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Performance of SHGs in West Bengal

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Abstract		**Original Research Article**

Microfinance is an important strategy for addressing the issues of poverty alleviation and women empowerment. The microfinance with SHGs would empower women. The empowerment of women gives benefits to the women concerned as well as her family and the community as a whole. It gives social and economic empowerment of the poor particularly women. The concept of microfinance has encouraged the scholars all over the world to rethink about the term financial inclusion of the marginalized people, especially women in our society. SHGs through microfinance the get access to savings and credits which intern strengthen a series of interlinked and mutually reinforcing 'virtuous spirals' of empowerment. In this paper an initiative has been taken to judge the performance of women development programme in West Bengal through Self Help Groups under SGSY on the basis of chosen indicators.
Keywords: Microfinance, Women Empowerment, SHGs, Microcredit, NGOs.

INTRODUCTION

Microfinance is an important strategy for addressing the issues of poverty alleviation and women empowerment. The microfinance with SHGs would empower women. The empowerment of women gives benefits to the women concerned as well as her family and the community as a whole. It gives social and economic empowerment of the poor particularly women. The concept of microfinance has encouraged the scholars all over the world to rethink about the term financial inclusion of the marginalized people, especially women in our society.

Microfinance renders various financial services like savings, credit, money transfers, insurance etc. To the poor which enable them to raise their income levels and improve their living standards. SHGs through microfinance the get access to savings and credits which in turn strengthen a series of interlinked and mutually reinforcing 'virtuous spirals' of empowerment. To comat the twin issues of poverty alleviation and unemployment which continue to pose a major threat in the policy making of developed and developing countries a number of Government Organizations and Non-government Organizations are today involved micro-finance development initiatives.

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, particularly rural women and enable them to contribute to their families' well being through savings and borrowings. Through the generation of self employment and income the rural women are able to reduce poverty. Microfinance influences the quality of life of the rural women by providing easy finance. It is considered to be a powerful tool for empowering rural poor women by shifting them from debt-trap of informal credit sources to formal credit system. Of late, microfinance under SGSY spread very quickly in all parts of the country. However there are inter and intra state disparities in development of SHGs. Some of the states are doing well compared to others; within a state there are disparities among districts in the state. The main purpose of the study is to examine the inequality of development of SHG among the districts of West Bengal. This article is based on a study which analyses the physical achievements of SHGs under SGSY in terms of formation of SHGs, their gradation pattern, economic activities etc. in different regions and districts of West Bengal. The study reveals that though physical performance on SGSY is improving more or less over the years, but there is significant variation in physical achievements in terms of above mentioned items.

So far various studies have been undertaken on the development of microfinance & SHGs in different countries, regions and districts. These studies have highlighted different aspects of microfinance & SHGs

in different countries, regions and districts. We present below some of the brief review of such recent studies.

Loganathan & Asokan [1] in their study pointed out that there are vast variation in development of SHGs among the states and among the regions. Among the regions, Southern region is the best region in financing SHGs. Next to that the performance of central region, eastern region and western region is moderate. The northern and north east regions are comparatively poor in financing SHGs.

Soundarapandian [2] made an attempt in his article to analyze the growth of SHGs and the role of micro finance in developing the rural entrepreneurship. The study suggests that though there is a positive growth rate of SHGs in states but in terms of the growth of SHGs there is a wide variation among the states.

Sundar & Asokan [3] in their paper focused the regional variations in implementation of women development programmes under Self Help Group approach. They found that there is wide spread regional variation in implementation of women development programme in different parts of the country. Hence removal of regional variation in the performance of development programme depends on effective implementation of women development programmes.

Mayoux [4] 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.

Myrada [5] conducted an impact study among 190 members of 12 self help groups spread over Andhra Pradesh, Karnataka, Kerala and Tamil nadu and find that relatively older groups are succeeded to increase their share in family income than those who are in younger groups. This is also true in the case of awareness about health and hygiene.

Satish [6] in his paper raised some issues related to the functioning of SHGs. Adequate care should be taken to ensure homogeneity of socio-economic status of the member while forming SHGs. He suggested that SHG movement has to be spread all over rural India rather than being concentrated in a few pockets of the country.

