

Development of an Appropriate Methodology and Framework for Creating a Database of Self Help Groups

**N.J. Kurian
Jacob John**

Working Paper No: 1

September 2014

**Research Unit
Working Paper Series
Kerala Development
Society (KDS Delhi)**



*Electronic Copy available at
www.kdsonline.org*

Table of Contents

Contents		Page No.
Abbreviations		1-2
List of Tables		4-5
List of Figures		6
List of Boxes		6
Acknowledgement		7
Executive Summary		7-17
Chapters		
Chapter 1	Introduction	18-22
Chapter 2	SHGs: Sources of Data and Complexities in Data Collection: Case Study of Kerala and West Bengal	23-48
Chapter 3	Creating a Database of Self Help Groups: Methodology	49-58
Chapter 4	SHG Data Base in Select Villages: Highlights	59-88
Chapter 5	Summary and Conclusions	89-100
References		101

Abbreviations

ADS	Area Development Society
APL	Above Poverty Line
BDOs	Block Development Officer
BPL	Below Poverty Line
CASHE	Credit and Savings for Household Enterprises
CBOs	Community Based Organisations
CDHI	Centre for Development of Human Initiative
CDS	Community Development Society
CHASS	Changanacherry Social Service Society
CPI (M)	Communist Party of India (Marxist)
DRDC	Data Research and Development Centre
DWCRA	Development of Women and Children in Rural Areas
GIC	General Insurance cooperation
ICDS	Integrated Child Development Services
LDF	Left Democratic Front
LIC	Life- Insurance cooperation
MYRADA	Mysore Resettlement and Development Agency
NABARD	National Bank for Agriculture and Rural Development
NHGs	Neighbourhood Groups
NSS	Nair Service Society
P& RDD	Panchayats & Rural Development Department
PACS	Primary Agriculture Cooperative Societies
RMK	Rashtriya Mahila Kosh
SGSY	Swarnajayanti Gram Swarajgar Yojana

SHG	Self Help Group
SHPIs	Self Help Promotion Institutions
SIDBI	Small Industries Development Bank of India
SNDP	Sree Narayana Dharma Paripalana
SPSS	Statistical Package for Social Sciences
UDF	United Democratic Front
UNICEF	United Nations International Childrens Education Fund
VAMBAY	Valmiki Ambedkar Awas Yojana

List of Tables

Sl. No	Tables	Page No.
Table 2.1	Panchayati Raj Institutions in Kottayam	24
Table 2.2	SHGs in Kerala under Kudumbashree Programme: March 2011	29
Table 2.3	SHGs - West Bengal	39
Table 2.4	SHGs & SHG Linked Finance: West Bengal, Andhra Pradesh and India	45
Table 2.5	Panchayati Raj Institutions in North 24 Parganas	46
Table 4.1	SHGs in selected Gram Panchayats	59
Table 4.2	Gender-based Classification of SHGs	60
Table 4.3	Caste-Based Classification of SHGs	61
Table 4.4	Caste-Based Classification of SHGs: Details of Heterogeneous SHGs	62
Table 4.5	Distribution of Members: Education-Status Wise	63
Table 4.6	Distribution of Members: BPL and APL classification	64
Table 4.7	SHGs in Operation in Years	65
Table 4.8	SHG Promoters : Selected Gram Panchayats	65
Table 4.9	Legal Framework of SHGs : Selected Gram Panchayats	66
Table 4.10	Source of Fund of SHGs	67
Table 4.11	Services of SHGs	69
Table 4.12	SHG Panchayat Level: Areas of Activities	71
Table 4.13	Livelihood Activity of SHG Members	72
Table 4.14	Graded SHGs	72

Table 4.15	SHG Meeting Patterns	73
Table 4.16	Agenda of SHG Members	74
Table 4.17	Structure of SHGs	74
Table 4.18	Borrowers through SHGs (%):Percentage of SHG members	75
Table 4.19	Payment of Rate of Interest	76
Table 4.20	Pattern of repayment of loan from own Savings	77
Table 4.21	Tenure of Repayment of loan from own Savings	77
Table 4.22	Timely Repayment of Loan : Reasons	78
Table 4.23	Bank Linkage Programmes: Loans and Subsidy	79
Table 4.24	Purpose of Loan Taken By SHG Members	80
Table 4.25	SHG Members : Average Annual Income from SHG Activities	81
Table 4.26	Possession of Entitlement Card by SHG members/households	82
Table 4.27	Working Relationship Between SHGs and PRIs	83
Table 4.28	Involvement of SHGs in Social Audit: Reported by SHGs	84
Table 4.29	SHG Member Participation in Gram Sabha: Responses of SHG members	84
Table 4.30	Distribution of members according to improvement in Social capital	85
Table 4.31	SHGs and Women empowerment: Opinion of Respondents	86
Table 4.32	Performance of SHGs	87
Table 4.33	SHG Success Factors: Opinion reported by SHG members	88

List of Figures

Sl. No	Figures	Page No.
Figure 2.1	Structure of CBOs in Kudumbashree in a Gram Panchayat	26
Figure 2.2	Structure SNDP SHGs	33
Figure 4.1	Gender based classification of SHGs	61
Figure 4.2	Education status member of SHGs	63
Figure 4.3	Source of funds of SHGs	68
Figure 4.4	Services of SHGs	70
Figure 4.5	Purpose of loan – SHGs	81

List of Boxes

Sl. No	Boxes	Page No.
Box 2.1	Kudumbashree - At a Glance, March 2011	28

Acknowledgement

We express deep gratitude to other office bearers and members of the Executive Council of Kerala Development Society- Delhi, for encouraging us to initiate work in this area of research.

This working paper is based on a study sponsored by Ministry of Statistics and Programme Implementation, Government of India. We are obliged to officials of Ministry of Statistics and Programme Implementation, Government of India for providing valuable suggestions at the induction stage of the project. We gratefully acknowledge the financial support provided by Ministry of Statistics and Programme Implementation, Government of India.

We are indebted to members and office bearers of SHGs and SHG federations, SHG promoters, SHG promotion agencies, SHG facilitators, civil society organizations and government officials for providing valuable information during our field survey.

We wish to acknowledge the research support provided by Dr. Subrata Bagchi, Ms. Neetha Antony, Mrs. Jessy George, Ms. Deepa Thomas, Ms. Megha Jacob and Ms. Radhika Aggarwal. Several field investigators devoted sincere attention in undertaking the field survey. Data process administration by Mr. Sreejith P.S and Administration support provided by Mr. Simon George are gratefully acknowledged.

N.J. Kurian*

Jacob John**

* Dr. N.J. Kurian is currently the President of Indo-Global Social Service Society (IGSSS) Delhi. Formerly President of KDS Delhi Email: njkurian@yahoo.com

** Dr. Jacob John is currently the President of KDS Delhi Email: jacob305@rediffmail.com

Executive Summary

1. Objectives

1.1 Large amount of funds are being spent through various Self Help Group (SHG) based development programmes for fighting poverty in various parts of India. Self Help Group is a group in which members provide each other with various types of help for a particular shared cause. This group is organized and led by lay people, rather than professionals. In India, there are mainly four types of SHGs: (1) formed under government programmes, (2) formed with the support of NGOs or international organizations, (3) formed with the support of political parties, religious organizations, etc and (4) formed without any external support.

SHGs carry out multiple activities in different social and economic sectors. Many state governments and government agencies have been utilizing SHGs for the implementation of several rural and urban development programmes. SHGs have tremendous potential in the planning and execution of development programmes, especially at the grassroots level. Though SHGs have become a powerful social capital in India there is a huge data gap in respect of them in various states.

1.2 Objectives

SHGs carry out multiple activities in different social and economic sectors. Many state governments and government agencies have been utilizing SHGs for the implementation of several rural and urban development programmes. SHGs have tremendous potential in the planning and execution of development programmes, especially at the grassroots level. Though SHGs have become a powerful social capital in India there is a huge data gap in respect of them in various states. The objectives of the present project are to:

- i. develop an appropriate methodology and framework for setting up a database on SHGs in India
- ii. set up , a model of SHG database for four villages.

2. Methodology

The study is primarily empirical. The data from the field is supplemented by secondary sources. Besides secondary sources and the field investigation we held elaborate discussions with a wide cross section of stakeholders such as, government agencies, Panchayati Raj Institutions, NGOs, various religious and charitable organizations, political parties, resource persons in the SHG sector, prominent citizens, etc.

The project work comprised of two steps. In the first, various sources of data on SHGs were identified and difficulties in collecting data on SHGs for setting up a database were analysed. From the two selected states one district each was studied in detail. A case study method was used to select district, intermediate and gram panchayats in each state. From each district two intermediate panchayats are selected for the study. Two intermediate panchayats each from both Kerala and West Bengal are studied with focus on SHGs in order to capture a comparative picture of two intermediate panchayats in a district. In the second step, a model of SHG database for four gram panchayats - two each in Kerala and West Bengal - is developed and presented. These gram panchayats are in the respective districts/blocks covered under the intensive study for the development of methodology. The data base was set up using the newly developed methodology. A detailed census was carried out in the four gram Panchayats in order to capture a picture of the availability of data, difficulties in collecting data and applicability of the formulated strategy in collecting the data and setting up the database

3. Major Findings

3.1 SHGs Programmes in Kottayam District, Kerala

A total of six SHG programmes were functioning in Kottayam district of Kerala as explained in the following paragraphs

Kudumbashree: State Government Sponsored SHG programme: Kudumbashree is a three tier women SHG system. Major chunk of government funds for this programme is channelized through local government. A large number of activities of NHG members at household level are funded through the micro finance operation of thrift and credit societies, which is the kingpin of whole Kudumbashree programme.

Janasree: Political Party Sponsored SHG Programme: Congress party in Kerala launched another SHG programme under the name Janasree. Under Janasree, SHGs are formed both for men and women in the district of Kottayam. It focuses on micro credit, micro enterprise, micro insurance and other poverty alleviation programme. Women empowerment is a major focus of the programme.

Changanacherry Social Service Society (CHASS) – A Community- based organization: SHGs programme are promoted by CHASS, a social work programme of Syro- Malabar division of Catholic Church under Archdiocese of Changanacherry. Its activities include micro credit, livelihood and micro enterprises.

Sree Narayana Dharma Paripalana (SNDP) Sangam – A Community Organization Sponsored Programme: An SHG programme is promoted by SNDP Sangam of Ezhawa community in Kerala. In

fact, SNDP Sangam has a large number of social development projects including educational institutions and hospitals. The SHGs are functioning under selected SNDP unions in different parts of Kerala.

Nair Service Society (NSS) SHG programme- Religious Organization Sponsored Programme: This NSS was formed in 1914 for the welfare of Nair community in Kerala. It opened an array of educational institutions, hospitals and other socially beneficial institutions all over the state. Karayogams, village level unit of NSS have formed SHGs in different parts of Kerala.

NGO Sponsored Programmes: NGO which are formed within the existing legal frame work have formed several SHGs in the selected blocks. Most of these SHGs focus on micro financing and micro enterprise. They do not work within the frame work of any comprehensive poverty alleviation programme moreover. They do not give much attention to livelihood issues.

3.2 Sources of Data in Kottayam District

SHG promoters: Promoters of SHGs are the main source of data in the district of Kottayam. The promoters of SHGs in Kottayam District are government agencies, religious/ community based organizations and NGOs

SHGs: A single SHG is itself an important source of data. The office bearer of an SHG can provide information. The office bearers and members of primary level federations and secondary level federations are important sources of data.

Banks: Branch of a commercial bank can provide relevant information about SHGs in their service areas.

Others: There are several other sources of data in the district of Kottayam who provide information on the SHGs in their respective areas. They include Anganwadi workers, health workers, social workers, prominent Citizens, Scholars, Academicians and social activists.

3.3 SHGs in West Bengal

North 24 Parganas is one of the 18 districts of West Bengal. It is significant to note that the district has a strong presence of SHGs compared to several other districts. From the district of North 24 Parganas in West Bengal, Sandeshkhali II block and Minakhan block were also selected for in depth analysis of structure and functioning of SHGs. The SHG programmes functioning in the selected Sandeshkhali II and Minakhan blocks are explained in the following paragraphs.

Swarnajayanti Gram Swarojgar Yojana (SGSY) Programme: A Large number of SHGs were formed under **SGSY Programme**. SHG formation under SGSY, a centrally sponsored programme, is implemented by Panchayats & Rural Development Department (P& RDD), Government of West Bengal. So P& RDD is the promoter of SHGs under SGSY. Under this programme in each Gram Panchayat area, SHGs are formed by Gram Panchayat. Gram Panchayat is the local executor of the programme. SHGs are nurtured by Resource persons engaged by Gram Panchayat. It is a BPL focused programme.

SHGs under Non-SGSY Programmes: Various agencies have promoted SHGs under different non-SGSY programme as explained in the following paragraphs.

- **SHGs under Primary Agriculture Cooperative Societies (PACS) :** PACS have promoted SHGs in a big way. About 40 percent of the total SHGs in West Bengal are formed by the cooperative sector (SHG Resource Centre,2010). SHGs promoted by PACS constitute a significant portion of SHGs in the district of North 24 Parganas. Periodical meetings, regular savings, rotation of leadership, united efforts on social issues and group dynamism which develops amongst the SHG members are the attractive features of these SHGs.
- **Other Departmental Initiatives:** Women Development Undertaking promoted SHGs through departmental initiatives. Several SHG groups were formed by government departments like Health, social Welfare, Rural development, Fisheries, etc.
- **Banks:** Commercial banks have really started promoting the formation of SHGs in the state of West Bengal. They provide various mentoring services which includes training to the members of various SHGs.
- **NGOs:** Several NGOs have formed single tier SHGs and the federation of SHGs.

3.4 Sources of Data in North 24 Parganas, West Bengal

SHG promoters: The following mentioned Promoters of SHGs are the main source of data.

- **Government Agencies: Gram Panchayats keep all the information of SHGs formed under SGSY -programme.** Cooperatives as promoters of SHGs can provide critical information about SHGs in their area.
- **Banks: Most of the branches of a commercial bank can provide relevant information about SHGs in their service area.**
- **NGOs: The various NGOs in the district of North 24 Parganas can be approached for the data on the SHGs promoted by them.**

SHGs: The office bearers and members of single tier SHGs clusters and federations are important sources of data. Even ordinary members of an SHG can provide information on their SHGs.

Others: The other sources of data in the district of North 24 Parganas include social and political activists, Anganwadi workers, health workers, social workers, prominent citizens, Scholars and Academicians.

3.5 Complexities in Data Collection

There may be variations in regard to records available with SHGs promoters, bank, etc. Reluctance in providing data on financial figures may be another serious problem. In some places there may be some difficulties in identifying the original promoter. This difficulty is in identifying SHGs with a particular promoter due to the claim for affiliation and support by more than one Self Help Group Promotion Agency. Some of the SHG members may be sensitive in providing financial data and giving long interviews as it would impose an unwarranted burden on their time. These problems can be overcome by formulating appropriate strategies, especially for creating awareness about the needs and uses of SHG database among various stakeholders.

3.6 Developing Methodology: Operational Issues

In order to develop a methodology it is pertinent to understand the essential features of SHGs. SHG is a group in which members provide each other with various types of help for a particular shared cause. People banded together to develop their chances for improved existence by pooling their social and economic resources. They are composed of peers who share a similar problem or interested in a focal issue such as micro credit, education, health and employment. These groups are organized and led by lay people, rather than professionals. However, professionals of various kinds lead SHGs in exceptional cases. An SHG normally has 10-20 members, while one member represent a family and therefore an SHG covers 10-20 families. For example, SHG on finance is a village based financial intermediary usually composed of between 10-20 women, covering 10-20 families. Most SHGs are voluntary, peer-led and informal. As SHG is not a household-based entity, a household survey is not feasible to capture the information.

