

CHAPTER – X

CONCLUSIONS & POLICY RECOMENDATIONS

10.1 Major Findings of the study.

This study was conducted to find out the outreach, operational aspects of SGSY in Jalpaiguri district as the catchment area of the survey. Though some studies on SGSY operations have been carried out in different areas in India, this study has focussed on a district in North Bengal keeping in view all dimensions of the programme so that a comprehensive view could be obtained for policy making. As microfinance has become a world wide phenomena and has been drawing the attention of microfinance practitioners and researchers alike. Therefore it expected that the findings of the study may be of some importance to them as well as the Government, NGOs & bankers who are responsible for successful implementation of the scheme. This study has made an extensive examination of different dimensions of the Yojana, like growth of groups since inception, funding of the scheme, training and capacity building of groups, problems in marketing of SHG products, operational aspects of groups, savings and credit linkage systems, role and perception of bankers and NGOs and finally the impact of the programme on the beneficiaries. The creditability of the study lies in the fact that research has been carried out at the grass root level through a multi pronged approach using questionnaires, interviews, informal discussions and personal involvement in SHG activities and meetings and the analysis made at the block level for the district. The findings are therefore related to the real life experiences and nuances of the programme. The summary of findings of the study is given below.

- An examination of the features of SGSY reveals that it being a wholistic self-employment programme targeted at the rural poor contains all features of contemporary microfinance programmes. In fact, many researchers have already recognized the SGSY as the largest microfinance programme operating in India. The number of SHGs formed under this programme has already crossed 2.5 million and taken about 30 million women under its fold. Though the SGSY was initiated in this district during 1999, the scheme actively gained popularity and pace from 2001-02.

- The district has witnessed an astronomical growth in the number of groups under SGSY. High growth rate (592.85%) was observed in 2001-02. The maximum number (8002) groups was formed in 2004 –05 which accounted for 44.81% of total groups formed upto 2006-07. The growth rate of group formation has surpassed the projection made by the researchers like Sen (2002).
- After the eight years journey of SGSY in this district total 9939 SHGs were graded into 1st grading.
- It was found that about 96% of total groups in this district under SGSY were exclusively women groups.
- This highest number of groups which were formed in 2004-05 due to greater contribution of NGOs. About 26.22% of these SHGs were formed by all concerned NGOs.
- In a comparative study of growth rate of group formed between Jalpaiguri district and India as a whole, it was observed that growth rate of Jalpaiguri was much higher than that of India. The difference of growth rate between Jalpaiguri and India was maximum in 2001-02. This difference has reduced gradually since 2005-06.
- At the end of eighth years of its journey in this district, a blockwise analysis reveals that the highest numbers of groups were formed in Maynaguri block followed by Falakata block. The cumulative number of groups formed upto 2006-07 stood at 2165 in Maynaguri and 2044 in Falakata. Comparatively lowest numbers (653) of groups were formed in Nagrakata Block.
- Highest growth rate of groups formed was found in Falakata block followed by Maynaguri. Comparatively lowest growth rate of groups formed was found in

Nagrakata block. Average annual growth rate of groups formed in Matiali and Kalchini was quite low.

- Group formation of a block significantly depended on number of bank branches, number of GPs in a block, and BPL family. It was surprising that the number of BPL families per block was negatively related with number of groups formed. Area of the block, female population and total population of each block did not have significant influence on the number of group formed.
- NGOs were demotivated in the later years to form new groups because Government of India had curtailed down the remuneration of NGOs. The quantum of remuneration was Rs 10000 for the credit linkage of one SHG. The nodal agency, DRDC had given this amount of remuneration upto 2004-05 for nurturing the SHG as promotion cost. This quantum of remuneration was reduced after 2004-05 to Rs. 300 per group. Consequently, this decision of government demotivated the NGOs to form new groups or to spend time and efforts for the sustainability of the existing groups. Though DRDC keeps an account of new groups formed, no system has been found where the record of groups being dissolved or disintegrated were maintained. However, this was probably due to the fact that very few SHGs were being broken up.
- Fund flow analysis of this scheme showed that it was initiated in 1999 with the unused balance of previous antipoverty programmes. Afterwards Central and State Government had released fund towards this scheme in the ratio of 23: 1. A very little amount was released by Central Government. Nothing was released by State government towards SGSY fund upto the end of 2003-04. Afterwards a lump sum amount was released by State Government and Central Government during 2004-05 in the ratio which was different from the proportion as specified in SGSY guidelines.
- Due to lack of proper planning, initially DRDC and other monitoring agencies were unable to spend sizable amount of funds. Consequently, only 5.24% of the

available fund was spent for different heads of expenditure like revolving fund expenditure, subsidy, infrastructure development expenditure, training expenditure and administrative expenditure *in the year 2001-02*.

