decent living and also powerlessness”.

According to World Bank (2004), “Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not being able to go to school and not knowing how to read. Poverty is not having a job, is fear for the future. Poverty is losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom”.

According to WHO (2004) poverty is a multidimensional phenomenon that encompasses not simply low income, but also lack of assets, skills, resources, opportunities, services and the power to influence decisions that affect an individual's daily life.

6.3 Concept of poverty Line

Poverty line refers to the money value of the minimum quantities of those goods and services which are needed for the subsistence of an individual. People who cannot earn (or spend) this amount, are considered to be below the poverty line, i.e., they are considered to be poor. On the other hand, people whose incomes (or expenditures) are greater than or equal to this amount, are considered to lie above the poverty line, i.e., they are not considered to be poor. In India, poverty line has been generally accepted from nutritional standpoint that a person should take at least 2,250 calories per day for subsistence. This minimum consumption expenditure to get 2250 calories per day for subsistence is regarded as the poverty line in money terms. People, who cannot afford this amount on consumption, are considered to be poor. The Planning Commission has updated the poverty line for 2011-12 based on the recommendations of the Tendulkar Committee. Accordingly, the poverty line at all India level has been considered at monthly per capita expenditure of Rs. 816 for rural areas and Rs. 1000 for urban areas in 2011-12. However, Tendulkar Poverty Line was so low that it was criticized by several representations. That is why, the planning commission constituted an expert group in June 2012 under the Chairmanship of Dr. C. Rangarajan to once again review the methodology for the measurement of poverty. According to the report of Rangarajan Committee, poverty line in India is Rs. 972 per capita per month consumption expenditure in rural areas and Rs. 1407 per capita per month consumption expenditure in urban areas for 2011-12.

6.4 Determination of Poverty Line

Though there is a huge debate regarding the selection of the poverty measure index, we have used in this study the method developed by us instead of conventional method on the basis of the practical experience at the time of the survey (during 2012-13). Conventionally, \$1 per capita per day is used as an index to measure poverty. In our study, we have considered the poverty line given by the Rangarajan Committee. According to the report of Rangarajan Committee, poverty line in West Bengal is Rs. 934.10 per capita per month consumption expenditure in rural areas and 1372.68 per capita per month consumption expenditure in urban areas for 2011-12.

Since our study area is confined only rural area and the survey period is 2012-13 so we need to inflate Rs. 934.10 to get the poverty line for the year 2012-13. We can inflate Rs. 934.10 by using Consumer Price Index for Rural Labour (CPI_{RL}) as published by Ministry of Labour and Employment. On the basis of that we have Rs. 1014.80 per capita per month consumption expenditure as the poverty line for rural West Bengal in 2012-13. In our study, the average family size is 4.015. We see that a family with average size of 4.015 requires Rs.135.83 per family per day or Rs. 4075 per family per month to maintain the minimum standard of living in the rural areas in West Bengal. Thus, in our study we have used Rs. 4075 per family per month consumption expenditure as a poverty line.

6.5 Income Status of the SHG and Non-SHG members

Income status of both the SHG and non-SHG members is presented in Tables 6.1 and 6.2 and 6.3 respectively. From Table 6.1 it is found that before joining the microfinance programme 72.5 per cent SHG members were earners and 27.5 per cent were SHG members. But, after joining SHG, income status has been changed and we see that 86.25 per cent of the SHG members are earners and only 13.75 per cent SHG members are non-earners. On the other hand, 70 per cent of the non- SHG members are non-earner and 30 per cent are earners.

Table: 6.1
Income Status of the SHG and Non-SHG members -Darjeeling District

Income Status	SHG members						Non -SHG members		
	Pre-SHG			Post-SHG			Khari bari	Garu bathan	Total
	Khari bari	Garu bathan	Total	Khari bari	Garu bathan	Total			
Earners	30 (75.0)	28 (70.0)	58 (72.5)	35 (87.5)	34 (85.0)	69 (86.25)	31 (77.5)	25 (62.5)	56 (70.0)
Non-earners	10 (25.0)	12 (30.0)	22 (27.5)	5 (12.5)	6 (15.0)	11 (13.75)	9 (22.5)	15 (37.5)	24 (30.0)
Total	40 (100)	40 (100)	80 (100)	40 (100)	40 (100)	80 (100)	40 (100)	40 (100)	80 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Similarly, Table 6.2 shows that before joining SHGs, 71.25 per cent of the total SHG members were earners and 28.75 per cent were non-earners. However, after joining SHGs, income status has been changed and it is observed that 93.75 per cent of the total SHG members

are earners and 6.25 per cent are non-earners. On the other hand, 75 per cent of the total non-SHG members are earners and 25 per cent are non-earners.

Table: 6.2
Income Status of the SHG members and Non-SHG members Non - Nadia District

Income Status	No. of SHG members						No. of Non- SHG members		
	Pre-SHG			Post-SHG					
	Rana ghat-II	Chak dah	Total	Rana ghat-II	Chak dah	Total	Rana ghat-II	Chak dah	Total
Earners	31 (77.5)	26 (65.0)	57 (76.25)	39 (97.5)	36 (90.0)	75 (93.75)	30 (75.0)	30 (75.0)	60 (75.0)
Non-earners	9 (22.5)	14 (35.0)	23 (28.75)	1 (2.5)	4 (10.0)	5 (6.25)	10 (25.0)	10 (25.0)	20 (25.0)
Total	40 (100)	40 (100)	80 (100)	40 (100)	40 (100)	80 (100)	40 (100)	40 (100)	80 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

If we compare between pre- and post-SHG situations, we see (Table 6.3) that after joining SHGs number of earners has been increased 18.12 per cent. Again, if we compare the status of income between SHG members and non- SHG members then we see that the number of earners is more for SHG members than that of non-SHG members.

Table: 6.3
Income Status of the SHG and Non-SHG members

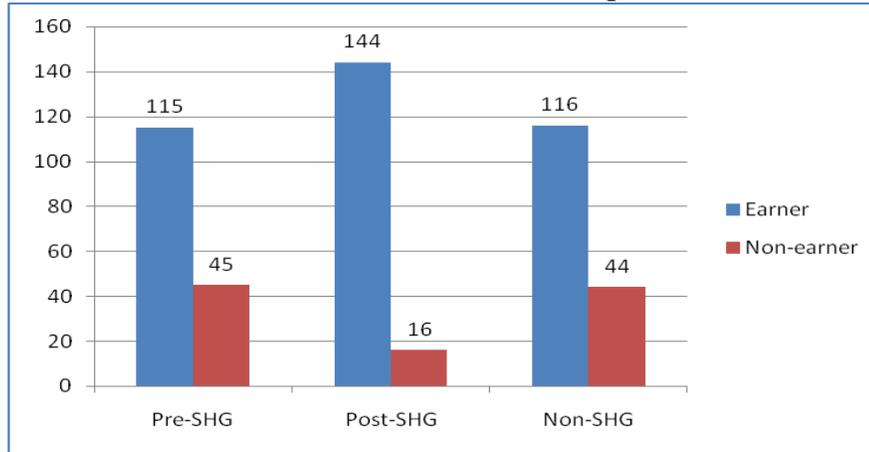
Status of Income	SHG members		Non- SHG members
	Pre-SHG	Post-SHG	
Earners	115 (71.88)	144 (90.0)	116 (72.5)
Non-earners	45 (28.12)	16 (10.0)	44 (27.5)
Total	160 (100)	160 (100)	160 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Income status of the SHG members and non- SHG members is shown in the following figure.

Figure: 6.1
Income Status of the Respondents



6.6 Distribution of Income of the Respondents and their Households

It is very difficult to calculate the income of the households by taking information from a single sitting. A rigorous interaction and at the same time a cross checking are needed to find out the accurate amount of income. We have noticed a common tendency among the respondents to hide their income in a fear that excess income will create a chance to mark them as APL family. On the other hand, they have tried to record more expenditure items and amount at the same time when they are asked for that. Thus, the problem of less entry and excess entry often disturb the researchers. Here we try to overcome these problems by doing continuous cross checking in every aspect of expenditure items. Considering these limitations we have constructed the income distribution tables of our sample and their households.

6.6.1 Distribution of Monthly Income of the SHG members

The distribution of monthly income of the SHG members in their pre-and post-SHG situation is shown in the following Table.

Table: 6.4
Distribution of Monthly Income of the SHG members in Pre- & Post-SHG Period

Income Level (in Rs.)	Kharibari		Garubathan		Ranaghat-II		Chakdah	
	Pre-SHG	Post-SHG	Pre-SHG	Post-SHG	Pre-SHG	Post-SHG	Pre-SHG	Post-SHG
Below-600	18 (45.0)	5 (12.5)	24 (60.0)	9 (22.5)	14 (35.0)	3 (7.5)	16 (40.0)	6 (15.0)
600-900	10 (25.0)	5 (12.5)	8 (20.0)	4 (10.0)	12 (30.0)	4 (10.0)	14 (35.0)	3 (7.5)
900-1200	9 (22.5)	7 (17.5)	5 (12.5)	10 (25.0)	10 (25.0)	7 (17.5)	6 (15.0)	10 (25.0)
1200-1500	2 (5.0)	13 (32.5)	2 (5.0)	11 (27.5)	2 (5.0)	12 (30.0)	3 (7.5)	9 (22.5)
Above 1500	1 (2.5)	10 (25.0)	1 (2.5)	6 (15.0)	2 (5.0)	14 (35.0)	1 (2.5)	12 (30.0)
Total	40 (100)							

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Table 6.4 shows the various income categories of the SHG members before and after joining the SHGs. From the Table it is found that the levels of income of the SHG members have changed during post-SHG situation. Thus, it can be said that formation of group has indeed helped the rural poor women to improve their level of income.

6.6.2 Distribution of Monthly Income of the Non- SHG Members

The distribution of monthly income of the non- SHG members is shown in Table 6.5.

Table: 6.5
Distribution of Monthly Income of the Non- SHG members (in Rs.)

Income Level	Kharibari	Garubathan	Ranaghat-II	Chakdah
Below-600	15 (37.5)	20 (50.0)	14 (35.0)	14 (35.0)
600-900	13 (32.5)	10 (25.0)	12 (30)	9 (22.05)
900-1200	10 (25.0)	7 (17.5)	5 (12.5)	8 (20.0)
1200- 1500	1 (2.5)	2 (5.0)	7 (17.5)	7 (17.5)
Above 1500	1 (2.5)	1 (2.5)	2 (5.0)	2 (5.0)
Total	40 (100)	40 (100)	40 (100)	40 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

The above Table shows the various income categories of the non-SHG members. From the Table it is found that most of the non-SHG members earn below Rs.600 and a very little number of the members earn above Rs. 1500.

6.6.3 Distribution of Income of the Sample Households

The following Tables show the distribution of monthly household income of the respondents of the different blocks. The monthly household is classified into six categories, viz., below Rs. 2000, Rs.2000- 2500, Rs.2500-3000, Rs.3000-3500, 3500-4000 and Rs. 4000 and above.

Table: 6.6
Distribution of Household Monthly Income- Kharibari Block

Income Level (in Rs.)	SHG members		Non-SHG members
	Pre-SHG	Post-SHG	
Below 2000	14 (35.0)	13 (32.5)	13 (32.5)
2000-2500	7 (17.5)	3 (7.5)	9 (22.5)
2500-3000	7(17.5)	4 (10.0)	8 (20.5)
3000-3500	6 (15.0)	6 (15.0)	5 (12.5)
3500-4000	4 (10.0)	6 (15.0)	4 (10.0)
4000 & Above	2 (5.0)	8 (20.0)	1 (2.5)
Total	40 (100)	40 (100)	40 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Table: 6.7
Distribution of Household Monthly Income- Garubathan Block

Income Level (in Rs.)	SHG members		Non-SHG members
	Pre-SHG	Post-SHG	
Below 2000	14 (35.0)	14 (35.0)	14 (35.0)
2000-2500	8 (20.0)	4 (10.0)	9 (22.5)
2500-3000	8 (20.0)	6 (15.0)	8 (20.0)
3000-3500	5 (12.5)	5 (12.5)	5 (12.5)
3500-4000	4 (10.0)	5 (12.5)	3 (7.5)
4000 & Above	1 (2.5)	6 (15.0)	1 (2.5)
Total	40 (100)	40 (100)	40 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Table: 6.8
Distribution of Household Monthly Income- Ranaghat-II Block

Income Level (in Rs.)	SHG members		Non-SHG members
	Pre-SHG	Post-SHG	
Below 2000	14 (35.0)	11 (27.5)	13 (32.5)
2000-2500	7 (17.5)	4 (10.0)	9 (22.5)
2500-3000	6 (15.0)	5 (12.5)	8 (20.0)
3000-3500	5 (12.5)	6 (15.0)	5 (12.5)
3500-4000	4 (10.0)	6 (15.0)	4 (10.0)
4000 & Above	4 (10.0)	8 (20.0)	1 (2.5)
Total	40 (100)	40 (100)	40 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Table: 6.9
Distribution of Household Monthly Income- Chakdah Block

Income Level (in Rs.)	SHG members		Non-SHG members
	Pre-SHG	Post-SHG	
Below 2000	13 (32.5)	13 (32.5)	13 (32.5)
2000-2500	9 (22.5)	6 (15.0)	9 (22.5)
2500-3000	7 (17.5)	5 (12.5)	8 (20.0)
3000-3500	5 (12.5)	4 (10.0)	5 (12.5)
3500-4000	5 (12.5)	5 (12.5)	4 (10.0)
4000 & Above	1 (2.5)	7 (17.5)	1 (2.5)
Total	40 (100)	40 (100)	40 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

6.7 Impact of Microfinance on Income

Impact of microfinance on income has been analyzed in two ways – (1) impact of microfinance on individual income and (2) impact of microfinance on household income. These are analyzed below one by one.

6.7.1 Impact of Microfinance on Individual Income of the SHG members

To know the impact of microfinance on individual income we have used two methods: (i) income of the SHG members is compared before and after joining the SHGs and (ii) The income of SHG members is compared with the non- SHG members.

(i) Change in Income of the SHG members after Joining SHGs

If we compare the average income level of the SHG members between pre- and post-SHG situation, it is found from the Table 6.10 that Rs. 504 increases in post-SHG over the pre-SHG situation. It is evident from the Table that the increase in income is the highest in Ranaghat-II block followed by Kharibari, Chakdah and Garubathan blocks respectively. A paired sample t-test is used to measure the significance of difference between the mean incomes of the SHG members. The test shows that the difference between the mean incomes of the SHG members in the pre- and post-SHG situation is significantly different at 5 per cent level in all the blocks.

Table: 6.10
Monthly Average Income of the SHG Members (in Rs.)

Block	Pre-SHG	Post-SHG	Increment	Value of 't'
Kharibari	683	1260	577	12.560*
Garubathan	633	1000	367	5.571*
Ranaghat-II	725	1320	595	10.491*
Chakdah	641	1118	477	8.086*
All Block	671	1175	504	17.204*

Source: Field Survey, 2012-13

Note: * significant at 5 per cent level of significance

(ii) Income of the SHG members and Non-SHG members

The income of the SHG members has been significantly higher as compared to non-SHG members. From Table 6.11 it is found that the average income of the SHG members is Rs. 422 more than the average income of non-SHG members. It is the highest for Kharibari (Rs. 487) followed by Chakdah, Ranaghat-II and Garubathan blocks respectively. The significance of difference between the mean incomes of the SHG and non-SHG members is measured with t-test. This test shows that the differences are significant at 5 per cent level of significance. Thus, microfinance programme has helped its SHG members to increase their contribution to the household income.

Table: 6.11
Monthly Average Income of the SHG and Non- SHG members (in Rs.)

Block	SHG members	Non-SHG members	Increment	Value of 't'
Kharibari	1260	773	487	4.806*
Garubathan	1000	650	350	3.628*
Ranaghat-II	1320	900	420	4.013*
Chakdah	1118	687	431	3.924*
All Block	1175	753	422	8.021*

Source: Field Survey, 2012-13

Note: * significant at 5 per cent level of significance

6.7.2 Impact of Microfinance on Household Income

Average monthly household income of the respondents is shown in Table 6.12. The Table provides that increase in household income is the highest in Kharibari block (19.70 per cent) followed by Ranaghat-II (16.89 per cent), Garubathan (14.43 per cent) and Chakdah (15.42 per cent) blocks. The average monthly income of SHG households for all the blocks is Rs. 2830 per month in post-SHG situation which is higher than that of non-SHG households by Rs. 2427.

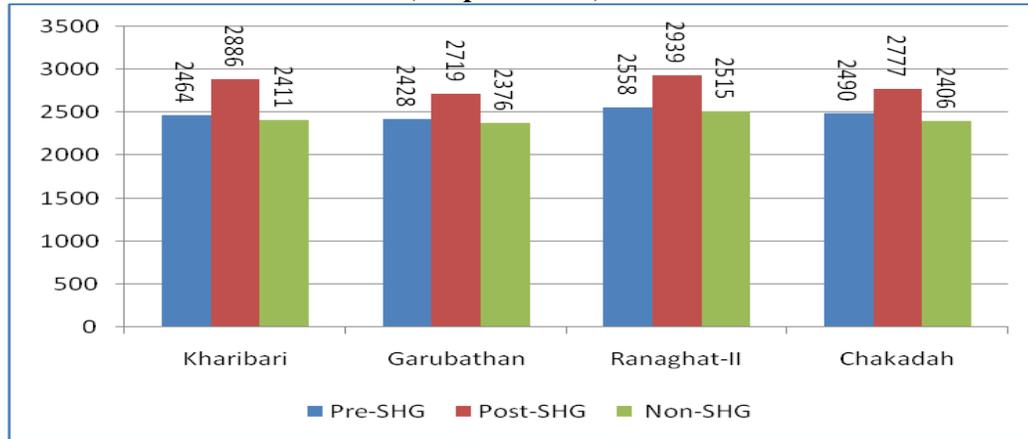
Table: 6.12
Monthly Average Income of the SHG and Non-SHG Households (in Rs.)

	SHG Households		Non- SHG Households
	Pre-SHG	Post-SHG	
Kharibari	2464	2886	2411
Garubathan	2428	2719	2376
Ranaghat-II	2558	2939	2515
Chakadah	2490	2777	2406
Total	9940	11321	9708
Average	2485	2830	2427

Source: Field Survey, 2012-13.

Block-wise mean income levels of the SHG households as well as non- SHG households are shown in the following figure.

Figure: 6.2
Block-wise Mean Income Level of the SHG and Non-SHG Households
(Rs. per month)



6.8 Test of Hypotheses

3. Microfinance helps in increasing the level of household income of the SHG members.

H_0 : There is no significant increase in the level of household income of the SHG members in post-SHG period.

H_1 : There is significant increase in the level of household income of the SHG members in post-SHG period.

To test this hypothesis pre- and post-SHG period household income position has been considered and paired t-test is used. The result is given below.

Table: 6.13
Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Income Before	2485.2500	160	778.15493	61.51855
	Income After	2830.4375	160	1037.21710	81.99921

Table 6.13a
Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Income Before & Income After	160	.954	.000

Table 6.13b
Paired Samples Test

	Paired Differences					t	df	Sig.(2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 Income Before - Income After	-345.187	375.990	29.724	-403.893	-286.481	-11.613	159	.000

The result shows that the ‘t’ value is 11.613 with degree of freedom 159 and significance level is 0.000. Since 2-tailed significance value (this is the ‘p’ value) is less than the level of 0.05 (the significance value which the researcher had set), we reject our null hypothesis and conclude that there is significant increase in the level of household income of the SHG members in the post-SHG period.

- There is difference between mean income level of the SHG household and non-SHG household

H_0 : There is no significant difference in the mean income level of the SHG household and non-SHG household.

H_1 : There is significant difference in the mean income level of the SHG and non-SHG household.

To test this hypothesis we have to consider the household income level of the SHG and non-SHG and independent t-test is used. The result is given below.

Table: 6.14
Group Statistics

Non-SHG	N	Mean	Std. Deviation	Std. Error Mean
Income 1.00	160	2830.4375	81.99921	81.99921
2.00	160	2426.8750	56.55132	56.55132

Table: 6.14a
Independent Samples Test

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig.(2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Income Equal variances Assumed	36.379	.000	4.051	318	.000	403.56250	99.60885	207.5869	599.5381
Income Equal variances not Assumed			4.051	282.346	.000	403.56250	99.60885	207.4923	599.6327

The result shows that 't' value is 4.051 and significance level is 0.000. Since 2-tailed significance value (this is the 'p' value) is less than the level of 0.05 (the significance value which the researcher had set), we reject our null hypothesis and conclude that there is significant difference in the mean income level of the SHG and non-SHG households.

6.9 Impact of Microfinance on Income Inequality

Microfinance plays an important role to reduce income inequality among the SHG households. In this study to measure the income inequality among the SHG households we have used Lorenz curve and Gini-coefficient methods.

Lorenz curve was formulated by Lorenz (1905) for measuring inequality in the distribution of income or wealth. It is a cumulative percentage curve. In this study, it has been used for the analysis of income inequality. Let us see how Lorenz curve shows the degree of inequality in the distribution of income. In the Lorenz curve graph, a straight line representing same income for every person is called the line of perfect equality. The difference between the line of perfect equality and the Lorenz curve shows the inequality in the distribution of income. The more the Lorenz curve is away from the line of perfect equality, the greater will be the degree of inequality in the distribution of income and vice versa.

Another measure of the relative degree of income inequality is the Gini-coefficient method. It is a measure of statistical dispersion. The Gini-coefficient is the quantitative measurement of income inequality from the Lorenz curve. It is the ratio of the area that lies between the line of equality and the Lorenz curve over the total area under the line of equality. The Gini-coefficient varies from 0, which means perfect equality, to 1, which represents perfect

inequality. Thus, a low Gini- coefficient indicates a more equal income distribution while higher Gini-coefficients indicate more unequal distribution. The results for these methods, i.e., Lorenz curve and Gini-coefficient are discussed below:

Table: 6.15
Gini Coefficient for the SHG Households of Kharibari Block (Pre-SHG)

X	F	% of X	% of F	Cumulative % of F	Cumulative % of X	FX	XF
1750	14	9.72	35	0	0	0	0
2250	7	12.5	17.5	35	9.72	777.7	510.3
2750	7	15.28	17.5	52.5	22.22	1968.75	1555.4
3250	6	18.06	15	70	37.50	3959.2	3187.5
3750	4	20.83	10	85	56.56	6493.15	5373.2
4250	2	23.61	5	95	76.39	9500	7639
18000	40	100	100	100	100.00	22698.8	18265.4
Gini Coefficient=(FX-XF)/10000=0.44							

Source: Own calculation from field survey data, 2012-13

Note: X= Mid Value of Household Income and F= No. of Households

Table: 6.15a
Gini Coefficient for the SHG Households of Kharibari Block (Post-SHG)

X	F	% of X	% of F	Cumulative % of F	Cumulative % of X	FX	XF
1750	13	9.72	32.5	0	0	0	0
2250	3	12.5	7.5	32.5	9.72	722.15	388.8
2750	4	15.28	10	40	22.22	1500	1111
3250	6	18.06	15	50	37.5	2828	2437.5
3750	6	20.83	15	65	56.56	4965.35	4524.8
4250	8	23.61	20	80	76.39	8000	7639
18000	40	100	100	100	100	18015.5	16101.1
Gini-coefficient=(FX-XF)/10000=0.19							

Source: Own calculation from field survey data, 2012-13

Note: X= Mid Value of Household Income and F= No. of Households.

Tables 6.15, 6.15a and 6.15b show the distribution of income of the SHG households in their pre- and post SHG period and the non- SHG households. From these three Tables, we get three Lorenz curves for the SHG households in their pre- and post-SHG period and the non-SHG households. We also get the three values of Gini-coefficient from the above three Tables. The calculated values of Gini-coefficient are 0.44, 0.19 and 0.48 for the SHG households in their pre- and post-SHG period and non-SHG households respectively.

Table: 6.15b
Gini Coefficient for the Non-SHG Households of Kharibari Block

X	F	% of X	% of F	Cumulative % of F	Cumulative % of X	FX	XF
1750	13	9.72	32.5	0	0	0	0
2250	9	12.5	22.5	32.5	9.72	722.15	534.6
2750	8	15.28	20	55	22.22	2062.5	1666.5
3250	5	18.06	12.5	75	37.50	4242	3281.25
3750	4	20.83	10	87.5	56.56	6684.125	5514.6
4250	1	23.61	2.5	97.5	76.39	9750	7639.00
18000	40	100	100	100	100.00	23460.78	18635.95
Gini Coefficient=(FX-XF)/10000=0.48							

Source: Own calculation from field survey data, 2012-13

Note: X= Mid Value of Household Income, F= No. of Households

Three Lorenz curves are shown in figure 6.3. From the three Lorenz curves and the values of Gini coefficient it is very clear that the distribution of household income in Kharibari block is more unequal for non-SHG households as compared to SHG households. The reduction in value of Gini coefficient in post-SHG situation represents that the inequality in income distribution is reduced among the SHG households after joining the microfinance programme.