3.7 SHG Database- Methodology for the Collection of Information

3.7.1 Identification of SHGs- Snowball Sampling Technique: Generally, a village has varied SHGs in terms of promoter, membership, activities, etc. One single SHG will give lead to other SHGs. In respect of networks one tier lead to another tier in the same network. Similarly one SHG network will lead to

another SHG network. There are chances that one promoter of SHG could lead to another SHG promoter. This is called snowball sampling technique. In statistics research, snowball sampling is a non-probability sampling technique. The sample group appears to grow like a rolling snowball. As the sample builds up, enough data is gathered to be useful for research. This sampling technique is often used in hidden populations which are difficult for researchers to access. It was widely believed that it was impossible to make unbiased estimates from snowball samples, but a variation of snowball sampling called respondent-driven sampling has been shown to allow researchers to make asymptotically unbiased estimates from snowball samples under certain conditions (Goodman 1961). As opposed to other sampling methods snowball sampling has certain advantages. It will enable surveyors to include people in the survey that they would not have known. It will also help in locating people of a specific population if they are difficult to locate, sometimes even quickly. By using this sampling technique all the SHGs operating in a village can be identified. It is important to make the methodology cost-effective. The proposed sampling technique is, indeed, quite cost-effective. This can be replicated in other Indian states. There are state level variations in respect of SHG programmes and functioning and it is essential to evolve a methodology which can be replicated elsewhere

Various Sources of Data

SHG promoters, SHG facilitators and SHGs are the three broad categories of entities that can provide information on SHGs. **Various categories of these promoters are (1) Panchayati Raj Institutions and other Government Agencies (2) Banks and Cooperatives (3) NGOs (4) Community based Organisations and (5) Political Parties**

SHGs - SHGs Clusters, Federations and SHG Basic Unit : SHG federations/ networks are being promoted by government and non government agencies. These federations have different tiers and it is important to remember that each tier of SHG network can provide adequate data for setting up database. It is important to understand that most of the SHG programmes have federated SHGs. All of them have either 3-tier or a 2-tier structure. **Some of these SHG Federations are at a formative stage in some states and districts. Gram Panchayat cluster, block level cluster and district level federations are being formed for some of the SHG programmes.** The office bearers and members of these clusters and federations are important sources of data . There are SHGs without any network. In such cases an SHG limit its operation to its single unit. Office bearers or even ordinary members of each SHG can provide data on such SHGs. **The basic unit of SHG clusters or federation is the single SHG. A single Self- Help Group itself is an important source of data. The office bearers of such single SHG can provide a more comprehensive insight on the workings of their SHG. In exceptional cases, even an ordinary member of an SHG can provide information on their SHGs.**

Other Agencies and Individuals: There are other sources which can provide data on SHGs in a particular Gram Panchayat. **They include social and political activists, Anganwadi workers, Asha workers, cultural organizations** such as youth club, prominent citizens, etc.

3.7.2 Data Collection- Census Method: Data can be collected using the Census Method by covering all the SHGs in a Gram Panchayat area under the survey. The survey of SHGs is to be carried out by using pre- designed schedule/ schedule which is an inexpensive way to collect data\ information from the large number of respondents. Questions can be designed to gather either qualitative or quantitative data. Two sets of schedules can be used to canvass the information. One meant for collecting Gram panchayat level data on SHGs and the other for data on a particular SHG. The second schedule is meant for members, present and former office bearers of SHG. Steps are to be taken to ensure proper reporting while collecting data on SHG characteristics. Issues of underreporting or misreporting are likely to arise. Counterchecking can be made by collecting the same data from more than one source. Instead of self-administered schedule, interview mode will be used for data collection. It is ideal to collect data by carrying out personal interviews.

Data Collection: Major Variables and Preparation and Administration of Schedule

It is quite significant to identify variables for data collection. These include both village level and SHG level data. It is essential to prepare structured schedule to capture relevant information. As mentioned earlier two types of schedule - schedule for gram panchayat level data of SHGs and schedule for SHG level data - can be prepared. However utmost care should be given in the administration of these schedules. The way in which data is collected will influence its quality. Precaution should be taken to get good quality data. Interviewers need to be provided two days of training with different sessions.

3.8 Applicability of the Methodology in Other Indian States

Methodology developed based on the field experiences in Kerala and West Bengal can be made applicable in other Indian states.

3.9 Updating the Database of SHGs

Considering the contribution of SHGs in the development of rural community and the continuous growth and expansion of SHG and their networks across the states, the database of SHGs needs a regular and continuous updating. For the updating SHG database the following two options may be examined:

Option 1: Continuous Updating: A dynamic updating of SHG database can be carried out through an appropriate mechanism. Each SHG unit formed under government programmes can be asked to register with Gram Panchayat with an annual renewal. In respect of other SHG units local promoter of the respective SHG should be oriented to ensure the registration and annual renewal with Gram Panchayat

or any other appropriate authority. This will ensure a continuous updating of the database. It may be noted that this exercise cannot capture the data of defunct or poorly performing SHGs.

Option 2: A quinquennial updating of SHG database can provide a comprehensive picture of SHGs. This updating can help in a better administration of official data and formulation of government policies and programmes for SHGs.

3.10 Model of SHG Database using the newly Developed Methodology

3.10.1 SHG database of four Gram Panchayats

An attempt was made to create a sample database of SHGs using the methodology developed.

The data collected were analyzed and presented in table formats as listed below:

- SHGs in selected Gram Panchayats
- Gender-based Classification of SHGs
- Caste-Based Classification of SHGs
- Caste-Based Classification of SHGs: Details of Heterogeneous SHGs
- Distribution of Members: Education-Status Wise
- Distribution of Members: BPL and APL classification
- SHGs in Operation in Years
- SHG -Promoters: Selected Gram Panchayats
- Legal Framework of SHGs : Selected Gram Panchayats
- Source of Fund of SHGs
- Services of SHGs
- SHG Panchayat Level: Areas of Activities
- Livelihood Activity of SHG Members
- Graded SHGs
- SHG Meeting Patterns
- Agenda of SHG Members
- Structure of SHGs
- Borrowers through SHGs(%):Percentage of SHG members
- Payment of Rate of Interest
- Pattern of repayment of loan from own Pooled Savings
- Tenure of Repayment of loan from own Savings
- Timely Repayment of Loan: Reasons
- Bank Linkage Programmes: Loans and Subsidy
- Purpose of Loan Taken By SHG Members

- SHG Members : Average Annual Income **from SHG Activities**
- Possession of Entitlement Card by SHG members/households
- Working Relationship Between SHGs and PRIs
- Involvement of SHGs in Social Audit: Reported by SHGs
- SHG Member Participation in Gram Sabha: Responses of SHG members
- Distribution of members according to improvement in Social capital
- SHGs and Women empowerment: Opinion of Respondents
- Performance of SHGs
- SHG Success Factors: Opinion reported by SHG members

3.10.2 Analysis of data: Highlights

- Number of SHGs in a gram panchayat in Kerala is much higher compared to West Bengal even after considering the difference in the size of Gram Panchayats in both the states.
- Size of a gram panchayat in Kerala is bigger than that of West Bengal.
- Majority of SHGs in both Kerala and West Bengal is women based SHGs.
- An increasing tendency of forming SHGs with members of one's own caste.
- Educational level of SHGs in Kerala is higher when compared to West Bengal.
- Number of APL members in SHGs is quite high in Kerala in comparison with West Bengal.
- Community-based organizations, religious-based organisations and political parties have promoted SHGs in a big way in Kerala . However, this pattern of promotion is not seen in West Bengal.
- Most of SHGs continue to remain unregistered both in Kerala and West Bengal.
- The intensity of micro- credit activities of SHGs is quite high in Kerala as compared to West Bengal. Similarly, the number of SHGs that provide social welfare activities to their members is quite high in Kerala in comparison with West Bengal. However, it appears that the state level variation is quite negligible in respect of services provided by SHGs to their members.
- SHGs in Kerala are more aggressive and efficient in carrying out activities in various fields in comparison with SHGs in West Bengal.
- Both in Kerala and West Bengal, livelihood activities of the majority of SHG members are in the field of agriculture.
- Kerala has a higher proportion of graded SHGs to non-graded SHGs as compared to West Bengal.
- Majority of SHG members in both Kerala and West conduct their regular meetings on weekly basis.

- In both Kerala and West Bengal SHGs assign more or less equal share of time for discussing the agenda on thrift and credit activities, problems related to basic services and scheme availing strategies.
- There are not much state level variations in respect to the pattern of repayment of loan from own pooled savings.
- In respect of tenure of repayment of loan borrowed, majority of SHGs follow the policy of repayment within 4-12 months in both the states.
- Influence of peer pressure from SHG members is the main reason for timely repayment of loans, in both the states.

Introduction

Self Help Groups: Salient Features and Significance

Large amount of funds are being spent through various Self Help Group (SHG) based development programmes for fighting poverty in various parts of India. Self Help Group is a group in which members provide each other with various types of help for a particular shared cause. This group is organized and led by lay people, rather than professionals. In India, there are mainly four types of SHGs: (1) formed under government programmes, (2) formed with the support of NGOs or international organizations, (3) formed with the support of political parties, religious organizations, etc and (4) formed without any external support.

It is significant to understand that the SHG-led approach differs from traditional micro-finance on various aspects. SHG programmes focus not only on credit or savings but also emphasis on social empowerment, outreach, and capacity building. It is a fact that considerable interest in SHG-based approaches to micro-finance is quite evident in many Indian states (Deininger and Liu, 2009). The SHG model in India encompasses savings generation and micro-finance, social empowerment and social mobilization. Various agencies ranging from government to non-governmental organizations continue to promote and facilitate SHG based development programmes. SHGs in southern states, mostly in Andhra Pradesh, Karnataka, Kerala and Tamil Nadu, have started concentrating more on livelihood securities and building up of social capital. The SHG network in many Indian states has become known as the major instrument for microfinance delivery. For instance, Self-help groups, the major form of delivery of microfinance, have brought about visible changes in the lives of a large number of women in Andhra Pradesh. Andhra Pradesh has the largest network of SHGs (Ramesh 2007). SHG model which was structured around an informal set of norms of mutuality and trust is considered as the earliest institutional form of microfinance in India (Nair 2010). Since the institutionalization of the SHGs which has started in the early 1990s, various Indian states had different experiments around the SHG- based micro finance and livelihood programmes.

Bihar has witnessed a spurt in growth of SHGs recently thanks to various SHG promotion programmes supported by the government as well as international organizations. However, as

various studies indicated, there are several threats to the achievements of SHG programmes in Bihar. It is unfortunate that economically better-off from lower castes are joining the Self help groups while the poorest are still left out (Meera 2010). Another concern is that this trend could jeopardise the group dynamics in Bihar generating a conflict-ridden structure with skewed power relations.

Kerala, a southern state known for its high human development indicators, has well -developed SHG programmes like its advanced Panchayati Raj Institutions. As in the case of most of the Indian States, Kerala has evolved SHG as an institution for rural and urban development and reducing poverty. In Kerala, SHGs are set up and supported by State government, local government institutions, political parties, community organizations and NGOs (John, 2011). Kudumbashree, a popular SHG- based comprehensive poverty alleviation programme in Kerala has become the focal point of every development activity at the cutting edge level (Oommen 2007). Kudumbashree is a popular SHG - local government partnership which is a comprehensive poverty reduction programme focusing on women empowerment through convergence of resources and community action. It encompasses thrift and credit activities, micro enterprises, several income generating activities and a wide range of welfare activities (John, 2009).

West Bengal has witnessed the emergence of SHGs as a social movement in the new millennium. It has taken several initiatives to strengthen SHGs as a grassroots level organization of poor women and marginalized communities. These include promotional initiatives of NABARD on SHG bank linkage programme through banks, NGOs and farmers clubs, launching SGSY programme, linking of SHGs with primary Agricultural Cooperative Societies, departmental initiatives of Women Development Undertaking like Swayamsidha, initiatives under CARE-CASHE project and SIDBI's support to micro finance institutions. (SHG Resource Centre, 2010)

Relevance of the Study

SHGs carry out multiple activities in different social and economic sectors. Many state governments and government agencies have been utilizing SHGs for the implementation of several rural and urban development programmes. SHGs have tremendous potential in the planning and execution of development programmes, especially at the grassroots level. Though

SHGs have become a powerful social capital in India there is a huge data gap in respect of them in various states.

Various studies found that the role of SHGs, as a powerful social capital had been gaining significance and importance in India. Social Capital, a term being employed in development discourse in recent times, refers to features of social organization like trust, norms and networks that can help to improve the efficiency of society by facilitating coordinated actions. Robert Putnam (1993, 1995) who pioneered and popularised the concept that distinguishes between two types of social capital: bonding social capital and bridging social capital. The former refers to the norms that binds a group together and the latter refers to the relationship with heterogeneous group outside the group. Vanneman, Noon and Desai (2006) broadly categorize social capital into four types: formal, informal, objective and subjective. Social networks and trust in people are informal while organization memberships and confidence in institutions are formal. Again, while social networks and organization memberships are objective, trust in people and confidence in institutions are subjective.

Different evaluation studies show that SHGs, by and large, carry out multiple activities in different sectors such as health and education. Despite these studies, most states do not have proper information about SHGs and there is a huge data gap in respect of SHGs. So the present project is an attempt to conduct a study on structure and functions of SHGs in Kerala and West Bengal, two states located in two different regions, having relatively strong SHG networks. The main objective of the project is to develop an appropriate methodology and framework for setting up a database on SHGs in India by studying Kerala and West Bengal.

Objectives and Methodology of the Study

The objectives of the present project are:

- iii. to develop an appropriate methodology and framework for setting up a database on SHGs in India
- iv. to set up , a model of SHG database for four villages.

The study is primarily empirical. The data from the field is supplemented by secondary sources. Besides secondary sources and the field investigation we held elaborate discussions with a wide cross section of stakeholders such as, government agencies, Panchayati Raj Institutions,

NGOs, various religious and charitable organizations, political parties, resource persons in the SHG sector, prominent citizens, etc.

The project work comprised of two steps. In the first, various sources of data on SHGs were identified and difficulties in collecting data on SHGs for setting up a database were analysed. From the two selected states one district each was studied in detail. A case study method was used to select district, intermediate and gram panchayats in each state. Though district is the sub state administrative unit in a state, block is the administrative unit for developmental purposes. Block Development Office has a critical role in the planning and execution of development activities. Hence intermediate panchayat is given a special attention in the present study. So from each district two intermediate panchayats are selected for the study. Two intermediate panchayats each from both Kerala and West Bengal are studied with focus on SHGs in order to capture a comparative picture of two intermediate panchayats in a district. Various activities were undertaken by using techniques of meetings, interviews and focus group discussions. Meetings and interviews were carried out with panchayats, government agencies, NGOs, community organizations, charitable organizations, political parties, resource persons in the SHG sector, prominent citizens, etc.

In the second step, a model of SHG database for four gram panchayats - two each in Kerala and West Bengal - is developed and presented. These gram panchayats are in the respective districts/blocks covered under the intensive study for the development of methodology. The data base was set up using the newly developed methodology. A detailed census was carried out in the four gram panchayats in order to capture a picture of the availability of data, difficulties in collecting data and applicability of the formulated strategy in collecting the data and setting up the database.

Data Collection and Analysis

Data was collected through individual interviews and discussions and focus group interviews with:

- Present and past elected representatives and officials of gram , block and district Panchayats
- Present and past office bearers of different tiers of SHGs.
- Present and retired officials of State Government
- Officials and activists of NGOs/ voluntary organizations

Different categories of information were sought from them. The researchers also prepared case notes on the basis of their findings relevant to issues and objectives of the research. Sincere effort was made to record quantitative and qualitative data. The latter was collected through observation – obtrusive and unobtrusive and casual interaction with local residents and detailed discussions beyond the interview schedule. Various types of secondary data have been used for the study. These include books, articles, periodicals and websites of relevant institutions. Findings of various studies on similar projects in other states are reviewed.

All the information collected from the respondents through the interviews and meetings are collated. The used variables are meaningfully co-related to conform to the standard social science research norms. Statistical Package for Social Sciences (SPSS software) was used to analyse the field data.

SHGs: Sources of Data and Complexities in Data Collection: Case Study of Kerala and West Bengal

This chapter analyses the overall picture of SHG Programmes in Kerala and West Bengal with special reference to one district each from the respective State. It discusses various sources of data and complexities in data collection.

2.1. Emergence of SHGs in Kerala and West Bengal

It may be noted that NABARD started promoting self-help groups for group lending during 1986-87. In 1991 NABARD initiated a SHG-linked banking programme in line with the findings of an all-India survey on micro finance in India. Subsequently, SHG based micro finance programme has begun to progress in most of the Indian States. Under the SHG scheme, credit is primarily linked to savings. SHG- bank linkage programme is an additional feature. Under the SHG- bank linkage programme NABARD played an important role in providing credit to SHG, an informal group by formal banking sector without any security or collateral. SHG movement started by the Government of India under the auspices of NABARD and with the involvement of banks is the biggest outreach programme of its kind in the world. It covers 86 million poor households and extended credit of Rs.23,000 crores (Ram Mohan, 2010).

Broadly speaking, the major SHG programmes in Kerala and West Bengal are outgrowth of the broad micro finance initiatives in India. In April 1999 Swarnjayanti Gram Swarozgar Yojana (SGSY) programme was launched to create self employment by organizing SHGs with Centre and State funding. It may be noted that National Rural Livelihoods Mission had been launched in 2011 for the implementation of the restructured SGSY scheme. Majority of SHGs in both Kerala and West Bengal are formed under these government programmes. A considerable share of SHGs is formed under non government schemes also. However, there are considerable state level variations in respect of nature and functioning of SHGs. The structure and functioning of SHGs in Kerala and West Bengal are discussed in the following sections.