- In the years of 2004-05, 2005-06 and 2006-07, more than 85% of available funds was spent during that year. Highest proportion (91.24%) of available fund was spent in 2006-07.
- Revolving fund expenditure was found to depend on the number of 1st graded groups. However, relationship of RF with total fund available was not significant.
- Amount of subsidy only depended on the number of 2nd graded groups. It has found to be inversely related with the total available funds.
- Initially, the infrastructure development expenses in this district was not upto the mark. A significant portion of total expenditure was spent for development expenditure since 2003-04. Total 162 lakh was spent to form Swayambhar Bhawan in each block of this district for the swarozgaries. To provide marketing support to the swarozgaries Rs 80 lakh was spent in 2006-07 for the construction of huts and stalls in local markets. However the total infrastructure facilities were not adequate to meet the needs of all SHGs in the district.
- The DRDC and other monitoring agencies could arrange training programmes for the swarozgaries every year specially after 2002-03. A significant portion of total available fund was spent through extensive training programme for the potential trainee beneficiaries as per policies developed by DRDC.
- The amount of training expenditure was found to be inversely related with total funds available for SGSY in Jalpaiguri.
- Majority of the respondents (70.61%) had been members of the SHGs for more than three years. This indicates that the group members may have gained a lot of

experience in group activities, economic activities, financial management, bank linkages and relation building with government officials.

- As the size of the group concerned, majority of the sample groups (44.29) consisted of 10 members. Only 1.31% of respondents groups had 15 members. It would be relevant to point out here that SHGs were conceived to be larger groups with a maximum membership of 20 individuals.
- Majority (68.9%) of the respondent groups were formed with more than 90% members of BPL categories. Out of this, 38.65% of respondents groups composed of all members belonging to BPL categories.
- Majority (66.48%) of the respondent groups consisted of members having age group of 36-50 years. On the other hand 26.88% of total respondents groups consisted of members having age group of 18-35 years. It indicates that middle aged women members were more enterprising in becoming self sufficient in order to increase the income levels of their families. It was also found that 6.25% of total sample groups consisted of members having more than 51 years of age. It reveals that microfinance through SHG provides basic source of livelihood also to the women above middle ages.
- Majority of the sample groups (45.26%) consisted of members having primary education only where as a large portion of members were illiterate and only 2.06% of the respondents were graduates.
- Large portions of the members respondents groups were married women and had large families consisting of 3 to 4 children. Husbands of majority of the sample SHGs members were engaged as landless labourers or marginal farmers. These facts bear significance because larger families call for more consumption expenditures, thus leaving smaller amounts out of loans for building microenterprises.

- Most of the members of the sample groups belonged to SC/ST categories. Where as only 27.75% of members belonged to general categories.
- Majority of the respondent (62%) SHGs had perceived that they were motivated to form SHG for thrift and credit benefits. Where as 31.3% members expressed that they were motivated to form SHG to generate higher income for their families.
- Homogeneity in the standard of living of group members was the major criterion for group formation followed by the proximity of stay and caste considerations.
- The fact that the SGSY could help in building up group corpus or capital for the SHGs has been demonstrated by the fact more than 28% of the groups had funds more than Rs25000. It was surprising that 1.26% of the sample groups had corpus fund more than Rs. 200000.
- The success of the SGSY has been demonstrated by the fact that thrift habits have been inculcated in the SHG members. Majority of the respondents groups saved on monthly basis and only 15.12% of the sample groups saved on weekly basis. The sample SHGs saved from a lowest of Rs.20 to a high of Rs. 100 per member per month. Majority of SHGs (68.48 %) saved Rs.20 to 50 per member per month. Informal discussions revealed that about a significant portion of SHGs reported increase in savings rate over time.
- The scheme was also successful in building up savings linkages with banks. About 26.05% respondents groups had savings upto Rs. 5000 as per their bank passbooks. Other groups had savings balances ranging from Rs 10000 to Rs 5000. About 1.68% of the respondent groups had savings amount more than Rs. 50000 in their banks.
- Interloaning as a component of microfinance systems had meet with success too. Majority of the respondents (42%) SHGs had issued interloan to their members

every month. This study revealed that at least one member had taken loan from the SHGs every month.