Manab Sen [7] has made a study on the SHGs in west Bengal and found that the dependence on the internal resources is quite high because of the weak or inadequate bank linkage. The author also found that most of the poor households are ignorant of basic services and programs to which they are entitled. Lack of intensive facilitation stands in the way. The author reports the lack of capacity building initiative without which the basic objective of the SHGs can not be achieved.

Kumaran [8] made a case study of three SHGs, viz. active, passive and dissolved in Andhra Pradesh and found that the main factors responsible for active functioning of SHGs were solidarity and cohesiveness. On the other hand, passivity and dissolved were mainly on account of irregularities in savings and repayment of loan and lack of mutual trust and confidence among the members.

Zaman [9] by assessing the poverty and vulnerability impacts of micro finance in Bangladesh comes to the conclusion that, self help groups play significant roles in reducing the vulnerability of the poor through income and consumption smoothing.

Jayaraman [10] shows very clearly after reviewing the performance of fisher women under different self help group they are performing very well in availing, utilizing and repaying of micro credit in time. Not only this the study also reveals that this kind of self help group activities also reduces usury and elicit liquor in their society

Tessie Swope [11] after a brief discussion in an independent study on micro finance pointed out five main criticisms against it. They are: it does not reach to the poorest members of a population, it is not financially sustainable for institutions, it is potentially harmful to women (husbands zealous), it can create large debt for the poor and it is not universal in application.

Amin & Pebley [12] in reviewing gender inequality within households they observe that BRAC's loan contributed to increase women's mobility outside the home and their control on household resources and household decision making power. They also revealed that the incidence of abandonment reduces with the receiving of micro credit loans.

Objective of the Study
1. To find out the workability of the microfinance and SHGs in the proposed area.
2. To find out the variation in physical achievements of the SHGs among the districts & regions of West Bengal.
3. To find out the values of Performance Index and corresponding ranking or position of the districts and regions.

DATA & METHODOLOGY

This paper is based on secondary data collected from various sources like District Rural Development Cells and Panchayat & Rural Development Department, Government of West Bengal, Census Report 2011 and data collected from articles published in journals. For the calculation of variation in physical performance of SHGs an index of performance is constructed on the basis of three indicators. These indicators are No. of SHGs formed, No. of SHGs that have passed Grade II and No. of SHGs that have taken up Economic Activities. For the calculation of index value of each component the following standard formula has been used.

$$\text{Dimension Index} = \frac{(\text{Actual Value} - \text{Minimum Value})}{(\text{Maximum Value} - \text{Minimum Value})}$$

But for the negative indicator (SHGs defunct) achievement level is calculated as under

$$\text{Index Value} = \frac{(\text{Maximum Value} - \text{Actual Value})}{(\text{Maximum Value} - \text{Minimum Value})}$$

Performance Index for each district is being computed by simple average of these dimension indices.

$$PI = \frac{1}{4} (\text{No. of SHGs formed} + \text{No. of SHGs that have passed Grade II} + \text{No. of SHGs that have taken Economic Activities} + \text{No. of SHGs that have defunct})$$

For the calculation of index value of each component we have considered the highest value among the districts as maximum value and lowest value among the districts as minimum value.

Status of Self Help Groups in West Bengal

In India, a number of Self Help Groups were created in the 1980s for providing credit facilities to the poor, especially women, in both urban and rural areas. These SHGs stumbled upon a surprising finding: by targeting women, repayment rates came in well over 95 percent, higher than most traditional banks. Impressed by those repayment rates, institutions like National Bank for Agriculture and Rural Development (NABARD) and Small Industries Development Bank of India (SIDBI) began increasing their lending to SHGs in India. Government of India also to provide sustainable income to poor people living in rural areas of the country has launched Swarnajayanti Gram Swarojgar Yojana (SGSY) on April 1; 1999. The SGSY program, in the line of NABARDS's SHG-bank Linkage program, intended to extend micro-finance services to rural poor belonging to the socially and economically backward classes and the tribal population particularly in the resource poor areas, who are largely dependent on money lenders for meeting emergent credit requirement. SGSY is being redesigned as National Rural Livelihood Mission (NRLM) from 2009-10 to facilitate effective implementation of the restructured SGSY scheme in a mission mode. Our present study is based on the SHGs formed under SGSY which covers all aspects of self employment, training, marketing etc. for the rural people. Self help group approach for development is one of the major aspects of this programme. The District Rural Development Agency (DRDA) has been authorized to encourage the rural people to form SHGs and to supervise the working of these SHGs.