2.2. SHG Programmes Kerala: Case Study of Kerala with special reference to Kottayam District

Kottayam is one of the 14 districts of Kerala, and as in other parts of Kerala the presence of SHGs is quite significant in this district. Kanjirappally block and Madappally block were selected from Kottayam district of Kerala for an in depth analysis of structure and functioning of SHGs. These two blocks were selected using case study method. During our preliminary discussions with various stakeholders it was indicated that SHGs were active in all the blocks of the district. However, the need for covering different types of SHG programmes was pointed by them and hence Kanjirappally block and Madappally block were selected. As is shown in Table 2.1, Kottayam district has a strong Panchayati Raj Institutions consisting of one Zilla Panchayat, 11 Block Panchayats and 73 Gram Panchayats.

Table 2.1

Panchayati Raj Institutions in Kottayam

Division	Numbers
Zilla Panchayat	1
Block Panchayat	11
Gram Panchayat	73

Source: Department of Local Self Government, Government of Kerala

The district has active presence of SHGs formed under different schemes as listed below:

2.2.1. Kudumbashree: State Government Sponsored SHG programme

In Kottayam, Kudumbashree, is the major SHG programme. Kudumbashree, a state level SHG programme in Kerala, was the result of a tripartite initiative in which not only NABARD, but also the UNICEF and the urban poverty cell of the Local Administration Department, Government of Kerala were involved. The basic idea was to evolve a poverty eradication mission identifying poor women through a multiple criteria and form them into a community-based organization which in turn worked as a micro finance intermediary. Kudumbashree is women SHG-oriented comprehensive poverty alleviation programme'. The economic base of this self help initiative

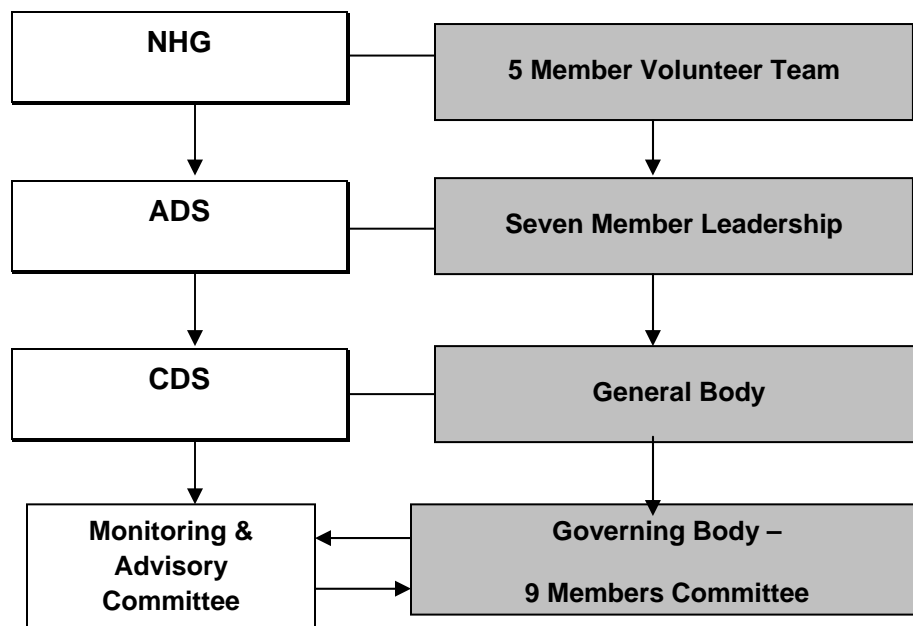
(popularly called 'Ayalkoottams') is built on the concept and strategies of micro finance. Kudumbashree is women-oriented participatory approach for community development and poverty reduction.

Kudumbashree aims at eradicating absolute poverty within a definite time frame of 10 years under the leadership of Local Self Governments formed and empowered by the 73rd and 74th Amendments of the Constitution of India. The **Kudumbashree** Mission was launched by the State Government with the active support of Government of India. However, NABARD has adopted a different methodology in wiping out absolute poverty by organizing the poor into community-based organisations. Unlike many other similar programmes, it follows a process approach rather than a project approach. The slogan of the mission is "reaching out to families through women and reaching out to community through families".

Launched by the Government of Kerala in 1998 for wiping out absolute poverty from the State through concerted community action under the leadership of Local Self Governments, Kudumbashree is today one of the largest women-empowering projects in the country. The programme has 37 lakh members and covers more than 50 percent of the households in Kerala. Built around three critical components, micro credit, entrepreneurship and empowerment, the Kudumbashree initiative has today succeeded in addressing the basic needs of the less privileged women, thus providing them a more dignified life and a better future. {<http://www.kudumbashree.org>}. Kudumbashree, is a three tier system. The lowest tier forms the Neighbourhood Group (NHG) consisting of around 20 women members selected from the poorer strata of the society. Area Development Society (ADS), the second tier, is formed at ward level of Panchayat/ municipality by federating 10-15 NHGs. Community Development Society (CDS), a registered body under the Charitable Societies Act is formed by federating various ADSs at the Panchayat/Municipal/ Corporation level (John 2009).

Figure 2.1

Structure of CBOs in Kudumbashree in a Gram Panchayat Level



Source: John 2009 and Kudumbashree mission

Kudumbashree is patronized by state government as well as local governments. State government provides strong support to Kudumbashree, both financial and non-financial. As discussed earlier, the support of the state government is given through Kudumbashree mission and local government institutions. The CBOs of Kudumbashree receive support and strength from local governments, being functionally linked to them. Even so, state government extends direct support and patronage to Kudumbashree as it is essentially an interdepartmental initiative.

Government of Kerala has brought the whole Kudumbashree programme under its department of Local Self Government with a separate wing namely “Kudumbashree -The State Poverty Eradication Mission”. The Chairman of the Kudumbashree mission is the Minister of Local Self Government. The vice chairman is the Secretary to the Department of Local Self Government. The secretariat of the mission is headed by an Executive Director who is a senior IAS Officer. Under the state level mission office, district level missions are set up. The district mission

coordinator is in charge of the office of district level mission. The mission has an executive committee which comprises of representatives from local government institutions and associations, and Kudumbashree mission.

Conceptually and operationally, the Kudumbashree network is linked to local self government institutions in Kerala. All local governments are bound to prepare an anti-poverty sub-plan as an independent document. They have the freedom to plan and prepare the projects according to the local priorities for which untied grant-in-aid is devolved. They have to spend at least 40 percent on the productive sector meaning agriculture and allied activities, industries, self-employment etc and not more than 30 percent on infrastructure. Ten percent of the funds have to be spent on the women development project. Assistance to Kudumbashree programmes can be taken up under this plan. “The Women Component Plan should focus on the gender needs of women especially those below poverty line. The CDS system and other women groups and NGOs are actively involved in the formulation of the Women Component Plan. Setting up of micro enterprises of women and providing minimum needs assets to widow-headed families can be taken up under this component. Revolving fund to CDS linked to their thrift is also possible” (Government of Kerala, 2004).

Local government and SHG quintessentially are interrelated systems under Kudumbashree. It is interesting to note that major chunk of government funds for this programmed is being channelized through local government (John 2009). Some of the activities of Kudumbashree are carried out through separate budgetary support from state government. It is from this fund that sizable administrative expenses for coordinating Kudumbashree activities especially at state and district level are met. Plan fund allocation to local governments is an important source of fund for Kudumbashree. Assistance to Kudumbashree programmes is also made through the women-component plan for which 10 per cent of the plan outlay is earmarked. Own fund of a local government is also used for Kudumbashree activities. Apart from these sources of funds, Kudumbashree gets the benefit of various centrally sponsored programmes. Being the agency for execution of several development programmes, its members become the beneficiaries of many development programmes such as National Rural Employment Guarantee scheme and National Rural Health Mission both funded by the government of India. Through bank linkage facility ventures of different category, both individual and group, are funded. Both public sector and scheduled banks provide finance for setting up such ventures. Under this facility a specified portion of the project cost is subsidized through government funding schemes. Last but not the

least, the thrift of each NHG member becomes a significant source of fund for each member or household. A large number of activities of NHG members at household level are funded through the micro finance operation of thrift and credit societies, which is the kingpin of whole Kudumbashree programme.

Box 2.1

Kudumbashree - At a Glance, March 2011

- *An innovative community based women-oriented initiative to fight absolute poverty.*
- *A state initiative for poverty reduction launched on 17th May 1998.*
- *One of the largest women's movement in Asia with a membership of 37.8 lakhs representing equal number of families.*
- *37.37 lakh poor families brought under the community based organisations (CBOs) consisting of 2.05 lakh Neighbourhood Groups(NHG), 17,578 Area Development Societies (ADSs) and 1,061 Community Development Societies (CDSs) - rural & urban.*
- *Mobilised a sum of Rs. 1688 crores as thrift and disbursed loans amounting to Rs.4195 crores to the members of Neighbourhood Groups.*
- *1,50,755 NHGs graded under Linkage Banking Programme, out of which 1,27,467 NHGs linked with banks and an amount of Rs.1140 crores mobilized as credit.*
- *25050 individual enterprises and 1757 group (with minimum 5-10 members) enterprises of women developed in urban areas.*
- *3516 individual enterprises and 10620 group (with minimum 5-10 members) enterprises of poor women formed in rural areas.*
- *2,25,200 Women cultivators in 46444 groups for collective farming 2009-2010*
- *11916 Joint Liability Group formed*
- *17 Samagra Projects functioning with the involvement of 32,121 women*
- *570 group enterprises and 810 individual enterprises started under the Special Employment Programme.(Yuvashree)*

Source: <http://www.kudumbashree.org>

Activities

Micro Finance: Formation of informal bank of poor women in every locality of the state with regular and continuous thrift & credit operations and setting up of micro-enterprises are major activities. Each NHG acts as a Thrift & Credit Society and facilitates the poor to save and to provide them cost effective and easy credit. By and large, a member can avail loan up to a maximum of four times of her savings without any collateral security. NHG decides the amount of loan and the priority of disbursement. The amount of loan and the priority of disbursement are decided by the NHG. The repayment is collected weekly during routine NHG meetings. As on March 2011, the total thrift collected by NHGs in the state comes to Rs. 1688 Crore and the internal loans generated are to the tune of Rs.4195 Crore (See Box 2.1). In fact, one of the agenda of weekly meeting of NHG is the collection of loan. The interest income from thrift can also be used for loans. The main feature of Kudumbashree programme is the facility for poor women to save and borrow from their own pooled savings.

Table 2.2

SHGs in Kerala under Kudumbashree Programme: March 2011

Particulars	Amount/Number
Number of NHGs(in Lakh)	2.05
Total families covered (in Lakh)	37.37
ADS(Number)	17578
Number of CDS(Number)	1061
Pooled Saving (Rs. in Lakh)	168800
Total Loan from pooled savings(Rs. in Lakh)	419500
Total Bank Loan disbursed under bank linkage programme (Rs. in Lakh)	55406.71

Source: Kudumbashree mission

Bank Linkage Programme: In addition to the loan from their own savings, NHGs are facilitated to avail loan from bank through bank linkage programme. As is evident from Table 2.2 total Bank Loan disbursed under bank linkage programme was Rs. 55406.71 as on March 2011

Micro-enterprise development; Micro enterprise development is a means for economic empowerment by providing gainful employment to the people below poverty line and thereby improving their income and living standards.

Kudumbashree conducted a series of training programmes and also developed specific module for training potential micro entrepreneurs.

Under Kudumbashree programme, micro enterprise development starts with low capital, low risk and low profit at the initial stage. It expects that these enterprises will switch on to low to medium capital and then to low to medium risk. In an advanced stage, some of these enterprises can reach medium capital and medium profit with appropriate technology and market. Some of the thrust areas are Food Processing, Dairy Products, IT and Bio technology

With an intention of realizing its objective of ensuring better health and nutrition for all, Kudumbashree undertakes some activities in the areas of public health. It facilitates the convergence of various health programmes. Promoting the execution of various public health programmes, the control of poverty diseases is focused. As discussed earlier, SHGs have health volunteers who help in children immunization.

Education and Child Welfare: In order to realize its proclaimed objectives for ensuring a minimum of primary education for all children belonging to underprivileged families, Kudumbashree carries out some activities such as formation of Mother- Teacher Associations and promotion of remedial Education for poor performers.

Housing: Micro housing is the housing programme of the Kudumbashree to cater to the housing needs of the poor families in Kerala. Currently there are two major micro housing programmes namely Bhavanashree and VAMBAY. Kudumbashree has been implementing Bhavanashree programme with the active support of nationalized, scheduled commercial and private sector banks in Kerala.

Agriculture: Lease Land Group Farming - 'Harithashree'

There are poor families who are keen to undertake farming for livelihood but do not have land. The state is known for higher labour cost compared to neighboring states. Small and medium farmers face problem in cultivation of land due to the unavailability of labour, etc. Kudumbashree promotes Lease Land Group Farming through their SHGs.

2.2.2. Janasree; Political Party Sponsored Programme

Left Democratic Front (LDF) and United Democratic Front (UDF) are the two major political forces in Kerala. Kudumbashree is a SHG- local government partnership programme. LDF had power in more than two-third of local government institutions in the state in 2008 and hence LDF was in a comfortable position to control most of Kudumbashree units. Congress (I) the major constituent of UDF, had launched *Janhree* programme a separate SHG programme to counter Kudumbashree programme. Since the Kudumbashree activities are closely linked to the panchayats and municipalities, LDF had more involvement in the functioning of the programme. This had created an impression among the UDF that LDF especially, its major constituent, CPI (M) had been using the Kudumbashree programme for meeting the interest of their party. As a reaction to this Congress (I) the major constituent of UDF, had launched *Jansree* programme replicating the model of *Kudumbashree* programme. While inaugurating the programme on 2nd February 2008 Mr. P.Chidambaram, the Finance Minister of India announced that as in the case of Kudumbashree, Government of India would make loan available to *Jansree* also. Criticizing the launching of *Jansree* programme, Mr.Thomas Isaac, Finance Minister of Kerala warned that *Jansree programme* which was launched parallel to Kudumbashree will destabilize the foundation of the strengthening of micro credit system in the state (*Malayalam Manorama 3rd February, 2008 & John 2009*)

Janasree Sustainable Development Mission, organised under the chairmanship of Sri. M.M.Hassan, Former Minister, Government of Kerala and senior leader of the State, is conceived as a common platform for all the public functionaries who are willing to spare their time for working towards national development. This Sustainable Development Mission aims at involving the people in the development sectors and thereby to extend the development initiatives to the grass root level (www.janasree.in). Under Janasree, SHGs are formed both for men and women in the district of Kottayam . It focuses on micro credit, micro enterprise, micro insurance and other poverty alleviation programmes. Women empowerment is a major focus of the programme.