- Upto 40% of the group corpus was disbursed as interloans by the 48.73% of the respondent SHGs. The survey also revealed that 11.34% SHGs disbursed more than 80% of group corpus fund as inter loan among their members.
- So far as the quantum of interloan was concerned, 28.57% of the respondents SHGs had taken individual loan more than Rs. 6000. Members of 21.69% of the respondent SHGs had taken loan from their group of amounts less than Rs. 2000.
- Majority of the respondents (42%) SHGs had issued interloan to their members every month. It revealed that at least one member had taken loan from the SHGs every month.
- Rate of interest on interloan charged by the groups from 2% pm to 5% per month . About 53.78% of the respondents SHGs unanimously decided to charge 2% interest on interloan. On the other hand 5.04% SHGs had charged interest at the rate 5% pm. Though interloaning rates are quit high, yet the perception that high interest rates help in enhancing the group corpus and present delinquency motivates the members to decide on the high interest rates. Further, these interest rates bearing parity to the rates charged by local moneylenders have the innate advantage that are collateral free and repayments are facilitated through peer pressure and peer support. This therefore has the effect of lower dependence on the moneylenders.
- So far as the repayment performance of members is concerned, approximately 100% respondents groups have been regularly repaying their interloans. About 41.17% of SHGs reported that their members had repaid their loan within 4-6 months. Only 4.02% of SHGs reported that their members had repaid interloan amount within 12 month. It revealed that SHGs members had preferred to take short-term loan.

- Regular conduction of group meetings as a sine-qua-non for sustainability and viability of groups and ultimately the success of the Yojona. It was found that most of the sample SHGs conducted monthly meetings (37%) followed by fortnightly (32 %) and weekly meetings (11 %). In case of about 13 per cent of sample SHGs, meetings were held at irregular frequencies.
- About 92.43% of the respondents SHGs reported that they had maintained resolution books of their group meetings. In most of cases group leaders and other members had maintained the resolution books. About 20% of the sample SHGs had maintained resolution books with external help. Out of which 6.72% of the sample SHGs had spent lump sum amount as remuneration of the bookkeepers.
- Most of the sample SHGs discussed economic aspects regularly in their group meeting likes; purpose of bank loan and savings, business plans etc. on regular basis. A large number of respondents also discussed social problems likes; health and hygiene etc.
- The study has found that beneficiaries in this district have initiated microenterprises at the group level as well as individual level with the help interloan from the groups. These microenterprises produced diversified products. It was also found that, in few cases, beneficiaries has taken multiple trades of activities like rearing of milch cows and mushroom cultivation, mushroom & soft toys etc.
- The study revealed that SHGs in Jalpaiguri district had actively participated in various social activities likes- pulse polio, family planning, adult education, raised voice against various social evils like alcoholism and trading of drugs, dowry, child marriage in the local areas. Some SHGs had extended helping hand for the marriage of downtrodden women and distributed books among the poor students having good result.

- The study has found that 130 clusters were formed since inception in Jalpaiguri district. Among the all blocks in this district highest numbers of clusters were formed in Maynagury block followed by Dhupgury block. Majority of the clusters consisted of 20 to 22 members. It was also found that, most of the clusters were formed with SHGs having 2-3 years vintage period. A bank wise analysis of clusters revealed that highest numbers of clusters are linked with the UBKGB.
- Most of the products produced by the SHGs in Jalpaiguri are agro based and handicraft products. The producers face substantial difficulty in finding proper marketing channels for their products. As a result the beneficiaries prefer door-to-door sales. But the quantum of sales under this channel is not satisfactory. Some of the beneficiaries channelised their products through local rural fairs and hats. Clusters were found to participate, not actively in marketing the SHGs products.
- Out of all banks, 11 banks with their 134 branches played pivotal role in SHG movement in this district. Among all other banks UBKGB played vital role in fostering SHG movement in this district. Highest number of groups were linked with this bank. This bank tops the list of all banks in respect of having highest number of 1st graded groups, 2nd graded groups, and subsidy disbursement as well as for the disbursement of revolving fund in this district. Where as, Central Bank of India got 2nd position in all respect as above with equal number (40) of branches. In this respect State Bank Of India got 3rd position with 23 branches.
- The volume of cash credit disbursed by banks had shown an increasing trend. UBKGB had taken the leadership role in this respect followed by CBI and SBI. The disbursements of other banks were comparatively very low compared to UBKGB and CBI.
- About 26.05% respondents groups had savings upto Rs. 5000 as per their banks passbook. Where as 1.68% of the respondent groups had savings amount more than Rs. 50000.