Figure: 6.3

Lorenz Curve for Kharibari Block

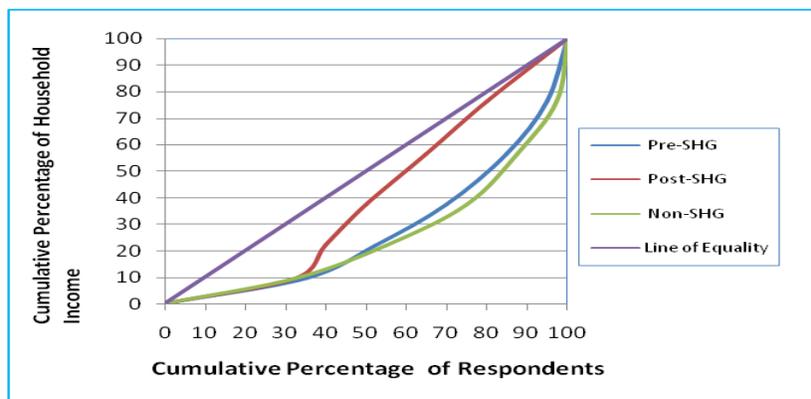


Table: 6.16
Gini Coefficient for the SHG Households of Garubathan Block (Pre-SHG)

X	F	% of X	% of F	Cumulative % of F	Cumulative % of X	FX	XF
1750	14	9.72	35	0	0	0	0
2250	8	12.5	20	35	9.72	777.7	534.6
2750	8	15.28	20	55	22.22	2062.5	1666.5
3250	5	18.06	12.5	75	37.50	4242	3281.25
3750	4	20.83	10	87.5	56.56	6684.125	5514.6
4250	1	23.61	2.5	97.5	76.39	9750	7639
18000	40	100	100	100	100.00	23516.33	18635.95
Gini Coefficient=(FX-XF)/10000=0.49							

Source: Own calculation from field survey data, 2012-13

Note: X= Mid Value of Household Income and F= No. of Households.

Table: 6.16a
Gini Coefficient for the SHG Households of Garubathan Block (Post-SHG)

X	F	% of X	% of F	Cumulative % of F	Cumulative % of X	FX	XF
1750	14	9.72	35	0	0	0	0
2250	4	12.5	10	35	9.72	777.7	437.4
2750	6	15.28	15	45	22.22	1687.5	1333.2
3250	5	18.06	12.5	60	37.5	3393.6	2718.75
3750	5	20.83	12.5	72.5	56.56	5538.275	4807.6
4250	6	23.61	15	85	76.39	8500	7639
18000	40	100	100	100	100	19897.08	16935.95
Gini Coefficient=(FX-XF)/10000=0.30							

Source: Own calculation from field survey data, 2012-13

Note: X= Mid Value of Household Income and F= No. of Households

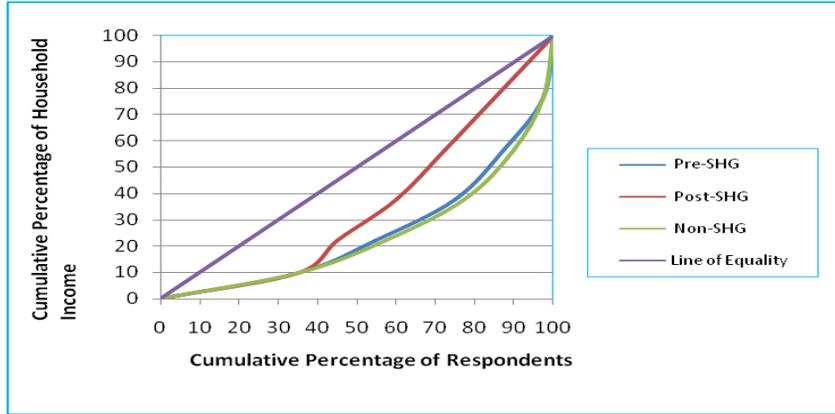
Table: 6.16b
Gini Coefficient for the Non- SHG Households of Garubathan Block

X	F	% of X	% of F	Cumulative % of F	Cumulative % of X	FX	XF
1750	14	9.72	35	0	0	0	0
2250	9	12.5	22.5	35	9.72	777.7	558.9
2750	8	15.28	20	57.5	22.22	2156.25	1722.05
3250	5	18.06	12.5	77.5	37.50	4383.4	3375
3750	3	20.83	7.5	90	56.56	6875.1	5514.6
4250	1	23.61	2.5	97.5	76.39	9750	7639
18000	40	100	100	100	100.00	23942.45	18809.55
Gini Coefficient=(FX-XF)/10000=0.51							

Source: Own calculation from field survey data, 2012-13

Note: X= Mid Value of Household Income and F= No. of Households

Figure: 6.4
Lorenz Curve for Garubathan Block



Tables 6.16, 6.16a and 6.16b show the distribution of income of the SHG households in their pre- and post SHG period and the non-SHG households. From these three Tables, we get three Lorenz curves for the SHG households in their pre- and post- SHG period and the non-SHG households. We also get the three values of Gini-coefficient from the above three Tables. The calculated values of Gini-coefficient are 0.49, 0.30 and 0.51 for the SHG households in their pre- and post-SHG period and non- SHG households respectively. Three Lorenz curves are shown in figure 6.4. From the three Lorenz curves and the values of Gini-coefficient it is very clear that the distribution of household income in Garubathan block is more unequal for non-SHG households as compared to SHG households. The reduction in value of Gini coefficient in post-SHG situation represents that the inequality in income distribution is reduced among the SHG households after joining the microfinance programme.

Table: 6.17
Gini Coefficient for the SHG Households of Ranaghat-II Block (Pre-SHG)

X	F	% of X	% of F	Cumulative % of F	Cumulative % of X	FX	XF
1750	14	9.72	35	0	0	0	0
2250	7	12.5	17.5	35	9.72	777.7	510.3
2750	6	15.28	15	52.5	22.22	1968.75	1499.85
3250	5	18.06	12.5	67.5	37.50	3817.8	3000
3750	4	20.83	10	80	56.56	6111.2	5090.4
4250	4	23.61	10	90	76.39	9000	7639
18000	40	100	100	100	100.00	21675.45	17739.55
Gini Coefficient=(FX-XF)/10000=0.39							

Source: Own calculation from field survey data, 2012-13

Note: X= Mid Value of Household Income and F= No. of Households

Table: 6.17a
Gini Coefficient for the SHG Households of Ranaghat-II Block (Post-SHG)

X	F	% of X	% of F	Cumulative % of F	Cumulative % of X	FX	XF
1750	11	9.72	27.5	0	0	0	0
2250	4	12.5	10	27.5	9.72	611.05	364.5
2750	5	15.28	12.5	37.5	22.22	1406.25	1111
3250	6	18.06	15	50	37.5	2828	2437.5
3750	6	20.83	15	65	56.56	4965.35	4524.8
4250	8	23.61	20	80	76.39	8000	7639
18000	40	100	100	100	100	17810.65	16076.8
Gini Coefficient=(FX-XF)/10000=0.17							

Source: Own calculation from field survey data, 2012-13

Note: X= Mid Value of Household Income and F= No. of Households

Table: 6.17b
Coefficient for the Non- SHG Households of Ranaghat-II Block

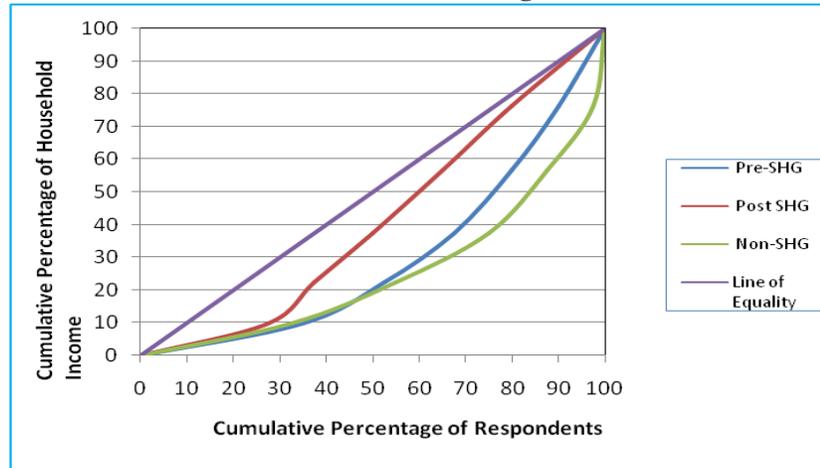
X	F	% of X	% of F	Cumulative % of F	Cumulative % of X	FX	XF
1750	13	9.72	32.5	0	0	0	0
2250	9	12.5	22.5	32.5	9.72	722.15	534.6
2750	8	15.28	20	55	22.22	2062.5	1666.5
3250	5	18.06	12.5	75	37.50	4242	3281.25
3750	4	20.83	10	87.5	56.56	6684.125	5514.6
4250	1	23.61	2.5	97.5	76.39	9750	7639.00
18000	40	100	100	100	100.00	23460.78	18635.95
Gini Coefficient=(FX-XF)/10000=0.48							

Source: Own calculation from field survey data, 2012-13

Note: X= Mid Value of Household Income and F= No. of Households.

Tables 6.17, 6.17a and 6.17b show the distribution of income of the SHG households in their pre- and post SHG period and the non-SHG households of Ranaghat II block. From these three Tables, we get three Lorenz curves for the SHG households in their pre- and post- SHG period and the non- SHG households. We also get the three values of Gini-coefficient from the above three Tables. The calculated values of Gini-coefficient are 0.39, 0.17 and 0.48 for the SHG households in their pre- and post-SHG period and non-SHG households respectively.

Figure: 6.5
Lorenz Curve for Ranaghat-II Block



Three Lorenz curves are shown in figure 6.5. From the three Lorenz curves and the values of Gini coefficient it is very clear that the distribution of household income in Ranaghat block is more unequal for non-SHG households as compared to SHG households. The reduction in value of Gini coefficient in post-SHG situation represents that the inequality in income distribution is reduced among the SHG households after joining the microfinance programme.

Table: 6.18
Gini Coefficient for the SHG Households of Chakdah Block (Pre-SHG)

X	F	% of X	% of F	Cumulative % of F	Cumulative % of X	FX	XF
1750	13	9.72	32.5	0	0	0	0
2250	9	12.5	22.5	32.5	9.72	722.15	534.6
2750	7	15.28	17.5	55	22.22	2062.5	1610.95
3250	5	18.06	12.5	72.5	37.50	4100.6	3187.5
3750	5	20.83	12.5	85	56.56	6493.15	5514.6
4250	1	23.61	2.5	97.5	76.39	9750	7639
18000	40	100	100	100	100.00	23128.4	18486.65
Gini Coefficient=(FX-XF)/10000=0.46							

Source: Own calculation from field survey data, 2012-13

Note: X= Mid Value of Household Income and F= No. of Households.

Tables 6.18, 6.18a and 6.18b show the distribution of income of the SHG households in their pre- and post-SHG period and the non-SHG households of Chakdah block. From these three Tables, we get three Lorenz curves for the SHG households in their pre- and post-SHG period and the non-SHG households.

Table: 6.18a
Gini Coefficient for the SHG Households of Chakdah Block (Post-SHG)

X	F	% of X	% of F	Cumulative % of F	Cumulative % of X	FX	XF
1750	13	9.72	32.5	0	0	0	0
2250	6	12.5	15	32.5	9.72	722.15	461.7
2750	5	15.28	12.5	47.5	22.22	1781.25	1333.2
3250	4	18.06	10	60	37.5	3393.6	2625
3750	5	20.83	12.5	70	56.56	5347.3	4666.2
4250	7	23.61	17.5	82.5	76.39	8250	7639
18000	40	100	100	100	100	19494.3	16725.1
Gini Coefficient=(FX-XF)/10000=0.28							

Source: Own calculation from field survey data, 2012-13

Note: X= Mid Value of Household Income and F= No. of Households

Table: 6.18b
Gini Coefficient for the Non- SHG Households of Chakdah Block

X	F	% of X	% of F	Cumulative % of F	Cumulative % of X	FX	XF
1750	13	9.72	32.5	0	0	0	0
2250	9	12.5	22.5	32.5	9.72	722.15	534.6
2750	8	15.28	20	55	22.22	2062.5	1666.5
3250	5	18.06	12.5	75	37.50	4242	3281.25
3750	4	20.83	10	87.5	56.56	6684.125	5514.6
4250	1	23.61	2.5	97.5	76.39	9750	7639.00
18000	40	100	100	100	100.00	23460.78	18635.95
Gini Coefficient=(FX-XF)/10000=0.48							

Source: Own calculation from field survey data, 2012-13

Note: X= Mid Value of Household Income and F= No. of Households

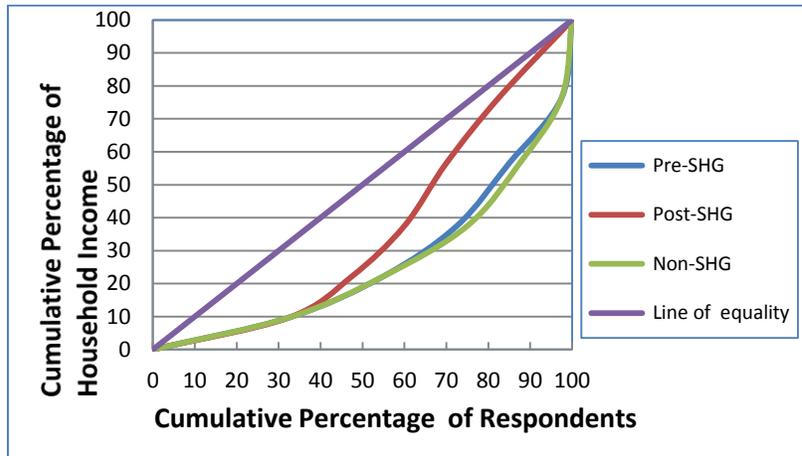
We also get the three values of Gini-coefficient from the above three Tables. The calculated values of Gini-coefficient are 0.46, 0.28 and 0.48 for the SHG households in their pre- and post-SHG period and non-SHG households respectively.

From the three Lorenz curves and the values of Gini-coefficient it is very clear that the distribution of household income in Chakdah block is more unequal for non-SHG households as compared to SHG households. The reduction in value of Gini-coefficient in post-SHG situation represents that the inequality in income distribution is reduced among the SHG households after joining the microfinance programme.

Thus, we can say that microfinance programme has been able to reduce the inequalities among the SHG households. Three Lorenz curves are shown in figure 6.6.

Figure: 6.6

Lorenz Curve for Chakdah Block



6.10 Impact of Microfinance on Poverty

To assess the impact of microfinance on poverty, we consider Rs.4075 per month per household as the poverty line. On the basis of this poverty line we measure incidence of poverty (how many people are poor), depth of poverty (by how much they fall below poverty line) and severity of poverty (for how long are they poor). To measure poverty, in our study, we have used the **Foster-Greer-Thorbecke poverty measures**.

6.10.1 Microfinance and Incidence of Poverty

The Head Count Ratio (H) is the most commonly used method for estimating the incidence of poverty. It shows the percentage of people below the poverty line. We can measure it in the following way:

$H = q/n$, where q is the number of people below the poverty line and n is the total population.

Table 6.19 shows the incidence of poverty among the SHG and non-SHG households. If we compare between SHG and non-SHG households regarding their incidence of poverty, we see that it is higher for non-SHG households as compared to the SHG households.

Table: 6.19
Block- wise Incidence of Poverty

Block	SHG & non-SHG Households	No. of BPL Households		Incidence of Poverty	
		Pre-SHG	Post-SHG	SHG Household	Non-SHG households
Kharibari	40	40	32	0.80	1.00
Garubathan	40	40	35	0.88	1.00
Ranaghat-II	40	40	30	0.75	1.00
Chakdah	40	40	34	0.85	1.00
Total	160	160	131	0.82	1.00

Source: Own calculation from field survey data, 2012-13.

6.10.2 Microfinance and Depth of Poverty (Poverty Gap Index)

Headcount index is simple to measure and understand but it does not consider the intensity of poverty. The Poverty Gap is a method for measuring the depth of poverty. This provides information regarding how far-off households are from the poverty line. It is the difference between the poor's income or expenditure and the poverty line.

The Poverty Gap Index (PGI) is the ratio of the poverty gap to the poverty line. It can be written as:
$$PGI = \frac{1}{N} \sum_{i=1}^q \frac{(z - y_i)}{z}$$

Where, z =poverty line, y_i = income of the i -th individual and N is the number of individual below the poverty line. Here the depth of poverty is calculated for the SHG and non-SHG households and the values are given in Table 6.20. If we compare between SHG and non-SHG members regarding their depth of poverty, we see that depth of poverty for non-SHG members is higher than the SHG members.

Table: 6.20
Block-wise Depth of Poverty

Block	SHG Members	Non-SHG Members
Kharibari	0.28	0.42
Garubathan	0.39	0.46
Ranaghat-II	0.21	0.36
Chakdah	0.35	0.44
All blocks	0.31	0.42

Source: Own calculation from field survey data, 2012-13.

6.10.3 Microfinance and Severity of Poverty (Squared Poverty Gap Index)

Squared poverty gap index provides not only the distance separating the poor from the poverty line (the poverty gap), but also the inequality among the poor. This is defined as the

average of the weighted-sum of the individual poverty gaps where the weights are proportionate poverty gaps themselves. The households falling quite below the poverty line as compared to those standing close to this line have been given higher weighted.

Squared Poverty Gap Index (SPGI) can be written as:

$$SPGI = \frac{1}{N} \sum_{i=1}^q \left(\frac{z - y_i}{z} \right)^2$$

Where, z = poverty line, y_i = income of the i -th individual and N is the number of individual below the poverty line. Table 6.21 gives the value of squared poverty gap index. If we compare SHG and non-SHG households we see that the severity of poverty is high among the non-SHG households as compared to the SHG households.

Table: 6.21
Block-wise Severity of Poverty

Block	SHG Households	Non-SHG Households
Kharibari	0.078	0.176
Garubathan	0.152	0.211
Ranaghat-II	0.044	0.129
Chakdah	0.123	0.193
All blocks	0.096	0.177

Source: own calculation from field survey data, 2012-13

6.11 Summary

This chapter studies the impact of microfinance programme on poverty. Here we have used empirical data to show the impact of microfinance on poverty. We consider Rs. 4075 per month per household as the poverty line. At the time of survey we found that all the SHG sample households were BPL. However, after calculation of income we found that some SHG households have crossed the poverty line. To show the impact of microfinance on the change in income we consider two ways. First, the income of the SHG members is compared before and after joining the programme and secondly, the income of the SHG members is compared with the non-SHG members. To test hypotheses, paired t-test and independent t-test have been used. We have used some poverty measurement indexes to measure poverty, viz., Head Count Ratio to measure the incidence of poverty, Poverty Gap Index to measure depth of poverty and Squared Poverty Gap Index to measure severity of poverty. Moreover, we have also used Lorenz curve and Gini-coefficient for the measurement of inequality in income distribution among the sample households.

CHAPTER 7

MICROFINANCE AND WOMEN EMPOWERMENT

7.1 Introduction

According to 2011 Census, women constitute more than 48 per cent of the total population of the country. Traditionally, women have been marginalized. They are rarely financially independent and often they are more vulnerable members of society. They face many socio-cultural attitude, legal barriers, lack of education and personal difficulties. This is also true of Indian women and for women in the study area. Yet, they have no access to credit and other financial services. Thus, their participation at grass root level is increasingly recognized for empowerment and development perspective. The empowerment approach, which evolved in the 1990s, has interpreted it in terms of participation in policymaking and planning process. For women's participation and empowerment, the organization of women into self-help groups (SHGs) and provision of microfinance through them is to be viewed in this background. In 2001, the "National Policy for Empowerment of Women" was adopted in India, with the ultimate objective of ensuring women their equitable place in the society by empowering them as 'catalyst' of societal change and development. Since women empowerment became a key to socio economic development, bringing women into the mainstream of national development has been a major concern of government.

There are many studies which show that with the help of microfinance the status of a woman improves in the family; she earns greater respect in the family than before; she participates in the decision-making and community meetings; and she gets freedom to move for the betterment of the micro-business. It may be due to the fact that women become able to contribute financially to the family. In fact, microfinance programme increases economic, social, and political empowerment. Therefore, the SHG members must efficiently use the financial support to start small businesses that will help in uplifting standard of living and empowerment of women. The present chapter studies the impact of microfinance programme on women empowerment.

7.2 Concept of Empowerment

Different experts and different disciplines use the concept of empowerment differently. The dictionary meaning of the word 'empower' is "to give power or authority to someone." Actually, Empowerment is an intrinsic quality of a person, which cannot be bestowed by a third party. In a nutshell, empowerment is a process which enables one to gain power, authority and influence over others. Some of the experts explain the concept of empowerment as follows:

According to Batliwala (1994) empowerment is a process of challenging existing power relations and of gaining greater control over the sources of power. The author has described that empowerment is the enhancement of power.

Wallerstein (1992) defined empowerment as "people assuming control and mastery over their own lives in the context of their social and political environment."

Kabeer (2001) defined empowerment as "the expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them." This definition contains two elements, (i) the idea of process, or change from a condition of disempowerment, and (ii) the idea of human agency and choice. This helps in distinguishing empowerment from other closely related concepts like women's autonomy, gender equality, gender discrimination etc. After defining the term 'empowerment', an attempt has been made to clear the meaning of women empowerment.

7.3 Women Empowerment

Women empowerment means to let women survive and let them live a life with dignity, humanity, respect, self esteem and self reliance. In the literature available on women empowerment, some of the concepts like gender equality, female autonomy or women status etc. are referring to as either similar or different concepts.

Batliwala (1994) identified three approaches to women's empowerment: the integrated development approach which focused on women's survival and livelihood needs; the economic development approach which aimed to strengthen women's economic position and the consciousness approach which organized women into collectives that address the source of oppression.

As described by Kabeer (2001) there are two essential elements of women empowerment, i.e., process and agency. A process is defined as the series of events that produce gradual change.

The process of women empowerment leads to expansion in their ability to have resources and to make strategic life choices. The agency element of women empowerment describes that women themselves are the significant actors in the process of change. It is the process through which choices are made. Empowerment cannot be offered by a third party rather it has to be claimed by those who would become empowered. Women will be empowered when they will have full control over their own life.

According to Pillai (1995), women empowerment is an active, multidimensional process which enables women to realize their full identity and powers in all spheres of life. Power is neither a commodity to be transacted nor can it be given away as alms. Power has to be acquired and once acquired it needs to be exercised, sustained and preserved.

7.4 Measurement of Women Empowerment

There is no universal theory for measurement of empowerment since it is multidimensional and ongoing process. Different studies have used different method to measure the women empowerment. Some studies use retrospective method to measure it where the data have been collected in two time periods. Again, some studies have used index method to measure it where index is made by some indicators. In our research work to measure the impact of microfinance on women empowerment we have used two methods. (i) We have compared the empowerment level of the SHG members between pre- and post-SHG period and (ii) We have compared the empowerment level of the SHGs members with non-SHG members. Both SHGs and non-SHG members have been taken from the same socio-economic background.

7.5 Indicators of Women Empowerment Used in the Present Study

To measure the impact of microfinance on women empowerment a number of questions were asked to the respondents during the field survey. The indicators of empowerment based on field survey questions are specific and relevant. We have considered nineteen indicators under five dimensions of women empowerment. Table 7.1 shows these five domains and nineteen indicators of women empowerment.

Table 7.1
Indicators of Women Empowerment

Dimension	Indicators
1. Access to and Control Over Resources	1.1 Women access to employment 1.2 Women contribution to household income 1.3 Women control over loan, income and savings 1.4 Savings in own name in the Bank
2. Household Decision Making	2.1 Decision of buying/selling of land/cattle 2.2 Decision of repair/ construction of house 2.3 Decision of spending borrowing money
3. Mobility & Social Awareness	3.1 Go to market freely 3.2 Go to town freely 3.3 Go to bank / children school / health centre freely 3.4 Go to parent/ relative house freely 3.5 Go to Panchayat/ BDO office freely 3.6 Awareness against social exploitation 3.7 Attitude towards the education of daughters
4. Political Matters	4.1 Decision regarding self Voting 4.2 Awareness of local, state level and national polity 4.3 Participation in <i>panchayat</i> meetings
5. Education Related Indicators	5.1 Level of Education 5.2 Ability to do basic calculation

Source: Own Compilation

7.6 Impact of Microfinance on Women Empowerment

The impact of microfinance programme on the various domains of women empowerment has been discussed below:

7.6.1 Access to and Control over Resources

Access to and control over resources is a dimension of women empowerment. For measuring this dimension we have taken the following indicators which are explained below.