2.2.3. Changanacherry Social Service Society (CHASS): Community based organization

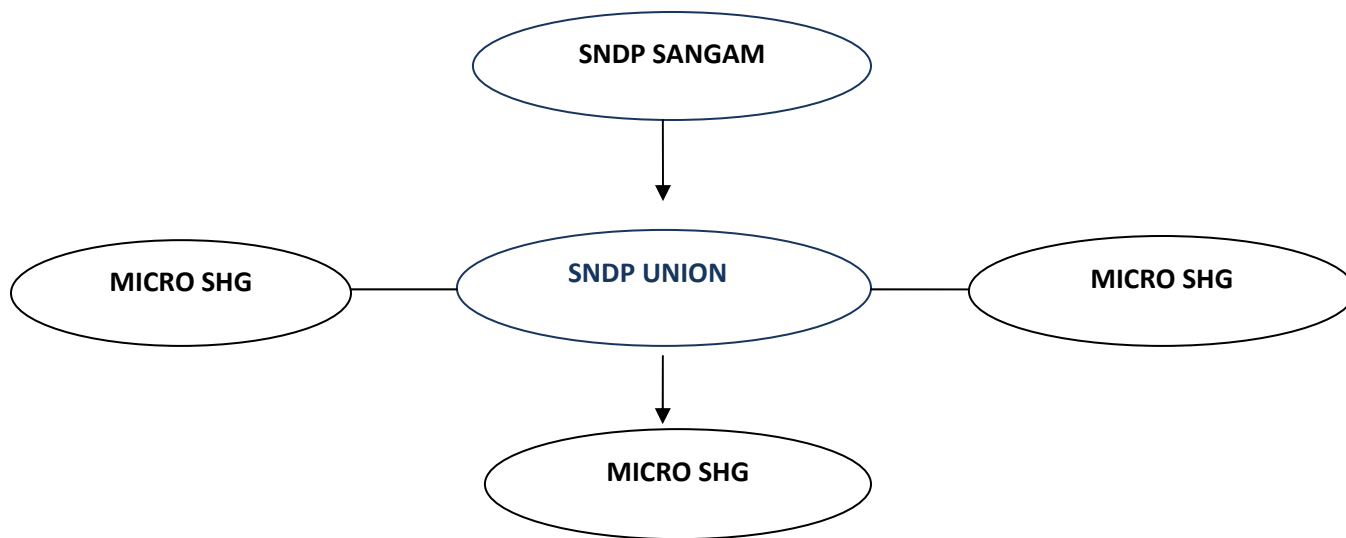
Changanacherry Social Service Society (CHASS) is a social work programme promoted by Syro- Malabar division of Catholic Church under Archdiocese of Changanacherry. It operates in a sizable territory in the state of Kerala extending up to the Tamil Nadu boundary in the south, in the districts of Kottayam, Alappuzha, Pathanamthitta, Kollam, and Thiruvananthapuram, corresponding to the ecclesiastical domain of the Archdiocese of Changanacherry. CHASS was established in 1966 and has a long experience in community development and social welfare activities. A large number of SHGs, both women and men based, are promoted by CHASS in Kottayam district. These SHGs are formed under the leadership of local CHASS units. While Women SHGs of a village together make a Mahila samajam, men SHGs are federated under Indian Farmers Movement (INFARM). All the development activities of CHASS are channeled through these grass root level people's organizations. National Bank for Agriculture and Rural development (NABARD) has recognized CHASS with State Award for the best performance under SHG- Bank linkage programme in three consecutive years from 2000. The major activities of SHGs include micro credit, livelihood and micro enterprises.

2.2.4. Sree Narayana Dharma Paripalana (SNDP) Sangam : Community Organization Sponsored Programme

Sree Narayana Dharma Paripalana (SNDP) Sangam is a powerful organization of Ezhawa community in Kerala. In Kerala the SNDP has a large number of social development projects including educational institutions and hospitals. Of late, it has started SHG programmes namely, Micro SHG in many districts including Kottayam. As shown in the figure Micro SHG is attached to SNDP union and federated with SNDP Sangam.

Figure: 2.2

Structure SNDP SHGs



Source: Field Survey

The micro finance institutions are functioning under selected SNDP unions. There are several sakha yogams under the union in the district of Kottayam. The SNDP Sangam has initiated several social welfare development initiatives focusing on SHGs. There are over 65,000 Self Help Groups (SHG) all over Kerala. Besides, nurturing the saving habit through Sangham work, the project helps in spreading the religious message. The spiritual and physical progress of each household is for everyone to see. Along with the Micro Finance scheme, the other SNDP projects such as Micro enterprises and Harigeetham are also marking success. There are both male and female SHGs.

2.2.5. Nair Service Society (NSS) SHG programme: Community Organization -Sponsored Programme

The Nair Service Society (NSS) is a community organization of the Nair community in Kerala. It was founded by the late Sri. Mannathu Padmanabhan in 1914 for the welfare of Nair community in Kerala. N.S.S opened an array of educational institutions, hospitals and other socially beneficial institutions all over the state. Of late, it has entered in to the promotion of SHGs of Nair community. Karayogams, village level unit of NSS take active interest in the formation and

activities of SHGs. Youths, women as well as children involve in the activities of SHGs. In Kottayam district the number of SHGs under NSS has just started to increase. (www.nss.org.in).

2.2.6. NGO Sponsored Programmes

It may be noted that SHG programmes, promoted by both religious organizations and political organizations, are formed within the legal framework of NGOs. In addition to these two categories, independent NGOs, without the back up of any religious organization or political organization, have promoted SHGs in Kottayam district. The major objective of SHG programmes promoted by NGOs is however, limited to micro financing and micro-enterprise. These SHG programmes do not work within the framework of any comprehensive poverty alleviation programme. Compared to other promoters, livelihood issues are not given much attention by these NGO promoters. In Kottayam district a few NGOs have promoted SHGs. For instance, women SHG network under the name of VICIB working in more than 100 panchayats in Kerala is sponsored by Sandhya Development Society, an NGO. (<http://sandhyakerala.com>). Sandhya Development Society promoted micro financing and micro enterprises in this district.

2.3. Sources of Data in Kottayam District

2.3.1. SHG promoters

Promoters of SHGs are the main source of data in the district of Kottayam. Various categories of these promoters are listed below.

2.3.1. 1. Government Agencies

Panchayati Raj Institutions: Gram Panchayats keep all the information of SHGs formed under Kudumbashree programme. Kudumbashree network is linked to local self government institutions in the state of Kerala, structurally and operationally. The President of the gram panchayat is the patron of the CDS, the village level body of Kudumbashree SHG. The standing committee chairperson (welfare), all women members of the panchayats and the Secretary of the gram panchayat are ex-official members of the CDS. The block panchayat member/members of the respective Block division/divisions are also ex-official members of the CDS. Area Development Society (ADS), the ward level body Kudumbashree SHG, has strong linkages with both rural and urban local government institutions. The elected member of the respective ward of the gram panchayat is the patron of the ADS. A separate Monitoring and

Advisory Committee is constituted with ward Councilor as chairperson in municipalities /corporations. ADS is formed at ward level by federating 10-15 NHGs is the second tier.

In addition, elected representatives of a Gram Panchayat are in a position to provide minimum information of SHGs functioning in their respective ward. The president of a Gram Panchayat can provide minimum information of SHGs, promoted through government programmes. In addition, block Panchayat and district Panchayat can also provide vital clues.

Kudumbashree District Mission

Kudumbashree programme is managed by a state level mission and 14 district level missions. Kottayam district has a Kudumbashree District Mission. The district mission consists of a team of government officials. It keeps all the details of SHGs formed under the programme.

2.3.1.2. Community Organisations

Community Groups such as Ezhawas, a backward community, Nairs, a forward community and Syro-Malabar Catholics Christians promote SHGs of their respective community. NSS units at village level – Karayogams, SNDP units at village levels- Sakhas, Christian church units at village level- parish are the main sources of data. They can provide a reasonable level of information about SHGs in a gram panchayat.

2.3.1. 3. Political Parties

Most of the political parties have directly or indirectly connected with one or the other SHG programmes. These include Congress (I), CPI (M) and BJP. Units of Political parties at gram, block or district level can provide information about the functioning of SHGs.

2.3.1.4. NGOs

The various NGOs in the district of Kottayam can be approached for the data on the Self Help Groups promoted by them. Some NGOs are confined mostly to a few areas or remain rather scattered. Therefore, it is crucial to approach the office bearers of the NGOs rather than their district heads. NGOs have an organised structure and a practice regular audits and book keeping activities. They can be approached for the data that would be an essential source and give an insight into the structure and functioning of SHGs.

2.3.2. SHGs

In Kottayam district all the major SHG programmes have federated SHGs. All of them have either 3-tier or 2-tier structure. The basic units in federations are 'groups of women/ men', which are most commonly known as SHGs. Primary level federations are typically village level, sub-village level, Panchayat level or cluster of villages level federations of 'basic units'. Secondary Level Federations are federations of Primary level federations. It may be noted that Kudumbashree programme has a state level mission also.

2.3.2.1. SHG Basic Unit

A single Self-Help Group is itself an important source of data. The office bearers of various SHGs along with their members can provide a more comprehensive insight into the working of their SHG. The office bearers of the SHG can provide information on the problems the SHG is facing, their financial status and the steps that can be taken for future benefit of the group.

2.3.2.2. SHGs Federations/networks

The office bearers and members of Primary level federations and Secondary level federations are important sources of data.

2.3.3. Banks

In the district all the commercial banks deal with the financing of SHGs. Though they are not promoters of SHGs they provide the banking facilities to SHGs. SHGs open and maintain saving bank accounts with commercial banks. Commercial banks provide loan to SHGs under bank linkage programmes. Hence, branch of a commercial bank can provide relevant information about SHGs in their service areas.

2.3.4. Others

There are several other sources of data in the district of Kottayam. They include Anganwadi workers, health workers, social workers, prominent Citizens, Scholars, Academicians and social activists. All these people can provide some or the other form of information on the SHGs in their respective areas.

2.4. SHG Programmes in West Bengal: Case Study of West Bengal with special reference to North 24 Parganas

North 24 Parganas is one of the 18 districts of West Bengal. It is significant to note that the district has a strong presence of SHGs compared to several other districts. From the district of North 24 Parganas in West Bengal, Sandeshkhali II block and Minakhan block were also selected for in depth analysis of structure and functioning of SHGs. These two blocks were selected using case study method. During our preliminary discussions with various stakeholders it was indicated that SHGs were active in these blocks compared to others.

2.4.1. SHGs: Promotional agencies

Broadly there are three types of promoters – Government agencies, NGOs and banks. Promoters are from government departments (panchayat & rural development department, women development undertaking, forest department, etc.), banking communities, cooperatives and non-government organizations. The major banking service providers are: SIDBI, NABARD through different banks, Rashtriya Mahila Kosh (RMK), Commercial Banks including private sector Banks, Regional Rural Banks and Cooperative Banks. Commercial Banks and Regional Rural banks played a crucial role in the formation of SHG and SHGs-Bank Linkage Program in Andhra Pradesh while it was Cooperative Banks who played such a role in West Bengal (*Dr. Jyotish Prakash Basu*).

2.4.2. Department of Self Help Group & Self Employment: Government of West Bengal

In West Bengal, Department of Self Help Group & Self Employment under the charge of a full-fledged cabinet minister was set up by the State Government in July, 2006 with the objective to co-ordinate work relating to Self Help Groups. There is a separate minister holding the charge. It primarily promotes the interest of SHGs in the state. For instance, it had introduced interest subsidy scheme for all SHGs in West Bengal.

2.4.3. Formation of SHGs in different programmes

North 24 Parganas has active presence of SHGs formed under different schemes. SHG movement has had a late start in the state of West Bengal. Unlike Kerala SHG programmes, in West Bengal is limited to government supported programmes, cooperatives, banks and NGOs. Religious organizations and political parties have not yet entered in to areas of SHG promotion.

However, as in other Indian states, SHGs have been formed programme-wise in West Bengal. The SHG programmes in North 24 Parganas can broadly be divided into SGSY and non-SGSY SHGs. The two major programmes which had been supporting the movement are 1) the SGSY and 2) the NABARD supported SHG-Bank Linkage programme. In addition, the Forest department has facilitated large numbers of SHGs for their own economic development as well as giving a new vigor in forest protection and preservation. West Bengal Women Development Undertaking has also carried out women focused SHG initiative to enhance economic, health, nutrition and education status for women using access to micro-credit and convergence for services. The Backward classes Welfare Department is also assisting the scheduled castes and scheduled tribes, and other backward classes to form Self Help Groups for economic development by providing training, infrastructure, and institutional finance. There are similar programmes for minorities implemented through the Minorities Development and Finance Corporation. The Cottage and Small Scale Industries Department has a scheme named Deen Dayal Hathkharga Pratsahan Yojana to provide support to handloom weavers through Self Help Groups recognised by State Handloom Cooperation and Apex Handloom Weavers' Co-operative Society in the form of capacity building, infrastructure and financial assistance. Similar support is provided to self-help groups of artisans through another scheme known as Baba Sahib Ambedkar Hasta Shilpa Vikash Yojana. Under the watershed projects being implemented by the Panchayat and Rural Development Department, formation of Self Help Groups and users groups have been conceived as grass root level organisations. Director of sericulture has been implementing a scheme under which support is provided to self help groups in the form of capacity building and institutional finance. The department of Food Processing & Horticulture is also encouraging groups of poor and marginal farmers. Animal Resource Development Department use SHG concept to organise and strengthen poor and marginal section of the society into women's dairy cooperatives, which are ultimately linked up with marketing co-operatives and processing industries.

Under the non-government category, organisations like CARE promoted informal SHG banking. The process is based on identifying and empowering selected Self Help Promotion Institutions (SHPI) in promotion and nurturing SHGs and initiate SHG-banking. Presently, about 7,000 groups have been promoted by 9 partnering SHPIs under CASHE project of the CARE and the institutionalization of federations with a focus on community owned sustainable micro-finance model, is providing a lot of learning experience for the sector. Alternative microfinance

institutions are also being developed by MF promoters such as SIDBI. In the district of SHGs in North 24 Parganas, there are single tier SHGs, 2 tier and 3 tier SHGs. The structure of a single SHG is different from the structure of SHG federations. There are Panchayat level federations of SHGs that are formed by some promoters. There is an effort recently by the government to converge different SHGs in North 24 Parganas as well as in other districts of West Bengal. In some districts a cluster of SHGs are formed at GP level with 50-60 SHGs. A federation of the nature of a registered society is formed at the block if the number of groups exceed 100. Similar structure is formed at the district level, with DRDC, Zilla Parishad to be its nodal agency.

Table 2.3
SHGs - West Bengal

Sl.No.	Districts	March-2009
1	Bankura	19992
2	Birbhum	21246
3	Burdwan	37344
4	Coochbehar	15962
5	Darjeeling	9848
6	Dakshin Dinajpur	7587
7	Uttar Dinajpur	16127
8	Hooghly	34835
9	Howrah	22265
10	Jalpaiguri	18549
11	Malda	24123
12	Purba Medinipur	31794
13	Paschim Medinipur	23501

Sl.No.	Districts	March-2009
14	Murshidabad	33819
15	Nadia	35313
16	Purulia	11974
17	North 24 Parganas	62296
18	South 24 Parganas	45981
Total		472556

Source: SHG Resource Centre: Self Help Promotional Forum and SLBC-West Bengal

2.4.4. SHGs under Swarnajayanti Gram Swarojgar Yojana (SGSY) Programme

A significant number of SHGs were formed under SGSY Programme. SHG formation under SGSY, a centrally sponsored programme, is implemented by Panchayats & Rural Development Department (P& RDD), Government of West Bengal. So P& RDD is the promoter of SHGs under SGSY. Under this programme in each Gram, SHGs are formed by Gram Panchayat. Gram Panchayat is the local executor of the programme. SHGs are nurtured by Resource persons engaged by Gram Panchayat. It is a BPL focused programme. A group consists of 10 to 20 members. In case of minor irrigation and disabled persons this number ranges from 5 to 20. All members of the group belonged to families below the poverty line (BPL). However, a maximum number of 20 percent and in exceptional cases, up to a maximum of 30 percent of the members may be taken from families marginally above the poverty line, provided they shall neither be the office bearers and nor are they entitled to subsidy. A group shall not consist of more than one member from the same family. A person should not be a member of more than one group. Willful defaulters are not entitled to benefits of SHGs. The amount of voluntary saving by a member per month is to be decided by the group. A Savings Bank account is to be opened in the service area Bank Branch and the amount of savings is to be credited there regularly. Internal lending among the members of the group is to be done. Rate of interest is to be fixed by the group. It may be noted that 50 percent of the groups formed in each block should be exclusively for women.

For Groups formed by Gram Panchayat under SGSY, Gradation system exists. After six months of formation of groups it is supposed to pass on to Grade A and then after one year to Grade B. Grading is being carried out by PRIs, BDOs and Banks. SHGs get interest free loan along with subsidies. The SGSY programme has supplied production loan to the members of SHGs. The loans have been supplied through the Nationalized Commercial Banks in the name of the Self-Help Group. Most of the SHGs under the programme were formed by conversion of groups created under Development of Women and Children in Rural Areas (DWCRA).

Under SGSY, the individual beneficiaries and members of SHGs are called Swarozgaris. DRDAs initiate and sustain the process of social mobilization for formation, development and strengthening of SHGs through facilitators viz. NGOs, CBOs, Banks, Community Coordinators, Animators and SHPIs. The loans are treated as joint liability of the members of the group. In 2009-10 National Rural Livelihoods Mission was launched to facilitate SGSY programme resulted in the fast growth of number of SHGs in the State, as it has grown from 11,303 in March 2006 to 2, 92, 430 in June 2010.