- All the respondent banks reported that they had visited the group to motivate and to grade the groups as and when situation demanded.
- The perception of the bank officials about the utilisation of loan by the member was not positive. Bankers have pointed out that members were not utilising loan properly. Most of them also viewed that most of the beneficiaries could not understand that bank transactions properly. Over all perception of the bankers regarding the prospect of this scheme cannot be regarded as very encouraging.
- Banker had to face various problems like lack of knowledge and clear vision of the staff about this scheme. They felt lack of co-operation from the different functionaries like as DRDC, BDO etc.
- NGOs were involved in SHG formation and nourishment since 2000-01. About 22.15% of total groups were formed by different NGOs in this district. Highest members of groups formed by them were in 2003-04.
- Most of the concerned NGOs perceived that SHGs would be successful in future to run microenterprises where as very minimum respondents perceived that SGSY will be successful in raising wealth of the beneficiaries. A large number of the respondent NGOs had felt that SGSY would be successful in socially empowering women.
- Majority of the NGOs had felt that the SHGs were cooperative. NGOs felt that there was lack of active co-operation from panchyat, very often there was lack of clarity of duties and responsibilities regarding monitoring the SHGs.
- Grassroots functionaries who are responsible for forming and nurturing the groups were not trained properly for this purpose.
- Training was imparted to 34000 members in this district. Highest numbers of groups were trained in 2005-06. During this year highest number of SHGs were formed in Maynaguri block followed by Falakata.

- As a vital component of SGSY, the effectiveness of training lies in the fact whether the swarozgaries have benefited from SKDT training. Through a large portion of the trainees seem to have been properly trained, yet it has been revealed that the economic activity taken up by the groups did not correspond with the trade in which the training was completed.
- As per the guidelines of SGSY, integration of SHGs is needed to reap the economies of scale and to ensure better control over the economic and social aspect. The study observed that only 130 clusters were formed with the 1st graded groups in this district. There was ample scope of cluster formation with the remaining 1st graded groups in different blocks.
- The significant difference in regularity of work in group activities among the different blocks in this district was found. About 52% of the respondents SHGs in this district as a whole were engaged every day in their group economic activities.
- Average annual income of the 44% sample SHGs were less than Rs.5000. Where as about 11% respondents SHGs earned annual income more than Rs. 20000. The notable difference in annual income among the different blocks were found out in this district. Consequently, average monthly income of sample SHGs members among the different blocks were at different levels. And it was very low.
- Majority of the respondents stated that their income level had increased to some extent after joining SHGs.
- Most of the (56%) respondents in this district expressed that their asset possession had increased after joining SHGs.
- About 55.56% respondents SHGs in this district stated that their prestige in the community increased to a considerable level after joining SHGs.

- Approximately 52% of the respondents perceived that their role in decision-making at household had somewhat increased after joining SHGs.
- About 44% of the majority respondents perceived that their role in decision-making in the community had somewhat increased due to SHGs.
- Over all self-reliance of 22% of sample respondents had increased moderately. Where as about 45% of sample respondents perceived their overall self-reliance had somewhat increased.
- About 62% of the respondents perceived that their confidence level had increased. Encouragingly 14% perceived that their confidence level had substantially increased due to SHGs.
- Majority of (55%) of sample SHGs expressed that their quality of living had somewhat increased. Where as 10% of sample SHGs expressed that their quality of living had increased substantially after joining SHGs.
- The impact study on SGSY in this district highlighted that the beneficiaries had developed their economic status substantially, but the degree of social empowerment was not up to the mark. To measure the degree of empowerment, index of social and economic benefits was established and it highlighted that the index of social benefits was lower than that of index of economic benefits for all blocks in this district and there was no correlation among the these two indices. The study has reported that members of 66% of the SHGs in this district were engaged every day in their group activities. About 55% of the SHGs in this district earned on an average annual income of less than Rs 5000 from their group activities. About 66% of the SHGs perceived that their economic status has improved substantially. Low level of social empowerment was highlighted through the lower value of index of social benefits. This was mainly due to the lack of awareness of the illiterate rural women about their rights and duties in the society.