(i) Women's Access to Employment

Employment provides women an opportunity to come out of the four walls of their house and helps exposure to the outside world. Thus, women's access to employment is an important indicator of empowerment. The study shows that the microfinance programme has helped the SHG members in increasing employment, particularly self-employment. Table 7.2 shows the average employment days of the respondents measured in person days per annum in each block.

Table: 7.2
Block-wise Average Employment Generated in person Days per Annum

Block	Average Employment Days		
	SHG members		Non- SHG members
	Pre-SHG	Post-SHG	
Kharibari	82	130	80
Garubathan	76	120	78
Ranaghat-II	87	132	90
Chakdah	77	122	75
All Block	80	126	81

Source: Field Survey, 2012-13.

From the Table it is found that the SHG members are employed for more number of days as compared to the non-SHG members. The SHG members are employed for 126 person-days per annum, whereas the non-SHG members are employed only for 81 person-days per annum. Therefore, the SHG members have more access to employment as compared to the non-SHG members.

(ii) Women’s Contribution to Household Income

The contribution to the household income helps women to become economically independent and financial decision-maker in the household expenditure. Microfinance programme has helped the women SHG members to increase their contribution to the household income. Block wise average income of the SHG members and non-SHG members per month is shown in the following Table.

Table: 7.3
Monthly Average Income of the Respondents

Block	SHG members	Non-SHG Members
Kharibari	1260	773
Garubathan	1000	650
Ranaghat-II	1320	900
Chakdah	1118	687
All Block	1175	753

Source: Field Survey, 2012-13.

From the Table 7.3 it is seen that average income of the SHG members is Rs. 1175 per month as compared to Rs. 753 of the non- SHG members. The SHG members have been able to generate additional income of Rs. 422 per month as compared to the non-SHG members. .

(iii) Women's Control over Loan, Income and Savings

Microfinance helps the SHG members to have access to and control over loan, income and saving. Data have been collected regarding the women's control over loan, income and savings and the results have been presented in Table 7. 4. From the Table it is found that 25 per cent of SHG members and 8.75 per cent of the non-SHG members have been able to control over their loan. Again, 30 per cent of the SHG members and 8.75 per cent of the non-SHG members have been able to control over family income and savings. Chi-square test shows significant difference between SHG members and non-SHG members regarding their access to and control over loan, income and saving.

Table: 7.4
Access to and Control over Family Resources-Darjeeling

Indicator		SHG members			Non-SHG members		
		Khari bari	Garu bathan	Total	Khari bari	Garu bathan	Total
Control over loan	Self	10	10	20	3	4	7
	Husband	12	10	22	20	15	35
	Jointly by self and husband	16	20	36	16	19	35
	Others	2	-	2	1	2	3
Control over Income and Savings	Self	14	10	24	2	5	7
	Husband	16	12	28	14	13	27
	Jointly by self and husband	9	13	22	20	18	38
	Others	1	5	6	4	4	8

Source: Field Survey, 2012-13.

Note: Chi-square (χ^2) = 9.43 and 13.882. Table value at 5% and 1% with 3 degree of freedom (d.f.) are 7.815 and 11.341 respectively.

Similarly, Table 7.5 shows that 35 per cent of SHG members and 17.5 per cent of the non-SHG members have been able to control over their loan. Again, 43.75 per cent of the SHG members and 18.75 per cent of the non-SHG members have been able to control over family income and savings. Chi-square test shows significant difference between SHG members and non-SHG members regarding their access to and control over loan, income and saving.

Table: 7.5
Access to and Control over Family Resources- Nadia

Indicator		SHG members			SHG members		
		Rana ghat-II	Chak dah	Total	Rana ghat-II	Chak dah	Total
Control over loan	Self	16	12	28	8	6	14
	Husband	8	13	21	9	7	16
	Jointly by self & Husband	12	9	21	17	20	37
	Others	4	6	10	6	7	13
Control over Income and Savings	Self	20	15	35	8	7	15
	Husband	10	12	22	7	11	18
	Jointly by self & Husband	7	10	17	20	16	36
	Others	3	3	6	5	6	11

Source: Field Survey, 2012-13.

Note: Chi-square (χ^2) = 10.132 and 16.68. Table value at 5% and 1% with 3 degree of freedom (d.f.) are 7.815 and 11.341 respectively.

(v) Savings in Own name in the Bank

As a result of joining the SHGs, the members have been able to save their income in own name in the bank. Table 7.6 shows that 25 per cent SHG member and 12.5 per cent non-SHG members have own name savings in the bank. Chi-square test shows that there is significant difference between SHG and non- SHG members regarding their own name savings in the bank.

Table: 7.6
Savings in Own Name in the Bank - Darjeeling

Own name Savings in the Bank	SHG members			Non-SHG members		
	Khari bari	Garu bathan	Total	Khari bari	Garu bathan	Total
Yes	14	6	20	5	5	10
No	26	34	60	35	35	70
Total	40	40	80	40	40	80

Source: Field Survey, 2012-13

Note: Chi-square (χ^2) =4.1. Table value at 5% with 1 degree of freedom (d.f.) is 3.841

Table 7.7 shows that 31.25 per cent SHG member and 13.75 per cent non-SHG members have own name savings in the bank. Chi-square test shows that there is significant difference between SHG and non- SHG members regarding their own name savings in the bank.

Table: 7.7
Saving in Won Name in the Bank - Nadia

Own name Savings in the Bank	SHG members			Non-SHG members		
	Rana ghat-II	Chak dah	Total	Rana ghat-II	Chak dah	Total
Yes	15	10	25	6	5	11
No	25	30	55	34	35	69
Total	40	40	80	40	40	80

Source: Field Survey, 2012-13

Note: Chi-square (χ^2) = 7.02. Table value at 1% with 1 degree of freedom (d.f.) is 6.635.

7.6.2 Household Decision Making

When a woman involved in the household decision-making then she is definitely more empowered because generally male member of a family take household decision. After joining the SHGs, decision making power of SHG members has increased as compare to the non-SHG members. Table 7.8 shows that 26.25 per cent of the SHG members and just 11.5 per cent of the non-SHG members take household decisions regarding buying or selling land or cattle.

Table: 7.8
Household Decision Making-Darjeeling

Indicators		SHG members			Non-SHG members		
		Khari bari	Garu bathan	Total	Khari bari	Garu bathan	Total
Decision of buying/selling of land/ cattle	Self	12	9	21	4	5	9
	Husband	16	12	28	14	20	34
	Jointly by self & husband	11	17	28	17	10	27
	Others	1	2	3	5	5	10
Decision of Repair/ Construction of house	Self	8	10	18	3	4	7
	Husband	14	15	29	20	21	41
	Jointly by self & husband	12	15	27	10	8	18
	Others	6	-	6	5	2	7
Decision of utilization of borrowed money	Self	12	11	23	5	4	9
	Husband	15	10	25	23	22	45
	Jointly by self & husband	10	18	28	8	10	18
	Others	3	1	4	4	4	8

Source: Field Survey, 2012-13.

Note: Chi-square (χ^2) = 9.158, 8.76 and 15.3 Table values at 5% and 1% with 3 degree of freedom (d.f.) are 7.815 and 11.341 respectively.

Similarly, 22.5 per cent SHG members and only 8.75 per cent non-SHG members take decision regarding repair or construction of house. Again, 28.75 per cent of the SHG members and just 11.5 per cent of the non-SHG members take decision regarding the utilization of borrowed money. Chi-square test shows that there is significant difference between SHG members and non-SHG members regarding their role in household decision making.

Similarly, Table 7.9 shows that 32.5 per cent of the SHG members and just 13.75 per cent of the non-SHG members take household decisions regarding buying or selling land or cattle. Similarly, 22.5 per cent SHG members and only 8.75 per cent non-SHG members take decision regarding repair or construction of house. Again, 33.75 per cent of the SHG members and just 13.75 per cent of the non-SHG members take decision regarding the utilization of borrowed money. Chi-square test shows that there is significant difference between SHG members and non-SHG members regarding their role in household decision making.

Table: 7.9
Household Decision Making- Nadia

Indicators		SHG members			Non- SHG members		
		Rana ghat-II	Chak dah	Total	Rana ghat-II	Chak dah	Total
Decision of buying/selling of land/ cattle	Self	16	10	26	6	5	11
	Husband	12	14	26	10	15	25
	Jointly by self & husband	10	12	22	21	15	36
	Others	2	4	6	3	5	8
Decision of Repair/ Construction of house	Self	10	8	18	4	3	7
	Husband	16	15	31	20	21	41
	Jointly by self & husband	12	13	25	10	8	18
	Others	2	3	5	5	2	7
Decision of utilization of borrowed money	Self	15	12	27	7	4	11
	Husband	15	10	25	16	19	35
	Jointly by self & husband	10	17	27	13	12	25
	Others	-	1	1	4	5	9

Source: Field Survey, 2012-13.

Note: Chi-square (χ^2) = 9.758, 8.68 and 11.9. Table values at 5% and 1% with 3 degree of freedom (d.f.) are 7.815 and 11.341 respectively.

7.6.3 Mobility & Social Awareness Related Indicators

Mobility refers to the free movement by women without being restricted. It is measured in terms of women being travelled to different places alone. As a result of joining the microfinance programme, mobility of the women increases which leads them to be empowered.

Table: 7.10
Mobility & Social Related Indicators -Darjeeling

Indicators		SHG members			Non- SHG members		
		Khari bari	Garu bathan	Total	Khari bari	Garu bathan	Total
Go to market freely & alone	Yes	38	36	74	35	36	71
	No	2	4	6	5	4	9
Go to town freely & alone	Yes	35	30	65	28	25	53
	No	5	10	15	12	15	27
Go to bank/children school/health centre freely & alone	Yes	30	33	63	23	20	43
	No	10	7	17	17	20	37
Go to parent/ relative house freely & alone	Yes	37	36	73	34	35	69
	No	3	4	7	6	5	11
Go to Panchayat/ BDO office freely & alone	Yes	27	28	55	20	17	37
	No	13	12	25	20	23	43
Awareness against social exploitation	Yes	32	28	60	15	18	33
	No	8	12	20	25	22	47
Positive attitude towards girl child's education	Yes	38	37	75	35	33	68
	No	2	3	5	5	7	12

Source: Field Survey, 2012-13.

Note: Chi-square (χ^2) = 0.66, 4.64, 11.18, 0.98, 8.28, 18.7, 3.22. Table values at 5% and 1% with 1 degree of freedom (d.f.) are 3.841 and 6.635 respectively.

From Table 7.10, it is found that 92 per cent, 81.25 per cent, 78.75 per cent, 91.25 per cent, and 68.75 per cent SHG members can go to market, town, bank, relative house and BDO office freely without any permission of their husbands respectively. On the other hand, 88.75 per cent, 66.25 per cent, 53.75 per cent, 86.25 per cent and 46.25 per cent non-SHG members can go to market, town, bank, relative house and BDO office freely without any permission of their husbands respectively. In case of awareness against social exploitation it is found that 75 per cent SHG and 41.25 per cent non-SHG members can raise their voice against social exploitation such as drug addiction, injustice and domestic violence. Again, from the table we found that both the SHG and non-SHG members are aware of the importance of education for their daughter. It is seen that 93.75 per cent SHG and 85 per cent non-SHG members have positive attitude

towards daughter's education. Chi-square test shows that there is significant difference between SHG members and non-SHG members regarding their go to town, bank, BDO office and awareness against social exploitation. On the other hand, there is no significant difference between SHG and non-SHG members regarding their go to market, relative house and attitude towards daughter's education.

Table: 7.11
Mobility & Social Related Indicators -Nadia

Indicators		SHG members			Non- SHG members		
		Rana ghat-II	Chak dah	Total	Rana ghat-II	Chak dah	Total
Go to market freely & alone	Yes	38	35	73	34	36	68
	No	2	5	7	6	4	10
Go to town freely & alone	Yes	36	33	69	29	28	57
	No	4	7	11	11	12	23
Go to bank/children school/health centre freely & alone	Yes	33	31	64	24	21	45
	No	7	9	16	16	19	35
Go to parent/ relative house freely & alone	Yes	37	36	73	34	32	66
	No	3	4	7	6	8	14
Go to Panchayat/ BDO office freely & alone	Yes	33	30	63	25	22	47
	No	7	10	17	15	18	33
Awareness against social exploitation	Yes	35	30	55	25	21	46
	No	5	10	15	15	19	34
Positive attitude towards girl child's education	Yes	36	35	71	34	33	67
	No	4	5	9	6	7	13

Source: Field Survey, 2012-13.

Note: Chi-square (χ^2) = 0.68, 7.88, 10.4, 3.54, 7.44, 8.16, 0.82 Table values at 5% and 1% with 1 degree of freedom (d.f.) are 3.841 and 6.635 respectively.

From Table 7.11, it is found that 91.25 per cent, 86.25 per cent, 80 per cent, 91.25 per cent, and 78.75 per cent SHG members can go to market, town, bank, relative house and BDO office freely without any permission of their husbands respectively. On the other hand, 85 per cent, 71.25 per cent, 56.25 per cent, 82.5 per cent and 58.75 per cent non-SHG members can go to market, town, bank, relative house and BDO office freely without any permission of their husbands respectively. In case of awareness against social exploitation it is found that 68.75 per cent SHG and 57.5 per cent non-SHG members can raise their voice against social exploitation such as drug addiction, injustice and domestic violence. Again, from the table we found that both the SHG and non-SHG members are aware of the importance of education for their daughter. It is seen that 88.75 per cent SHG and 83.75 per cent non-SHG members have positive attitude

towards daughter's education. Chi-square test shows that there is significant difference between SHG members and non-SHG members regarding their go to town, bank, BDO office and awareness against social exploitation. On the other hand, there is no significant difference between SHG and non-SHG members regarding their go to market, relative house and attitude towards daughter's education.

7.6.4 Political Related Indicators

It has been observed that after joining the SHGs, the women have been able to be empowered themselves socio-economically as well as politically. The impact of political indicators has been measured by comparing between SHG and non-SHG members. To assess the role of microfinance on political empowerment we consider the following indicators and explain them one by one.

(i) Regarding self voting

A question was asked to the respondents to know whether they can decide who to vote for. From Table 7.12 it is found that 66.25 per cent SHG and 38.75 per cent non-SHG members have been able to decide who to vote for. Chi-square test shows that there is significant difference between SHG and non-SHG members regarding their right to vote.

Table: 7.12
Regarding Vote Giving -Darjeeling

Who take decision who to vote for?	SHG members			Non- SHG members		
	Khari bari	Garu bathan	Total	Khari bari	Garu bathan	Total
Self	28	25	53	16	15	31
Husband	7	10	17	16	13	29
Jointly by self & husband	4	3	7	6	9	15
Others	1	2	3	2	3	5

Source: Field Survey, 2012-13

Note: Chi-square (χ^2) = 12.3. Table value at 1% with 1 d.f. is 11.341.

Similarly, Table 7.13 shows that 78.75 per cent SHG and 55 per cent non-SHG members have been able to decide who to vote for. Chi-square test shows that there is significant difference between SHG and non-SHG members regarding their right to vote.

Table: 7.13
Regarding Vote Giving –Darjeeling

Who take decision who to vote for?	SHG members			Non- SHG members		
	Rana ghat-II	Chak dah	Total	Rana ghat-II	Chak dah	Total
Self	32	31	63	24	20	44
Husband	5	4	9	10	9	19
Jointly by self & husband	3	4	7	5	9	14
Others	-	1	1	1	2	3

Source: Field Survey, 2012-13

Note: Chi-square (χ^2) = 10.3. Table value at 5% with 3 d.f. is 7.815.

(ii) Know the name of GP, CM and PM and Participation in GP Meeting

In order to find the awareness of the respondents about the local, state and national affairs, some questions like name of their gram panchayat (GP), Chief Minister (CM) of the state and Prime Minister (PM) of India were asked. An attempt was also made to know whether they recognize all these personalities; or whether they attend the gram panchayat meeting.

Table:7.14
Know the name of GP, CM and PM and Participation in GP Meeting -Darjeeling

Indicators		SHG members			Non-SHG members		
		Kari bari	Garu bathan	Total	Kari bari	Garu bathan	Total
Know the name & recognize village panchayat	Yes	39	38	77	37	36	73
	No	1	2	3	3	4	7
Know the names & recognize panchayat & CM	Yes	36	35	71	34	35	69
	No	4	5	9	6	5	11
Know the names & recognize panchayat ,CM & PM	Yes	28	27	55	25	12	30
	No	12	13	25	15	28	50
Participation in Panchayat Meetings	Yes	30	22	52	20	12	32
	No	10	18	28	20	28	48

Source: Field Survey, 2012-13

Note: Chi-square. (χ^2) = 1.70, 0.22, 15.66 and 10.52 Table value at 1% with 1 d.f. is 6.635.

Table 7. 14 shows that both the SHG and non- SHG members are aware of local polity. It is found that almost all the SHG and non-SHG members are aware about the names of their GP and CM of the state and are able to recognize them. However, when SHG members were asked about the name and recognition of the PM of India, 68 per cent of the SHG members responded positively as compared to 37 per cent of non- SHG members. Again, in case of attending GP meeting, it is found that 65 per cent SHG and 40 per cent non-SHG members

attend the GP meeting. Chi-square test shows that there is no significant difference between SHG members and non- SHG members regarding their knowledge of local and state level polity but the difference regarding their awareness of national polity and attend in GP meeting is very significant.

Similarly, Table 7.15 shows that both the SHG and non-SHG members are aware of local polity. It is found that almost all the SHG and non-SHG members are aware about the names of their GP and CM of the state and are able to recognize them. However, when SHG members were asked about the name and recognition of the PM of India, 72.5 per cent of the SHG members responded positively as compared to 35 per cent of non- SHG members. Again, in case of attending GP meeting, it is found that 72.5 per cent SHG and 43.75 per cent non-SHG members attend the GP meeting. Chi-square test shows that there is no significant difference between SHG members and non-SHG members regarding their knowledge of local and state level polity but the difference regarding their awareness of national polity and attend in GP meeting is very significant.

Table: 7.15
Know the name of GP, CM and PM and Participation in GP Meeting--Nadia

Indicator		SHG members			Non-SHG members		
		Rana ghat-II	Chak dah	Total	Rana ghat-II	Chak dah	Total
Know the name & recognize Village panchayat	Yes	40	39	79	38	36	74
	No	-	1	1	2	4	6
Know the names & recognize panchayat & CM	Yes	37	35	72	34	30	64
	No	3	5	8	6	10	16
Know the names & recognize panchayat ,CM & PM	Yes	30	28	58	17	11	28
	No	10	12	22	23	29	52
Participation in Panchayat Meetings	Yes	32	26	58	20	15	35
	No	18	14	22	20	25	45

Source: Field Survey, 2012-13

Note: Chi-square (χ^2) = 3.72, 3.06 and 22.62 and 13.56. Table value at 1% with 1 d.f. is 6.635.

7.6.5 Education Related Indicators

To know the impact of microfinance on education, we consider the following indicators:

(i) Level of Education

Education is one of the main indicators of empowerment. When a woman is educated, her ability is developed and along with her outlook is also expanded. She can understand her rights and duties well.

Table 7.16 shows that 22.5 per cent of the SHG members and 40 per cent of the non-SHG members are illiterate. Among them 11 per cent illiterate SHG members and 31 per cent non-SHG members are not able to read numbers and write even their name. But 11 per cent of the illiterate SHG members and 9 per cent of the non-SHG members are able to read numbers and write their name. Therefore, it can be seen that though illiterate, the SHG members are more able to read and write as compared to the illiterate non-SHG members. The level of education of SHG members and non-SHG members is also compared. It is found that 32.5 per cent of the SHG members and 30 per cent of the non-SHG members are educated up to primary level, 8 per cent of the SHG members and 7.5 per cent of the non-SHG members are higher educated. Chi-square test shows that there is no significant difference between SHG members and non-SHG members regarding their education and ability to read and write.

Table: 7.16
Level of Education -Darjeeling

Status of Education	SHG members			Non-SHG members		
	Khari bari	Garu bathan	Total	Khari bari	Garu bathan	Total
Illiterate,	6	3	9	15	10	25
Illiterate, but can read and write	6	3	9	4	3	7
Up to primary	14	12	26	14	10	24
Up to middle	7	12	19	5	7	12
Up to high	5	6	11	3	6	9
Above high	2	4	6	2	1	3
Total	40	40	80	40	40	80

Source: Field Suevey, 2012-13

Note: Chi-square (χ^2)=10.63 Table value at 5% with 5 d.f.=11.070

Table 7.17 shows that 25 per cent of the SHG members and 34 per cent of the non-SHG members are illiterate. Among them 11 per cent illiterate SHG members and 27.5 per cent non-SHG members are not able to read numbers and write even their name. But 14 per cent of the illiterate 6 per cent of the non-SHG members are able to read numbers and write their name.

Therefore, it can be seen that though illiterate, the programme SHG members are more able to read and write as compared to the illiterate non-SHG members. The level of education of SHG members and non-SHG members is also compared. It is found that 20 per cent of the SHG members and 30 per cent of the non-SHG members are educated up to primary level, 4 per cent of the SHG members and 6 per cent of the non-SHG members are higher educated. Chi-square test shows that there is significant difference between SHG and non-SHG members regarding their education and ability to read and write.

Table: 7.17
Level of Education -Nadia

Status of Education	SHG members			Non-SHG members		
	Rana ghat-II	Chak dah	Total	Rana ghat-II	Chak dah	Total
Illiterate,	4	5	9	10	12	22
Illiterate, but can read and write	5	6	11	2	3	5
up to primary	7	9	16	12	12	24
up to middle	15	10	25	8	5	13
up to high	5	8	13	6	5	11
Above high	4	2	6	2	3	5
Total	40	40	80	40	40	80

Source: Field Suevey, 2012-13

Note: Chi-square (χ^2) = 13.3 Table value at 5% with 5 d.f.=11.070

(ii) Ability to do Basic Calculation

When a woman has the knowledge about the basic calculations like addition, subtraction, product and multiplication, she cannot be easily cheated by anyone. Here we measure this indicator by comparing SHG and non-SHG members whether they can do the basic calculations or not.

Table: 7.18
Ability to do Basic Calculation -Darjeeling

Ability to do Basic Calculation	SHG members			Non-SHG members		
	Khari bari	Garu bathan	Total	Khari bari	Garu bathan	Total
Yes	27	29	56	22	18	40
No	13	11	24	18	22	40
Total	40	40	80	40	40	80

Source: Field Survey, 2012-13

Note: Chi-square (χ^2) = 6.66 Table value at 1% with 1 d.f. is 6.635.

Table 7.18 shows that 70 per cent SHG and 50 per cent non-SHG members can do basic calculations. Chi-square test shows that there is significant difference between SHG and non-SHG members regarding their ability to do basic calculations.

Similarly, Table 7.19 shows that 72 per cent SHG and 50 per cent non-SHG members can do basic calculations. Chi-square test shows that there is significant difference between SHG and non-SHG members regarding their ability to do basic calculations.

Table: 7.19
Ability to do Basic Calculation- Nadia

Ability to do Basic Calculation	SHG members			Non- SHG members		
	Rana Ghat-II	Chak dah	Total	Rana Ghat-II	Chak dah	Total
Yes	30	28	58	25	17	42
No	10	12	22	15	23	38
Total	40	40	80	40		40

Source: Field Survey, 2012-13

Note: Chi-square (χ^2) = 21.16. Table value at 1% with 1 d.f. is 6.635.

7.7 Summary

This chapter deals with the impact of microfinance on women empowerment. In our research work to measure the impact of microfinance on women empowerment we have used two methods. (i) We have compared the empowerment level of the SHG members between pre- and post-SHG period and (ii) We have compared the empowerment level of the SHGs members with non-SHG members. Both SHGs and non-SHG members have been taken from the same socio-economic background. Next, we have considered nineteen indicators covering five dimensions to measure the level of women empowerment. We have applied Chi-square test to compare the empowerment level of the SHG members with the non-SHG members.

CHAPTER 8

COMPARISON OF THE TWO DISTRICTS ON VARIOUS ASPECTS OF LIVELIHOOD AND WOMEN EMPOWERMENT

8.1 Introduction

In this chapter we deal with a comparative study between Darjeeling and Nadia districts of West Bengal with the help of empirical data. Darjeeling is the Northern district of West Bengal whereas Nadia is the Southern district of West Bengal. While comparing Darjeeling district with Nadia district we have considered different aspects such as origin and development of microfinance, creation of livelihoods, eradication of poverty and inequality and women empowerment. We have discussed them one by one below:

8.2 Comparison in the Light of Microfinance Development

First we deal with a comparative study between Darjeeling and Nadia districts in the context of origin and development of microfinance. We have tried to point out the following matters from Darjeeling and Nadia districts such as physical progress of SHGs, year-wise formation of SHGs, saving and credit linkage groups, district-wise credit and subsidy disbursed to SHGs, loan and repayment and outstanding of the sample SHGs and purpose of loan.