In 2011 National Rural Livelihoods Mission was launched to facilitate the effective implementation of the restructured SGSY scheme in a mission mode. As several agencies promote SHG programmes on different pattern state of West Government is in the process of devising strategies to introduce convergence of different SHG programmes under the National Rural Livelihoods Mission

2.4.5. SHGs under Non-SGSY Programmes

2.4.5.1. SHGs under Primary Agriculture Cooperative Societies (PACS)

The West Bengal Government, under relevant provision of the West Bengal Co-operative Societies Act, 1983, permitted the Primary Agriculture Cooperative Societies (PACS) to enroll Self-Help Groups as members of the PACS under two separate notifications in May 1995. This was done on the recommendations of the Agricultural Credit Review Committee as a part of the programme for implementation of Business Development Plan (Khusro Committee). The central Co-operative Banks act as the facilitators and the State Co-operative Bank as the coordinator (*Government of West Bengal-Department of Cooperation* <http://coopwb.org/self-help-group.php>). Subsequently, Self-Help Groups in the Co-operative Sector in West Bengal assumed the shape of a movement in the State. PACS had promoted SHGs in a big way. About

40 percent of the total SHGs in West Bengal are formed by the cooperative sector (SHG Resource Centre, 2010). SHGs promoted by PACS constitute a significant portion of SHGs in the district of North 24 Parganas. Periodical meetings, regular savings, rotation of leadership, united efforts on social issues and group dynamism which develops amongst the SHG members are the attractive features of these SHGs. All the SHG members are eligible for credit-linkage through the PACS programme. It may be noted that the cooperative sector does not permit recycling of the savings of SHGs for on-lending to their own members.

2.4.5.2. Other Departmental Initiatives

Women Development Undertaking has promoted SHGs through departmental initiatives like Swaymsidha. Several SHG groups were formed by government departments like Health, social Welfare, Rural development, Fisheries, etc. It is found that such SHGs have been functioning in the district of North 24 Parganas.

2.4.5.3. Banks

Of late, commercial banks have started promoting the formation of SHGs in the state of West Bengal. These include State Bank of India, Punjab National Bank and ICICI Bank. They provide various mentoring services as well as include the training to members of various SHGs. Most of the commercial banks have started promoting SHGs with a focus on micro financing. These banks provide regular training and orientation to SHG members. The district of North 24 Parganas has SHGs promoted by commercial banks.

2.4.5.4. NGOs

Several NGOs have formed SHGs and the federation of SHGs. Centre for Development of Human Initiative (CDHI) had formed SHG federation in the name of Uttar Banga Tarai Mahila Samiti to cover three districts of Jalpaiguri, Cooch Behar and Darjeeling in West Bengal. In 1996, DWCARA Group Samannay formed DWCARA SHG groups as a federation. PRADAN formed SHG federation in Purulia district in July 2007. In 2009, Kajla Janakalyan Samity promoted Malancha Mahila Mahasangha as SHG federation. In the same year, TMSNKS, another agency in West Bengal had set up another federation of SHGs under the name Basundhara Nari Kalyan Samiti. It may be noted that SHG federations also exists in the district of North 24 Parganas.

2.4.6. Role of Panchayats in SHGs

SHGs have become a formal part of Panchayat functioning through gram unnayan samity in 2005. There has been an increase in rate of women attendance in the meetings of gram sansad (booth level) and gram sabha (GP level) which is entirely due to functioning of SHGs.

Some Panchayats have extended loans to SHGs at a low rate of interest. For instance, in Sandeshkhali II of North 24 Parganas district several SHGs promoted by Youth Development Centre have availed such loans. In order to provide solution to certain operational problems of SHGs, Several Gram Panchayats have employed resource persons with SHGs.

2.4.7. Activities of SHGs:

In the district of North 24 Parganas, SHGs primarily engage in both marketing and economic activities. In addition, most of them carry out non- marketing and non- economic activities also.

2.4.7.1. Micro Credit Programme

In the district of North 24 Parganas, as in other parts of West Bengal, SHG-based MF activities took momentum from 2000 onwards on account of:

1. Launching of Swarnajayanti Gram Swarojgar Yojana – SGSY
2. Taking off SHG-Bank Linkage programme,
3. Admitting SHGs as members of Primary Agriculture Cooperative Societies
4. Support given to MFIs by SIDBI
5. Initiation of SHG based MF project of CARE

Almost all SHGs are engaged in micro-finance activities such as savings and credit.

2.4.7.2. Micro enterprises and Livelihood activities

It may be noted that some of the government schemes have helped SHGs in setting up micro enterprises. For instance, Department of Self-Help Group and Self-Employment introduced interest subsidy scheme for SHGs. Recently some of the SHGs have added insurance activities also. Of late, insurance service providers in both life and non-life segment, like subsidiaries of GIC, Private Insurance Companies and LIC have been coming forward with their services for the members of SHGs. There are SHGs dealing with Collection of bills as agents of the West Bengal Electricity Distribution Company Ltd. against commission.

The economic activities undertaken by the SHGs include agricultural activities such as paddy cultivation or fishery on oral lease of land or water-area, backyard poultry, duck-rearing, pig-rearing, goat-rearing, dairy and food processing. Another activity is agricultural processing and marketing that includes marketing of packaged indigenous rice, cashew nuts, spice powders, jam, jelly, pickles, etc. SHGs engage in cottage industries such as cane and bamboo works, sewing and tailoring, embroidery, brass metal art-work, door mat making, jute bag and soft toy making etc. Other economic activities include agricultural input productions such as vermicompost and bio-fertilizers, nursery, hawking and vending of agricultural produces, garments, grocery, etc.

2.4.7.3. Health and Child Welfare

SHGs have been actively involved in the Community Health Care Management Initiative. SHGs are involved by Gram Panchayats, the Health and Family welfare Department and the Women and Child Development and Social Welfare department in carrying out activities to improve the quality of public health including reproductive and child health in the rural areas. SHGs are also playing a major role in delivery of midday meal to school children.

2.4.7.4. Social Activities

It is reported that SHGs have involved in fighting against social evils. Some of the SHGs have carried out campaigns against social malpractices such as child marriages, girls trafficking, dowry and domestic violence.

Table 2.4
SHGs & SHG Linked Finance: West Bengal, Andhra Pradesh and India

Sl. No.	Particulars	West Bengal	Andhra Pradesh	India
1	No. of SHGs	647059	1448216	6953250
2	Saving Amount (Rs. in Lakh)	59486.85	125528.98	619870.89
3	Average saving per SHG (Rs)	9193.42	8667.84	8914.84
4	No of SHGs secured Bank Loan	123520	564089	1586822
5	Total Bank Loan disbursed (Rs. in Lakh)	53422.23	670664.32	1445330.36
6	Average Bank Loan disbursed per SHG (Rs)	43249.86	118893.35	91083.33
7	No. of SHGs having Outstanding Bank Loan	507782	1471284	4851356
8	Total Bank Loan outstanding (Rs. in Lakh)	132692.77	1173953.62	2803828.07
9	Average Bank Loan outstanding per SHG (Rs)	26131.84	79791.10	57794.73
10	Amount of Gross NPAs (Rs in Lakh)	2912.23	15141.92	82304.14
11	% NPA	2.19	1.29	2.94

Source: SHG Resource Centre: Self Help Promotional Forum and Status of Micro Finance in India 2009-10

Table 2.5
Panchayati Raj Institutions in North 24 Parganas

Division	Number
Zilla Parishad	1
Panchayat Samity	22
Gram Panchayat	200
Gram Sansad	2603
Gram Unnayan Samity	2603

Source: Panchayat and Rural Development Department, West Bengal

2.5. Sources of Data in North 24 Parganas

2.5.1. SHG promoters

Promoters of SHGs are the main source of data in the district of North 24 Parganas. Various categories of these promoters are listed below.

2.5.1.1. Government Agencies

Gram Panchayats keep all the information of SHGs formed under SGSY -programme. In addition, elected representatives of a Gram Panchayat are in a position to provide minimum information of SHGs functioning in their respective ward. The president of a Gram Panchayat can provide minimum information on SHGs promoted through government programmes. In addition, intermediate Panchayat and district Panchayat are in a position to provide critical information about SHGs. A large number of SHGs in the district of North 24 Parganas are formed by the cooperative sector. Cooperatives as promoters of SHGs can provide critical information about SHGs in their area.

2.5.1.2. Banks

Of late, commercial banks have started promoting SHGs. Most of the commercial banks in the district of North 24 Parganas have financial dealings with SHGs. As SHG linked micro credit

activities have become popular in the district. Most of the branches of a commercial bank can provide relevant information about SHGs in their service area.

2.5.1.3. NGOs

Various NGOs in the district of North 24 Parganas can be approached for the data on the Self Help Groups promoted by them. Most of these NGOs keep the information properly. They can be approached for these data which would be an essential source of data and give insight on the structure and functioning of SHGs.

2.5.2. SHGs

2.5.2.1. SHGs Clusters and Federations

In North 24 Parganas district, most of the SHG programmes have federated SHGs. All of them have either 3-tier or 2-tier structure. Some of these SHG Federations are at a formative stage in the district. GP cluster, block level cluster and district level federations are being formed for some of the SHG programmes. The office bearers and members of these clusters and federations are important sources of data.

2.5.2.2. SHG basic unit

The basic unit of SHG clusters or federation is a single SHG. A single Self- Help Group itself is an important source of data. The office bearers of such single SHG can provide a more comprehensive insight on the workings of their SHGs. In exceptional cases, even ordinary members of an SHG can provide information on their SHGs.

2.5.3. Others

There are several other sources of data in the district of North 24 Parganas. They include social and political activists, Anganwadi workers, health workers, social workers, prominent Citizens, school teachers, Scholars and Academicians. All these people can provide some or other forms of information on the SHGs in their respective areas.

2.6. Complexities in Data Collection:

There may be variations in regard to records available with SHGs promoters, bank, etc. Reluctance in providing data on financial figures may be another serious problem. In some places there may be some difficulties in identifying the original promoter. This difficulty is in

identifying SHGs with a particular promoter due to the claim for affiliation and support by more than one Self Help Group Promotion Agency. Some of the SHG members may be sensitive in providing financial data and giving long interviews as it would impose an unwarranted burden on their time. These problems can be overcome by formulating appropriate strategies, especially for creating awareness about the needs and uses of SHG database among various stakeholders.

Creating a Database of Self Help Groups: Methodology

This chapter, drawing lessons from case studies of Kerala and West Bengal, analyses the critical issues of developing methodology for creating a database. It presents a new methodology that covers diverse sources of data of SHGs, major variables for data collection and method for collecting data. In addition, the chapter briefly explains the applicability of the formulated methodology in different States.

3.1. Developing Methodology: Operational Issues

In order to develop a methodology it is pertinent to understand the essential features of SHGs. SHG is a group in which members provide each other with various types of help for a particular shared cause. People banded together to develop their chances for improved existence by pooling their social and economic resources. They are composed of peers who share a similar problem or interested in a focal issue such as micro credit, education, health and employment. These groups are organized and led by lay people, rather than professionals. However, professionals of various kinds lead SHGs in exceptional cases. An SHG normally has 10-20 members, while one member represent a family and therefore an SHG covers 10-20 families. For example, SHG on finance is a village based financial intermediary usually composed of between 10-20 women, covering 10-20 families. Most SHGs are voluntary, peer-led and informal. As SHG is not a household-based entity, a household survey is not feasible to capture the information.

3.2. Methodology

3.2.1. Identification of SHGs- Snowball Sampling Technique

Generally, a village has varied SHGs in terms of promoter, membership, activities, etc. One single SHG will give lead to other SHGs. In respect of networks one tier lead to another tier in the same network. Similarly one SHG network will lead to another SHG network. There are chances that one promoter of SHG could lead to another SHG promoter. This is called snowball sampling technique. In statistics research, snowball sampling is a non-probability sampling

technique. The sample group appears to grow like a rolling snowball. As the sample builds up, enough data is gathered to be useful for research. This sampling technique is often used in hidden populations which are difficult for researchers to access. It was widely believed that it was impossible to make unbiased estimates from snowball samples, but a variation of snowball sampling called respondent-driven sampling has been shown to allow researchers to make asymptotically unbiased estimates from snowball samples under certain conditions (Goodman 1961). As opposed to other sampling methods snowball sampling has certain advantages. It will enable surveyors to include people in the survey that they would not have known. It will also help in locating people of a specific population if they are difficult to locate, sometimes even quickly. By using this sampling technique all the SHGs operating in a village can be identified. It is important to make the methodology cost-effective. The proposed sampling technique is, indeed, quite cost-effective. This can be replicated in other Indian states. There are state level variations in respect of SHG programmes and functioning and it is essential to evolve a methodology which can be replicated elsewhere.

SHG promoters, SHG facilitators and SHGs are the three broad categories of entities that can provide information on SHGs.

3.2.1.1. SHG Promoters, Facilitators and Financiers

It is important to understand the nature of promoters of SHGs in different States and the role of these promoters in setting up and strengthening network or federations of SHGs. It is possible to use information on promoters as a way to capture details of each SHG in a village. Promoters of SHGs are the main source of SHG data. Various categories of these promoters are listed below.

3.2.1.1.1. Panchayati Raj Institutions and other Government Agencies

In recent years specialized agencies are being established in many states to promote the SHGs programme. SHG mode of Poverty Alleviation programmes is administered by different Departments of the State Government and Central Government. Local Governments play a significant role in the implementation of many of these programmes. This apart, NABARD has set up SHGs in different states. Gram Panchayats keep all the information of SHGs formed under government programme in their respective area. What is important to understand is that elected representatives of a Gram Panchayat will be in a position to provide a minimum

information of SHGs functioning in their respective wards. These SHGs include SHGs formed under government and non government programme. Our experience shows that the president of a Gram Panchayat can provide reasonable level of information about SHGs in the respective villages. In addition, intermediate Panchayat and district Panchayat are in a position to provide critical information about SHGs.

3.2.1.1.2. Banks and Cooperatives

Most of the commercial banks have financial dealings with SHGs. As micro credit linkage activities has become popular. Most of the branches of commercial banks can provide relevant information about SHGs in their service area. Banks under cooperatives provide banking services to SHGs in some villages. In some states banks and cooperatives are the promoters of SHGs. It can be safely concluded that banks and cooperatives can provide critical information about SHGs in the area.

3.2.1.1.3. NGOs

A large number of NGOs, big and small, in the country have promoted SHGs. In the execution of various SHG programmes, several government and non government agencies are involved. In some cases the major promoters made an exit after introducing some measures to make them sustainable. As a result, in several cases, local execution agencies or local NGOs provide continuous support services to SHGs by pooling resources locally or from some funding agencies. In villages, by and large, agencies under the category of local promoters or local execution agencies can be approached for the data. Most of them keep the information properly. They would be essential source of data and give insight on the structure and functioning of SHGs.

Some NGOs are confined mostly to a few areas or remain rather scattered. Therefore, it is crucial to approach the office bearers of the NGOs rather than their district heads. Most NGOs have an organized structure a practice regular audits and book keeping activities. They can be approached for these data would be essential source of data and give insight on the structure and functioning of SHGs.

3.2.1.1.4. Community Organisations

In some states Community Organization promote SHGs of their respective community. They can provide a reasonable level of information about SHGs in a village.

3.2.1.1.5. Political Parties

In a few states political parties are directly or indirectly connected with SHG programmes. Units of Political parties at gram, block or district level can provide information about the functioning of SHGs.

3.2.1.2. SHGs

3.2.1. 2.1. SHGs Clusters and Federations

The spread of SHGs has led to the formation of SHG Federations which are a more sophisticated form of organization that involve several SHGs forming into Village Organizations or Cluster Federations and then ultimately into higher level federations or SHG Federations generally. SHG Federations are formal institutions while the SHGs are informal. Many of these SHG federations are registered as societies, mutual benefit trusts and mutually aided cooperative societies. Federations resulted in several key benefits for SHGs including stronger political and advocacy capabilities, sharing of knowledge and experiences, economies of scale and access to greater capital

A federation is an association of 150-200 SHGs at the block level. Often, the SHG clusters associate together to form a SHG federation. A SHG federation is a legal body registered under either Societies Registration Act of 1860 or Indian Trust Act, 1882. The SHG federation acts as an NGO to represent the members' interest in front of various stakeholders /institutions /organizations/ Government (banks, municipality administration, district administration, development agencies like NGOs and donors etc). It works as a lobby and advocacy body on behalf of the SHG members. It facilitates various development issues like health, education etc.; and organizes seminars, workshops, training programmes for the member SHGs. The SHGs are members of a federation. The source of fund of federation comes from loan from apex banks, loan from development banks, membership fees, equity, service charges, and interest accrued on the disbursed loan grants from development agencies, grants from Government, etc.

SHG federations/ network are being promoted by government and non government agencies. These federations have different tiers and it is important to remember that each tier of SHG network can provide adequate data for setting up database.