Table-1: District wise Physical Progress of SHGs Under SGSY in West Bengal
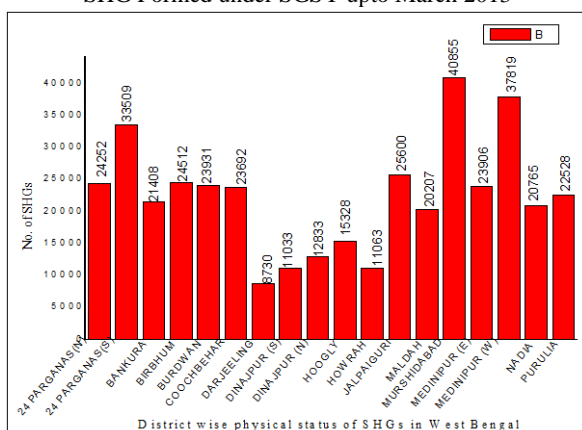
Sl. No	District	No. of SHGs formed upto march 2009	Rank(R_1)	No. of SHGs formed upto march 2013	Rank(R_2)	% Growth (2009-2013)
1	24 PARGANAS(N)	15318	9	24252	6	58.32
2	24 PARGANAS(S)	14016	11	33509	3	139.08
3	BANKURA	14379	10	21408	11	48.88
4	BIRBHUM	17075	6	24512	5	43.55
5	BURDWAN	16994	7	23931	8	40.82
6	COOCHBEHAR	12544	13	23692	9	88.87
7	DARJEELING	5519	18	8730	18	58.18
8	DINAJPUR (S)	9746	15	11033	17	13.20
9	DINAJPUR (N)	10327	14	12833	15	24.26
10	HOOGLY	6816	17	15328	14	124.88
11	HOWRAH	6876	16	11063	16	60.89
12	JALPAIGURI	21444	3	25600	4	19.38
13	MALDAH	15414	8	20207	13	31.09
14	MURSHIDABAD	28899	1	40855	1	41.37
15	MEDINIPUR (E)	17692	5	23906	7	35.12
16	MEDINIPUR (W)	27800	2	37819	2	36.03
17	NADIA	12729	12	20765	12	63.13
18	PURULIA	20150	4	22528	10	11.80
	WEST BENGAL	273738	-------	401971	---------	46.84

Source: Panchayat & Rural Development Department, WB
Note: Rank Correlation between R_1 & R_2 is 0.82

From the above table it is clear that District Murshidabad holds best position regarding the formation of SHGs over the years though rate of growth is only 41.37%. Medinipur (west) holds 2nd position in this regard for both the years with low rate of growth 36.03. However, 24 Parganas(S) & Hoogly Districts show a tremendous growth 139.08 % & 124.88% respectively within the two time periods. There are 10 Districts whose growth rate are below the state growth rate (46.84%) and eight districts hold better positions over the state growth rate. Darjeeling holds the lowest

position for both the years. Again, Purulia which was in 4th position in March 2009 falls to 10th position in the year march 2013 with lowest rate of growth 11.80%. The rank correlation between the no of SHG formed upto March 2009 and March 2013 (i.e the rank correlation between R_1 & R_2) is 0.82.It reveals the fact that the comparative position regarding Group formation is more or less stagnant across the district of West Bengal over the years. The no. of group formed upto March 2013 in different districts of West Bengal is depicted in the following diagram.

SHG Formed under SGSY upto March 2013


Year wise Development of SHGs in West Bengal

The SGSY scheme is the major on-going Programme for the self employment of rural poor at present. The following data shows year wise development of SHGs under this scheme in West Bengal. A total of 1564989 SHGs have been formed in the period ranging from 2004-2011. The pictorial representation shows that there has been an increasing trend of formation of SHGs.