8.2.1 District wise Physical Progress of SHGs as on March, 2013

SGSY was launched in Darjeeling and Nadia districts with effect from the 1st April, 1999 but it really took off from 2001-2002. It is found that out of 18 districts, position of Darjeeling was 18th and the same for Nadia was 12th in West Bengal in respect of number of SHGs formed under SGSY. District-wise physical progress of SHGs has been shown in Table 8.1. From the Table it is observed that there is a significant difference between the two districts in respect of formation of SHGs, gradation of SHGs, activities of SHGs and exclusive women groups. From the Table, it is very clear that in all the cases Nadia district is better than Darjeeling district.

Table: 8.1**District wise Physical Progress of SHGs as on March, 2013**

District	Total SHGs Formed	Defunct SHGs	Active SHGs	Passed Grade-I	Passed Grade-II	No. of SHGs taken up Economic Activities		No. of Women SHGs
						Grate-I	Grade-II	
Darjeeling	8730	1395	7335	6603	562	5648	562	5508
Nadia	20765	765	20000	16526	5780	15711	4805	18018

Source: Field Survey, 2012-13

Table 8.2 shows the year-wise formation of SHGs under SGSY as on March 2013 in two districts. Analysis of the data indicates that SHGs was not uniformly spread out over the years. Number of SHGs under SGSY gradually increases over time in Nadia district and there has also been a steady growth in the formation of SHGs. On the other hand, in Darjeeling district formation of SHGs was uneven. From the Table, it is also found that the formation of SHGs has reduced in both the districts during 2011 to 2013.

Table: 8.2**Year-wise Formation of SHGs under SGSY up to March, 2013**

Year	Darjeeling	Nadia
2003-2004	1142	3465
2004-2005	509	1468
2005-2006	695	1423
2006-2007	946	1894
2007-2008	836	2068
2008-2009	1629	2411
2009-2010	817	2333
2010-2011	1024	2441
2011-2012	343	1532
2012-2013	789	1730

Source: DRDC, Darjeeling and Nadia, 2012-13

8.2.2 Status of SHGs Under SGSY in two Districts as on March 2013

District-wise status of SHGs under SGSY in two districts as on March 2013 has been shown in Table 8.3. From the Table, it is seen that the number of saving linkage groups, credit linkage groups and project linkage in Nadia district is relatively higher than that of Darjeeling district. In Darjeeling district, 63.09 per cent groups belonged to women SHGs. On the other hand, in Nadia district 86.77 per cent group belong to women SHGs. Thus, percentage of women

SHGs in Nadia district is relatively high as compared to the percentage of women SHGs in Darjeeling District.

Table: 8.3
Status of SHGs under SGSY in two Districts as on March 2013

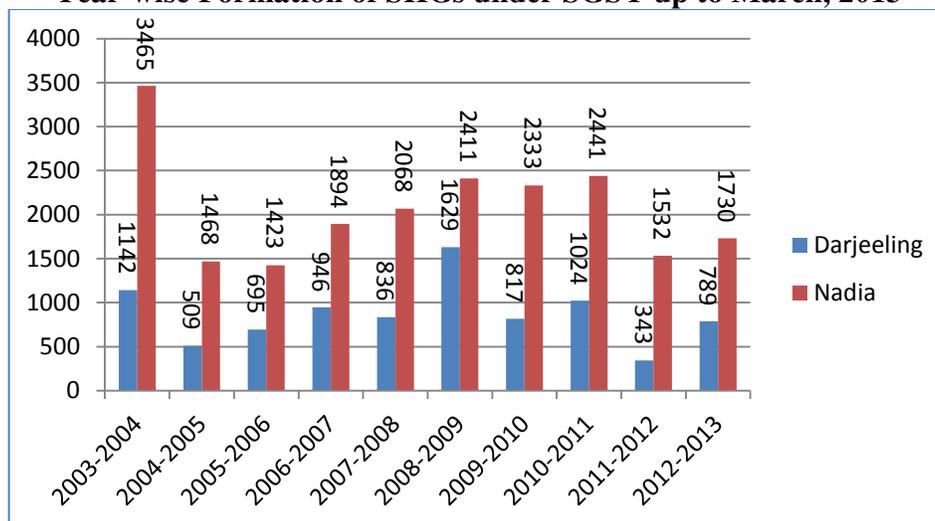
District	No. of Savings linkage SHGs	Grade-I		Grade-II over Grade-I		No. of CLGs over Grade-I		No of PLGs over CLG		No. of women groups	% over SLGs
		No.	%over SLGs	No.	%	No.	%	No.	%		
Darjeeling	8730	6603	75.64	2105	31.88	5648	85.54	562	9.95	5508	63.09
Nadia	20765	16526	79.59	5780	34.98	15611	94.46	4805	30.78	18018	86.77

Source: DRDC, Darjeeling and Nadia, 2012-13

Note: SLG=Savings linked groups, CLG= Credit linked groups, PLG =Project linked groups.

Year-wise formation of SHGs in two districts has been shown in the following figure. From the figure it is found that the highest number of SHGs has been formed in the year 2003-2004 in Nadia district. On the other hand, the lowest number of SHGs has been formed in 2010-11 in Darjeeling district.

Figure: 8.1
Year-wise Formation of SHGs under SGSY up to March, 2013



8.2.3 District-wise Credit & Subsidy Disbursed to SHGs upto Murch 2013

District-wise credit and subsidy disbursed to the SHGs by the different banks upto Murch 2013 has been shown in Table 8.4. From the Table it is found that in Darjeeling district, 5648 groups were given Rs.133.47 lakh of bank loans and 562 groups were given Rs. 86.85 lakh subsidy during the period 1999 to 2013. On the other hand, in Nadia district, 15611 groups were given Rs.753.37 lakh of bank loans and 4805 groups were given Rs. 446.47 lakh subsidy during the period 2004 to 2013. Thus, it is very clear that the amount of credit and subsidy disbursed to the SHGs is much more in Nadia district as compared to Darjeeling district.

Table: 8.4
District-wise Credit & Subsidy Disburse to the SHGs upto Murch 2013 (Rs. in lakh)

District	No. of SHGs	Credit Disbursed to	No. of SHGs	Subsidy Disbursed to
Darjeeling	5648	133.47	562	86.85
Nadia	15611	753.37	4805	446.47

Source: DRDC, Darjeeling and Nadia, 2012-13

8.2.4 Loan, Repayment and Outstanding Amount of the Sample SHGs

Here we have discussed the matters of the amount of loan, repayment and purposes of loan of the SHGs of the study area. District-wise amount of loan, repayment and outstanding of the sample SHGs have been shown in Table 8.5.

Table: 8.5
District-wise Amount of Group Loan, Repayment and Outstanding (in Rs.)

District	Loan	Repaid	Percentage	Outstanding	percentage
Darjeeling	571000	474072	83.02	96928	16.98
Nadia	714000	612533	85.79	101467	14.21

Source: Field Survey, 2012-13

From the above Table, it is observed that the loan amount given by the different banks to the sample SHGs of Nadia district is more than that of the sample SHGs of Darjeeling district. The above Table also shows the recovery status of the bank loans given to the SHG members as reported by the different banks by the end of March 2013. From the data given in the Table 8.4 up to March 2013 clearly shows that in Darjeeling district loan recovery rate is 83.02 per cent whereas the same for Nadia district is 85.79 per cent. Therefore, it may be said that recovery of

loans given under microfinance programme is very good, which was very essential for programme sustainability. It may also be interpreted that the microfinance programme is working well for both SHG members as well as the funding institutions.

8.2.5 Purpose of Loan

Group loans have been given only for the purpose of investing in productive activities. The members utilize full or a part of loan for some other priority needs. During the survey, group members were also asked about the different purposes for which they utilize the group loans. Table 8.6 shows the loan utilization pattern of the SHG members.

Table: 8.6
District-wise Purpose of Loan

Purpose of Loan	Darjeeling		Nadia	
	No.	Percentage	No.	Percentage
Farming	5	6.25	13	16.25
Petty Business	15	18.75	17	21.25
Land Mortgage	3	3.75	4	5.0
Consumption	9	11.25	5	6.25
Medical	6	7.5	6	7.5
House Repair/ Construction	8	10.0	7	8.75
Marriage & other Ceremonies	14	17.5	11	13.75
Durable Goods	4	5.0	4	5.0
Education	9	11.25	10	12.5
Repay Previous Loan	7	8.75	3	3.75
Total	80	100	80	100

Source: Field Survey, 2012-13

From Table 8.6, it is revealed that in Darjeeling district, 28.75 per cent of the total group loans are utilized by the SHG households for productive purposes such as farming, petty business and land mortgage etc. On the other hand, in Nadia district, 42.5 per cent of the total group loans are utilized for productive purposes. It is also found that in Darjeeling district 71.25 per cent and in Nadia district 57.5 per cent of the loans is utilized by the SHG households for different purposes such as consumption, medical, house repairing marriage and other ceremonies, education etc.

8.3 Comparisons in the Light of Creation of Livelihoods

SHGs in West Bengal have not only confined itself in saving and credit, but also play an important role in creation of livelihood or employment among the rural poor especially for the rural poor women. After joining the SHGs, the livelihood patter of the rural poor women has also been changed. These groups have been able to create self-employment by entrepreneurship development in the grass-root rural areas and have helped to expand multiple livelihood systems among the rural poor women. Now we shall make a comparative study between the two districts in respect of livelihood creation, i.e., employment through microfinance programme.

8.3.1 Employment Status and Incidence of Employment

The Employment status of both the SHG and non-SHG members of two districts has been presented in Table 8.7. Comparing between the two districts in respect of employment in post-SHG situation it is observed that Nadia district is better than Darjeeling district. Again, if we compare between the two districts in respect of non-SHG members it is found that Nadia district is relatively better than Darjeeling district. Again, it is found that incidence of employment among the respondents of Nadia district is relatively high as compared to that of the respondents of Darjeeling district.

Table: 8.7
Employment Status and Incidence of Employment

Employment Status	Darjeeling			Nadia		
	Pre-SHG	Post-SHG	Non-SHG	Pre-SHG	Post-SHG	Non-SHG
Employed	46 (57.5)	71 (88.75)	53 (66.25)	53 (66.25)	73 (91.25)	60 (75.0)
Unemployed	34 (42.5)	9 (11.25)	27 (33.75)	27 (33.75)	7 (8.75)	20 (25.0)
Total	80 (100)	80 (100)	80 (100)	80 (100)	80 (100)	80 (100)
Incidence of Employment (in percentage)	57.5	88.75	66.25	66.25	91.25	75.0

Source: Field Survey, 2012-13

Note: Figures in parentheses indicate percentages.

8.3.2 Livelihood Pattern in the Study Area

Here we have compared the livelihood pattern of the respondents of Darjeeling district with that of Nadia district. Livelihood patterns of the respondents have been shown in Table 8.8.

Table: 8.8
Livelihood Pattern of the Respondents

Livelihood Pattern	SHG members				Non-SHG members	
	Darjeeling		Nadia		Darjeeling	Nadia
	Pre-SHG	Post-SHG	Pre-SHG	Post-SHG		
Farmer	11 (13.75)	10 (12.5)	15 (18.75)	13 (16.25)	12 (15.0)	11 (13.75)
Agril. Lab.	17 (21.25)	10 (12.5)	19 (23.75)	14 (17.5)	22 (27.5)	26 (33.75)
Animal Husbandry	1 (1.25)	10 (12.5)	3 (3.75)	9 (11.25)	-	3 (3.75)
Other Worker	4 (5.0)	3 (3.75)	6 (7.5)	9 (11.25)	-	9 (11.25)
Petty Shop & Small Business	6 (7.5)	20 (25.0)	5 (6.25)	15 (18.75)	9 (11.25)	4 (5.0)
Village Artisans	3 (3.75)	14 (17.5)	3 (3.75)	10 (12.5)	10 (12.5)	5 (6.25)
Private Tutors	4 (5.0)	4 (5.0)	2 (2.5)	3 (3.75)	-	2 (2.5)
Unemployed	34 (42.5)	9 (11.25)	27 (33.75)	7 (8.75)	27 (33.75)	20 (25.0)
Total	80 (100)	80 (100)	80 (100)	80 (100)	80 (100)	80 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages

From the Table it is found that after joining the SHGs, petty shop and small business are found to be the major source of livelihood and occupation for majority of the sample SHG members, accounting for around 25 per cent and 18.75 per cent of the SHG members of Darjeeling and Nadia districts respectively. In case of non-SHG members, 11.25 per cent and 5 per cent members of Darjeeling and Nadia districts are engaged in small business respectively. Comparing between pre- and post SHG farming of the two districts it is found that no change has been occurred. So far as agricultural labourer is concerned, after joining the microfinance programme in both the districts the number of agricultural labourers has reduced. On the other hand, 27.5 per cent and 13.75 per cent of the non-SHG members of Darjeeling and Nadia

districts belong to agricultural labourers respectively. Animal husbandry is reported to be another important sector of employment of the SHG members after joining the SHGs that accounts for 12.5 per cent and 11.25 per cent of Darjeeling and Nadia districts respectively. Another important change in occupation is found in village artisans of both the districts. In pre-SHG situation, in both the districts 3.75 percent of the SHG members were village artisans. However, in post-SHG situation 17.5 per cent and 12.5 per cent of the SHG members are village artisans of the two districts respectively. From the above analysis, it can be said that Darjeeling district is slightly better than Nadia district in respect of small business and village artisans.

8.3.3 Employment Generation

Table 8.9 shows the employment generation in person days per annum of the respondents. From the Table it is clear that the mean employment for respondents of Nadia district is relatively higher than that of Darjeeling district. On the other hand if we compare between SHG members and non-SHG members then we see that the mean employment for SHG members is higher than that of non-SHG members. Thus, microfinance programme has been able to generate additional employment among the SHG members of the two districts.

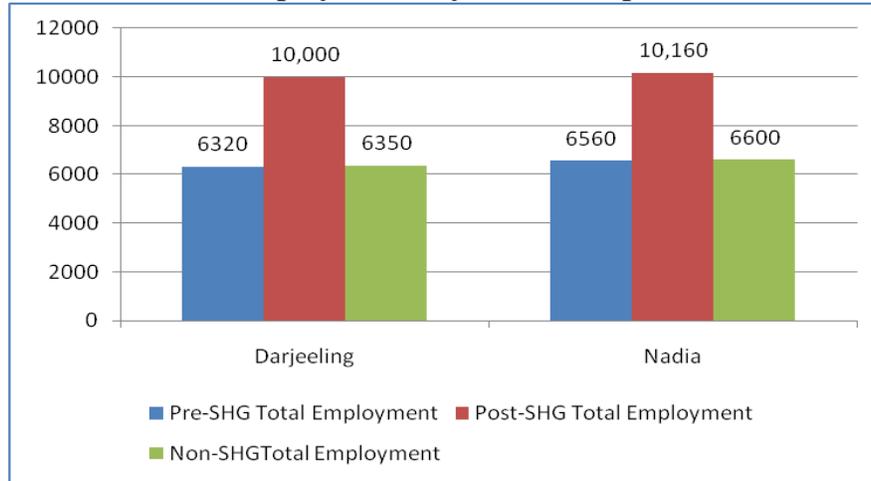
Table: 8.9
Employment Generation in Person Days per Annum

District	SHG members						Non-SHG members		
	Pre-SHG			Post-SHG			No. of Person	Total Employment	Mean Employment
	No. of Person	Total Employment	Mean Employment	No. of Person	Total Employment	Mean Employment			
Darjeeling	80	6320	79	80	10,000	125	80	6350	79
Nadia	80	6560	82	80	10,160	127	80	6600	83
Total	160	12880	80	160	20160	126	160	12950	81

Source: Field Survey, 2012-13.

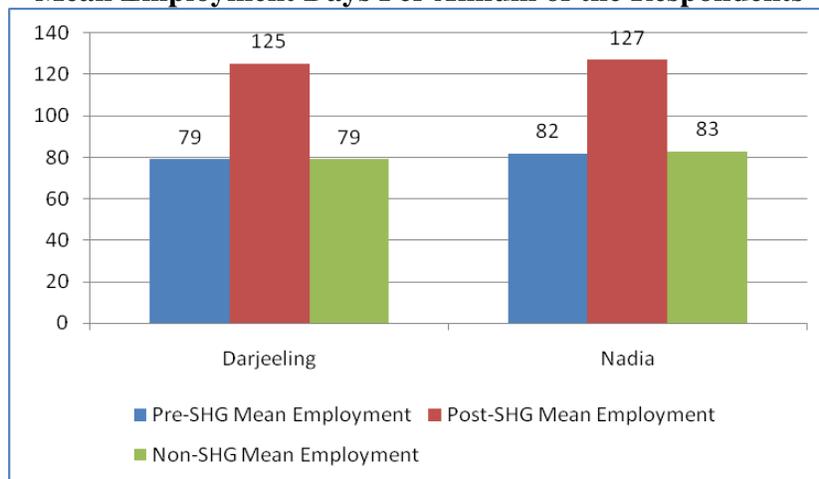
Total employment days of the SHG members (pre- and post-SHG situation) and non-SHG members of the two district have been shown in the following figure 8.2. From the figure it is observed that there has been a difference between pre- and post-SHG period employment days. Moreover, from the figure is also very clear that Nadia district is relatively better than Darjeeling district in respect of total employment days.

Figure: 8.2
Total Employment Days of the Respondents



In figure 8.3, mean employment days per annum of the SHG members (pre- and post-SHG situation) as well as non-SHG members have been shown. From the figure it is observed that Nadia district is slightly difference as compared to Darjeeling district in respect of mean employment days.

Figure: 8.3
Mean Employment Days Per Annum of the Respondents



8.3.4 Good and Bad Employment

We define elsewhere in analyzing the rural employment the term good employment as the employment for more than 150 days and bad employment as employment for less than 150 days in a complete agricultural year (Kar, 1993). On the basis of this definition we have distributed all the employed adults of our sample in the following Table 8.10 given below.

Table: 8.10
Good and Bad Employment of SHG and Non-SHG Household Members

Nature of Employment	SHG Household Members			Non-SHG Household Members		
	Darjeeling	Nadia	Total	Darjeeling	Nadia	Total
Good Employment	123 (68.0)	152 (73.0)	275 (71.0)	64 (49.0)	88 (54.0)	152 (52.0)
Bad Employment	58 (32.0)	56 (27.0)	114 (29.0)	67 (51.0)	75 (46.0)	142 (48.0)
Total	181 (100)	208 (100)	389 (100)	131 (100)	163 (100)	294 (100)

Source: Field Survey, 2012-13.

Note: Figures in parentheses indicate percentages.

Chi-square (χ^2) = 26.08 Table value at 1% with 1 degree of freedom (d.f.) is = 6.635

So far as good employment is concerned, Nadia district is better than Darjeeling district. Table 8.10 shows 73 per cent of the SHG household members in Nadia district belong to good employment category whereas the same for Darjeeling district is 68 per cent. The Table also shows that the employed adults of the SHG households are significantly in better position than the employed adults of the Non-SHG households. We see that 71.0 per cent employed adults of SHG households are remaining in good employment. The same for the employed adults of the Non-SHG household is 52.0 per cent. Chi-square test shows significant difference among the SHG household members and non-SHG household members regarding their good employment and bad employment.

8.4 Comparisons in the Light of Eradication of Poverty

We have made a comparative study between the two districts in the light of eradication of poverty.

8.4.1 Comparison in Respect of Income

A comparison regarding income has been made between SHG and non-SHG members as well as their households of Nadia and Darjeeling districts.

(i) Change in Income of the SHG members after Getting Microfinance

The microfinance programme has improved the level of income of the SHG members. Table 8.11 shows the monthly average income of the SHG and non-SHG members of Darjeeling and Nadia districts. If we compare the average income level between pre- and post-SHG situation, it is found that monthly average income of the SHG members is higher than the non-SHG members. Again, the Table also provides that the average income of the respondents of Nadia district has been significantly higher as compared to the average income of the respondent of Darjeeling district.

Table: 8.11
Monthly Average Income of the SHG members (in Rs.)

District	Pre-SHG	Post-SHG	Non-SHG
Darjeeling	658	1130	712
Nadia	683	1219	794

Source: Field Survey, 2012-13.

(ii) Change in Household Income of the Participants after Getting Microfinance

The household average monthly income of SHG members in pre- and post-SHG situation as well as non-SHG members is shown in Table 8.12. This Table provides that increase in household income is higher in Nadia district as compared to Darjeeling district.

Table: 8.12
Monthly Average Income of SHG and Non-SHG Households (in Rs.)

District	SHG Households		Non-SHG Households
	Pre-SHG	Post-SHG	
Darjeeling	2446	2803	2394
Nadia	2524	2858	2461
Total	4970	5661	4855
Average	2485	2831	2428

Source: Field Survey, 2012-13.

8.4.2 Comparison in Respect of Incidence of Poverty, Depth of Poverty and Severity of Poverty

Table 8.13 shows incidence of poverty, depth of poverty and severity of poverty among SHG and non-SHG households. From the Table it is very clear that the incidence of poverty, depth of poverty and severity of poverty among the SHG households of Nadia district are relatively low than that of Darjeeling district.

Table: 8.13
Incidence, Depth and Severity of Poverty among SHG and non-SHG Households

District	Incidence of Poverty		Depth of Poverty		Severity of poverty	
	SHS	Non-SHG	SHS	Non-SHG	SHS	Non-SHG
Darjeeling	0.83	1.00	0.32	0.43	0.115	0.194
Nadia	0.80	1.00	0.27	0.40	0.084	0.161
Total	0.82	1.00	0.30	0.42	0.099	0.178

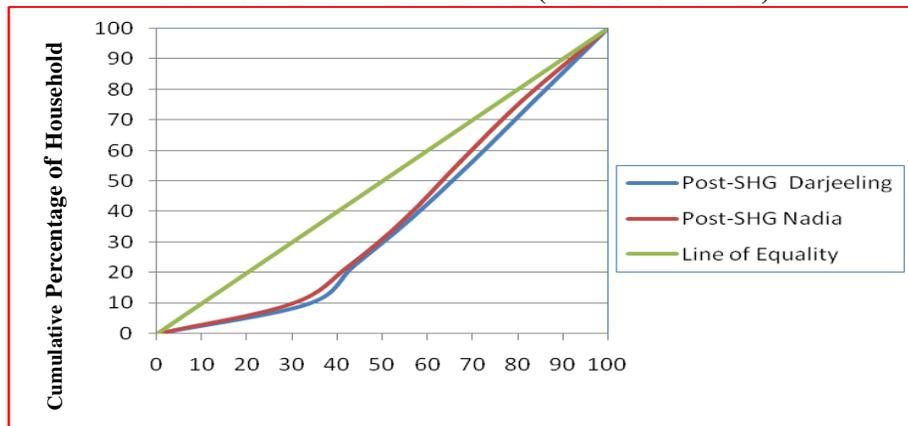
Source: Field Survey, 2012-13

8.5 Comparison in Respect of Income Inequality

We have made a comparison between the two districts in respect of income inequality. For this purpose we have used the Lorenz curve and Gini-coefficient methods.

Two Lorenz curves for the SHG households in their post- SHG period are shown in figure 8.4. We also get two values of Gini-coefficient 0.26, 0.23 for the SHG households of the two districts respectively. From the two Lorenz curves and the values of Gini coefficient, it is very clear that the distribution of household income in Darjeeling district is more unequal for the SHG households as compared to that of Nadia district.

Figure: 8.4
Lorenz Curve for Two Districts (Post-SHG Period)



Cumulative Percentage of Respondents

8.6 Comparison in the Light of Women Empowerment

It is well known that microfinance has played an important role in empowering women in the selected two districts. Now we shall make a comparison between the two districts in the light of access to and control over resources, mobility, political and education empowerment.

8.6.1 Women's Access to Employment

The study shows that the microfinance programme has helped the SHG members in increasing employment, particularly self-employment. Table 8.14 shows the average employment days of the respondents measured in person days per annum in each district. From the Table it is found that the SHG members are employed for more number of days as compared to the non-SHG members. Again, the SHG members of Nadia district were employed for more number of days as compared to that of Darjeeling district. Therefore, the SHG members of Nadia district have more access to employment as compared to that of Darjeeling district.

Table: 8.14
District-wise Average Employment Generated in person Days per Annum

District	Average Employment Days		
	SHG members		Non-SHG members
	Pre- SHG	Post-SHG	
Darjeeling	79	125	79
Nadia	82	127	83

Source: Field Survey, 2012-13.

8.6.2 Women Contribution to Household Income

Microfinance programme has helped the SHG members to increase their contribution to the household income. District wise average monthly income of the SHG members and non-SHG members is shown in Table 8.15. From the Table, it is seen that average income of the SHG members Nadia district is relatively high as compared to that of Darjeeling district.