It is important to understand that most of the SHG programmes have federated SHGs. All of them have either 3-tier or 2-tier structure. Some of these SHG Federations are at a formative stage in some states and districts. GP cluster, block level cluster and district level federations are being formed for some of SHG programmes. The office bearers and members of these clusters and federations are important source of data

3.2.1.2.2. SHG Basic Unit

There are SHGs without any network. In such cases an SHG limit its operation to its single unit. Office bearers or even ordinary members of each SHG can provide data on such SHGs. The basic unit of SHG clusters or federation is the single SHG. A single Self- Help Group itself is an important source of data. The office bearers of such single SHG can provide a more comprehensive insight on the workings of their SHG. In exceptional cases, even an ordinary member of an SHG can provide information on their SHGs.

3.2.1.3. Other Agencies and Individuals

There are other sources which can provide data on SHGs in a particular gram panchayat area. There are several other sources of data. They include social and political activists, Anganwadi workers, Asha workers, cultural organizations such as youth club, prominent citizens, etc.

3.2.2. Data Collection: Census Method

Data can be collected using the Census Method by covering all the SHGs in a Gram Panchayat area under the survey. The survey of SHGs is to be carried out by using pre- designed schedule/ schedule which is an inexpensive way to collect data\ information from the large number of respondents. Questions can be designed to gather either qualitative or quantitative data. Two sets of schedules can be used to canvass the information. One meant for collecting gram panchayat level data on SHGs and the other for data on a particular SHG. In the case of the first schedule the informants are office bearers of SHG/SHG network, member or president of panchayat, block, district, official of State Government, official of panchayat, former office bearers of SHG/SHG network, former member or president of panchayat, block, district, retired officials, etc. This schedule will help to elicit information on the various SHG programmes existing in a particular village. The second schedule is meant for members, present and former office bearers of SHG or SHG network. This schedule can be used to collect information on a specific SHG from respondents. Steps are to be taken to ensure proper reporting while

collecting data on SHG characteristics. Issues of underreporting or misreporting are likely to arise. Counterchecking can be made by collecting the same data from more than one sources.

Instead of self-administered schedule, interview mode will be used for data collection. It is ideal to collect data by carrying out personal interview.

3.2.3. Data Collection: Major Variables

It is quite significant to identify variables for data collection. These include both village level and SHG level data. Some of the major variables are listed below:

3.2.3.1. Variables for Gram Panchayat Level data collection

1. Number of SHG programmes in a gram panchayat
2. Number of SHGs in a gram panchayat
3. Number of SHGs formed under each programme/scheme
4. Number of SHGs formed during the last one year
5. Number of SHGs defunct or not successful
6. Performance of SHG in a gram panchayat
7. Membership Pattern in a gram panchayat
8. Economic Activities of SHGs in a gram panchayat
9. Non- Economic Activities of SHGs in a gram panchayat
10. Role of SHGs in Gram Sabha
11. Role of SHGs in Social Audit.

3.2.3.2. Variables for SHG Level data collection

1. Name of the SHG programme
2. Name/Nature of Promoter
3. Membership pattern: Total members in the unit: woman members in an SHG: BPL members in an SHG: How many members belong to SC/ST categories: How many members belong to Minorities: Single caste SHG: Minority SHG: Exclusiveness of membership such as women SHG, Men SHG, youth SHG, SHG of handicapped people, etc.
4. SHG Meeting Patterns: How often SHG members meet? It can be weekly, fortnightly or monthly, Agenda of SHG meeting.
5. Functional Groups: Active SHGs as percentage of total formed in a Village. Defunct Groups: Inactive SHGs SHGs as percentage of total formed in a Village.

6. Grading of SHGs: Different grades of SHGs
7. Average age of SHGs (in yrs)
8. Average number of members per SHG
9. Functionally literate SHGs.
10. Structure of SHGs: Does SHGs have linkage with other SHGs: SHGs in federation or cluster or network. Does SHG have linkage or network with other SHGs through a cluster, federation, confederation or in any other way? SHGs without federation or cluster
11. Finance : Average monthly savings per member: Average group fund –including profit
Average member savings : SHGs that have had external loans: Average external loans
Internal lending: outstanding per SHG: Average loan per borrowing member: Annual interest rate on loan: Borrowers as a proportion of total members: SHGs lending to non-members:
Thrift Operation of SHG: pooled saving: Credit Operation of SHG: credit from pooled saving and SHGs who have accessed bank credit: Purpose of Loan by SHG members. It can be Day to day expenditure, children education, healthcare, marriage, housing, and working capital, repayment of loan, festival and household items. Annual Income of Members.
Linkages of SHGs with formal financial institutions: Bank Linkage Programmes: Loan Subsidy/Bank loans disbursed to SHGs. What are the requirements for availing bank loan to your SHG?: Average distance from bank (km)
12. Economic activities of SHGs: Income Generating activities of SHG Members What are the income generating activities with which one SHG has been associated through SHG?
Enterprises: SHGs involved in group enterprises: SHGs involved in individual enterprises
13. Non- Economic activities of SHGs.
14. Maintenance of Records/ Accounts: Group Records: Good/adequate quality records: Book keeping by SHG office bearer
15. SHG and political participation: SHGs with members elected/ Elected women representatives of PRIs
16. SHG Participation in Gram Sabha Involvement of SHG in Social Audit
17. SHG Members: Capacity Building and Skill Development
18. SHG and Women Empowerment.
19. SHG and delivery of basic services: Education: SHG and Health: SHG and water Supply: SHG and Road: SHG and Execution of government development programme: SHG and poverty reduction: What are the roles played by your SHG in monitoring of public works/activities, aiding Panchayat in monitoring and evaluation?

20. Quality of SHGs: quality of SHGs in terms of activities and outputs: Intra SHG relations: Inter SHG relations: Inter-group conflict: Cross migration.
21. Social Capital: Various forms of 'social capital' (For instance, features like trust, norms and networks that can help to improve the efficiency of the village by facilitating coordinated actions).

3.2.4. Preparation of Schedule

It is essential to prepare structured schedule to capture relevant information. Two types of schedule can be prepared as listed below.

3.2.4.1 Schedule for Gram Panchayat Level Data of SHGs

The schedule for Gram Panchayat Level Data of SHGs is highly structured with a total of 42 questions regarding the diverse aspects and activities of SHGs in a specific Gram Panchayat. This schedule is divided into four parts A, B, C and D.

Part A is meant for collecting information on the identification particulars of the respondent. It may be noted that respondents include office bearer of SHG/SHG network, member or president of Panchayat, Block, District, official of State Government, official of Panchayat, former office bearer of SHG/SHG network, former member or President of Panchayat, Block, District and retired officials. Part B attempts to capture information on SHG at sub Gram Panchayat level. The details of total number of SHGs, performance wise details of SHGs and membership pattern of SHGs. Part C deals with the question on SHG at village level. In this section question are related to performance and membership pattern of SHGs at Gram Panchayat level. Part D cover questions on activities of SHGs in the Gram Panchayat area. It deals with questions on area of activities, group of beneficiaries, innovative projects, problems and suggestions.

3.2.4.2. Schedule for SHG level data

The schedule on SHG level data is very elaborate with eight parts ranging from A to H. Part A deals with identification particulars of the respondent form SHG. Part B includes questions intended to canvass information on SHG membership pattern. Part C covers questions related to various activities of SHG, the functioning of the thrift and credit societies under SHG, the amount of pooled savings, loans given, bank loans arranged, particulars about the members

availing the loans and the purpose for which the loans are taken. Part D deals with bank linkages and subsidy from Government.

Part E deals with questions to enable the measurement of the 'social capital' generated consequent on the working of SHGs. Part F includes questions on innovative practices of SHGs. Under Part G questions covered are related to relationship of SHG with state government, Panchayat and NGOs. Some miscellaneous questions are included in Part H. The mode of schedule administration is an important determinant of data quality.

3.2.4.3. Schedule Administration: The way in which data is collected will influence its quality. Another issue to which particular attention is paid is the time period covered by the survey. This relates, first, to the question of what part(s) of the year are covered. Particularly for women who are largely concentrated in agricultural activities. The quality of the data collected should not get affected. It is desirable to use simple language in order to maximize response rate. Precaution should be taken to manage non-response on certain questions. While administering qualitative questions utmost care should be taken to capture reliable responses. It is important to maintain the logical flow of questions. Respondent may lose the interest if the logical flow is missing. A well-structured professional training on interview procedures may be given to those selected for conducting the field interview. Mode of data collection by using structured schedule requires proper method of contacting respondents the medium of delivering the schedule to them and the administration of questions. These will have significant effects on quality of data. It is important to reduce biasing effect of mode of schedule administration. *Non-sampling errors* need to be controlled and reduced to a minimum level. These errors non-sampling error can include data entry errors, biased questions in a schedule, false information provided by respondents, biased processing/decision making, inappropriate analysis conclusions and. It is mainly due to adopting wrong procedures in the system of data collection and/or processing.

3.2.4.4. Training Interviewers

Interviewers need a two days training with different sessions. These sessions should cover principles of interviewing, introduction of schedule for this survey, with elaborate explanations of each question. An interview demonstration with a follow-up discussion can be organised in one session. Interviewers can be asked to carry out a pilot survey by interviewing a relative or friend in the evening of the first day. In the first session of the second day interviewer can discuss their

experiences in the sample interview. Demonstration, practical exercises, problem discussion and explanation can form the essential parts of the training programme.

3.2.5. Applicability of the Methodology in Other Indian States

Although the evolution and functioning of SHGs have state level variations, fundamentals and framework of SHG operations are common in all Indian states. All the major SHG programmes in India came up with the patronage of a government or non – government promoter. All of them have a focus on building up of social capital and activities aiming at socio- economic empowerment. A single SHG is the operational unit and the main stakeholder of all these SHG programmes. Considering these factors, we can easily conclude that methodology developed based on the field experiences in Kerala and West Bengal can be made applicable in other Indian states.

3.2.6. Updating the Database of SHGs

Considering the contribution of SHGs in the development of rural community and the continuous growth and expansion of SHG and their networks across the states, the database of SHGs needs a regular and continuous updating. For the updating SHG database the following two options may be examined:

Option 1: Continuous Updating: A dynamic updating of SHG database can be carried out through an appropriate mechanism. Each SHG unit formed under government programmes can be asked to register with Gram Panchayat with an annual renewal. In respect of other SHG units local promoter of the respective SHG should be oriented to ensure the registration and annual renewal with Gram Panchayat or any other appropriate authority. This will ensure a continuous updating of the database. It may be noted that this exercise cannot capture the data of defunct or poorly performing SHGs.

Option 2: A quinquennial updating of SHG database can provide a comprehensive picture of SHGs. This updating can help in a better administration of official data and formulation of government policies and programmes for SHGs.

SHG Data Base in Select Villages: Highlights

In this chapter, we attempt to create a sample database of SHGs using the methodology developed in the previous chapter. As we discussed in the introductory chapter two Gram Panchayats each from the Kottayam district of Kerala and North 24 Parganas of West Bengal were selected for setting up a sample data base. From Kottayam district, these Gram Panchayats are Parathodu Gram Panchayat from Kanjirappally block and Vazhappally Gram panchayat from Madappally block. From the district of North 24 Parganas two Gram Panchayats are Bermajoor II Gram Panchayat from Sandeshkhali II block and Mohunpur Gram Panchayat from the block of Minakhan. The selection of district, block and gram Panchayats was made using case study method. Identification of SHGs was carried using snowball sampling technique. However, census survey method was used to collect SHG data in the selected Gram Panchayats

To start with, let us discuss the number of SHGs with the help of Table 4.1. The total number of functioning SHGs in Bermajoor II Gram Panchayat was 112 against 102 in Mohanpur, 280 in Parathodu and 345 in Vazhappally.

Table 4.1

SHGs in selected Gram Panchayats (Nos.)

Name of State	Name of the District	Name of the Block	Village Panchayat Name	SHGs
West Bengal	North 24 Parganas	Sandeshkali II	Bermajoor II	112
West Bengal	North 24 Parganas	Minakhan	Mohanpur	102
Kerala	Kottayam	Kanjirapally	Parathodu	280
Kerala	Kottayam	Madapally	Vazhappally	345

The gender based classification of SHGs reveals that it was females who had taken majority of memberships in SHGs in all the four selected villages. It is observed that 81 per cent members of SHGs in Bermajoor II Gram Panchayat belonged to females against 78 percent females in Mohanpur, 78 per cent in Parathodu, 82 percent in Vazhappally (See Table.4.2). It is observed that the number of SHGs in a Gram Panchayat in Kerala is much higher compared to West Bengal even after considering the difference in the size of Gram Panchayats in both the states. It may be noted that the size of gram panchayat in Kerala is bigger than in West Bengal.

It should be observed that increasing female participation and dominance of marginalized communities in sharing the benefits SHG programme is a good indication. It is interesting to note that there were SHGs of, though relatively less in Parathodu and Vazhappally, both male and female members in all the four villages. However, we can safely conclude that majority of SHGs in both Kerala and West Bengal is women based SHGs.

Table 4.2

Gender-based Classification of SHGs (%)

Name of the Block	Gram Panchayat Name	100% Female	100% Male	Heterogeneous	Total
Sandeshkali II	Bermajoor II	81	5	14	100
Minakhan	Mohanpur	78	6	16	100
Kanjirappally	Parathodu	78	18	4	100
Madappally	Vazhappally	82	16	2	100

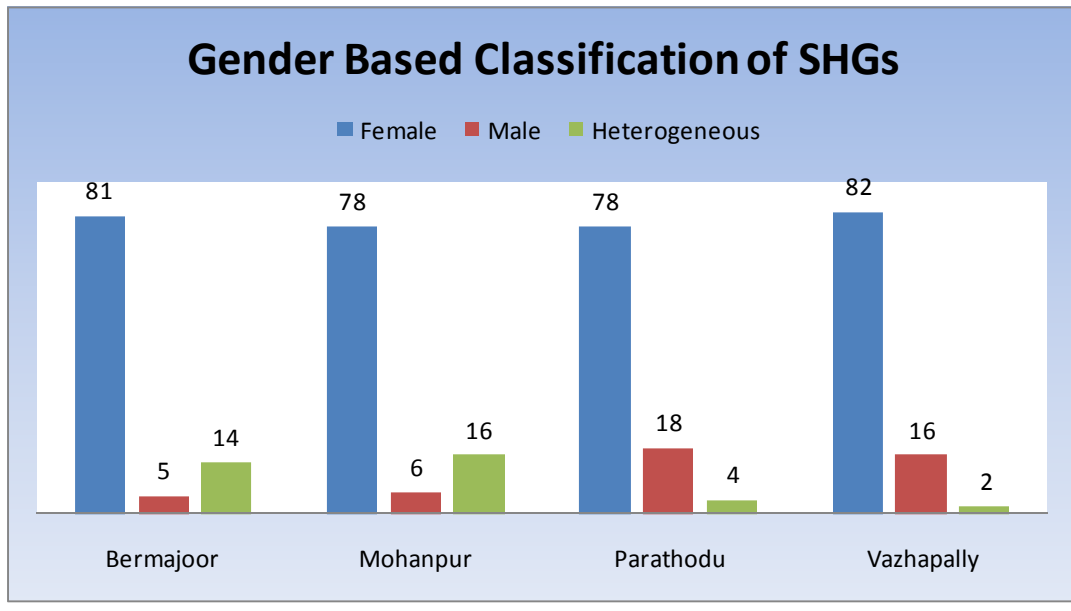


Figure 4.1

We may discuss caste-wise social distribution with the help of Table 4.3. It is important to note that there was presence of SHGs of 100 percent Scheduled Castes members in Bermajoor II (39%), Mohanpur (37%), Parathodu (23%) and Vazhapally (22%). As shown in Table 4.3, Scheduled Tribes had some presence, though small, in SHGs of all the four gram panchayats. However, the presence of SHGs of 100 percent OBC members was relatively high in Parathodu (15%) and Vazhapally (18%). It is noticed that there was an increasing tendency of forming SHGs with members of own caste.

Table 4.3

Caste-Based Classification of SHGs (%)

Name of the Block	Gram Panchayat Name	100% SC	100% ST	100% OBC	Heterogeneous	Total
Sandeshkali II	Bermajoor II	39	3	7	51	100
Minakhan	Mohanpur	37	2	2	59	100
Kanjirapally	Parathodu	23	0.5	15	61.5	100
Madapally	Vazhapally	22	0.5	18	59.5	100

In order to catch the clear picture of other categories of SHGs, we have analyzed the heterogeneous group of SHGs reported in Table 4.3. As is evident from Table 4.4, out of total heterogeneous group of SHGs, SC dominated were in the range of 52 to 57 percent and OBC dominated were in the range of 25 to 31 percent.