Table-2: SHGs formed under SGSY at West Bengal

Period	Self Help Group formed	Cumulative no. of SHGs
2004-05	113943	------
2005-06	149896	263839
2006-07	186486	450325
2007-08	223909	674234
2008-09	257307	931541
2009-10	292430	1223971
2010-11	341018	1564989
Total	1564989	------------

Source: Panchayat & Rural Development Department, WB
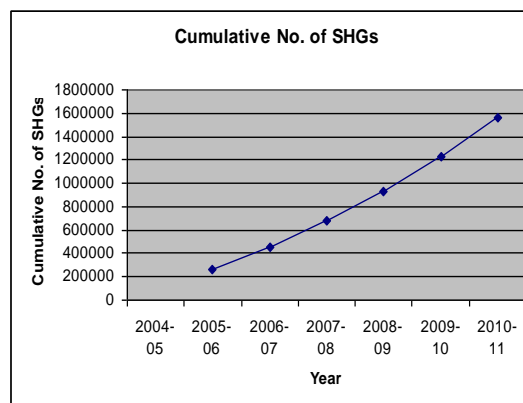
Table-3: Status of SHGs linked with Project Loan

Year	No. of Groups Formed	No. of SHGs		Percentage of SHGs Passed Grade-II	Cumulative No. of SHGs Linked to Project loan	Percentage of 2nd grade SHGs linked to project	Percentage of SHGs Linked to Project
		Passed Grade-I	Passed Grade-II				
	a	b	c	d=c/a*100	e	f=e/c*100	g=e/a*100
2004-05	113943	86589	12599	11.06	1861	14.77	1.63
2005-06	149896	116822	19194	12.80	3375	17.58	2.25
2006-07	186486	148398	29020	15.56	5888	20.29	3.16
2007-08	223909	181869	40152	17.93	9055	22.55	4.04
2008-09	257307	199098	55446	21.55	15620	28.16	6.07
2009-10	292430	241333	74047	25.32	21469	28.99	7.34

Source: Annual Administrative Report, 2008-09, P & RD Department, WB

According to data available till 2009-10 only 11.06 percent of the SHGs passed Grade- II in 2004-05 and it is 25.32 percent for the year 2009-10.Various studies indicate that many of the SHGs formed have already become defunct for lack of facilitation, nursing and hand holding support. Again, 2nd graded groups under SGSY, are supposed to undertake micro enterprises for which group and individuals are eligible to receive the assistance for economic activities-

assistance in the form of loan and subsidy. The above figure shows that only 25.32% of SHGs have passed second grade in 2009-10 out of which only 28.99% have been linked with the project assistance and if it is rated against the SHGs formed, the figure turns out to be mere 7.34%. It indicates that facilitation and support system had failed to build their capacities for graduation to micro enterprise.

SHG-Bank Linkage in West Bengal

In West Bengal, there are two major streams under which SHG-Bank linkage programmes are promoted. NABARD's SHG Bank linkage programme (SBLP) and SGSY under P& RDD are the two main pillars in this regard. An impressive 4787 bank branches participate in SBL programme in West Bengal covering 18 Cooperative banks, 3 RRBs and 16 commercial banks.

Table-4: Saving & Credit linkage of SHGs in West Bengal

Period Ending (1)	Agency (2)	Savings Linked SHGs (3)	Credit Linked SHGs (4)	Percentage of SHG Credit linked (5) = 4/3*100	Loan Disbursed (Rs. Lakh) (6)	Per SHG Loan(Rs.) (7)=6/4
March, 2009	Non-SGSY	527493	403060	76.41	113980	28278.67
	SGSY	249604	172952	69.29	55085	31849.88
March, 2010	Non-SGSY	585910	490955	83.79	177812	36217.58
	SGSY	308559	237124	76.84	95066	40091.26

Source: State Level Bankers' Committee, West Bengal

From Table-4 it reveals that percentage of SHG credit linkages and amount of per SHG loan are improving over the years. But the per SHG loan disbursement is still very low. Credit amount per SHG is remarkably low for many operational factors such poor quality of groups, less absorption capacity and most importantly lack of Bankers willingness to serve the SHGs. To increase outreach of the banking sector and ensure greater financial inclusion, they should change their traditional method of lending and be innovative and use ICT solutions including mobile banking services and biometric cards for extended outreach.