Table: 8.15
Average Income of the SHG members and Non-SHG members per month

District	SHG members	Non- SHG members
Darjeeling	1130	712
Nadia	1219	794

Source: Field Survey, 2012-13

8.6.3 Women's Control over Loan, Income and Savings

Microfinance has helped the SHG members to have access to and control over loan, income and saving. Data have been collected regarding the women's control over loan, income and savings. The results presented in Table 8.16 show that just Nadia district is better than Darjeeling district in respect of access to and control over family resources. Chi-square test shows significant difference among SHG and non-SHG members regarding their control over loan, income and savings.

Table: 8.16
Access to and Control over Family Resources

Indicator		SHG members		Non-SHG members			
		Darjee ling	Nadia	Total	Darje ling	Nadia	Total
Control over loan	Self	20	28	48	7	14	21
	Husband	22	21	43	35	16	51
	Jointly by self and husband	36	21	57	35	37	72
	Others	2	10	12	3	13	16
Control over Income and Savings	Self	24	35	59	7	15	22
	Husband	28	22	50	27	18	45
	Jointly by self and husband	22	17	39	38	36	74
	Others	6	6	12	8	11	19

Source: Field Survey, 2012-13.

Note: Chi-square (χ^2) = 12.98 and 29.58. Table value at 1% with 3 degree of freedom (d.f.) is 11.341.

8.6.4 Household Decision Making

Data related to household decision making have been collected. The result presented in Table 8.17 shows that there is insignificant difference between the SHG members in Darjeeling and Nadia districts regarding their household decision making.

However, Chi-square (χ^2) test shows that there is a difference between SHG and non-SHG members regarding their household decision making.

Table: 8.17
Role of Women in Household Decision Making

Indicators		SHG members			Non- SHG members		
		Darjeeling	Nadia	Total	Darjeeling	Nadia	Total
Decision of buying/selling of land/ cattle	Self	21	26	47	9	11	20
	Husband	28	26	54	34	25	59
	Jointly by self & husband	28	22	50	27	36	63
	Others	3	6	9	10	8	18
Decision of Repair/ Construction of house	Self	18	18	36	7	7	14
	Husband	29	31	60	41	41	82
	Jointly by self & husband	27	25	52	18	18	36
	Others	6	5	11	7	7	14
Decision of utilization of borrowed money	Self	23	27	50	9	11	20
	Husband	25	25	50	45	35	80
	Jointly by self & husband	28	27	55	18	25	43
	Others	4	1	5	8	9	17

Source: Field Survey, 2012-13.

Note: Chi-square (χ^2) = 9.158, 8.76 and 15.3 Table values at 5% and 1% with 3 degree of Freedom (d.f.) are 7.815 and 11.341 respectively.

8.7. Mobility and Social Awareness Related Indicators

Mobility and social awareness related data have been collected and presented in Table 8.18. The result shows that there is no difference between SHG members in two districts regarding mobility and social awareness related matters. However, Chi-square (χ^2) test shows that there is significant as well as insignificant difference between SHG and non-SHG members regarding their mobility and social awareness related matters.

Table: 8.18
Mobility & Social Related Indicators

Indicators		SHG members			Non- SHG members		
		Darje ling	Nadia	Total	Darje ling	Nadia	Total
Go to market freely & alone	Yes	74	73	147	71	68	139
	No	6	7	13	9	10	19
Go to town freely & alone	Yes	65	69	134	53	57	110
	No	15	11	26	27	23	50
Go to bank/children school/health centre freely & alone	Yes	63	64	127	43	45	88
	No	17	16	33	37	35	72
Go to parent/ relative house freely & alone	Yes	73	73	146	69	66	135
	No	7	7	14	11	14	25
Go to Panchayat/ BDO office freely & alone	Yes	55	63	118	37	47	84
	No	25	17	42	43	33	76
Awareness against social exploitation	Yes	60	55	115	33	46	79
	No	20	25	45	47	34	81
Positive attitude towards girl child's education	Yes	75	71	146	68	67	135
	No	5	9	14	12	13	25

Source: Field Survey, 2012-13.

Note: Chi-square (χ^2)=1.34, 9.94, 21.54, 3.52, 15.5, 16.96, 3.52. Table values at 5% and 1% with 1 degree of freedom (d.f.) are 3.841 and 6.635 respectively.

8.8 Political Related Indicators

Regarding political matters it is found that (Table 8.19) there is a little difference between the SHG members in the two districts. However, this difference (shown by Chi-square (χ^2) test) is significant between SHG and non-SHG members of the two districts.

Table: 8.19
Know the name of GP, CM and PM and Participation in GP Meeting

Indicators		SHG members			Non-SHG members		
		Darjee ling	Nadia	Total	Darjee ling	Nadia	Total
Know the name & recognize village panchayat	Yes	77	79	156	73	74	147
	No	3	1	4	7	6	13
Know the names & recognize panchayat & CM	Yes	71	72	143	69	64	133
	No	9	8	17	11	16	27
Know the names & recognize panchayat ,CM & PM	Yes	55	58	113	30	28	58
	No	25	22	47	50	52	102
Participation in Panchayat Meetings	Yes	52	58	110	32	35	67
	No	28	22	50	48	45	93

Source: Field Survey, 2012-13

Note: Chi-square. (χ^2) = 5.02, 2.64, 38.0, and 23.36 Table value at 1% with 1 d.f. is 6.635.

8.10 Summary

A summary of the performances of the two districts has been given below:

1. Regarding the formation of SHGs, Nadia district's rank is 12th whereas Darjeeling district's rank is 18th in West Bengal. In Nadia district, there were 4805 project linkage groups and 18018 women SHGs whereas in Darjeeling district these were 5508 and 4805 respectively.
2. In terms of loan, repayment, incidence of employment and employment generation, Nadia district is better than Darjeeling district.
3. Average monthly income as well as household income of the respondents in Nadia district is higher as compared to that of Darjeeling district.
4. Incidence of poverty, depth of poverty and severity of poverty all were lower in Nadia district as compared to that of Darjeeling district.
5. Income inequality among the SHG households in Darjeeling district is relatively high as compared to that of Nadia district.
6. Regarding access to and control over resources, household decision making, mobility and political issues, the SHG members of Nadia district are more empowered as compared to that of Darjeeling district.

CHAPTER 9

CONCLUSIONS AND RECOMMENDATIONS

9.1 Introduction

The main objective of the research work is to assess the role of microfinance programme on poverty eradication, livelihood creation and women empowerment of the SHGS households. The study is based on the hypotheses that microfinance programme generates employment, reduces poverty and empower the women participants of the programme. In order to get the result, we have compared between (i) pre- and post-SHG situation and (ii) SHG and non-SHG members.

9.2 Major Findings of the Study

Based on the analysis of empirical data and personal observations we have obtained the following findings which have been presented in five parts, viz., socio-economic condition of the sample households, development of microfinance activities, livelihood creation, and impact of poverty and women empowerment.

9.2.1 Findings on Socio-economic Profile of the Sample Households

The socio-economic condition of the surveyed respondents shows that most of the SHG members and non-SHG members were married women in the age group of 25 to 40 years. 23.75 per cent of the SHG members and 36.88 per cent of the non-SHG members were illiterate. Around 50 per cent of the SHG members and 36 per cent of the non-SHG members belonged to scheduled caste and scheduled Tribe categories. Most of the SHG members (86 per cent) were married. Hindu religion (90 per cent) was dominant, followed by Christianity (10 per cent). Most of the households are nuclear (75 per cent SHG households and 69 per cent non-SHG households) in the study area. Average family size in the study area was 4.015. 66 per cent of the SHG members and 78 per cent of the non-SHG members did not have any agricultural land. Most of the SHG members (70 per cent) and non-SHG members (53 per cent) had Dochali ghar and Chouwary ghar. 54 per cent per cent of the SHG members and 56 per cent of the non-SHG members have used hand pump for drinking water. 16 per cent of the SHG members and twenty nine per cent of the non-SHG members had no latrine facility.

9.2.2 Findings on the Development of Microfinance Activities

It was found that microfinance programme has expanded rapidly in West Bengal but the actual number of SHGs under SGSY on the ground was not available (402657 groups). It was observed from the study that a good number of SHGs in selected districts are defunct (7 per cent) in nature and they are just in records only. Some members formed group due to get financial benefits and subsidies. This feature was found common in all the blocks of the two districts. Further, it was observed that there were only 9.95 per cent project linkage groups in Darjeeling. However, in Nadia district this figure was 30.78 per cent. We found that only 75 per cent groups held one meeting in a month in all the blocks. Monthly saving range was Rs. 30 to Rs. 150. It was found that repayment of loan amount was better for Kharibari and Ranaghat-II blocks as compared to Garubathan and Chakdah blocks.

We have also tried to find out various problems faced by the respondents. These are mentioned below.

- (i) There was a lack of proper knowledge of respondents about the various government sponsored employment and income generated schemes. It was found that majority (60 per cent) of respondents have no proper knowledge about schemes like SGSY, MGNREGA etc.
- (ii) SHG members have to frequent visit to the bank to get their loan amount. For example, a member of Chakdah block reports that to get their loan amount they had to visit to the bank for ten times.
- (iii) A long period is required from the date of application to the block office up to sanctioning loan amount by the banks.
- (iv) As reported by some respondents (38 per cent), the loan amount provided by the bank for performing various economic activities like animal husbandry, petty business, etc., was not adequate. The lending banks are not interested for sanctioning more funds to the respondents as they were poor.
- (v) Inadequate supports were received from various governments by the respondents to continue and upgrade their economic activities.

9.2.3 Findings on Microfinance and Livelihood Creation

Microfinance creates self-employment opportunities in rural areas. The SHG members utilize bank loans to start small business activities and generate income. The study shows that microfinance has helped the SHG members to increase their level of employment. Before joining the SHGs, 62 per cent of the total SHG members were employed and 38 per cent were unemployed. But after joining the SHGs, the SHG members received loans and utilized these loans to start economic activities. As a result, 90 per cent of the SHG members are employed in post-SHG situation. Hence, 28 per cent of the SHG members who were unemployed in pre-SHG situation gained employment. Further, the SHG members have been compared with the non-SHG members. It was found that only 70 per cent of the non-SHG members are employed as compared to the 80 per cent of the SHG members. From the study it was observed that incidence of employment of the SHG members has increased as compared to that of non-SHG members.

Employment of the respondents has been measured in number of employment days per annum. It was found that SHG members were employed for 82 person days per annum before joining the SHGs. But after getting the benefits of microfinance the SHG members are employed for average 130 days. Thus, microfinance has generated 48 additional days of employment per annum for the SHG members. It was found that the non-SHG members were employed for just 80 days per annum as compared to 130 days for the SHG members. In this way, microfinance has not only helped in increasing the number of persons employed but also increased their employment days per annum.

Many of the SHG members have started small business activities like petty shops, rope making, silver ornament making etc. But all the SHG members could not start these types of non-traditional activities due to lack of skill training and marketing support to sell the products. The study further shows that the SHG members utilized their loans for different purposes. As a result, SHG members have been able to increase their level of employment and income. But some of SHG members did not utilize loans for productive purposes. Their level of employment and income remained the same as in their pre-SHG situation. Most of the borrowers misused the borrowed money.

9.2.4 Findings on the Impact of Microfinance on Poverty

To measure the change in income, two methods have been used, viz., (i) comparing between pre- and post-SHG income of the SHG members and (ii) comparing income of SHG and non-SHG members. From the analysis it was found that after joining the SHGs, income of the SHG members has increased by Rs.504. Monthly average income of the SHG members was Rs. 671 in pre-SHG period. However, in post-SHG period, monthly average income of the SHG members is Rs.1176. Comparing between pre and post-SHG periods it was found that the average income of the SHG members has increased by 1.75 times. The average income of non-SHG members was just Rs.753 per month as compared to Rs.1175 per month for the SHG members. In this way, microfinance has helped the SHG members to increase their contribution to the household income. It was found that the average income of the SHG households was Rs. 2485 per month in pre-SHG situation but in post-SHG situation it is Rs. 2830 per month. This shows an increase of Rs. 345 per month. Again, it was found that the average income of non-SHG members was just Rs. 2427 per month as compared to Rs. 2830 per month for the SHG households. In this way, microfinance has been able to increase the income of the SHG members as well as their household income also.

In addition to this, the Lorenz curve and Gini-coefficient methods have been used to find out the impact of microfinance on the distribution of household income. The results show that the distribution of household income among the non-SHG members was more unequal as compared to the SHG households. So, it can be said that microfinance has not only helped in raising the level of income but it has also reduced the income inequalities in the distribution of household income among the SHG members.

In the study income Rs. 4075 per family per month has been considered as a poverty line. After joining the SHGs, income of the SHG members increased. As a result some households have been crossed the poverty line. It was found that out of 160 sample households, 29 households i.e., 18.13 per cent households have been able to cross the poverty line.

From the study it was found microfinance has not only helped the SHG members to cross the poverty line but also helped to reduce their incidence of poverty, depth of poverty and severity of poverty.

Calculated values of these indexes show that the depth and severity of poverty are high for the non-participants as compared to the SHG members.

9.2.5 Findings on the Impact of Microfinance on Women Empowerment

To measure women empowerment, nineteen indicators have been considered. After joining the SHGs, the members have got financial assistance for starting their business activities which helped them to earn income which again helped them to be independent in their households. It has been able to improve their status and abilities and thus they have been able to live their lives independently. The SHG members were employed for 126 person-days per annum, whereas the non-SHG members were employed only for 81 person-days per annum. Therefore, the SHG members had more access to employment as compared to the non-SHG members. Regarding household income, SHG members had much contribution than the non-SHG members. It was found that around 27 per cent SHG members and 12 per cent non-SHG members have been able to control over their loan. Again, 33 per cent SHG members and 12 per cent non-SHG members have been able to control over their income and savings. The study shows that as the women start contributing to the household income they are involved in the various household decisions such as buying, selling, repairing, utilization of borrowed money etc.

Regarding decision making process, it was observed that 26 per cent of the members take decision for buying/ selling cattle or land as compared to 11 per cent of the non-SHG members. However, in majority of the cases, both the husband and wife jointly take the household decisions. Microfinance also increased the level of social awareness and mobility of its members. It has been observed that 74.4 per cent of the SHG members were more confident to visit nearest town as compared to 61 per cent of non-SHG members. Again, it was found that 64 per cent SHG members were aware against social exploitation as compared to 44 per cent of non-SHG members.

Regarding political matters, the study shows that both the SHG members and non-SHG members were aware about the local polity. It was found that almost all the SHG members and non-SHG members are aware of their voting rights and know the name of their village panchayat also. Further, the SHG members were more aware about their state level and national level polity as compared to the non-SHG members. The study also showed that around 69 per cent of the SHG members participated in panchayat meetings whereas for non-SHG members it was 42 per cent only.

Not only that, microfinance also developed the overall personality of its members. The group activities lead to the development of basic skills like writing their name, reading numbers, maintaining records of financial transactions etc. The study shows significant differences between the SHG members and non-SHG members regarding the development of these basic skills. The study shows that 11 per cent of the illiterate SHG members were able to read numbers and write their name.

9.3 Conclusions

From the findings and discussion mentioned above, it can be concluded that microfinance in the form of SHG-Bank linkage model has been able to inspire hope in the lives of thousands of rural poor especially poor women by shifting them from debt-trap of informal credit sources to formal credit system. It is considered to be a powerful tool for positive socio-economic changes in rural society. It has been able to contribute to their families' well being through creation of self-employment and income generation. Not only that, it has been able to bring great changes in the women's living standard by mitigating their extreme poverty. It has uplifted the rural poor women from vulnerable condition to some extent a better living atmosphere.

Poverty alleviation, however, cannot be done by microcredit intervention alone. Only efficient and honest leadership of government can alleviate poverty from the country for ever.

Microfinance programme of the two districts has benefited the poor women in more than one way. This programme has enabled the poor women to undertake diversified economic activities. As a result, their employment days per annum have been increased. The poor women have been able to generate flow of stable income throughout the year. Not only that, microfinance program has also empowered the poor women in different ways. Their household decision making power, social and political awareness, access to and control over resources, mobility etc., have increased.

9.4 Recommendations

The following suggestions can be put forward for better of microfinance programme.

- (i) Workshop of SHGs at block level and gram panchayat level should be organized by the government agencies for creating awareness among SHG members about the various government sponsored scheme of income and employment generation. This

- awareness programmes may reduce the influence of the officials and local political leaders on allocating government sponsored subsidy oriented schemes.
- (ii) Credit camps should be organized at block level and gram panchayat level by the block representatives, bank officials, experts from various development departments of government and professional organizations.
 - (iii) The keeping of accounts in proper manner is essential for understanding performance of economic activities undertaken by the SHG members. Therefore, workshop on accounts should be made compulsory by the lending banks to SHG members who have undertaken income generating economic activities.
 - (iv) Block and bank officials should make surprise and frequent visits to the respondents to ensure the proper utilization of bank loans on various economic activities.
 - (v) During the study it was found that a few banks of the study district kept the subsidy amount with the bank as the security of the loan which creates problems for the SHG members. This unfair practice of the bank should stop for running the economic activities by the SHG members smoothly.
 - (vi) For providing marketing facilities for sale of the products of the SHG members, exhibitions, sale *mela* etc. should be organized frequently by the various government microfinance implementing agencies at block, district and state level for their benefit.
 - (vii) In the study it was found that only 45 respondents out of 160 respondents participated in the skill development training programmes. It is essential to organize skill development training programmes for all respondents for the performance of their economic activities.
 - (viii) There should be more workshops, motivation programmes, exhibitions at district and block level with the participation of women SHGs.
 - (ix) Sufficient amount of loan should be given to start up the selected enterprises at a lower interest rate. A strong monitoring and follow-up support and services should be given in executing the enterprises especially in the first few months.
 - (x) The loans disbursed to these women should be adequately monitored to ensure proper and maximum utilization of the fund for what it is meant for.
 - (xi) The participants should be involved in those economic activities which have good markets in the village such as poultry farming, goatery, *chira* and *muri*, fishery etc.

BIBLIOGRAPHY

Books

Ashe, J. & Parrott, L. (2002) "Impact Evaluation of PACT's Women Empowerment programme in Nepal: A Saving and Literacy led alternative to Financial Institutional Building", Cambridge, MA.

Barna, N. and Borkakoty, A. (2000), *Women and Entrepreneurship*, New Delhi: APH Publishing corp., 2000, pp.1-203.

Borbora, S., and Mahanta, R. (2008), "Microfinance Through Self Help Groups and its Impact: A Case of Rashtriya Grameen Vikas Nidhi-Credit and Saving Programme in Assam", in G. Sreeramulu (ed.), *Empowerment of Women Through Self Help Groups*, Kalpaz, New Delhi, pp. 42-43.

Batliwala, S. (1994), "The Meaning of Women's Empowerment: New Concepts from Action", in G. Sen; A. Germain; and L.C. Chen (eds.), *Population Policies Reconsidered: Health, Empowerment and Rights*, Harvard University Press, Cambridge, pp. 127-38.

Chamber, R. (1983), "Rural Development: Putting the Last First," Longmans, London.

Dunn, Elizabeth, and Arbuckle, J. Gordon Jr. (2001), "The Impacts of Microcredit: A Case Study from Peru - Executive Summary", *Assessing the Impact of Microenterprise Services (AIMS) Project*, Management Systems International, Washington, DC.

Ellis, F. (200), *Rural Livelihoods and Diversity in Developing Countries*", Oxford University Press, Oxford.

Fisher, T. & Sriram, M. S. (2002), *Beyond Micro credit: Putting Development Back into Microfinance*, Vistar, New Delhi.

Harper, M. (2003), *Microfinance Evaluation, Achievement and Challenges*, ITDG Publishing, UK, P. 25-26.

Hulme, D. & Mosley, P. (1996), *Finance against Poverty*, Routledge, London.

John Snow, Inc. (1990), "Empowerment of Women Program", John Snow, Inc., Arlington, VA.

Joshi, S.T. (1999), *Women and Development–The Changing Scenario*, New Delhi: Mittal Publications.

Karmakar, K.G. (1998), *Rural credit and self-help Groups: Microfinance needs and concept in India*, Sage Publication, New Delhi.

Khandker S.R. (1999), *Fighting Poverty with Microcredit: Experience in Bangladesh*, Oxford University Press, New York.

Khandker, S. R. (2001), "Does Microfinance Really Benefit the Poor? Evidence from Bangladesh", Paper Presented at Asia and Pacific Forum on Poverty: Reforming Policies and Institutions for Poverty Reduction, *Asian Development Bank*, Manila, 5-9 February.

- Krishna, M. (2003), "Poverty Alleviation and Rural Poor", 1st ed., New Delhi., Mittal Publication.
- Littlefield, E., J. Morduch & S. Hashemi (2003), Is Microfinance an Effective Strategy to reach the Millennium Development Goals, CGAP Focus Note, No. 24. CGAP Publication, Washington, DC.
- Malhotra, A. Schuler S.R. & Boender, C. (2002), Measuring Women's Empowerment as a Variable in International Development, World Bank , Washington, DC.
- Malhotra, M. (2004), Empowerment of women, Isha Books, Delhi.
- Mayoux, L. (2000). *Poverty Elimination and the Empowerment of Women*. London: DFID.
- Misra, I. (2003), Micro Credit for macro impact on poverty, National Publishing House, Delhi.
- Mizan, A.N. (1994), *In Quest of Empowerment: The Grameen Bank Impact on Women's Power and Status*, University Press Limited, Dhaka
- Morduch, J. (2005), *The Economics of Microfinance* (Cambridge, MA: The MIT Press).
- MYRADA (2002), Impact of Self Help Groups (Group Processes) on the Social/ Empowerment Status of Women Members in Southern India, Microcredit Innovations Department, *National Bank for Agriculture and Rural Development*, Mumbai.
- Pillai, J.K. (1995), *Women and Empowerment*, Gyan Publishing House, New Delhi, pp. 23-24.
- Prasad, K. et al.(2004), NGOs and Socio-Economic Development Opportunities, D and D Publications Pvt. Ltd., New Delhi.
- Puhazhendhi, V., & Badatya, K.C. (2002), *SHG-Bank Linkage Programme for Rural Poor in India - An Impact Assessment*, Microcredit Innovations Department, National Bank for Agriculture and Rural Development, Mumbai.
- Puhazhendhi, V., & Satyasai, K.J.S. (2000), *Micro Finance for Rural People: An impact evaluation*, Microcredit Innovations Department, National Bank for Agriculture and Rural Development, Mumbai.
- Rahman, A. (1999), Women and Microcredit in Rural Bangladesh: An Anthropological Study of Grameen Bank Lending, Boulder, West view Press, Colorado, USA.
- Remenyi, J.; & Quinones, B. (2000), *Microfinance and Poverty Alleviation: Case studies from Asia and the Pacific*. Pinter, New York.
- Rowlands,J.(1997), *Questioning Empowerment: Working with Women in Honduras*, Oxfam,UK.

Sen, M. (2005), Study of Self-Help Groups and Microfinance in West Bengal, Kalyani, SIPRD.

White, S. (1995), "Bangladesh", in Mark Robinson and Roger C. Riddell (eds.), *Nongovernmental organizations and rural poverty alleviation*, Clarendon Press, Oxford.

World Bank (1995), *World Bank Participation Handbook*, IBRD Social Policy and Resettlement Division, Washington DC.

Yunus, M., & Jolis, A. (1998), *Banker to the Poor: The autobiography of Muhammad Yunus, founder of the Grameen Bank*, Aurum Press, London.

Yunus, M., (2003). *Banker to the Poor*. New-York: Public Affairs.

Yunus, Md. (1997), Towards Creating a Poverty Free World, Lecture delivered at Institute of Social science, New Delhi.

Yunus, Md., & Jolis, A. (1998), *Banker to the Poor: The autobiography of Muhammad Yunus, founder of the Grameen Bank*, Aurum Press, London.

Yunus, M., (2003), *Banker to the Poor*. New-York: Public Affairs

Journals/Articles

Adams, D.W.& Vogel, R.C. (1986), "Rural Financial Markets in Low-income Countries: Recent Controversies and Lessons", *World Development*, Vol. 14, pp. 477-88.

Ackerly, B. A. (1995), "Testing the Tools of Development: Credit Programmes, Loan Involvement, and Women's Empowerment", *IDS Bulletin*, Vol. 26, No. 3, pp. 56-68.

Amin, R., Becker, S., & Bayes, A. (1998), "NGO-Promoted Micro credit Programs and Women's Empowerment in Rural Bangladesh: Quantitative and Qualitative Evidence", *The Journal of Developing Areas*, Vol. 32, No. 2, pp. 221-36.