About 55 % of the SHGs reported that their prestige in the community has increased to minimum a extent. Majority of the SHGs perceived that there was no change in overall self-reliance of the members even after joining of SHGs.

- This study has reported that most of the banks in this district had taken SHG banking as secondary banking activity as it involved a lot of routine documentation work like checking of resolution books and signature of other members of the groups. In many cases bank officials avoided to render services to the beneficiaries due to absence or shortage of officials. Due to this the members had to return home and again they had to go to the bank for same activity. It involved double amount of travelling expenses. It was found that UBKG bank had taken the leading role in formation of SHGs. Discussions with the officials revealed that the SHG linkage activities were additional activities in addition to normal banking activities and there was always shortage of staff who would deal with microfinance activities. Officials of other banks also echoed the same words and also stated that there were already other Government sponsored schemes operating and SGSY put a substantial load on them. They agreed that microfinance specialists were required for these activities.

10.2 Policy Recommendations: -

The summary of findings throw ample light on formation, functioning, composition and socio economic activities of the SHGs under SGSY. Problems related to the above stated aspects, bank linkages, operations with government officials etc., have been identified and highlighted. These findings will be of considerable utility if certain recommendations can be made for better policy formulation regarding operation of the programme. The important recommendations are summarised below.

10.2.1 On group formation and operations.

- The target of the microfinance programme delivered under SGSY aims at self-employment in microenterprises built, owned and operated by Self Help Groups. As such growth in the number of groups both in India as well as the area under the study is laudable. However, care has to be taken in judging the success of the programme not only from the numbers of SHGs formed but in their economic

viability and sustainability. Therefore, the target must not be quantity of groups formed or quantum of credit disbursed or amount of subsidy released but number of matured quality groups.

- The target for the number of groups to be promoted per year should be fixed on the geographical area of each block, female population, BPL population, prospects of viable microentrepreneurial activities and demand for products made or services rendered by SHGs. It would rather be prudent to fix a GP wise target in consultation with bank officials with whom the SHG members would have to make savings- credit linkages.
- The policy of reducing the remuneration to NGOs for group formation needs to be reviewed. Since NGOs have been the principal SHPIs and nurtured, reduction in remuneration might act as a demotivator for them and consequently affect targets adversely. It would rather be prudent to pay the remuneration on the basis of performance audit of the groups. This means that the remuneration can be broken down depending on the stage of maturity of the groups, i.e. formation, graded to scale - I, then scale - II, then when the profit crosses a certain limit and so on.
- Group size is a vital factor which can determine the size of the group corpus amount of money circulated as interloans, rate of interest on interloans, amount of revolving fund and amount of capital investment in economic projects. The study reveals that the number of members in the SHGs in Jalpaiguri vary from 10 to 12, which is far below the maximum number of 20 members per SHG. When 20 swarojgaries are available, there is a tendency to form two SHGs instead of one. This practice therefore puts constraints in enlarging the financial variables. It is therefore suggested that the SGSY guidelines be revised to specify the minimum number of members above 15.
- SHGs must be allowed to mature first with adequate knowledge experience in respect of (i) thrift collection, (ii) internal lending, (iii) record maintenance, (iv)

fund management, and (v) problem solving. It required the grading requirements be made more stringent and the period of six months for first grading be extended to one year. In addition to target for new group formation should be based on the number of groups matured at least upto first grade.

- Since most of the SHGs are purely women groups, it is advisable that more women are assigned the job of forming and nurturing the groups. This will help to identify core issues and gender specific problems in SHG better. Women, specially in the rural areas are more comfortable in disclosing their problems to women only. Since constraints like resistance from spouse or in laws, burden of large family sizes and other social taboos prevent women from joining SHGs therefore SHPIs would be advised to recruit more women for group formation.
- Interloaning rates have been observed to range from 2% to 5% per month, which means annual interest rates are 24% to 60%, which is comparatively high to bank lending rates. Though this practice increases group corpus, such high rates may dampen the spirit of the beneficiaries. It is therefore suggested that DRDC should make initiatives to reduce these rates and also bring uniformity in these rates.
- Group sustainability is an issue which has drawn attention of microfinance practitioners. Vintage of a group is important as an experienced group can perform socio economic activities more efficient. It is thus very important that officials of the SHPIs nurture the groups regularly after formation, so that the young saplings mature into strong trees. Therefore, they must visit each group very frequently at least for the first three years and help them to maintain the accounts systematically and regularly, identify the errors in operation and train them accordingly, discuss non-financial social issues like right and duties of a responsible members regularly in the SHG meetings, and encourage them to act accordingly, formulate viable projects for them, help them in bank linkages, help in their economic activities and marketing of products.