Different regions of West Bengal

To show the disparities in physical performance of SHGs under SGSY in different regions of West Bengal we have divided West Bengal in different regions viz. North Bengal, West Plain and South Delta regions. This division has been made on the geographical perception regarding the regions of the state. The socio demographic a characteristic of the three regions of West Bengal has been shown in Table-5.

It is very clear from table-5 that North Bengal covers 24.62% of the total geographical area of the state. The respective shares of two other regions are 35.79% and 39.58%.From the point of view of population, South Delta ranks first followed by the West Plain region. Only 18.35% population of the state is living in North Bengal region. If we have a look on the population density, then we see that it is highest in South Delta region and lowest in West Plain. For both West Plain & North Bengal Density of Population are less than the state average. One noticeable point is that District Kolkata has not been included in our study of SHGs under SGSY, because SGSY is only relevant in villages under Gram Panchayats.

Table-5: Regions & area of West Bengal

Region/State	Constituent Districts	Area(in sq Km)	Population	Density of Population
North Bengal	CoochBehar Jalpaiguri Darjeeling Dakshin Dinajpur Uttar Dinajpur Maldah	21855 (24.62)	14722015 (18.35)	674
West Plain	Birbhum Bankura PurbaMidnapur Paschim Midnapur Purulia	31767 (35.79)	18378074 (22.91)	578
South Delta	Murshidabad Nadia Burdwan 24 Pargana(North) 24 Pargana(South) Hooghly Howrah Kolkata	35130 (39.58)	7121082 (58.74)	1341
West Bengal		88752 (100.00)	80221171 (100.00)	904

Source: Bagchi and Sarkar (2003) [13]

Variations in Development of SHGs in West Bengal

Microfinance under SGSY spread very quickly in all parts of the country. However there are inter and intra state disparities in development of SHGs. Some of the states are doing well compared to others; within a state there are disparities among the districts and diferrent regions in the state. Again within a district there is variation among the CD Blocks. The main purpose of the study is to examine the inequality of development of SHG among the districts of West Bengal.

Table-6: SGSY - Physical Achievements In West Bengal (District Wise) Upto: March 2011

Name of the District	Total No. of SHGs formed Since 1.4.99	No. of SHGs that have defunct		No. of SHGs that have passed Grade I		No. of SHGs that have passed Grade II		No. of SHGs that have taken up Economic Activities	
		Total Since 1.4.99	% to Total SHGs formed	Total Since 1.4.99	% to Total SHGs formed	Total Since 1.4.99	% to Total SHGs formed	Total Since 1.4.99	% to Total SHGs formed
CoochBehar	17,227 (5.05)	131	0.76	16,092	93.41	4,466	25.92	16,063	93.24
Jalpaiguri	22,742 (6.67)	750	3.29	21,747	95.62	11,114	48.86	20,900	91.90
Darjeeling	7190 (2.11)	208	2.89	5317	73.94	1651	22.96	5242	72.90
Dakshin Dinajpur	10,692 (3.13)	0	0.00	9,752	91.20	2,317	21.67	10,283	96.17
Uttar Dinajpur	11,204 (3.28)	638	5.69	7,691	68.64	1,722	15.36	6,236	55.65
Maldah	18,101 (5.31)	291	1.60	16,011	88.45	8,457	46.72	15,114	83.49
Birbhum	21,113 (6.19)	561	2.65	16,570	78.48	3,782	17.91	16,421	77.77
Bankura	17,659 (5.18)	775	4.38	13,508	76.49	2,159	12.22	12,984	73.52
Purba Medinapur	34,722 (10.18)	3,294	9.48	28,266	81.40	7,262	20.91	26,070	75.08
Pachim Medinapur	20,552 (6.03)	1,812	8.81	18,367	89.36	7,116	34.62	18,097	88.05
Purulia	21,909 (6.42)	0	0.00	19,624	89.57	980	4.47	15,111	68.97
Murshidabad	38,447 (11.27)	1,766	4.59	34,285	89.17	17,539	45.61	29,452	76.60
Nadia	17,503 (5.13)	765	4.37	13,350	76.27	3,566	20.37	16,391	93.64
Burdwan	20,470 (6.00)	3,055	14.92	17,457	85.28	11,596	56.64	19,641	95.95
24 Parganas (North)	22,280 (6.53)	2,237	10.04	19,285	86.55	9,520	42.72	19,635	88.12
24 Parganas (South)	19,001 (5.57)	0	0.00	13,736	72.29	2,531	13.32	10,102	53.16
Hoogly	10,801 (3.17)	1,015	9.39	8,148	75.43	3,245	30.04	5,608	51.92
Howrah	9,405 (2.76)	9	0.09	7,835	83.30	3,248	34.53	8,733	92.85
Total/Average	3,41,018 (100.00)	17,307	5.07	2,87,041	84.17	1,02,271	29.98	2,72,083	79.78