Bansal, K. A. and Bansal, A. (2012). Microfinance and poverty reduction in India, *Journal of Management*, ISSN: 2278-6120, 5(1): 31-35.

Bera, S.K. (2001), A Study of SHG-Microfinance Initiative in Purbo Midnapore District of West Bengal, *Economic Affairs*, Vol. 56 No.2.

Bhatia, N. & Bhatia, A. (2000), Lending to Group, *Yojana*, February.

Bhat, K. S. & Buvanewari, P. (2004), *Journal of Rural Development*, 23(2):203-215.

Bhuiyan, Abul Bashar., Siwar, Chamhuri., Ismail Abdul Ghafar and Aminul Islam Ismail. (2012). Microfinance and Sustainable Livelihood: A Conceptual Linkage of Microfinancing

Approaches towards Sustainable Livelihood. *American Journal of Environmental Sciences*, 8 (3): 328-333.

Chavan, P. & Ramkumar, R. (2002), Micro-Credit and Rural Poverty: An analysis of empirical evidence, *Economic & political Weekly*, 37(10):955-963.

Coleman, Brett E. (1999), "The Impact of Group Lending in Northeast Thailand", *Journal of Development Economics*, Vol. 60, No. 1, pp. 105-41.

Dasgupta, R. (2001), "An Informal Journey through Self-Help Groups", *Indian Journal of Agriculture Economics*, 56(3), Jul-Sep: 375-379.

Daniels, L. (1999), The role of small enterprises in the household and national economy in Kenya: a significant contribution or a last resort? *World Development*, 27(1):55-65.

Goetz, A. M. & Gupta, R. S. (1996), "Who Takes the Credit? Gender, Power, and Control Over Loan Use in Rural Credit Programs in Bangladesh", *World Development*, 24(1):45-63.

Gupta, N. S. (1998), "Empowerment: A socio-psychological approach to self-help group formation", *Prajnan*, 24(4), 1998, pp.533-535.

Gopalan, S., (1997) "Empowerment of women, a case of Andhra Pradesh", *Southern Economist*, Vol.XXX, No.15, 1997, pp. 18-23.

Ghosh, D. (1986); Monetary Dualism in Developing Countries; Economies ET. Societes.

Hashemi, S. M., Schuler, S. R., & Riley, A. P. (1996), "Rural Credit Programs and Women's Empowerment in Bangladesh", *World Development*, Vol. 24, No. 4, pp. 635- 53.

Holvote, N (2005): The impact of Microfinance on Decision-making Agency: Evidence from South India, *Development and Change*, 36(1):75-102.

Kabeer, N. (2005), Is microfinance a magic bullet for women empowerment? Analysis of South Asia, *Economic and Political Weekly*, 40(44), 4709-4718.

Kabeer, N. (2001), Resources, agency, achievements: reflection on the measurement of women's empowerment in Discussing Women's Empowerment- *Theory and Practice*, SIDA Studies, No.3.

Kabeer, N. (2001), "Conflict over Credit: Re-evaluating the Empowerment Potential of Loans to Women in Rural Bangladesh", *World Development*, Vol. 29, No. 1, pp. 63-84.

Khandker, S.R., H.A. Samad & Z.R. Khan (1998), Income and Employment Effects of Micro credit Programs: Village level Evidence from Bangladesh, *Journal of Development Studies*, Vol.35: 96-124.

- Khandker, S. R. (2005), Microfinance and Poverty: Evidence Using Panel Data from Bangladesh. *The World Bank Economic Review*, 19(2), 263–286.
- Kour, A. (2008), “Self help group and Rural Development”, *Kurukshetra*, Vol.57, No. 92, P. 25-30.
- Lorenz M.O. (1905). Methods of Measuring the Concentration of Wealth, *Journal of the American Statistical Association* (new series) 70, pp. 209-217.
- Manimekalai, M.; and Rajeswari, G. (2001), “Nature and Performance of Informal Self Help Groups- A Case from Tamilnadu”, *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, pp. 453-54.
- Mahmud, S. (2003), “Actually how Empowering is Micro credit?” *Development & Change*, 34(4):577-605.
- Mosley, P. (2001), Microfinance and Poverty in Bolivia, *Journal of Development Studies*, Vol.37:101-132.
- Mishra, S. N., & Hossain, M. M. (2001), “A Study on the Working and Impact of Dharmadevi Mahila Mandal : A Rural Self Help Group in Kalahandi District of Orissa”, *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, pp. 480-81.
- Mula, G., Sarker, S. C Patra, S. P., & Sarkar, A. (2012), Micro-finance Scenario of Eastern part of India under SGSY, *ARPN Journal of Agricultural and Biological Science*, Vol. 7, No. 3.
- Otero, M. (1999), Bringing Development Back into Microfinance, *Journal of Microfinance*, 1(1):8-19.
- Osmani, L. N. K. (2007), A breakthrough in women's bargaining power: the impact of microcredit. *Journal of International Development*, 19(5), 695–716.
- Pitt, M. M., & Khandker, S. R. (1998), “The Impact of Group-based Credit Programs on Poor Households in Bangladesh: Does the Gender of Participants Matter?”, *Journal of Political Economy*, Vol. 106, No. 5, pp. 958-96.
- Rangarajan’s Measure of Poverty (2014), *Economic and Political Weekly*, Vol. XLIX, No. 31, P.7-8
- Rahman, A. (1999), “Micro-credit Initiatives for Equitable and Sustainable Development: Who Pays?”, *World Development*, Vol. 27, No. 1, pp. 67-82.
- Reddy, G. N. (2002), ‘Empowering women through Self-Help Group and Micro-credit. The case of NIRD Action Research Projects’, *Journal of Rural Development*, NIRD, Hyderabad, Vol.21, No. 4, pp.511-535.
- Rao, R. (2002) “Sustainable Technology for Rural Development”, *Kurukshetra*, 50(5): 41-42
- Robinson, M. (2001), “The Microfinance Revolution: Sustainable Finance for the Poor”, *World Bank*, Washington, DC.

Sinha, A. (2004) "Micro finance for women's empowerment – A perspective" ,*Kurushetra*, Vol.52 (6), April 2004, pp. 31-38.

Shetty, S.L. (2006), "Working and Impact of Rural Self-Help Groups and Other Forms of Microfinancing", *Indian Journal of Agricultural Economics*, 57(1): 31-32.

Shylendra,H.S. (2006) " Micro finance Institutions in Andhra Pradesh ; Crisis and Diagnosis" *Economic and Political Weekly*, Vol. 41 , May 20.

Sharma, K.C. (2001), Micro Financing through Self Help Groups. *Journal of Agricultural Economics*, 56 (3): 460-461.

Sadegh, B. (2006), "Microfinance and Poverty Reduction: Some International Evidence", *International Business & Economics Research*, Vol. 5, No. 12, pp. 463-64.

Schreiner, M. and Colombet H. (2001). From Urban to Rural: Lessons for Microfinance from Argentina, *Development Policy Review*, 19(3).

Singh, D.K. (2001), "Impact of Self Help Groups on the Economy of Marginalized Farmers of Kanpur Dehat District of Uttar Pradesh – A Case Study " *Indian Journal of Agricultural Economics*, Vol. 56, No. 3, Pp. 463-64.

Sriram M. S. (2005), Microfinance and the State: Exploring Areas and Structures of Collaboration, *Economic and political Weekly*, 40(17):1699-1704.

Swain, R. B. (2007), "Can Microfinance Empower Women? Self Help Groups in India", in *Microfinance and Gender- ADA Dialogue* No. 37.

Schuler, S. R., Hashemi, S. M., Riley, A. P., & Akhter, S. (1996), Credit programs, patriarchy and men's violence against women in rural Bangladesh. *Social Science & Medicine*, 43(12), 1729–1742.

Tendon A. (2009), "Indian fares poorly in quality of life", *The Tribune*, 6th October.

Vinayagamorthy, A. (2007), "Women Empowerment through self-help groups: A case study in the north Tamil Nadu", *Journal of SEDME*, Vol. 34, No. 1, Pp. 1-10.

World Bank (1999), *Mid-term Review of the Poverty Alleviation and Microfinance Project*, World Bank, Dhaka.

World Bank (2003) *Microfinance in India: Issues, Challenges and Policy Options*, World Bank, Washington DC.

Yunus, Md. (1980), Group Credit: A Means to Improve Information Transfer and Loan Repayment Performance. *Economic Journal*, 109: 463-75.

Working/Seminar Papers

Amin, S. (1993), *Port Sudan and Red Sea Field Trip Report*, Agency for Cooperation and Research in Development, Port Sudan.

Basu P. (2005), *Scaling-up Microfinance for India's Rural Poor*, World Bank Policy Research Working Paper 3646, WB, Washington, DC.

Basu, P., & Srivastava, P. (2005), "Scaling-up Microfinance for India's Rural Poor", *World Bank Policy Research Working Paper*, No. 3646, World Bank, Washington, DC.

Bebczuk, R. & F. Haimovich (2007). *MDGs and Microcredit: An Empirical Evaluation for Latin American Countries*. Working Paper No. 48. Argentina: Universidad Nacional de la Plata.

Chambers, R. & Conway, G. (1992), *Sustainable Rural Livelihoods: Practical Concepts for the 21st Century*, IDS Discussion paper No. 296. Brighton, IDS.

Chen, M. A., & Snodgrass, D. (2001), "Managing Resources, Activities, and Risk in Urban India: The Impact of SEWA Bank", *United States Agency for International Development (USAID) and Assessing the Impact of Microenterprise Services (AIMS) project*, Management Systems International. Washington, DC.

Deaton, A., & Drèze, J. (2008), "Nutrition in India: Facts and Interpretations", *Centre for Development Economics Working Paper*, No. 170, Department of Economics, Delhi School of Economics, Delhi.

Dunn, E. & Arbuckle, J. G. Jr. (2001), "The Impacts of Microcredit: A Case Study from Peru - Executive Summary", *Assessing the Impact of Microenterprise Services (AIMS) Project*, Management Systems International, Washington, DC.

Indira, K. Y., & Sambasiva Rao, B.(2005), *Development of Women and Rural Development*, New Delhi, Serial Publications, pp214-306.

Kar, S.C. (2009) "Poverty and Social Exclusion- A case study of an Area Economy of North Bengal" Presented at the National Seminar of Centre for the Study of Social Exclusion and Inclusive Policy, University of Calcutta.

Kabeer, N., & Nojonen, H. (2005), "Social and Economic Impacts of PRADAN's Self Help Group Microfinance and Livelihoods Promotion Program: Analysis from Jharkhand, India", *Imp-Act: Improving the Impact of Microfinance on Poverty: Action Research Program Working Paper*, No. 11, University of Sussex, Brighton.

Khandker, S. R. (2003), "Micro-finance and Poverty: Evidence Using Panel Data from Bangladesh", *World Bank Policy Research Working Paper*, No. 2945, World Bank, Washington, DC.

Kumar, P. & Paul, T. (2007), "Empowerment of Women: Concept, Policy Approach and Implications", Paper Presented at a Seminar on Gender Issues and Empowerment of Women, Indian Statistical Institute, Kolkata, 1-2 February.

Littlefield E., J. Murdoch & S. Hashemi (2003), Is Microfinance an Effective Strategy to Reach the Millennium Development Goals? Focus Note 24, CGAP, Washington, DC.

Misra, A. (2006), "Microfinance in India and Millennium Development Goals: Maximising Impact on Poverty", Discussion Paper for Workshop on World Bank, Singapore, 18 September.

Morduch, J. (1998), "Does Microfinance Really Help the Poor? New Evidence from Flagship Programs in Bangladesh", *Research Program in Development Studies Working Paper*, No. 198, Woodrow Wilson School of Public and International Affairs, Princeton University, Princeton, New Jersey.

Murdoch, J. & B. Halley (2002), Analyze of the Effect of Microfinance on Poverty Reduction, NYU WannerWorkingPaperNo.1014.

Nair, A. (2005), Sustainability of Microfinance Self Help Groups In India: Would Federate Help? World Bank Policy Research Working Paper, WPS3516.

Mayoux L. (1997), 'The Magic Ingredient? Microfinance and Women's Empowerment', A Briefing Paper prepared for the Micro Credit Summit, Washington.

Parker, J. & Pearse, D. (2001), Linking Microfinance and Safety Net Programs to Include the Poorest: Where Does Microfinance Fit? Focus Note No. 21.

Puhazhendi, V. & Badatya, K.C. (2002), SHG Bank Linkage Programme for Rural Poor-Impact Assessment, Paper presented in Seminar on SHG-Bank Linkage at New Delhi on 25 and 26 November 2002, published by: Micro Credit Innovations Department, NABARD.

Schwiecker, S. (2004), *The Impact and Outreach of Microfinance Institutions: The Effect of Interest Rates*, Master's Degree Thesis, University of Tübingen, Germany.

Seibel, H. D. (2005), "Does history matter? The old and new World of Microfinance in Europe and Asia", An interdisciplinary workshop, Asia Research Institute, Department of Economics and Department of Sociology, National University of Singapore, pp. 1-2.

Shylendra, H.S. (1999), Promoting Women's Self Help Groups, Lessons from an Action Research Project of IRMA, Anand, India, Working Paper No. 121.

Rahman, M.K. & Khan, M.A. (2007)," Impact of Microfinance on Living Standards, Empowerment and Poverty Alleviation of Poor People: A Case Study on Chittagong District of Bangladesh", Umea School of Business (USBE) Masters Thesis, Department of Business Administration.

Rao, R. (2001), Impact of Institutionalization of credit on the socio-economic condition of rural women in self-help groups-A case study in Bidar district of Karnataka.

World Bank (1996), Bangladesh: Poverty alleviation Microfinance Project, staff Appraisal Report South Asia Region, Country Department – Private sector development Finance Division Washington.

Yunus, M. (1997). Quoted from the speech of Professor Mohammad Yunus delivered at the Micro-credit Summit, February 2-4, 1997, Washington DC.

Government Publications/Reports and Other Reports

Asian Development Bank (2000), *Finance for the Poor: Microfinance Development Strategy*, Asian Development Bank, Manila.

Census of India (2011), *Primary Census Abstract*.

CIDA and Microfinance (2002): A Poverty Reduction Approach, Policy Branch.

DRDA, Darjeeling Zilla Parishad, SGSY Annual Physical and Financial Progress Report up to March 2013.

DRDA, Nadia Zilla Parishad, SGSY Annual Physical and Financial Progress Report up to March 2013.

Economic Survey, (2011-2012), Government of India, Minister of Finance, *department of Economics Affairs*, Economic Division, Oxford University Press, New Delhi.Pp.. 307-315

Economic Review (2010-11), Government of West Bengal, Kolkata.

Food and Agriculture Organization (FAO) Corporate Document Repository (2003) *produced by Agriculture and Consumer Protection Committee on Agriculture (17th Session, Rome 31 March-4 April)*.

Foster, J., E., J. Greer and E. Thorbecke (1984), “A Class of Decomposable Poverty Measures,” *Econometrica*, 52, pp. 761-766.

Government of West Bengal, Annual Progress Report (2013), Panchayat and Rural Development Department.

Government of India (2010), *Report on Employment and Unemployment Survey (2009-10)*, Ministry of Labour and Employment, Chandigarh, Labour Bureau.

Human Development Report (1995), *United Nations Development Programme*, Oxford University Press, New York.

M.S. Swaminathan Research Foundation (2004), *Eco-enterprises for Sustainable Livelihoods: Decentralized Production of Trichoderma viride-- a Biofungicide for Crop Protection:*

Elayathendral Women's Self-Help Group, S. pudur, Kannivadi, Dinndigul District , JRD Tata Eco-technology Centre, M.S. Swaminathan Research Foundation, Chennai.

Murray, U. & Boros, R. (2002); *"A Guide to Gender Sensitive Microfinance"*, The Socio-Economic and Gender Analysis (SEAGA) Programme, FAO, pp. 10-11.

Micro Financial Sector Bill (2007), Bill No. 41 of 2007, Introduced by the Union Finance Minister in Lok Sabha on 20.03.2007.

NABARD, (1999), "Task Force Report on Supportive Policy and Regulatory Framework for Microfinance", National Bank for Agriculture and Rural Development, Mumbai.

NABARD (2002), SHG-Bank linkage: NABARD and Microfinance 2001-2002.

Planning Commission (2011-12), Press Note on Poverty Estimates, Government of India " , New Delhi.

Reddy, C. S. (2005), Self-Help Groups: A Keystone of Microfinance in India- Women empowerment & social security, *Mahila Abhivruddhi Society*, Andhra Pradesh (APMAS).

Todd, H. (2001), "Paths out of Poverty: The Impact of SHARE Microfinance Limited in Andhra Pradesh, India", Unpublished Report, Imp-Act, Brighton, UK.

World Bank (1999), *Mid-term Review of the Poverty Alleviation and Microfinance Project*, World Bank, Dhaka.

World Health Organization (WHO), *Reaching the Poor*, 2004.

World Bank (2004), *World Development Report 2000/2001*; and WHO, *Reaching the Poor*.

Internet Literature

Bansal, D. (2010), *Impact of Microfinance on Poverty, Employment and Women Empowerment*, Available at: [http:// www.shodhganga](http://www.shodhganga).

Himanshu (2009), "New Global Poverty Estimates: What do these mean?", Available at: http://www.networkideas.org/featart/jan2009/Himanshu_EPW.pdf.

Puhazhendhi V & K.C. Badatya (2002), *SHG-Bank Linkage Program for Rural Poor – An Impact Assessment*, available on [www. Microfinancegateway.org](http://www.Microfinancegateway.org).

Dunn, E. (1999), *Microfinance Clients in Lima, Peru: Baseline Report for AIMS Core Impact Assessment*, University of Missouri-Colombia, <http://www.mip.org>

Puhazhandhi, V.(2000), "Microfinance Operations, performance and some issues". www.nabard.org.

SOCIO-ECONOMIC CONDITION OF SHG & NON- SHG MEMBER

1. Name:.....Religion:.....Caste:.....

2. Name of the Block :.....Name of SHG.....Category: APL/BPL

3. POPULATION PROFILE

Sl No	Name	Age	Sex	Relation	Education	Occupation	No. of Employment Days	Remark
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

4. Type of your latrine in the household: Open/ kucha/ semi pucca/ pucca

5. Sources of drinking water: own hand pump/ public hand pumb/ well/ street tap/ piped water/ stream

6. Type of dwelling house: Tally Ghar/ Chapra Ghar/ Dochali Ghar/ Chouwary Ghar/ Asbester

7. Total amount of land (Bigha):

8. Type of family: Nuclear/ Joint.

9. Total members of the family:

10. What is/are the source/s of family income? _____

11. How many household members contribute to the family income? _____

12. Annual household income: Rs.....

13. Purpose of borrowing: Consumption/Agriculture/Animal Husbandry/ Income generating activities/ Asset Building /Emergencies/ others

14. Sources of Savings: Curtailing the expenditure/ saving from the income/provided by their family members/ Others

15. Main Purpose of savings:-- Social Security/Food Security/ Education/ Medical/ Marriage /Festivals/Emergencies/Agriculture/Asset building/Self respect/ For Secure Future/Economic Security /others

WOMEN EMPOWERMENT

- (1) Who is the head of your family? (self/ husband/ both/ others)
- (2) Who control over your loan, income and savings? (self/ husband/ both/ other)
- (3) Have any savings in your own name in the bank? (Yes/No)
- (4) Who take the following decision? (self/ husband/ both/ other)
 - (i) buying/selling of land / cattle
 - (ii) repairing or construction of house
 - (iii) Utilization of borrowed money
- (5) Can you go to the following places freely and alone? (Yes/No)
 - (i)Market
 - (ii)Town
 - (iii)Bank
 - (iv) Children School
 - (v)Health Centre
 - (vi)Parent or relative house
 - (vii) Panchayat/BDO office
- (6) Have you any power to raise voice against social exploitation: Yes/no
- (7) What is your attitude towards education of daughter? Positive/Negative
- (8) Who take the decision who to vote for? Self/ husband/ jointly/others
- (9) Do you know the name and recognize of the following persons? Yes/ No
 - (i) Gram Panchayat
 - (ii) Chief Minister
 - (iii) Prime Minister
- (10) Do you participate in Gram Panchyat meeting? (Yes/No)
- (11) Can you do the basic calculation? Yes/No



PRAGATI JOURNAL OF INDIAN ECONOMY

Vol.-2 • Issue-1

January-June 2015

Volume 2

Issue 1

Articles

The Interest Rate Channel of Monetary Transmission: The Indian Experience
Suvojit Lahiri Chakravarty

A Study of Trends in India's Economic Growth since 1951: The Inclusive Growth Approach
Arjun. Y. Pangannavar

Regional Pattern and Determinants of Knowledge-based Industry: Evidence from Indian Pharmaceutical Industry
Tareef Husain

Inclusive Growth for Social Justice: An Imperative for India's Development Efforts
Niti Bhasin

Poverty Line: A Definitional Progress in India
Deepti Kakar

CASE STUDY

Microfinance and Women Empowerment: A Case Study of Darjeeling District
Bhajan Chandra Barman

COMMENTARY

NITI Ayog – The New Think Tank for Indian Economy

BOOK REVIEW

Sury, M. M. (2015), Tax System in India- Evolution and Present Structure
Neha Nainwal

PRAGATI: Journal of Indian Economy

January-June 2015



JOURNAL PRESS INDIA

4800/24, 1st Floor, Bharat Ram Road,
Ansari Road, Daryaganj,
Delhi-110002,
INDIA

Mobile: 08826623730, 08826623732
Tel: 91-11-43587398, 23247798
Fax No: 91-11-41017798
Email: info@journalpressindia.com



Editor-in-chief

Prof. K.V. Bhanu Murthy

Professor and Formerly Dean, Faculty of Commerce and Business,
Delhi School of Economics, University of Delhi

Editorial Advisory Board

Prof. Raghbendra Jha

Executive Director, ASARC, Australian National University

Dr. M. R. Murthy

Director, Institute for Studies in Industrial Development

Prof. P. K. Chaubey

Indian Institute of Public Administration, I.P. Estate, New Delhi

Prof. Vibhuti Patel

Head, Department of Economics, SNDT Women's University, Mumbai

Prof. Otto F. von Feigenblatt

Northwood University (West Palm Beach, Florida)

Dr. K. K. Bagchi

Department of Economics, North Bengal University

Dr. S.P. Sharma

Chief Economist, PHD Chamber of Commerce and Industry(PHDCCI)

Prof. Murli Dhar Vemuri

Centre for Study of Regional development, School of Social Sciences, JNU

Prof. A Vinayak Reddy

Department of Economics, Kakatiya University, Warangal, Andhra Pradesh

Dr. Rameshwari Pandya

Head, Department of Extension and Communication, Maharaja Sayajirao University of Baroda

Dr. Shyam Kartik Mishra

Department of PG studies and Research in Economics, L.B.S. College, Varanasi, U.P.

Dr. Gurinder Jit Singh Bhullar

Head, PG Department of Economics, Guru Nanak College, Punjab

Dr. V.S. Ganesamurthy

Head, Department of Economics, Sri Vasavi College, Tamil Nadu

Dr. Arjun Y. Pangannavar

Principal, SS BCA College, Karnataka

Dr. Asheref Illiyan

Department of Economics, Jamia Millia Islamia, New Delhi

Dr. N. Mani

Department of Economics, Erode Arts and Science College, Tamil Nadu

Dr. D. Jery Josephine

Department of Economics, Pope's College, Tamil Nadu

Guidelines For Submission

JPI invites original and unpublished manuscripts in the areas of commerce, management, finance, accounting, international business, taxation, and Indian economy for its bi-annual journals published from New Delhi.

Following are the guidelines for authors who wish to submit their papers

1. Please mention the name of the Journal for which the paper is intended.
2. Papers submitted for consideration for publication in any of the Journals should be original and not published anywhere earlier.
3. Every paper must be accompanied by a cover page which should include title of the paper, name(s) of the author(s) and their affiliations, and the complete postal and e-mail addresses and telephone numbers of the corresponding author.
4. The recommended length of a paper should be around 8,000 words inclusive of all notes, references, tables and appendices.
5. All papers should be accompanied by an abstract (100 to 150 words) and 5-6 key words.
6. Papers should be prepared and submitted in text format (MS-Word) following U.K. spellings, using Times New Roman font of 12 size, and A4 format with 1.5 line spacing. Please note that PDF versions are not accepted.
7. Figures or graphs should not be in coloured format.
8. Authors are requested to follow the APA (American Psychological Association) style of referencing.
Examples
Books

Dunning, J.H. (1993). *Multinational enterprises and the global economy*. Wokingham, England: Addison-Wesley.

Boskin, Michael J., & Gale, William G. (1987). New results on the effects of tax policy on the international location of investment. In Martin Feldstein (Ed.), *The effects of taxation on capital accumulation* (pp.201-219), Chicago: University of Chicago Press.