- Irregularity in group meetings have been found in 30% cases. This needs to be corrected, since infrequent gatherings of an informal group tend to reduce cohesiveness, reduce sense of belongingness to the group and finally lead to disintegration of the groups.

10.2.2 On SHG-Bank linkages.

- A special banking day for SHG Banking was the brainchild of the policy makers and microfinance practitioners and it was materialised by different banks in this district also. However, it was found that, if for any reason the members, who were responsible for banking activities, could not attend the special banking day and members of SHGs, would have to wait for the next turn after 15 days. This adversely affects the group economic activities or affect any kind of personal issues like medical treatment, education etc. Naturally in the interim, they may have to take recourse to moneylenders. It leads to increased dependency on moneylenders or pawnbrokers. Conversely, it induces in losing confidence on the banking system. So SHG banking should be regular through a special window with the personnel who are specially trained in microfinance. Delay in operation in SHG banking should be avoided so that the beneficiaries can complete the banking transaction within shortest possible time. It will not hamper the daily routine of the beneficiaries and it also helps to increase confidence among the beneficiaries on the SHG banking system.
- Sensitisation and awareness programmes should be organised frequently for bankers so that linkage operations can be hassle free and bankers can be better guides and mentors for the SHG members. Though it has been found that microfinance activities put additional loads on bankers, yet it must be conveyed to them that SHG banking under SGSY leads to a 'win- win' situation. On the one hand the SHGs benefit from higher level of group corpus and on the other hand the banks can benefit from higher rates of interest on SHG loan, excellent

recovery and lower number of accounts due to opening of group accounts instead of small individual accounts.

- The study observed that most of the villages are far away from the bank branches. It takes a lot of time to reach the bank branches. Due to lack of proper communication in the villages the women members had to face serious problems. They had to spend high travelling cost to reach the bank branches. Not only this, the members had to spend a full day for banking activities. It affected the activity schedules of the members. Therefore, banks have to extend the services to rural areas by adopting Mobile-banking approach. According to this approach one two bank personnel should come to a public place once in a week to complete the deal with the groups. In this manner the bank personnel can attend one or two GPs daily. If the service area is too large, one responsible personnel, who is specialised in modern microfinance systems, can perform banking activities throughout the week in different GPs in a block.
- Trained and qualified microfinance practitioners should be employed by banks. In addition to making microfinance practitioners should be employed by banks. In addition to making microfinance operations by banks smoother, the pressure on existing staff can be reduced.
- As a strategic measure bank did not issue loan to the group having a member who was an IRDP defaulter. In many cases it was seen that the group was suffering from having old aged IRDP defaulter member. It is therefore necessary to change the policy about the lending norms so that the questionable groups can obtain loan to generate income for the groups. This will help the defaulter – members to repay the loan from the credit lead income.
- It has been observed that different banks in the district seek different documents from the groups for the banking operation. It creates some confusion among the SHGs members. Orientation programmes should be organised by DRDC with the

representatives of different banks operating in this district and Government officials like representatives of GPs, block offices and NGOs to bring uniformity and simplicity in the documents required for banking activities.

10.2.3 On Role of Government officials and NGOs.

- The study observed that a large number of groups were formed by NGOs in many blocks in Jalpaiguri district. Afterwards some NGOs did not provide any kind of support for nurturing the groups. Even in most of the cases the group members could not find the NGO workers when needed. Consequently, those groups were unaware about the operating systems of SHGs under SGSY. Many groups formed by NGOs were disintegrated due to lack of co-operation from the NGOs. They were busy forming new groups as their remuneration depends on the number of the groups formed. Therefore, quality of groups formed by NGOs should be improved through the development of ethics of NGOs. Norms and standard for the NGOs should be developed by the DRDC depending upon the socio-economic condition of the district in which those NGOs are operating. Rating of NGOs is an utmost essential. Government machinery should extend co-operation with the NGOs in fostering microfinance in the particular area. NGOs should keep contact with the groups as long as possible to improve the quality of SHGs and to supervise the group activities with full enthusiasm. NGOs should not withdraw their support from the older SHGs. NGOs on an experimental basis, should attempt gradual withdrawal and see whether the groups are able to function and transact their day-to-day operations independently. For older groups, NGOs should takes initiatives to form cluster federation.
- Continuous interaction among the SHGs is a vital source of inspiration. It motivates the women to come out from the monotonous life style. They can share individual thought and ideas among others. Which helps to enrich them. Interactions among SHGs must be conducted by Government officials and NGOs frequently in a year so that concerned groups can exchange their views easily. It