Table 4.4

Caste-Based Classification of SHGs: Details of Heterogeneous SHGs (%)

Name of the Block	Gram Panchayat Name	SC Dominated	ST Dominated	OBC Dominated	Others	Total
Sandeshkali II	Bermajoor II	55	5	25	15	100
Minakhan	Mohanpur	52	4	27	17	100
Kanjirapally	Parathodu	57	1	30	12	100
Madapally	Vazhappally	56	2	31	11	100

The educational background of SHG members of the four villages has been well captured in Table 4.5 and Fig 4.2. The analysis of educational background of SHG members of the four villages shows that the majority of SHG members had passed primary or secondary school. It is reported that 2.3 percent SHG members of Bermajoor II, 6.12 percent SHG members of Mohanpur and 3.57 percent SHG members of Parathodu were illiterate. Only a small percentage of 2 percent, 1.5 percent, 6 percent and 5 percent of SHG members of Bermajoor II, Mohanpur, Parathodu and Vazhappally respectively were graduates or post-graduates.

It is remarkable to note that the education level of SHGs in Kerala is higher compared to West Bengal.

Table 4.5

Distribution of Members: Education-Status Wise (%)

Name of the Block	Gram Panchayat Name	No Education	Primary	Secondary	Pre-Graduation	Graduation	Post-Graduation	Total
Sandeshkali II	Bermajoor II	18	45	33	2	1.5	0.5	100
Minakhan	Mohanpur	17	48	32	1.5	1	0.5	100
Kanjirapally	Parathodu	5	25	52	12	4	2	100
Madapally	Vazhappally	3	22	57	13	3	2	100

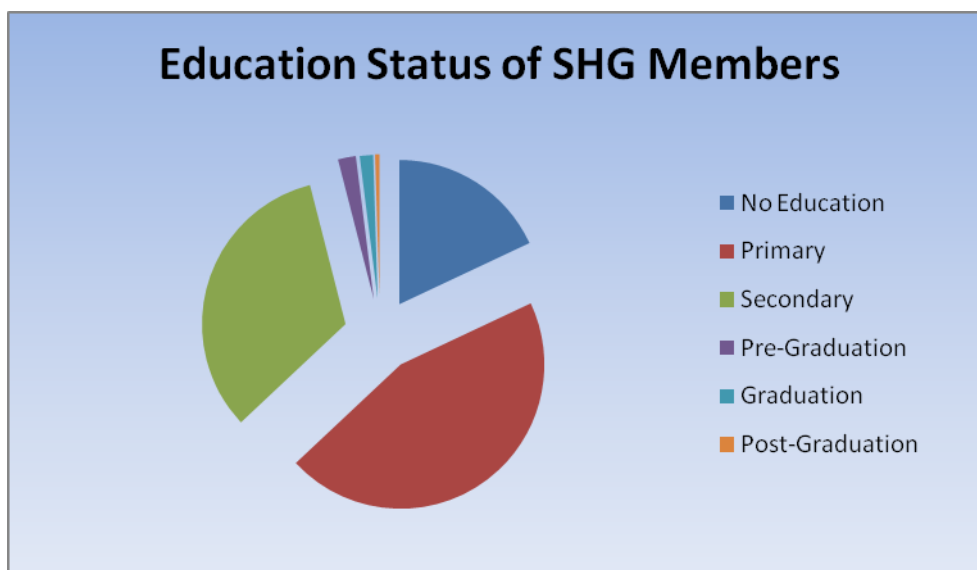


Figure 4.2

The analysis of the financial status of SHG members reveals that 93 percent belong to BPL families in Bermajoor II against 97 in Mohanpur, 65 in Parathodu and 67 in Vazhappally (See Table 4.6). It indicates that major portion of SHG members were under BPL category both in Kerala and West Bengal. However, the domination of BPL categories was quite high in West Bengal compared to Kerala.

It has been reported that the number of APL members in SHGs is quite high in Kerala in comparison with West Bengal.

Table 4.6

Distribution of Members: BPL and APL classification (%)

Name of the Block	Gram Panchayat Name	BPL	APL	Total
Sandeshkali II	Bermajoor II	93	7	100
Minakhan	Mohanpur	97	3	100
Kanjirapally	Parathodu	65	35	100
Madapally	Vazhappally	67	33	100

The age of SHGs has been captured in Table 4.7. Majority of SHGs in all the villages, except Mohanpur, were in operation for more than five years. A significant number of SHGs were operational for less than 3 years in all the four gram panchayats. About 25 percent SHGs in Bermajoor II and Mohanpur were operational for less than 3 years against 17 percent in Parathodu and 52 percent in Vazhappally. About 45 percent SHGs in Mohanpur were operational for 3-5 years against 3 percent in Bermajoor II, 32 percent in Parathodu and 21 percent in Vazhappally. Again, 72 percent SHGs in Bermajoor II and 30.6 percent in Mohanpur were operational for more than 5 years against 51 percent in Parathodu and 62.3 percent in Vazhappally.

Table 4.7

SHGs in Operation in Years (%)

SHG in Operation (years)	Bermajoor II %	Mohanpur %	Parathodu %	Vazhappally %
<3	25	24.5	17	16.8
3-5	3	44.9	32	20.9
>5	72	30.6	51	62.3
Total	100	100	100	100

Table 4.8

SHG -Promoters: Selected Gram Panchayats

Nature of Promoter: Kottayam District, Kerala		Nature of Promoter: North 24 West Parganas District Bengal	
Parathodu	Vazhappally	Bermajoor II	Mohanpur
State Government with the partnership of Panchayati Raj Institutions	State Government with the partnership of Panchayati Raj Institutions	State Government agencies	State Government agencies
Community based / Religion based organizations	Community based / Religion based organizations	Nil	Nil
Political Parties	Political Parties	Banks	Banks
NGOs	NGOs	NGOs	NGOs

It is important to understand the nature of promoters of SHGs in different States and the role of the promoters in setting up and strengthening the network of SHGs. The major promoters of SHGs in West Bengal were State government agencies, Banks and NGOs. On the other hand, SHGs of Kerala were promoted by Community based organizations sponsored by religious organizations, Community based organizations sponsored by Political Parties and NGOs (See Table 4.8).

It is significant to note that the community- based organizations, religious organizations and political parties have promoted SHGs in a big way in Kerala. However, community- based organizations, religious organizations and political parties do not promote SHGs in West Bengal.

Table 4.9

Legal Framework of SHGs: Selected Gram Panchayats (%)

Legal Form	Bermajoor II	Mohanpur	Parathodu	Vazhappally
	%	%	%	%
Societies Act	1	1	20	20
Co-operative Act	14	14	0	0
Unregistered	75	85	80	80
Total	100	100	100	100

Note: Basic units of SHGs, by and large are not registered

As shown in the Table 4.9, majority of SHGs in all the selected villages were unregistered. A small portion of SHGs were registered under Co-operative Act in Bermajoor II (14%) and Mohanpur(14%) . However, SHGs were not registered under Co-operative Act in Kerala while 20 percent SHGs were registered under Societies Act in both Parathodu and Vazhappally.

Most of the SHGs continue to remain unregistered both in Kerala and West Bengal.

Table 4.10
Source of Fund of SHGs (%)

Source Of Fund	Bermajoor II %	Mohanpur %	Parathodu %	Vazhappally %
Subscription	2	3	2	3
Service fees	3	5	4	3
Interest Income	10	9	35	32
Grant Support	35	38	31	34
Loan	30	32	25	23
Others/Not specified	20	13	3	5
Total	100	100	100	100

SHGs in all the four villages were mobilizing funds from different sources. Interest income and grant were the major sources of fund for the SHGs in all Gram Panchayats. For instance, 10 percent funds were from interest income for SHGs in Bermajoor II against 9 percent, 35 percent and 32 percent for Mohanpur, Parathodu and Vazhappally respectively. Again, 35 percent grant support was reported by SHGs in Bermajoor II against 38 percent, 31 percent and 34 percent for Mohanpur, Parathodu and Vazhappally respectively. Subscription was an insignificant source of fund in the SHGs in all Gram Panchayats. Service fees also contributed to the funds of SHGs (See Table: 4.10 and Fig. 4.3).

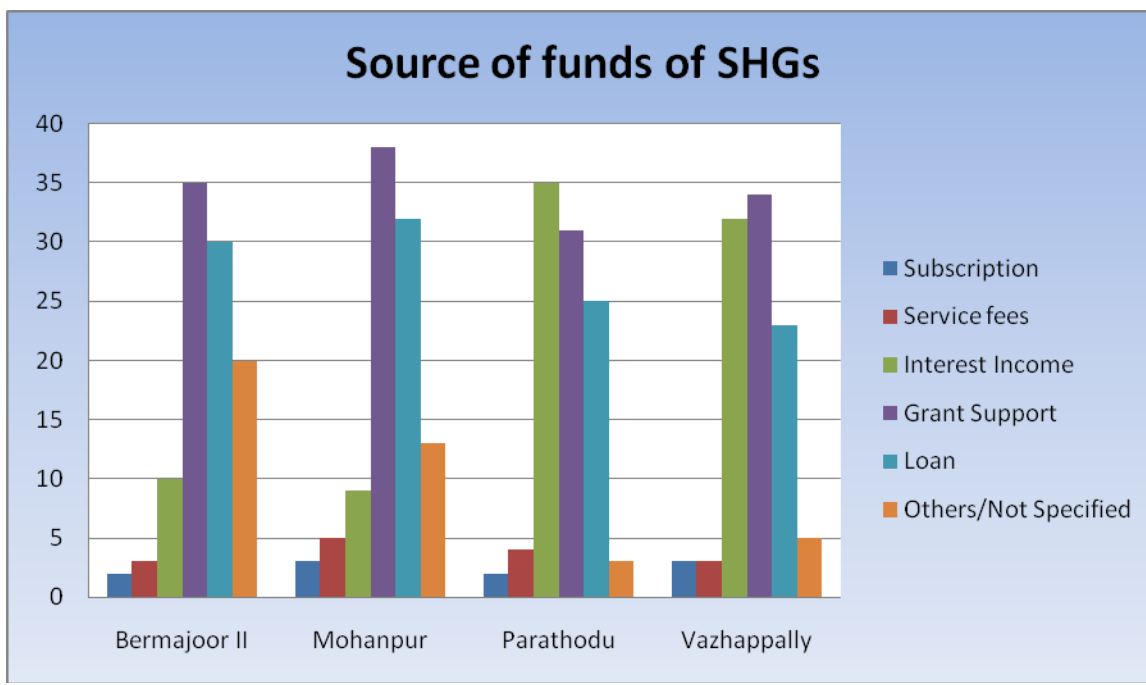


Figure 4.3

Most of the SHGs were providing varied services to their members. These include carrying out livelihood activities, micro credit activities, availing loan from banks under linkage programme with banks and organizing capacity building programme. It is important to understand that most of the SHGs provide more than one service. Services in Savings activities of SHG members were provided by 65 percent and 70 percent SHGs of Bermajoor II and Mohanpur Gram Panchayats respectively against 85 percent and 90 percent SHGs of Parathodu and Vazhappally Gram Panchayats respectively (See Table No. 4.11 and Fig.4.4).

Table 4.11

Services of SHGs (%)

Services Offered	Bermajoor II %	Mohanpur %	Parathodu %	Vazhappally %
Savings	65	70	85	90
Credit	63	69	90	93
Capacity Building	75	80	85	91
Loans through Linkages with Banks	80	90	82	94
Social /Welfare Activities	25	30	55	60
Livelihood Activities	78	75	76	80

The credit services of SHGs were also in the same pattern in these Gram Panchayats. A large number of SHGs provided training and capacity building services in Bermajoor II (75%), Mohanpur (80%) Parathodu (85%) and Vazhappally(91%). Similarly, a significant number of SHGs facilitated in availing loans through linkages with banks in Bermajoor II (80%) , Mohanpur(90%), Parathodu (82%) and Vazhappally (94%). Another important dimension of SHG services is the increasing role in facilitating livelihood activities of SHG members. Majority of SHGs provided services in the field of livelihood activities in Bermajoor II (78%), Mohanpur (75%), Parathodu (76%) and Vazhappally (80%).

The intensity of micro-credit activities of SHGs is quite high in Kerala as compared to West Bengal. Similarly, the number of SHGs that provide social welfare activities to their members is quite high in Kerala in comparison with West Bengal. However, it appears that state level variation is quite negligible with respect to services provided by SHGs to their members.

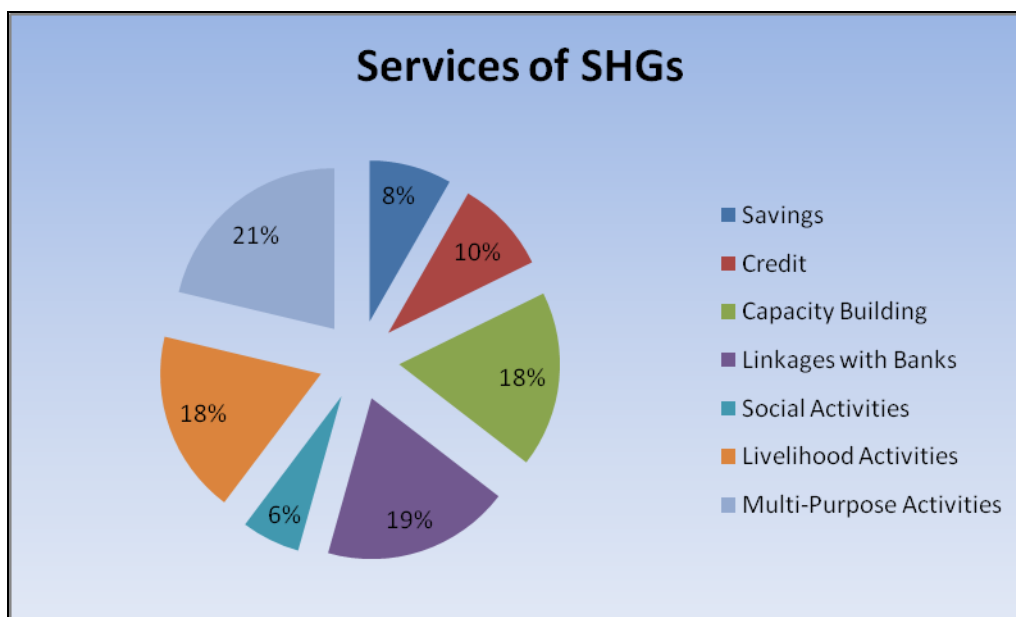


Figure 4.4

As shown in Table No.4.12 the most of the SHGs had taken up micro credit activities in all the four villages. However, micro enterprise related activities were quite less in Mohanpur (12%) and Bermajoor II (10%) compared to Parathodu (22%) and Vazhappally(28%). Over 50 percent SHGs had engaged in activities related to animal husbandry, honeybee farming, poultry, etc in all the four Gram Panchayats. About 30-35 percent SHGs had carried out activities related to lease or group farming and agricultural activities in all the four Gram Panchayats. About 57 -74 percent SHGs had carried out activities related to health . While activities related to education were , indeed, quite less in Mohanpur (12%) and Bermajoor II (13%) when compared to Parathodu (33%) and Vazhappally(32%).

It appears that SHGs in Kerala are more aggressive and efficient in carrying out activities in various fields in comparison with SHGs in West Bengal.

Table 4.12

SHG Panchayat Level: Areas of Activities (%)

Area of Activity	Bermajoor II %	Mohanpur %	Parathodu %	Vazhappally %
Micro – Credit	70	65	94	98
Micro – Enterprise	10	12	22	28
Animal husbandry, honeybee farming, poultry, etc.	51	54	53	55
Lease\Group Farming\ Agricultural activities	30	35	35	34
Health	57	60	70	74
Education	13	12	33	32
Others(including innovative schemes)	2	5	17	19

It is evident from Table: 4.13 that the majority of SHG members of Bermajoor II (82%), Mohanpur(84%), Parathodu (84%), Vazhappally(86%) earn their livelihood from agriculture related activities.

Both in Kerala and West Bengal, livelihood activities of the majority of SHG members are in the field of agriculture.

Table 4.13**Livelihood Activity of SHG Members (%)**

Livelihood Activity	Bermajoor II	Mohanpur	Parathodu	Vazhappally
	%	%	%	%
Agriculture related	82	84	84	86
Industry related	5	4	5	2
Service related	13	12	11	12
Total	100	100	100	100

The grading of SHGs was made by appropriate authorities in all the four Gram Panchayats. Loans were given only to those graded SHGs. The grading was given on certain parameters such as SHG performance in terms of regular meetings, maintaining own accounts and savings bank accounts, etc. As is shown in Table 4.15, 30 percent of SHGs were graded in Bermajoor II and 35 percent in Mohanpur against 55 percent of SHGs in Vazhappally and 45 percent in Parathodu. Kerala has a higher proportion of graded SHGs to non-graded SHGs as compared to West Bengal.