Journals

Makino, S, Lau, C.M, & Yeh, R.S (2002). Asset exploitation versus asset seeking: Implications for location choice of foreign direct investment from newly industrialised economies. *Journal of International Business Studies*, 33(3), 403-421.
9. Authors should make their paper submissions by sending a soft copy of the paper through e-mail at editorial@journalpressindia.com.
10. Contributors to the Journals of JPI are advised to be careful as not to violate any of the provisions of the Copyright Act and the Rules made thereof as regards the material used in the papers or their sources. JPI will not be responsible for any violations or lapses on the part of the contributors in this regard.
11. JPI reserves the right to make suitable editorial changes in the papers submitted and accepted for publication. All papers submitted would be subject to JPI's refereeing system. JPI follows a double-blind peer review system for selecting articles to be published.
12. JPI encourages publishing in its Journals brief write-ups on subjects of topical interest and book reviews of new publications.
13. JPI would welcome comments and suggestions on the published papers.

Microfinance and Women Empowerment: A Case Study of Darjeeling District

*Bhajan Chandra Barman**

ABSTRACT

Micro finance in the form of Self-Help Group (SHG) Linkage model has been able to inspire hope in the lives of thousands of rural poor especially poor women by shifting them from debt-trap of informal credit sources to formal credit system. In this context the present study makes a modest attempt to examine that extent to which microfinance programme is effective in empowering rural women. A primary field survey has been carried out in Kharibari block of Darjeeling district to get the real picture. Survey method was applied and interview schedule has been used to collect relevant data from the respondents. Using tabular analysis and chi square test, results of this study indicate significant differences between SHGs women (i.e., those involved with SHG) and non-SHG women regarding various economic, socio-cultural and political indicators of empowerment. It was also found that SHGs women have more active participation in various income generating activities. They earned more income, saved more money and at the same time owned more assets than non-SHG women. The study also stresses the need of more loans to be expanded to rural poor women folk to enhance their economic solvency and empower them economically.

Key Words: *Microfinance, Women Empowerment, Self-Help Group.*

1.0 Introduction

The empowerment of women is one of the central issues in the process of development of all developing countries in the world. In the words of Pt. Jawaharlal Nehru “If you want to awaken a country, first awake women. If a woman is awakened a family is awakened and a family is awakened, a village is awakened thereby entire country is awakened.” Since women’s empowerment is the key to socio economic development of the community, bringing women into the mainstream of national development has been a major concern of government.

**Assistant Professor, Department of Economics, Netaji Nagar College, Kolkata.*

In India, when the trickle down effects of macroeconomic policies failed to resolve the problem of gender inequality, the government of India implemented different types of economic strategies, schemes and programmes for the betterment of the people. Starting with the Community Development Programme (CDP), the Government of India later shifted to several other programmes under Five Year Plans. Despite all these, several significant outcomes were visible in 1970s. Among these, the most important was that the highly neglected section of the society was women. Then onwards, the policy makers have focused their attention on shaping the socio-economic development of the women. However, history reveals that in many societies in India and the world, gender inequality has been a part and parcel of an accepted male-dominated culture. The traditional mentality of India assumed that the place of women is mainly concentrated to the household activities like kitchen work and upbringing of the children. Even after almost 67 years of India's Independence, women are still considered to be powerless and marginalised sections of the Indian society.

In order to bring the women at the same platform where the men are standing, the government of India is adopting many measures and formulating different types of plans and programmes. The government has also passed various legislations to safeguard Constitutional rights of women. These legislative measures include the Hindu Marriage Act (1955), The Hindu Succession Act (1956), Dowry Prohibition Act (1961), Medical Termination of Pregnancy Act (1971), Equal Remuneration Act (1976), and Child Marriage Restraint Act (1976). The Government of India adopted different programmes and policies like the Swa-Shakti Project, Women's Economic Programme (1982), Support to Training and Employment Programme to Women (1987), Hostel for working women, Rehabilitation of Marginalised Women, Education of Women like Social Education, Farmer's functional literacy Programme (1967), Non-formal Education (1978), National Literacy Mission (1988), Total Literacy Campaign (1991), Sarva Siksha Abhiyan (2000), and organisation of Self Help Groups, formation of cooperatives of women, etc. to empower the women. Apart from these, various welfare measures like the Support to Training for Employment Programme (1987), Mahila Samridhi Yojana (1993), the Rashtriya Mahila Kosh (1992-93), Indira Mahila Yojana (1995), DWCRA Plan (1982), Balika Samridhi Yojana (1997), formation of SHGs were introduced for the empowerment of women. In 2001 National Policy for the Empowerment of Women was introduced.

Despite the above measures, the fact is that, poverty, hunger and disease still remain widespread among the women and they continue to comprise the majority of the world's poorest people. Their position and status have been inferior to male members of

the society. They have become a target of social, political and economic exploitation even after almost seven decades of India's independence.

Under these circumstances, through participation in microfinance programmes, women can join in the income generation activities which make them self-reliant and ultimately make them empowered which is very important for sustainable rural development and mainstreaming of women in India. The present study aims at establishing a standpoint of empowering women through microfinance in Darjeeling district of West Bengal.

1.1 Women Empowerment: Conceptual framework

As described by Kabeer (2001), there are two essential elements of women empowerment, i.e., process and agency. A process is defined as the series of events that produce gradual change. The process of women empowerment leads to expansion in their ability to have resources and to make strategic life choices. The agency element of women empowerment describes that women themselves are the significant actors in the process of change. It is the process through which choices are made.

Pillai (1995) defines women empowerment as an active, multidimensional process which enables women to realise their full identity and powers in all spheres of life. Stromquist (1995) wrote that the whole process of women empowerment requires the ability and active involvement of women themselves. According to Kumar and Paul (2007), "development agencies cannot claim to empower women rather they can provide appropriate external support and intervention which can, however, be important to foster and support the process of empowerment".

Batliwala (1994) identified three approaches to women's empowerment: the integrated development approach which focused on women's survival and livelihood needs; the economic development approach which aimed to strengthen women's economic position and the consciousness approach which organised women into collectives that address the source of oppression.

2.0 Review of Literature

In the present study, we mention some important studies which show the relation between microfinance and women empowerment. Hashemi et al. (1996) examine if women access to micro-credit has an effect on their well-being. Their results show that women access to micro-credit contributes enormously to their economic power. It contributes to the livelihood by an increase in asset holdings in their own names, to an increase in their exercise of purchasing power, and in their political and legal awareness

as well as in composite empowerment index. They also find that access to credit was also associated with higher levels of mobility, political participation and involvement in major decision-making for particular credit organisations.

Holvoet (2005) analyses women's decision-making patterns with regard to loan borrowing. The results indicate that women who borrow directly from the banks always have fewer decision patterns, but when the loans are secured through women's groups and are combined with investment then a positive shift in decision-making patterns is noticed. Kabeer (2005) concludes that while access to financial services can and does make important contributions to the economic productivity and social wellbeing of poor women and their households, it does not "automatically" empower women – any more than do education, political quotas, access to wage work or any of the other interventions.

Schuler et al (1996) in their study suggest that group-based credit programs can reduce men's violence against women by making women's lives more public. Mayoux (1997) points out that the impact of microfinance on women varies from woman to woman. These differences arise due to the difference in productive activities or different background. Sometimes, microfinance mainly benefit the women who are already better off, whereas the poor women are either neglected by the microfinance programmes or are least able to benefit because of their low resource base, lack of skills and market contacts. However, poorer women can also be more free and motivated to use credit for production. The review of literature above clearly indicates that microfinance plays an important role in empowering poor women in rural areas.

3.0 Objectives of the study: The study was carried out with the following specific objectives:

- i. To identify the factors related to empowerment of women.
- ii. To measure the status of empowerment of rural women, both members and non-members in the selected area.
- iii. To assess the role of the microfinance in empowering rural women in Darjeeling district of West Bengal.

3.1 Hypotheses

The following hypotheses will be tested for the study in respect of participants in microfinance through SHGs and non-participants. These hypotheses would investigate the role of microfinance in empowering women.

H1: There is a difference between participants and non-participants regarding their access to employment and income.

H2: There is a difference between participants and non-participants regarding their access to and control over resources.

H3: There is a difference between participants and non-participants regarding their household financial decision making.

H4: There is a difference between participants and non-participants regarding their freedom and confidence of movement and visiting market for purchase of household goods.

H5: There is a difference between participants and non-participants regarding their awareness level.

H6: There is a difference between participants and non-participants regarding their education and skill level.

4.0 Methodology

4.1 Selection of the study area

Kharibari block under Darjeeling district of West Bengal has been selected for the purpose of the study. This block has been selected for the study because the SHGs under SGSY scheme in this block are functioning in a very successful manner. Secondly, among 12 blocks of Darjeeling district the highest number (173 SHGs up to March 2013) of SHGs that have taken up economic activities are from this block. Thirdly, so far no study has been undertaken in this block to assess the impact of microfinance through SHGs on empowerment of the rural poor women. As a result, we think that the study will be more representative by selecting the Kharibari block of Darjeeling district as the study area for our case study purpose.

4.2 Sources of data

The study is based on both primary and secondary data. Primary data was collected from a field survey in the Kharibari block. Secondary data was collected from various journals, articles, working papers, Block development office, and DRDC reports.

4.3 Technique of data collection

Purposive random sampling techniques have been used for the study. The study was conducted in the Kharibari block of Darjeeling district through a field survey. From the study block, we selected 100 women respondents who had the same socio-economic background. Among the 100 selected women, 50 women have been taken from SHGs which have taken up economic activities and engaged in the programme for eight years or more at a stretch and another 50 women are non-SHG members. With the help of

prepared questionnaires and interview schedules, the information and relevant data were collected.

We have used simple statistical tools like percentage, frequency distribution, Chi-square test for the analysis of the data.

4.4 Limitations of the study

The study has the following limitations:

- i. The study applies to a selected block in the Darjeeling district of West Bengal and not anywhere else. Most of the respondents are illiterates and so collection of the data was a little difficult.
- ii. The data was collected only from those who engaged in income generating activities.

5.0 Impact of Microfinance on Women Empowerment: Results and Analysis

In this study, an empowered woman is considered to be one who has made her life better by having access to and utilisation of resources provided by microfinance programme. She also participates in the household decision-making. She shows self-confidence and also participates in the democratic institutions in the rural area. She has general awareness of the existing social, economic and political environment. Table 1 shows the indicators of women empowerment used in the study.

Table 1: Indicators of Women Empowerment

Domain	Indicators
1. Economic Empowerment	(i) Women access to employment (ii) Women contribution to household income (iii) Access to and control over household resources (iv) Participation in household financial decision-making
2. Socio-cultural and Familial Empowerment	(i) Women freedom and confidence of movement (ii) Visiting market for purchase of household goods
3. Political Empowerment	(i) Awareness of local, state level and national polity (ii) Participation in panchayat meetings
4. Education, and Skill Empowerment	(i) Education and ability to read and write (ii) Understanding of basic banking process

Source: Authors' own Compilation

5.1 Economic empowerment

Microfinance through SHGs has linked rural poor women with formal credit delivery system, provided micro-loans and has encouraged them to start microenterprises. This programme has helped in increasing self-employment as well as income of the participants and helped them to become economically more empowered than nonparticipants.

(i) Women's access to employment

The study shows that the microfinance programme has helped the participants in increasing employment, particularly self-employment. Table 2 shows that the participants are employed for more number of days as compared to the non-participants. The participants are employed for 160 person-days per annum, whereas the non-participants are employed only for 113 person-days per annum. Therefore, the programme participants have more access to employment as compared to the non-participants.

Table 2: Women's Access to Employment

Activities	SHGs Members			Non-SHG Members		
	No. of respondents	Total employment	Mean employment	No. of Respondents	Total employment	Mean employment
Farming	15	3000	200	10	1200	120
Agricultural Labourers	6	780	130	21	2520	120
Animal Husbandry	10	1200	120	6	540	90
Handicrafts	10	1200	120	8	480	60
Petty Business	9	1800	200	5	900	180
Total	50	7980	159.6	50	5640	112.8

Source: Field survey

(ii) Women contribution to household income

Microfinance programme has helped the women participants to increase their contribution to the household income. Table 3 shows that average income of the participants is Rs. 817 per month as compared to Rs. 595 of the non-participants. As a result, microfinance programme has generated additional income of Rs. 222 per month for the programme participants.

Table 3: Women contribution to household annual income**(Amount in Rs.)**

Activities	SHGs Members			Non-SHG Members		
	No. of Respondents	Total Income	Average Income	No. of Respondents	Total Income	Men employment
Farming	15	90000	6000	10	30000	3000
Agricultural Labourers	6	73000	12167	21	252000	12000
Animal Husbandry	10	125000	12500	6	12000	2000
Handicrafts	10	40000	4000	8	18000	2250
Petty Business	9	162000	18000	5	45000	9000
Total	50	490000	9800	50	357000	7140

*Source: Field survey***(iii) Access to and control over family resources**

Access to and control over household resources has been considered as the possession of house, land, gold and jewellery, etc. If a woman owns the house/land, she gets more respect and feels more control over the family. The possession of gold and jewellery leads to economic security. Microfinance programme increases the economic prospectus of the participants, which helps them to have access to and control over the household economic resources Table 4 shows that just 4 percent of the participants and 2 percent of the non-participants own house in their name and just 6 percent of the participants and 2 percent of the non-participants own land.

The respondents were also asked about their possession of gold and jewellery .It is found that 70 percent of the participants and 24 percent of the non-participants possess some gold. One of the reasons of large number of the participants having possession of gold may be their economic prosperity. Chi-square (χ^2) test shows significant differences among the participants and non-participants regarding the possession of gold.

(iv) Role of women in household financial decision-making

Women involved in the household financial decision-making are definitely more empowered because generally male members of the family dominate in financial decision-making. The respondents were asked about their independence and contribution in making financial decisions like budget allocation, when to get a loan, amount and source of loan, buying and selling of household durables etc. Table 5 shows the role of women in the household financial decision-making.

Table 4: Access to and Control over Family Resources

Indicator	SHG members		Non-SHG members		
	No.	Percentage	No.	Percentage	
Ownership of house	Yes	2	4.00	1	2.00
	No	48	96.00	49	98.00
Ownership of Land	Yes	3	6.00	1	2.00
	No	47	100.00	49	98.00
Possession of gold	Yes	35	70.00	12	24.00
	No	15	30.00	38	76.00

Source: Field survey

Note: Chi-square (χ^2) = 24.42. Table values at 5 % and 1 % with 1 degree of freedom (d.f.) are 3.84 and 6.63 respectively

Table 5: Role of Women in Household Financial Decision-Making

Financial Decision-making	SHG members		Non-SHG members	
	No.	Percentage	No.	Percentage
Self – dominate	13	26.00	4	8.00
Husband –dominate	3	6.00	5	10.00
Jointly by self & husband	33	66.00	32	64.00
Other members dominate	1	2.00	9	18.00
Total	50	100.00	50	100.00

Source: Field survey

Note: Chi-square (χ^2) = 11.66. Table values at 5 % and 1 % with 3 d.f. = 7.81 and 11.3 respectively.

Table 5 shows that 26 percent of the participants and just 8 percent of the non-participants dominate in household financial decisions. However, in a majority of cases, both husband and wife jointly take the household decisions. 66 percent of the participants and 64 percent of the non-participant women take financial decisions jointly with their husbands. The Chi-square (χ^2) test also shows that the difference between participants and non-participants regarding their role in household financial decision-making is significant at 5 percent and 1 percent level of significance.

5.2 Socio-cultural and familial empowerment

Microfinance programme gives women an opportunity to come out of the four walls of their houses and meet other members of the society, which leads to their socio-cultural and familial empowerment.

(i) Women's freedom and confidence of movement

SHG activities encourage and offer an opportunity to their members to visit other places. Exposure of the members increases their confidence in travelling to other places. Table 6 shows the confidence of SHG members to visit a nearest town. It is observed that 80 percent participants are confident to visit a nearest town as compared to 64 percent of non-participants. It is clear from the table that participants of the programme are more confident in visiting nearest towns than non-participants. Chi-square test shows very significant differences among participants and nonparticipants regarding their confidence in travelling to a town.

Table 6: Women's Freedom and Confidence of Movement

Level of confidence		SHG members		Non-SHG members	
		No.	Percentage	No.	Percentage
Travelling to a nearest town	More confident	40	80.00	32	64.00
	Less confident	8	16.00	10	20.00
	Can't go	2	4.00	8	16.00
	Total	50	100.00	50	100.00

Source: Field survey

Note: Chi-sq. (χ^2) = 17.48 Table values at 5% and 1% with 2 d.f. = 5.99 & 9.21 respectively.

(ii) Visiting market for purchase of household goods

Visiting market increases the ability of a woman in various ways such as self-confidence, decision-making capacity, ability to make calculations, motivation, social relations and knowledge etc. Table 7 shows that 84 percent of the participants as compared to just 60 percent of the non-participants are more confident to visit the market for the purchase of goods. Chi-square test shows that these differences are significant at 5 percent level of significance.

Table 7: Confidence to Visit Market

Level of confidence		SHG members		Non-SHG members	
		No.	Percentage	No.	Percentage
Travelling to the market for purchases	More confident	42	84.00	30	60.00
	Less confident	5	10.00	12	24.00
	Not confident	3	6.00	8	16.00
	Total	50	100.00	50	100.00

Source: Field survey

Note: Chi-sq. (χ^2) = 7.16. Table value at 5% with 2 d.f. = 5.99.

5.3 Political Empowerment

It has been observed that microfinance programme has empowered the women participants socio-economically as well as politically. We attempt to understand their level of political empowerment using the following parameters.

(i) Awareness of Local, State and National level

In order to find the awareness of the respondents about the local, state and national affairs, some questions like name of their village Panchayat, Chief Minister of the state and Prime Minister of India were asked. An attempt was also made to know whether they recognise all these personalities. The results are shown in Table 8.

Table 8: Awareness of Local, State and National Level

Indicator		SHG members		Non-SHG members	
		No.	Percentage	No.	Percentage
Know the name of village Panchayat and recognise the same	Yes	48	96.00	45	84.00
	No	2	4.00	5	16.00
Know the names of Chief Minister	Yes	28	56.00	22	44.00
	No	22	44.00	28	56.00
Know the name of Prime Minister	Yes	17	34.00	7	14.00
	No	33	66.00	43	86.00
Total		50	100.00	50	100.00

Source: Field survey

Note: Chi-square (χ^2) = 1.36, 1.44 and 11.58. Table values at 5% and 1% with 1 d.f. = 3.84 and 6.63 respectively.

It was observed that almost all the participants and non-participants are aware about the name of their village Panchayat and are able to recognise the same. However, when participants were asked about the name of the Chief Minister of West Bengal and Prime Minister of India, 56 percent and 34 percent of the participants responded positively as compared to 44 and 14 percent of non-participants respectively. Chi-square test shows insignificant differences among the participants and non-participants regarding their knowledge of local and state level polity but the difference regarding their awareness of the national polity is very significant.

(ii) Participation in Panchayat meetings

The participation of women in Panchayat meetings indicates their self-confidence, awareness and progressiveness. The respondents were asked whether they attend and participate in such meetings or not. 76 percent of the participants responded positively as compared to 36 percent of the non-participants (Table 9). Chi-square test shows that these differences are significant at 5 percent level of significance.

Table 9: Participation in Panchayat Meetings

Indicator		SHG members		Non-SHG members	
		No.	Percentage	No.	Percentage
Participation in panchayat meetings	Yes	38	76.00	18	36.00
	No	12	24.00	32	64.00
	Total	50	100.00	50	100.00

Source: Field survey

Note: Chi-square (χ^2) = 16.24. Table values at 5% and 1% with 1 d.f. = 3.84 and 6.63 respectively.

5.4 Education and Skill Empowerment

The education and skill empowerment indicators that have been used for analysis include ability to read and write; and ability to understand and perform basic banking operations.

(i) Education and ability to read and write

Education is the important factor for women empowerment. Table 10 shows that 32 percent of the participants and 40 percent of the non-participants are illiterate. 10 percent of the illiterate participants and 30 percent of the non-participants are not able to read numbers and write even their name. But 22 percent of the illiterate participants and 10 percent of the non-participants are able to read numbers and write their name. Therefore, it can be seen that though illiterate, the programme participants are more able to read and write as compared to the illiterate non-participants. The level of education of participants and non-participants is also compared. It is found that 22 percent of the participants and 28 percent of the non-participants are educated up to primary level, 30 percent of the participants and 20 percent of the non-participants are educated up to Class V-VIII and 12 percent of the participants and 10 percent of the non-participants are educated up to class IX-XII level. The Chi-square (χ^2) test shows insignificant difference between the participants and non-participants regarding their education and ability to read and write.

Table 10: Education and Ability to Read and Write

Status of Education	SHG members		Non-SHG members	
	No.	Percentage	No.	Percentage
Illiterate	5	10.00	15	30.00
Only read and write	11	22.00	5	10.00
Class I-IV	11	22.00	14	28.00
Class V-VIII	15	30.00	10	20.00
Class IX-XII	6	12.00	5	10.00
Graduate	2	4.00	1	2.00
Total	50	100.00	50	100.00

Source: Field survey

Note: Chi-square (χ^2) = 1.36. Table values at 5% and 1% with 5 d.f. = 11.07 and 15.09 respectively.

(ii) Ability to understand and perform basic banking operations

Microfinance programme participants visit banks to deposit the group savings, for getting loans and for repaying the loan instalments. It enables them to perform the basic banking operations such as opening an account, filling a bank form, understanding pass-book entries etc. Table 11 shows that 56 percent of the participants and 22 percent of the non-participants face no difficulty in performing basic banking operations.

Table 11: Ability to Understand and perform Basic Banking Operations

Status of Education	SHG members		Non-SHG members	
	No.	Percentage	No.	Percentage
No difficulty	28	56.00	11	22.00
Some difficulty	13	26.00	20	40.00
Lot of difficulty	9	18.00	19	38.00
Total	50	100.00	50	100.00

Source: Field survey

Note: Chi-square (χ^2) = 13.16. Table values at 5% and 1% with 2 d.f. = 5.99 and 9.21 respectively.

However, 18 percent of the participants and 38 percent of the non-participants face difficulties or cannot perform these banking functions. Chi-square test also shows significant differences among the participants and non-participants.

6.0 Conclusion

Based on the results mentioned in this study, it can be concluded that microfinance has played an important role for empowering rural poor women in Darjeeling district of West Bengal. The results of this study indicated significant differences between SHGs women and non-SHG women regarding all these economic, socio-cultural and political indicators of empowerment. In all the cases, SHGs women were more economically empowered than those of non-SHG women. It was also found that SHGs women had more active participation in various income generating activities. The study also revealed that the SHGs women received more microcredit and utilised this for conducting more income generating activities than control group. They earned more income, saved more money and at the same time owned more assets than non-SHG women. The study stresses the need of more loans to be granted to rural poor women folk by different government organisations and non-governments organisations (NGOs) which would ultimately enhance their economic solvency and empower them economically. This would indeed be helpful for the upliftment of the rural poor women socio-economically.

References

- Batliwala S. (1994). The meaning of women's empowerment: New concepts from action. In Gita Sen, Adrienne Germain and Lincoln C. Chen eds. *Population Policies Reconsidered: Health, Empowerment and Right*. Cambridge, Harvard University Press.
- Hashemi, S.M., Schuler, S.R., & Riley, A.P. (1996). Rural credit programs and women's empowerment in Bangladesh. *World Development*, 24 (4): 635–653.
- Holvoet, N. (2005). The impact of microfinance on decision-making agency: Evidence from South India. *Development and Change*, 36 (1): 75-102.
- Kabeer, N. (2001). Conflict over credit: Re-evaluating the empowerment potential of loans to women in rural Bangladesh. *World Development*, 29(1): 63-84.
- Kabeer, N. (2005), Is micro finance a magic bullet for women's empowerment? Analysis of findings from South Asia. *Economic and Political Weekly* October 29, XL(44-45): 4709-18.

Kumar, P. & Paul, T. (2007). Empowerment of women: Concept, policy approach and implications. *Paper Presented at a Seminar on Gender Issues and Empowerment of Women*, Indian Statistical Institute, Kolkata, 1-2 February.

Mahmud S. (2003). Actually how empowering is micro credit? *Development and Change*, 34(4):577-605.

Mayoux L. (1997). The magic ingredient? Microfinance and women's empowerment. *A Briefing Paper prepared for the Micro Credit Summit*, Washington.

Pillai, J.K. (1995). *Women and Empowerment*. Gyan Publishing House: New Delhi.

Rahman A. (1999). *Women and microcredit in Rural Bangladesh: An anthropological study of Grameen Bank Lending*, Boulder, West view Press: Colorado, USA.

Schuler, S.R. & Hashemi, S. M. (1994). Credit programs, women's empowerment, and contraceptive use in rural Bangladesh. *Studies in Family Planning*, 25(2), 65–76.