will help them to be well informed about the latest situation of the programmes. Conferences or get together at block level or at district level should be conducted every year very frequently. As much as members of each group should attend this conference. All the contemporary issues in SHG based microfinance system must be discussed in details by Government officials or NGOs.

- Illiterate rural women of vulnerable section of the society are the focal point of the scheme. It is very natural that there would be many kinds loopholes in their activities. Close supervision and effective monitoring can improve the situation. It need complete restructuring of monitoring network from GP level to district level where an officer at GP office must monitor each SHG in a GP, BDOs must monitor village wise, and PDs block wise.
- SGSY is a comprehensive antipoverty poverty programme in which banks, line organisations and NGOs are involved to monitor the groups. But lack of adequate co-operation among these parties was observed in several occasions. A good communication network should be developed to cater information among the concerned stakeholders. With this aim large number of meeting should be organised at the block level by bank officials, BDO officials, concerned NGOs and GP officials.
- The study observed that many groups utilised their services for various developmental works in the village. These activities should be given due recognition by officials of GPs, blocks and DRDC. Efforts should be directed to replicate the same for other SHGs. SHGs of the village may be given additional funds to encourage them effectively in all developmental works such as infrastructure development, construction of schools, roads, buildings, hospitals etc.

10.2.4 On Training of beneficiaries

- Training is an essential component of modern microfinance movement specially under SGSY. It helps to develop the knowledge & skills of the beneficiaries. The study observed that a large number of groups did not get any kind of training. They had learned something from neighbourhood groups. As a result the

performance level for those groups was unsatisfactory and they were not able to qualify 1st grading test many times. The role of GP as a grassroot level organisation is very significant. G.P. official should keep records of all the groups on regular basis. G.P. should the details of SHGs, who did not get training upto that date, to the respective blocks. Accordingly the block officials should arrange training programme those SHGs in consultation with DRDC. GP should keep close eye on the development of SHGs within its jurisdiction. GPs should arrange meeting with group leaders or any selected members so that GPs offices be well informed about the progress of SHGs in a particular area.

- Selection of trade of training for the particular groups or individuals is a vital part of the effectiveness of training. This study revealed that a large portion of trained members had taken training in a particular trade but they have started economic activities in other trade. Where as a significant portion of trained members, not yet started any kind of economic activities for them at all. This was mainly due to wrong selection of trade for the beneficiaries i.e. lack of market of the product for which they were trained. G.P. and all other SHPIs will assess the potentiality of the market and select the products which will target the rural market segment. Accordingly trade of training should be selected. On the other hand selection of trainee is an important task potential trainees will have to be identified on the basis of pre occupation, family background, region and economic status of families. In this regard GP should create a database for the SHGs in its Jurisdiction. Training needs for the swarojgaries should be identified at the GP level and should be recommended to the respective block. Accordingly blocks will arrange and organise training programme on the basis of availability of resources.

10.2.5 On Marketing

- Rural women are producers of SHG products. These products are mainly based on the rural resources and targeted to rural market segment. The study revealed that SHGs were involved mainly in producing traditional products like chira, muri, handicraft products, jute products, soft toys vegetable etc. The producers had to sell their products in the local markets only. Due to lack of proper channels they

sold it at low prices and had to maintain a large amount of closing stock. This phenomena demotivated the producers to produce in the long run. Consequently a large number of producers had reduced their sale their activities. Therefore, market research now becomes essential for finding the right marketing channels. In effective integration of rural markets with the external markets is very much necessary to expand the market coverage of the SHGs products. Adequate number of market outlets at heart of the local market place should be established as a part of infrastructure development activities of the DRDC. SHGs products only will be displayed there. Proper advertisement is also necessary. Functionaries should arrange adequate number of fairs for the SHG products only.