Source: Panchayat & Rural Development Department, WB

To judge the condition of physical achievements of SHGs under SGSY in West Bengal we have considered four parameters. They are total no. of SHGs formed since inception, No. of SHGs that have defunct, No. of SHGs that have passed Grade II, No. of SHGs that have taken up Economic Activities. Table 6 shows that Murshidabad District is highest in respect of formation of SHG 38,447 (11.27%).The comparative share of Purba Medinipur district is 10.18%. The share of the other districts for the same is less than 7%. If we consider the sustainability of the SHGs, Dakshin Dinajpur, Purulia & 24 Parganas (South) districts show the best performance with zero defunct cases. Defunct cases is highest in Burdwan District (14.92%) followed

by 24 Parganas North (10.04%), Purba Medinapur(9.48%), Hoogly(9.39%).Gradation is an important fact which is done after a formal evaluation of the groups. From table 5 we see that first graded group is highest in Jalpaiguri (95.62%) and it is lowest in Uttar Dinajpur (68.64%). But the performance is very poor in case of 2nd Grading. Firstly, there is wide variation among the Districts in this regard and secondly, compared to first grading the no of 2nd grading group is very low. Where as at Burdwan 56.64% SHGs have succeed to pass the 2nd grading, the figure of such group for Jalpaiguri district is 4.47%.

Again at Purulia though out of 21,909 groups 19,624 groups (89.57%) have succeed to pass Grade-I but out of 21,909 groups only 980 groups (4.47%) have succeed to pass Grade-II. So, maximum groups are facing the problem in overcoming the hurdles' of 2nd grading. From the above table we get around 79.78% groups in West Bengal on the average have started Economic Activities after formation of the group. Though, there is variation among the Districts in this regard and question of sustainability of the activities that have taken by the groups.

Table-7: SGSY –Physical Achievements in West Bengal (Region Wise) Upto: March 2011

Region/State	Total No. of SHGs formed Since 1.4.99	No. of SHGs that have defunct		No. of SHGs that have passed Grade I		No. of SHGs that have passed Grade II		No. of SHGs that have taken up Economic Activities	
		Total Since 1.4.99	% to Total SHGs formed	Total Since 1.4.99	% to Total SHGs formed	Total Since 1.4.99	% to Total SHGs formed	Total Since 1.4.99	% to Total SHGs formed
North Bengal	87156 (25.56)	2018	2.31	76610	87.89	29727	34.10	73838	84.72
West Plain	115955 (34.00)	6442	5.55	96335	83.07	21299	18.36	88683	76.48
South Delta	137907 (40.44)	8847	6.41	114096	82.73	51245	37.15	109562	79.44
West Bengal	3,41,018 (100.00)	17307	5.07	287041	84.17	102271	29.98	272083	79.78

From Table-6 we have calculated region wise performance of SGSY in West Bengal as depicted in the above Table-7. From the point of view of formation of SHGs South delta region shows much more better result compared to other regions. It is highest in South delta region (40.44%) followed by West Plain (34.00%) and North Bengal ((25.56%). Like formation of SHGs defunct cases are also highest in South delta region (6.41%) followed by West Plain (5.55%) and North Bengal ((2.31%).So there is a positive correlation between formation and break down of groups. We get more or less same picture in the three regions if we

have a look on the No. of SHGs that have passed Grade-I. But we get quite surprising picture in case of no. of SHGs that have passed Grade-II. It is lowest at West Plain (18.36%) which is significantly lower than the state average (29.98%) and also compared to other two regions- South delta (37.15%) & North Bengal ((34.10%) of West Bengal. In regard of Economic Activities there is no significant difference among the different regions and the figures are near to the state average. The position of North Bengal (84.72%) is best in this regard.