Stromquist, N. P. (1995). The theoretical and practical bases for empowerment. In Carolyn Medel-Anonuevo (ed.), *Women, Education and Empowerment: Pathways Towards Autonomy*, United Nations Educational, Scientific and Cultural Organization (UNESCO), Hamburg: Germany.

Dynamics of Self Help Groups, Micro-Finance and Financial Inclusion

Editor:

Professor S.N. Tripathy.

ABHIJEET PUBLICATIONS

NEW DELHI 110002

ABHIJEET PUBLICATIONS
4658-A, 21 Ansari Road, New Delhi 110002
Phone: 011-23259444, 65698474
E-mail: abhijeetpublication@gmail.com
info@abhijeetpublications.com
website: www.abhijeetpublications.com

DYNAMICS OF SELF HELP GROUPS, MICRO-FINANCE AND
FINANCIAL INCLUSION

First Published 2015

© Reserved

ISBN 978-93-5074-153-5

[All rights reserved. No part of this publication may be reproduced, copied, stored in a retrieval system, transmitted or used in any form or by any means, whether electronic, mechanical, photocopying, recording or otherwise, without the prior permission from the author or publishers, except for a brief quotations in critical articles or reviews.]

PRINTED IN INDIA

Published by J.K. Singh for Abhijeet Publications, New Delhi-110002, Lasertypeset by Abhijeet Typesetters, Delhi and Printed at Asian Offset Printers. Delhi.

Contents

<i>Preface</i>	v
Introduction	1
<i>Prof. S.N. Tripathy</i>	
1. Self Help Groups (SHGs), Micro Finance and Financial Inclusion	15
<i>Prof. S.N. Tripathy</i>	
2. On the Measurement of Financial Inclusion	35
<i>Dr Radha Krushna Panda</i>	
3. Variations in Physical Performance of SHGs— A Study in West Bengal	61
<i>Ratul Saha and Prof. K.K. Bagchi</i>	
4. Microfinance and Rural Transformation	84
<i>Prof. S.N. Tripathy</i>	
5. Self Help Groups (SHGs), Micro-Finance and Alleviation of Poverty	114
<i>Swati Sinha Babu</i>	
6. Comparative Performance of Financial Inclusion in the Tribal Districts of Orissa	139
<i>Dr R K Panda & Alok Kumar</i>	
7. Microfinance and Financial Inclusion in Nadia District, West Bengal	157
<i>Bhajan Chandra Barman and Prof. K.K. Bagchi</i>	

Microfinance and Financial Inclusion in Nadia District, West Bengal

Bhajan Chandra Barman¹ & K. K. Bagchi²

ABSTRACT

Economic growth follows financial inclusion. In order to achieve the objective of growth with equity, it is imperative that infrastructure is developed with financial inclusion. In the recent times Government of India and financial regulators has taken several steps towards financial inclusion for achieving inclusive development. Among them microfinance approach is one whose primary aim is to bring the disadvantageous section of people under the purview of the formal financial institutions. The present study is based on secondary data collected from District Rural Development Cell

-
1. Assistant Professor, Department of Economics, Netaji Nagar College (Evening), Kolkata. Email: bhajanbarman@gmail.com
Mob: 09476273325
 2. Professor, Department of Economics, University of North Bengal, Raja Rammohunpur, Dist. Darjeeling, West Bengal,
E-mail: kkgbagchi@hotmail.com Cell: 09434886016.

of Nadia District, West Bengal. The main objective of this paper is to analyze the financial inclusion with the help of savings linkage, credit linkage and project linkage self help groups under SGSY. It has been revealed that the SHGs are successful to promote financial inclusion of the rural poor, particularly the rural women. This paper is designed into four sections. Section-I deals with the introduction; section-II analyze the concept of financial inclusion; section-III discusses the microfinance and financial inclusion in Nadia District and finally in section-IV conclusions and suggestions have been outlined.

Introduction

Poverty and exclusion continue to dominate socio-economic and political discourse in India as they have done over the last six decades in the post-independence period. Poverty reduction has been an important goal of development policy since the inception of planning in India. Various anti-poverty, employment generation and basic services programmes have been in operation and for decades in India. The ongoing reforms attach great importance to removal of poverty and to addressing the wide variations across states and the rural-urban divide. Though the Indian economy recorded impressive growth rates until recently, its impact has sadly not fully percolated to the lowest deciles.

In developing economies, the banks, as mobilisers of savings and allocators of credit for production and investment, have a very critical role. As a financial intermediary, the banks contribute to the economic growth of the country. However, it is disheartening to note that the number of people with access to the products and services offered by the banking system continues to be very limited even years after introduction of inclusive banking initiatives in the country through measures such as the cooperative movement, nationalization of banks, creation of regional rural banks, etc. Banks used to serve mainly

the richer rural borrowers, not the ones who have nothing to give as collaterals.

Over the past five years, the Reserve Bank of India and other policy makers have given a deep attention to the financial inclusion and achieved discernible progress in improving access to financial services for the masses.

However, the progress is far from satisfactory as evidenced by the World Bank Findex Survey (2012). According to the survey findings, only 35 per cent of Indian adults had access to a formal bank account. Only 2 per cent of adults used an account to receive payment from a family member living in another area.

NSSO data reveal that 45.9 million farmer households in the country (51.4%), out of a total of 89.3 million households do not access credit, either from institutional or non-institutional sources. Further, despite the vast network of bank branches, only 27% of total farm households are indebted to formal sources:

Under the above circumstances microfinance has emerged as a powerful tool for easy access to financial inclusion to the rural needy poor, specially the rural women. The setting of Grameen Bank in Bangladesh by Professor Md. Yunus in 1976 has brought a dramatic transform in rural banking scenario not only in Bangladesh but in more than 100 countries of the world. Microfinance has, in recent times, come to be recognized and accepted as one of the new development paradigms for alleviating poverty through social and economic empowerment. Experience of different anti-poverty and other welfare programmes within the country and elsewhere have shown that the key to its success lies in the participation of community based organizations at the grassroots level. People's participation in credit delivery, recovery and linking of formal credit institutions to borrowers through the intermediation of self-help groups (SHGs) have been recognized as a supplementary mechanism for providing credit support to the rural poor.

Concept of Financial Inclusion

Economic growth follows financial inclusion. In order to achieve the objective of growth with equity, it is imperative that

infrastructure is developed with financial inclusion. Financial inclusion is a continuous and proactive process of bringing people of poverty battalion into the domain of value added banking services in the form of priority sector credit with low sacrifice or affordable cost in an integrated, inclusive and participative manner to make them bankable and protect from rural giants of informal financial sector of moneylenders and money-laundering process. Financial inclusion includes accessing of financial products and services like savings facility, credit and debit cards access, electronic fund transfer, all kinds of commercial loans, overdraft facility, cheque facility, payment and remittance services, low cost financial services, insurance, financial advice, pension for old age and investment schemes, access to financial markets, micro credit during emergency, entrepreneurial credit etc. Financial inclusion was initiated in India during the year 2005-06. In India the basic concept of financial inclusion is having a saving or current account with any bank.

Factors Affecting Access to Financial Services

Legal identity: Lack of legal identity like voter I, driving license, birth certificates, employment identity card etc.

Limited literacy: Particularly financial literacy and lack of basic education prevent people to have access from financial services.

Level of income: Level of income decides to have financial access. Low income people generally have the attitude of thinking that banks are only for the rich.

Terms and conditions: While getting loans or at the time of opening accounts, banks place many conditions, so the uneducated and poor people find it very difficult to access financial services.

Complicated procedures: Due to lack of financial literacy and basic education, it is very difficult for those people who lack ability to read terms and conditions and account-filling forms.

Psychological and cultural barriers: Many people voluntarily excluded themselves due to psychological barriers

and they think that they are excluded from accessing financial services.

Place of living: As the name suggests, commercial banks operate only in commercially profitable areas and they set up branches and main offices only in those areas. People who live in under- developed areas find it very difficult to go to areas in which banks generally reside.

Lack of awareness: Finally, people who lack basic education do not know the importance of the financial products like Insurance, Finance, Bank Accounts, cheque facility, etc.

Benefits of Inclusive Financial Growth

Growth with equity: In the path of superpower we the Indians will need to achieve the growth of our country with equality. It is provided by inclusive finance.

Get rid of poverty: To remove poverty from the Indian context everybody will be given access to formal financial services because if they take loans for business or education or any other purpose they get the loan to pave way for their development.

Financial transactions made easy: Inclusive finance will provide banking related financial transactions in an easy and speedy way.

Safe savings along with financial services: People will have safe savings along with other allied services like insurance cover, entrepreneurial loans, payment and settlement facility, etc.

Inflating national income: Boosting up business opportunities will definitely increase GDP and this will be reflected in our national income growth.

Measure of Financial Inclusion

Recently the importance of financial inclusion is widely accepted in developed and developing countries. But there is no widely accepted measure of financial inclusion in literature, at aggregate level as well as at individual level. At aggregate level, the common measure of financial inclusion refers to the percentage of adult population having savings bank account or number

of bank branches per thousand population. Financial inclusion usually measured, at the individual level, by the fact whether or not the individual has savings bank account, or number of bank accounts held by the individual. The measure of financial inclusion based on the holding of savings bank account is not an effective measure of financial inclusion. This type of inclusion confines the individuals only to the access to deposit facilities, withdrawal facilities and remittance service. However, the financial policy is mainly adopted to bring the disadvantaged section of population under the umbrella of financial institution for improving their way of live. It is a fact that the disadvantaged section of population is resource poor. As a result, they could not enjoy the facilities of holding savings account. Actually they need to have access to formal credit at an affordable cost. If it is possible it will ensure their access to the facilities of savings bank account, access to credit account, access to remittance facility and so on. Therefore, the access to formal credit is the realistic indicator of financial inclusion at the individual level.

MICROFINANCE AND FINANCIAL INCLUSION IN NADIA DISTRICT

Feature of Microfinance

Microfinance is a novel approach to 'banking with the poor'. This approach was very successfully tried in Bangladesh where bank credit is extended to the poor through Self Help Groups (SHGs), Non-Government Organizations (NGOs), credit unions, etc. Micro finance attempts to combine lower transaction costs and high degree of repayments. Microfinance refers to small scale financial services for both credit and deposits that are provided to people who come from the underprivileged section of the society or disadvantaged section of people. Disadvantaged people are generally poor, especially women, marginal, small and landless farmer, petty traders, casual labour in unorganized sector and unemployed persons in our society who depend on informal sources for financial services. The main reason behind the evolution of this microfinance concept in India were the lack of education among the poor about the easy access of

getting loan from the banks in a formal way and also the exploitation of the poor by the money lenders who even charged interest rates between 2% to 30% per month. In this background, microfinance revolution occurred in 1980. At that time it was started with the formation of pockets of informal self help groups engaging in micro activities financed by microfinance. India's first microfinance institution Shri Mahila Sewa Sahkari Bank was set up as an urban cooperative Bank, by the self employed women's association soon after the group was formed in 1974. The first official effort materialized under the direction of NABARD. After liberalization in 1990, out of many new microfinance approaches the most notable was a movement of link informal local self help groups created by NGOs to commercial banks. NABARD is the pioneering agency of the SHG- Bank model.

SHG approach has been functioning as a means of providing microfinance to disadvantaged section of our country. There are several evidences regarding the contribution of SHGs in financial inclusion at different parts of India and abroad. Many studies reveal that SHGs include the savings habits of unbanked section of the population in the country (Kaladhar, 1997, Kumaran 2002, Khandkar, 2003, NABARD, 2005). Kumaran (2002) found that wherever SHGs are already operating, demonstration effect has helped the poorer to form SHGs thereby including the poorer in the main stream of financial system. According to Meher (2007), the SHGs guarantee cent percent accessibility to formal credit at an affordable cost of borrowing. In the study by Onogwu et al (2007) it has been shown that group based microfinance increase the access to formal agricultural credit and that farmer's annual income and asset holding have positive significant effect on credit received.

Selection of the District

We have selected Nadia district as a study district with the advice of district level authorities. However, the implicit logic behind choosing this district is that, first of all, this district is one of the most backward and minority concentrated districts of West Bengal. Communication, health care, and formal financial system of some gram panchayats of the district are

not so good. This district is predominantly rural and 70% people depend on agriculture. Secondly, the SHGs in this district are functioning for a longer period of time and this district is one of the most successful in terms of SHG movement. That is why we have selected Nadia district as a study district.

Microfinance Scenario in the Study District

So far as microfinance of Nadia district is concerned, the total number of SHGs formed under SGSY by the end of March 2013 has reached to 20765 of which around 87% are women groups. Nadia District took 12th position in respect of physical progress of SHGs in West Bengal. Year wise cumulative progress of SHG is shown in Table-1. From the table it is found that Nadia district is presently working with 20765 numbers of saving linkage SHGs. In the district number of saving linkage SHGs gradually increased. At the end of March, 2003, total number of saving linkage SHGs formed 551. At the end of March, 2013 the number grew up to 20765. So it is a very encouraging trend indeed. Nadia district accounted for 5.75% of the state progress.

Table 1: Cumulative Progress of SHGs under SGSY in West Bengal and Nadia

<i>Year</i>	<i>No. of saving linkage SHGs in West Bengal</i>	<i>No. of saving linkage SHGs in Nadia</i>	<i>% share in state total</i>
2002-2003	58708	551	0.92
2003-2004	78985	1412	1.83
2004-2005	113943	2,441	2.14
2005-2006	149896	6,356	4.24
2006-2007	186486	8250	4.42
2007-2008	223909	10318	4.61
2008-2009	257307	12729	4.95
2009-2010	3,08,861	15,062	4.88
2010-2011	3,48,797	17,503	5.02
2011-2012	3,69,338	19,035	5.15
2012-2013	3,60,989	20,765	5.75

Source: Panchayat & RD Department, WB.

Table 2: Year-wise Cumulative Progress of SHGs under SGSY

Period	Saving linkage SHGs		Credit Linkage SHGs		Project Linkage SHGs		No. of women SHGs		% Over SLGs
	No	% Over SLGs	No	% Over SLGs	No	% Over CLGs	No	% Over SLGs	
2006-07	8250	67.83	5596	67.83	861	15.39	6536	79.22	
2007-08	10318	80.80	8337	80.80	1305	15.65	8207	79.54	
2008-09	12729	73.05	9299	73.05	1656	17.81	10450	82.10	
2009-10	15062	76.32	11496	76.32	2502	21.76	12652	84.00	
2010-11	17503	76.27	13305	76.27	3212	24.14	14910	85.19	
2011-12	19035	79.10	15052	79.10	4345	28.87	16368	85.99	
2012-13	20765	79.59	16526	79.59	4805	29.08	18018	86.77	

Source: DRDC, Nadia.

Note: SLG=Savings-linked groups, CLG= Credit-linked groups, PLG=Project-linked groups.

Year-wise cumulative progress of saving linkage groups, credit linkage groups and project linkage groups are shown saving in Table-2. It could be observed from the above table that during 2006-07, the total number of saving linkage, credit linkage groups and project groups were 8250, 5596 and 861 respectively. During 2012-13 these increased to 20765, 16526 and 4805 respectively. There is tremendous increase in the number of SHGs during 2006-2013. The highest number (80.80%) of credit linkage SHGs over saving linkage formed during 2007-08. Again if we look at the performance of the number of SHGs involved in project linkage activities then we find that it increased over the years. But project linkage group did not exceed 30%.

Block-wise physical progress of SHGs under SGSY up to March 2013 has been shown in the following Table. From the table-3, it is found that the number of SHGs qualified for Grade-I is 16526 and the number of SHGs that passed Grade-II is 5780. The percentage of Grade-I SHGs over saving linked SHGs in all the blocks is above 70% except Chakdah, (61.22%), and Kaliganj (63.52%). The overall 34.98% Grade-I groups have been promoted to Grade-II while percentage of Grade-II groups in Chakdah, Chapra and Krishna-I blocks is found to be less than 25%. The table also shows that more than 90% of savings linked groups are linked with credit except two blocks viz., Hanskhali (88.90%) and Krishnagar-I (89.44%). But it is very bad condition that only 30.78% of total credit linked groups are promoted to project linkage stage. The lowest project linkage groups over credit linkage groups is found in two blocks viz. Chakdah (10.76%) and Chapra (10.94). The number of project linkage groups is found to be highest (526) in Ranaghat-II block. It is also found that more than 86% groups are women groups indicating that rural women are more empowered for the socio-economic development.

As far as banking aspects, only one regional Rural Bank (Bangiya Gramin Vikash Bank) and two commercial banks (SBI and UBI) play important role for leading in growth and promotion of SHGs through microfinance. Among 15611 credits linked SHGs, Bangiya Gramin Vikash Bank, UBI and SBI lead to 37.79%, 28.92% and 15.83% respectively. Table-4 represents the status of microfinance of different banks up to March 2013.

Table 3: Block Wise Physical Progress of SHGs up to March 2013 (Under SGSY)

Block	No. of Savings Linked SHGs		Grade-I		Grade-II over Grade-I		No. of CLGs over Grade-I		No of PLGs over CLG		No. of women groups	% over SLGs
	No.	%over SLGs	No.	%	No.	%	No.	%	No.	%		
	Chakdaha	1047	61.22	109	17.00	636	99.22	69	10.76	979		
Chapra	1673	76.69	272	21.20	1259	98.13	243	10.94	1486	87.75		
Hanskhali	1092	71.79	264	33.67	697	88.90	255	32.53	981	89.84		
Hringhata	1499	83.39	575	46.00	1138	91.04	467	31.15	1310	87.39		
Kaliganj	1579	63.52	375	37.39	940	93.72	287	28.61	1395	88.35		
Karimpur-I	1379	77.30	325	30.49	1016	95.31	227	21.29	1182	85.71		
Karimpur-II	1767	82.97	401	27.35	1394	95.09	243	16.58	1577	89.25		
Krishnaganj	778	84.58	231	35.11	594	90.27	172	26.14	647	83.16		
Krishnagar-I	1349	80.06	230	21.30	966	89.44	193	17.87	1157	85.77		
Krishnagar-II	766	87.86	277	41.16	670	99.55	232	34.47	703	91.78		
Nabadwip	901	94.89	306	35.79	792	92.63	235	27.49	716	79.47		
Nakashipara	1571	79.69	332	26.52	1229	98.16	306	24.44	1450	92.30		
Ranaghat-I	1082	83.83	415	45.76	817	90.08	360	36.69	898	82.99		
Ranaghat-II	1542	80.03	611	49.51	1173	95.06	526	42.63	1184	76.78		
Santipur	958	89.56	387	45.10	804	93.71	328	38.23	789	82.36		
Tehatta-I	1103	85.86	382	40.34	939	99.15	348	36.75	1014	91.93		
Tehatta-II	679	83.80	288	50.62	547	96.13	244	42.88	550	81.00		
Nadia	20765	16526	79.59	5780	15611	94.46	4805	30.78	18018	86.77		

Source: DRDC, Nadia.

Note: SLG=Savings linked groups, CLG= Credit linked groups. PLG=Project linked groups.

From the table it is found that mainly four banks, viz., Bangiya Gramin Vikash Bank (BGVB), United Bank of India (UBI), SBI, and Allahabad Bank accomplish the leading role in respect of number of savings linked SHGs. Out of 20765 savings linkage groups, the contribution of BGVB for lending is 38.11% (7913 groups) and the other three banks are 28.49% (5916 groups), 16.27% (3379 groups) and 7.07% (1468 groups) respectively. Punjab National Bank lends credit only 4 groups.

Conclusions and Suggestions

From the above analysis it may be concluded that microfinance is one of the most effective methods that helps to deliver of financial services to excluded population and it makes a smooth path of financial inclusion of the rural poor particularly rural women in the study area. The SHG programme helps the poor people to make formal saving habit due to actively works in the study area. Not only that, microfinance also has enabled social and economic inclusion of women by waiving the requirement of collateral. The lessons from Nadia's experience should be considered by policymakers in other countries that are willing to embrace microfinance as a tool for financial inclusion.

Suggestions

The following suggestions are made for the implementation of financial inclusion in India:

First, it can be suggested for implementing the SHG-Bank linkage programme more intensively in rural areas. If the SHG programme works actively in the rural areas it will help the poor people to make formal saving habit.

Second, the MFIs need to operate under and be held accountable to clear regulations that are overseen by a single regulator, i.e., RBI.

Third, in an ecosystem for profit, MFIs can play a credible, responsible and sustainable role. Therefore, there is a need to have financial inclusion regulation in our country.

Fourth, the access to finance for the poor should be available through intermediaries, SHGs and MFIs and such others.

Table 4: Status of Microfinance of Different Banks (Rs. in lacs) up to March, 2013 (under SGSY)

Banks	No. of SLGs(1)	Amount of Savings(2)	Per group savings(2/1)	No. of CLGs(3)	Amount of RF Released(4)	Per group RF Released(4/1)
SBI	3379(16.27)	412.33425(15.56)	12203	2487(15.83)	474.18400	14033
Allahabad Bank	1468(7.07)	190.83600(7.20)	12999	1084(6.90)	215.50000	14679
Bank of Baroda	137(0.66)	19.11150(0.72)	13950	90(0.57)	10.14863	7407
Bank of India	670(3.23)	84.25250(3.18)	12575	478(3.04)	50.48870	7535
Kanara Bank	305(1.47)	34.99875(1.32)	11475	247(1.57)	28.05300	9197
CBI	36(0.17)	5.02200(0.18)	13950	35(0.03)	1.10722	3075
Dena Bank	87(0.42)	11.26650(0.43)	12950	42(0.27)	4.50721	5180
Indian Overseas Bank	485(2.33)	62.41465(2.36)	12869	411(2.63)	49.39740	10185
Punjab National Bank	4(0.02)	0.51476(0.02)	12869	0	0.0000	0
Union Bank of India	150(0.72)	20.80350(0.79)	13869	116(0.74)	22.85110	15234
UBI	5916(28.49)	689.25416(26.02)	11650	4544(28.92)	818.3510	13832
United Commercial	215(1.04)	25.47965(0.97)	11851	177(1.13)	19.63246	9131
BGVB	7913(38.11)	1092.84000(41.25)	13810	5900(37.79)	1109.33300	14019
Total	20765(100.00)	2649.12822(100.00)	12757	15611(100.00)	2803.54432	13501

Source: DRDC, Nadia.

Fifth, in order to accelerate the financial inclusion through curbing the financial supremacy of village moneylenders we suggest for implementing the SHG-Bank linkage more intensively in rural areas under study.

In order to achieve the goal of total financial inclusion, policymakers, banks, MFIs, NGOs and regulators have to work together. In addition to co-operating with other stakeholders, policymakers who believe that microfinance can help them to speed up financial inclusion in their respective countries should fund financial education programmes that allow their citizens to realize the economic potential of microfinance. Basic financial literacy programmes can help achieve better results in poverty alleviation. The current policy objective of inclusive growth with financial stability cannot be achieved without ensuring universal financial inclusion. Our experience suggests that the banks alone will not be able to achieve this unless an entire support system partners them in this mission. Only the support of policymakers, regulators, governments, IT solution providers, media and the public at large can bring about a decisive metamorphosis in our journey towards universal financial inclusion.

After all, the implementation of any policy for financial inclusion would not be effective until the terms and conditions for providing loan to the disadvantaged group of people become credit friendly.

REFERENCES

- Government of West Bengal, "West Bengal: (different issues).
- Kumaran, P. K. (2002), "Role of Self-Help Groups in Promoting Micro-enterprises Through Microcredit: An Empirical Study", *Journal of Rural Development*, Vol.21, No. 2, NIRD, Hyderabad, pp. 231-250.
- Khandker, S. R. (2003), "Microfinance and Poverty: Evidence Using Panel Data from Bangladesh", *World Bank Policy Research Working paper 2945*, January 2003.
- Mehar, S. (2007), "Impact of Micro Finance on Poverty: A Study of Self-Help Groups in Orissa", *Journal of Rural Development*, Vol. 26, No. 3, NIRD, Hyderabad, pp. 315-333

- NABARD (2005), "Evaluation Study of SHG-Bank Linkage Programme In KBK Region in Orissa." *Evaluation Study Series: Orissa R.O.* No-10, NABARD, Orissa.
- Onogwu, G. O. & C. J. Arene (2007), 'Effect of Lending Polices of Formal and Informal Microfinance Institutions on Access to Agricultural Credit in Nigeria', *Journal of Rural Development*, Vol. 26, No. 2, NIRD, Hyderabad, pp. 177-187.
- Reserve Bank of India (2007), "Financial Inclusion-Reaching the Unreached", A notice, August 10.
- Reserve Bank of India (2013), RBI Bulletin, October.
- Yunus, M. (2004), Grameen Bank, Micro Credit and Millennium Development Goals, *Economic and Political Weekly*, Vol. 39, pp. 4077-4092