- The Government agencies and NGOs should undertake detailed studies of the micro entrepreneurial problems of different types of activities and products and understand the specific marketing problems related to these. Steps should be taken by DRDC and NGOs for helping the SHGs in market creation and market penetration. SGSY Guidelines provide for expenditure up to Rs. 5 lakh annually by each DRDCs for management of professional input to marketing research, value addition or product diversification or any other input which would facilitate marketing of the products resulting in additional income to swarozgaris. DRDCs have been permitted to incur expenditure on organizing exhibitions, fairs and fund promotion and sale of SGSY products. Enhancing the quality and packaging of the products made by SHGs can help in market creation and market penetration. DRDC should arrange for multiple training programmes so that the artisans belonging to the SHGs can develop the capability to make quality products at competitive costs. DRDC should disseminate timely information about melas and trade fairs to the SHGs and sponsor their travelling expenses. Government should urge upon the media to give adequate coverage to the products manufactured by the SHGs and generate public awareness that these products are good and affordable and can contribute to the social cause of helping micro-enterprises in the rural areas.

- Standing Committee on Urban and Rural Development, (2004) on marketing of SHG-products pointed out that the quality of the products produced by the SHGs has to be improved. The Committee feels that State Governments should provide protection to locally produced items and a survey should be done in this regard to find out, to what extent SHG products are being sold in the local market. The Committee that the State Governments may be asked to provide protection to the SHG produced items and to find out the success in sale of SHG products in local markets.
- Creation and expansion of market of SHG products and development of market access are the main issues. Due to lack of market of SHG products, some beneficiaries have stopped their microenterprises and total investment has become unproductive. So Government has to put in a lot of effort for creation, expansion and development of accessibility of market for the SHG products. Various activities has been taken up in this respect by the Governments of other states like as -marketing support provided to the SHGs by setting up DWCRA Bazaars in Andhra Pradesh, Thrinethra Super Market have tied up with SHGs to market DWCRA products and leading super bazaars like Food World. In this context the initiative of the Kerala Horticulture Development Programme that was set up in co-operation between the European Union and the Government of Kerala in 1993 needs to be maintained. The programme is based on SHGs, which select master -farmers who are trained and act as facilitators. In Goa, the District Rural Development Agency maintains a web site where SHGs can present and market their produce, most of which is again handicraft. These evidences show that other than government initiatives in this regard it will be difficult to solve this acute problem. Therefore, DRDC should open a special Bazar for the SHG products at the heart of the big towns, should find multi national organisations to collaborate with those who will use SHG products as materials for their finished items.

10.2.6 On social empowerment.

- Impact assessment of this study showed that there was insignificant correlation between index of social benefits and index of economic benefits enjoyed by the members of the different blocks in this district. It was found that Index of social benefits for all the blocks is lower than that of index of economic benefits. It indicated that through the rural women become economically empowered substantially due to SGSY in this district, but their level of social empowerment was not above average. This was because of lack of awareness about the right and duties of rural women in the society. It leads to increased stoicism about their social empowerment. All the SHPIs and concerned NGOs should play vital role to generate awareness about the social duties and rights of rural women. For this purpose literacy level of the group members should be improved so that they can read and write. The literate members of the groups should take initiative to educate the other illiterate members of the groups. Bank officials should be advised to direct members that without proper signature of members withdrawal and deposit of money would not be possible. This would pressurise the illiterate members to understand the necessity of being literate. Special responsibilities should be given to the SHGs from the GP level for village development like construction of roads, establishment of tube wells, pulse polio, vaccination etc. This will help to develop decision making abilities outside their home and also increase their confidence level.

10.3 Epilogue

A large number of recommendations have been made regarding several aspects of the SGSY based on findings in Jalpaiguri district. The dimensions of this microfinance programme is so diverse that some other aspects may have to be paid adequate attention also. However, the comprehensive set of recommendations that have been made, if seriously considered by the appropriate authorities and implemented accordingly may help in designing a more effective microfinance

delivery mechanism through SGSY. Finally, implementation of programmes where the objective is to actually benefit the impoverished is not only a matter of recommendations, rules, regulations and guidelines. It is also a matter of deep feeling and emotions for the poor and downtrodden and a mission where sincerity, dedication and tireless efforts can really be fruits. It is a sincere belief that the right combination of regulations and devoted effort of concerned officials can make SGSY the largest successful microfinance programme operating in the world.