Table-8: Performance Index for Districts of West Bengal

Region/State	District	Index value for no of SHGs formed	Index value for no of SHGs defunct	Index value for no of SHGs That have passed Grade II	Index value for no of SHGs That have taken Economic Activities	Value of Performance Index(PI)
North Bengal	CoochBehar	0.321	0.960	0.210	0.446	0.484
	Jalpaiguri	0.497	0.772	0.611	0.646	0.631
	Darjeeling	0.000	0.936	0.040	0.000	0.244
	Dakshin Dinajpur	0.112	1.000	0.080	0.208	0.350
	Uttar Dinajpur	0.128	0.806	0.044	0.041	0.254
	Maldah	0.349	0.911	0.451	0.407	0.529
West Plain	Birbhum	0.445	0.829	0.169	0.461	0.476
	Bankura	0.334	0.764	0.071	0.319	0.372
	Purba Midnapur	0.880	0.000	0.379	0.860	0.529

	Paschim Midnapur	0.427	0.449	0.370	0.530	0.444
	Purulia	0.470	1.000	0.000	0.407	0.469
South Delta	Murshidabad	1.000	0.463	1.000	1.000	0.865
	Nadia	0.329	0.767	0.156	0.460	0.428
	Burdwan	0.424	0.072	0.641	0.594	0.432
	24 Pargana(N)	0.482	0.320	0.515	0.594	0.477
	24 Pargana(S)	0.377	1.000	0.093	0.200	0.417
	Hooghly	0.115	0.691	0.136	0.015	0.239
	Howrah	0.070	0.997	0.137	0.114	0.329

Remarks:	Mean=0.375	Mean=0.707	Mean=0.283	Mean=0.405	Mean=0.442
	S.D= 0.257	S.D=0.317	S.D=0.270	S.D=0.280	S.D=0.149
	C.V= 68.53	C.V=44.83	C.V=95.40	C.V=69.13	C.V=33.71

We have calculated the Index value of different components and finally the value of Performance Index by using the formula as stated earlier and the corresponding values have been depicted in Table-8. It is revealed from table-8 that there is a wide disparity among the districts regarding total no. of SHGs formed since inception, No. of SHGs that have passed Grade II, No. of SHGs that have taken up Economic Activities. Coefficient of Variations (C.V) for the above mentioned components are 68.53, 95.40 and 69.13 respectively. The value of C.V in Performance Index is 33.71, though it is not significantly high but it implies there are variations among the districts in this regard. Murshidabad district holds highest index value (0.865) in physical performance of SHGs. Hooghly district holds lowest index value (0.239) for the same.

Table-9: Ranks of SHGs formed and Ranks of Performance Index

Region/State	District	Index value for no of SHGs formed	Value of performance Index(PI)	Rank of SHGs formed (R_1)	Rank of PI (R_2)	R_1-R_2
North Bengal	CoochBehar	0.321	0.484	13	5	8
	Jalpaiguri	0.497	0.631	3	2	1
	Darjeeling	0.000	0.244	18	17	1
	Dakshin Dinajpur	0.112	0.350	16	14	2
	Uttar Dinajpur	0.128	0.254	14	16	-2
	Maldah	0.349	0.529	10	4	6
West Plain	Birbhum	0.445	0.476	6	7	-1
	Bankura	0.334	0.372	11	13	-2
	Purba Midnapur	0.880	0.529	2	3	-1
	Paschim Midnapur	0.427	0.444	7	9	-2
	Purulia	0.470	0.469	5	8	-3
South Delta	Murshidabad	1.000	0.865	1	1	0
	Nadia	0.329	0.428	12	11	1
	Burdwan	0.424	0.432	8	10	-2
	24 Pargana(N)	0.482	0.477	4	6	-2
	24 Pargana(S)	0.377	0.417	9	12	-3
	Hooghly	0.115	0.239	15	18	-3
	Howrah	0.070	0.329	17	15	2

Note: Rank Correlation between R_1 & R_2 is 0.83

Table-9 shows that the districts of Murshidabad, Purba Medinapur, Jalpaiguri, 24 Pargana(North) etc. districts hold a good rank in respect of both No. of SHG formed & Performance Index. On the other hand, Darjeeling, Hooghly, Howrah, Dakshin Dinajpur, Uttar Dinajpur districts are poor in terms of both No. of SHG formed & Performance Index. The rank correlation coefficient between the rank of Performance Index and No. of SHG formed is 0.83 which show that there exists a similarity but not a coincidence between the two rankings. We have also calculated the differences between the ranks of No. of SHG formed and Performance Index in table 8 on the column labeled R_1-R_2.

The meaning and implications of the differences in the ranks of No. of SHG formed and Performance Index are as follows-
    (a) The districts for which the difference is positive, it implies that their PI ranking is

better than the ranking of SHGs formed. There are 7 such Districts.

(b) The districts for which the difference is negetive, it implies that ranking of SHGs formed component is better than the ranking of PI. There are 10 such Districts. It implies that in spite of impressive growth, quality of SHGs has suffered because of mad rush for forming SHGs rather than building up the strength of the group already formed.

(c) The zero value implies the position or ranking in respect of No. of SHG formed and Performance Index is the same. This has happened for the District of Murshidabad.

Table-10: Performance Index for Regions of West Bengal

Region/State	Index value for no of SHGs formed	Index value for no of SHGs defunct	Index value for no of SHGs That have passed Grade II	Index value for no of SHGs That have taken Economic Activities	Value of performance Index(PI)
North Bengal	0.234	0.897	0.239	0.298	0.417
West Plain	0.511	0.608	0.197	0.511	0.458
South Delta	0.399	0.615	0.382	0.447	0.460
West Bengal	0.375	0.707	0.283	0.416	0.445
Remarks:	Mean=0.381 S.D= 0.139 C.V= 36.48	Mean=0.706 S.D=0.164 C.V=23.22	Mean=0.272 S.D=0.096 C.V=35.29	Mean=0.418 S.D=0.109 C.V=26.07	Mean=0.445 S.D=0.024 C.V=5.39

From the table 10 we see that the value of Performance Index of physical achievements of SHGs under SGSY has been more or less evenly distributed among the different regions of West Bengal, though in case of some components there are significant differences in index values. C.V for Index value of no of SHGs formed and Index value for no of SHGs that have passed Grade II are 36.48 & 35.29 respectively. However, coefficient of variation for value of performance Index is 5.39. Thus, we see that in respect of physical achievements of SHGs under SGSY under the of the components we have considered, South Delta is in best position followed by West plain and North Bengal.

CONCLUSION

The empirical evidence of the study shows that there is wide variation among the districts of West Bengal regarding their physical achievements. While the performance of some of the Districts- Murshidabad, Purba Medinapur, Jalpaiguri, 24 Pargana (North) etc. are quite encouraging, but the performance of the districts Darjeeling, Hooghly, Howrah, Dakshin Dinajpur, Uttar Dinajpur are not satisfactory. Even in a district there is no homogeneity of performance among the component variables which we have considered for our Index of Performance. For example, in Burdwan district the no of groups that have passed Grade-II in percentage (56.64%) form is highest; again the district has also been recorded highest percentage (14.92%) in defunct cases. The same is true for the regions of West Bengal. Though there is no significant difference among the index value of performance but the values of individual indices differ significantly. There is need for improvement of quality of the group that already has formed. Various studies indicate that many of the SHGs formed have already become defunct for lack of facilitation, nursing and hand holding support. Again disbursement of loan per SHG is significantly low in West Bengal compared to Nationl Average. To increase outreach of the banking sector and ensure greater financial inclusion, they should change their traditional method of lending and be innovative .Finally, measures should be taken on a priority basis to improve the quality of the groups in low performance areas and balance allocation of resources should be done to raise the overall performance of the state so that our ultimate goal of eradication of poverty and empowerment of women through the functioning of SHGs can be achieved.

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