Table 4.14**Graded SHGs (%)**

Name of the Block	Gram Panchayat	2010
Sandeshkali II	Bermajoor II	30
Minakhan	Mohanpur	35
Kanjirapally	Parathodu	55
Madapally	Vazhappally	45

It has been reported that majority of SHGs had a system of conducting weekly meetings with their members. About 82 percent SHGs in Bermajoor II , 90 percent SHGs in Mohanpur, 82 percent SHGs in Parathodu and 74 percent SHGs in Vazhappally conducted weekly meetings with their members. While about 5-14 percent SHGs organized fortnightly meetings, about 1-5 percent SHGs conducted monthly meetings in the entire four Gram Panchayats (See Table 4.15) .

Majority of SHG members in both Kerala and West conduct their regular meetings on weekly basis.

Table 4.15
SHG Meeting Patterns (%)

Name of the Block	Meeting Pattern	Weekly Meeting	Fortnightly Meeting	Monthly Meeting	Others/Not specified	Total
Sandeshkali II	Bermajoor II	82	12	1	5	100
Minakhan	Mohanpur	90	5	2	3	100
Kanjirapally	Parathodu	82	14	3	1	100
Madapally	Vazhappally	74	13	5	8	100

As it is evident from Table 4.16 the agenda of weekly, fortnightly and monthly meetings of SHG members include discussions on thrift and credit activities, problems related to basic services, strategies for availing various government schemes, etc. A significant number of SHG members of Bermajoor II (35%) , Mohanpur(31%), Parathodu (30%), Vazhappally(32%) spent their time for discussing problems related to basic services. More or less same proportion of SHG members of Bermajoor II (30%) , Mohanpur(36%), Parathodu (31%), Vazhappally(28 %) spent their meeting time for discussing strategies for availing various government schemes. Regarding thrift and credit activities, the members spent slightly less time in Bermajoor II (28%), Mohanpur(15%), Parathodu (23%), Vazhappally(30 %).

In both Kerala and West Bengal SHGs assigns more or less equal share of time of agenda for discussion on thrift and credit activities, problems related to basic services and scheme availing strategies.

Table 4.16
Agenda of SHG Members (%)

Name of the Block	Gram Panchayat	Thrift and Credit Activities %	Problems Related to Basic Services %	Scheme Availing Strategies %	Others %	Total
Sandeshkali II	Bermajoor II	28	35	30	7	100
Minakhan	Mohanpur	15	31	36	18	100
Kanjirapally	Parathodu	23	30	31	16	100
Madapally	Vazhappally	30	32	28	10	100

Table 4.17
Structure of SHGs (%)

Name of the Block	Name of Gram Panchayat	Single Tier/Primary Level	Two Tier/secondary Level	Three Tier/Apex Level	Total
Sandeshkali II	Bermajoor II	40	35	25	100
Minakhan	Mohanpur	41	39	20	100
Kanjirapally	Parathodu	15	15	70	100
Madapally	Vazhappally	14	11	75	100

All the major SHG programmes have federated SHGs into, 2-tier or 3-tier structures. The basic units in federations are commonly known as SHGs. Primary level federations are typically village level, sub-village level, Panchayat level or cluster of village level federations. Secondary Level Federations are federations of Primary level federations at a state level. As reported in Table - 4.17, 40-41 percent of SHGs under our survey were single-tier, 35-39 percent were two-tier and 20-25 percent were three-tier in Bermajoor II where as Mohanpur (West Bengal)has 14-15 percent of single-tier SHGs, 11-15 percent of two-tier SHGs and 70-75 percent of three-tier SHGs in Parathodu and Vazhappally (Kerala).

Table 4.18

Borrowers through SHGs (%): Percentage of SHG members

Name of the Block	Name of Gram Panchayat	From Pooled own Savings of SHGs	From Banks Through Linkage Programmes	Others/Not Specified	Total
Sandeshkali II	Bermajoor II	70	12	18	100
Minakhan	Mohanpur	68	16	16	100
Kanjirapally	Parathodu	68	17	15	100
Madapally	Vazhappally	66	14	20	100

It is found that a significant number of SHG members of Bermajoor II (70%) , Mohanpur(68%), Parathodu (68%), Vazhappally(66%) had taken loan from pooled own savings of SHGs . On the other hand, less number of SHG members of Bermajoor II (12%) , Mohanpur(16%), Parathodu (17%), Vazhappally (14%) had taken loan from banks through linkage programmes (See Table: 4.18).

Table 4.19

Payment of Rate of Interest (%)

Name of the Block	Gram Panchayat Name	8-10 %	11-12 %	13-20 %	21-24 %	Total
Sandeshkali II	Bermajoor II	4	78	16	2	100
Minakhan	Mohanpur	3	82	12	3	100
Kanjirapally	Parathodu	2	73	20	5	100
Madapally	Vazhappally	1	74	21	4	100

The analysis of interest rate charged by SHGs on the loan from own savings which were pooled in, of the SHGs varies from 8 to 24 percent (See Table 4.19) .About 1-4 percent SHGs had charged around 8-10 percent. It is interesting to note that majority of SHGs from Mohanpur (78 %) and Bermajoor II (82%) Parathodu (73%) and Vazhappally(74%) levied 11-12 percent rate of interest. The next range of interest,13-20 percent, was levied by relatively less number of SHGs, in Mohanpur (16%) , Bermajoor II (12%) , Parathodu (20%) and Vazhappally(21%) . In fact , highest rate of interest was in the range of 21-24 percent and the same was levied by quite less number of SHGs in Mohanpur (2%), Bermajoor II (3%) , Parathodu (5%) and Vazhappally(4%)

The result of our survey in Kerala and West Bengal provides an interesting evidence of SHG's preference for charging a moderate rate of interest in the range of 11-12 percent on the loan from own pooled savings.

Table 4.20**Pattern of repayment of loan from own Pooled Savings (%)**

Installment repayment	Bermajoor II	Mohanpur	Parathodu	Vazhappally
Weekly Installment	20	25	24	21
Fortnightly	15	20	19	18
Monthly	50	45	48	47
Others	35	10	9	14
Total	100	100	100	100

It is found that a significant number of SHGs followed monthly repayment of loan from own pooled Savings. Our analysis reveals that 50 percent SHGs in Bermajoor II followed monthly repayment pattern against 45 percent in Mohanpur, 48 percent in Parathodu and 47 percent in Vazhappally . On the other hand, less number of SHGs of Bermajoor II (15 %), Mohanpur(20%), Parathodu (19%), Vazhappally(18%) had adopted fortnightly pattern of repayment of loan . Slightly higher number of SHGs of Bermajoor II (20 %), Mohanpur(25%), Parathodu (24%), Vazhappally (21%) had adopted weekly pattern of repayment of loan . (See Table: 4.20).

There are not much state level variations in respect to pattern of repayment of loan from own pooled savings.

Table 4.21**Tenure of Repayment of loan from own Savings (%)**

Tenure	Bermajoor II	Mohanpur	Parathodu	Vazhappally
4-12 months	86	88	87	85
12-24 months	12	10	10	13
24-36 months	2	2	3	2
Total	100	100	100	100

The tenure of repayment of loan from own Savings varied from SHG to SHG. The tenure was in the range of 4-12 months for 86 percent SHGs in Bermajoor II against 88 percent in Mohanpur, 87 percent in Parathodu and 85 percent in Vazhappally. . The tenure was in the range of 12-24 months for 12 percent SHGs in Bermajoor II against 10 percent in Mohanpur, 10 percent in Parathodu and 13 percent in Vazhappally. As shown in Table 4.21 a significant proportion of SHGs in all the four Gram Panchayats followed the highest tenure of 24-36 months.

With respect to tenure of repayment of loan from own pooled savings, majority of SHGs follow the policy of repayment within 4-12 months in both the states.

Table 4.22

Timely Repayment of Loan: Reasons (%)

Follow up on repayment	Bermajoor II	Mohanpur	Parathodu	Vazhappally
Peer pressures from fellow SHG members:	85	82	84	85
Penal interest for delay in repayment	10	12	10	13
Others/Non Response	5	6	6	2
Total	100	100	100	100

We may discuss the follow up on repayment using Table 4.22. According to this table 85 percent SHGs in Bermajoor II, 82 percent in Mohanpur, 84 percent in Parathodu and 85 percent in Vazhappally make timely repayments. This was mainly due to peer pressure from fellow SHG members. Penal interest for delay in repayment was cited as reason for timely repayment of loan among SHG members by 10 percent SHGs in Bermajoor II , 12 percent in Mohanpur, 10 percent in Parathodu and 13 percent in Vazhappally.

It appears that the influence of peer pressure from SHG members is the main reason of timely repayment of loans from own pooled savings, in both the states.

Table 4.23

Bank Linkage Programmes: Loans and Subsidy (Rs.)

Name of the Block	Gram Panchayat	2008		2009		2010	
		Loan	Subsidy	Loan	Subsidy	Loan	Subsidy
Sandeshkali II	Bermajoor II	13188	8066	13412	8245	13736	8321
Minakhan	Mohanpur	13610	8632	14060	8991	14707	9143
Kanjirapally	Parathodu	15234	7345	16522	8245	18783	11270
Madapally	Vazhappallay	14675	7894	15320	9192	21020	11602

Table No. 4.23 indicates the loan taken by the SHGs in all the four Gram Panchayats from the bank-linkage programme and the respective subsidized amount during 2008-2010. The table throws light upon the increasing trend in the amount of loan and subsidy provided. In Bermajoor II the average loan amount was increased from Rs. 13188 to Rs. 13736 during 2008-10. Similarly the subsidy amount was also increased from Rs 8066 to Rs. 8321 during the same period. The corresponding figures received from Mohanpur were closer to that of Bermajoor II. However, in Parathodu the average loan amount was increased from Rs. 15234 to Rs. 18783 during 2008-10. The subsidy amount in Vazhappally was increased from Rs 7894 to Rs. 11602 during the same period. The annual average loan size per SHG is slightly higher in Kerala as compared to West Bengal.

Table 4.24

Purpose of Loan Taken By SHG Members (%)

Purpose	Bermajor II %	Mohanpur %	Parathodu %	Vazhappally %
Day today expenditure	12	14.29	12.14	17
Children's education	5	6.12	5.21	9.0
Medical expenses /Health care	4	2.04	7.50	8.99
Children's marriage	13	17	12.50	7.83
Housing	28	28	31.	20.14
Income generating activities	9.5	6.5	5.	7.5
Redemption of loan	2.5	3.5	5.79	6.09
Festivities	1	0.5	0.5	0.6
Purchase of household items	24.6	21.5	20.12	22.23
Others	0.4	0.55	0.24	0.62
Total	100	100	100	100

Let us discuss the purpose of loan taken from pooled savings by SHG members with the help of Tables 4.24 and Fig.4.5. The purpose of taking loan from the villagers' pooled savings was to meet their basic needs. Meeting the day to day expenditure was the purpose for 12 percent SHG members in Bermajor II, 14.29 percent in Mohanpur, 12.14 percent in Parathodu and 17 percent in Vazhappally. Housing was the primary purpose for 28 percent SHG members in Bermajor II, 28 percent in Mohanpur, 31 percent in Parathodu and 20.14 percent in Vazhappally

Purchase of household items was the primary purpose for 24.6 percent SHG members in Bermajor II, 21.5 percent in Mohanpur, 20.12 percent in Parathodu and 22.23 percent in

Vazhappally. Other purposes included meeting medical expenses, children’s marriage, income generating activities, repayment of loans and festivities.

Housing and purchase of household items were the main purposes of loans taken from pooled savings by SHG members in both the states.

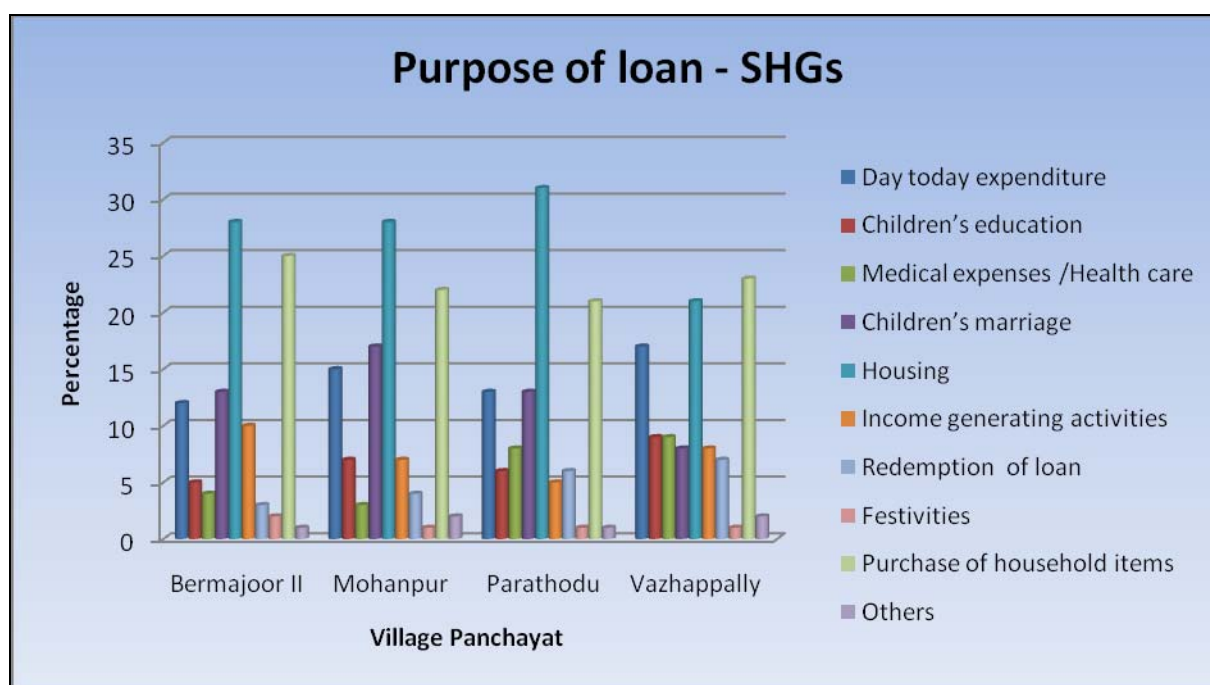


Figure 4.5

Table 4.25

SHG Members: Average Annual Income from SHG Activities (Rs.)

Name of the Block	Year	2008	2009	2010
Sandeshkali II	Bermajoor II	1257	1232	1998
Minakhan	Mohanpur	2193	2169	2410
Kanjirapally	Parathodu	2731	3690	3879
Madapally	Vazhappally	3858	3930	4251

The improvement in the annual income of the SHG members from SHG Activities is captured well in Table 4.25 . It reveals that there was a significant improvement in the annual income of SHG members from SHG Activities in all the four Gram Panchayats during the period from 2008 to 2010. In Bermajoor II the income of SHG members from SHG Activities in Mohanpur was increased from Rs. 2193 to Rs. 2410 during 2008-10 . In Parathodu the same increase was noted from Rs. 2731 to Rs. 3879 while in Vazhappally from Rs. 3858 to Rs. 4251. This indicates the role of SHGs in reducing poverty.

The survey finds that an improvement in the annual income of SHG members from SHG Activities during the period from 2008-10 is marginal. It may be due to the underreporting of annual income by SHG members.

Table 4.26

Possession of Entitlement Card by SHG members/households (%)

Entitlement Card	Bermajoor II	Mohanpur	Parathodu	Vazhappally
Voters Identity card	78	79	97	98
Job Card	17	18	13	15
Health Card	15	16	2	3
BPL Card	91	95	65	66
Ration Card	88	89	98	99

The possession of entitlement card is an important indication of the status of an SHG member and the capacity for claiming various entitlements. About 97-98 percent of SHG members have Voters Identity card in Parathodu and Vazhappally against 78-79 percent in Bermajoor II and Mohanpur. About 17-18 percent of SHG members have Job cards in Parathodu and Vazhappally against 13-15 percent in Bermajoor II and Mohanpur. About 2-3 percent of SHG members have health cards in Parathodu and Vazhappally against 15-16 percent in Bermajoor II and Mohanpur. About 2-3 percent of SHG members have health cards in Parathodu and Vazhappally against 15-16 percent in Bermajoor II and Mohanpur. 65-66 percent had the possession of BPL cards in Parathodu and Vazhappally against 91-95 percent

in Bermajoor II and Mohanpur. On the other hand most of SHG members (98-99%) in Parathodu and Vazhappally had ration cards against 88-89 percent in Bermajoor II and Mohanpur(See Table 4.26). Almost all the SHG members in Kerala possess voters cards and ration cards while most SHGs in West Bengal have BPL cards.

Table 4.27

Working Relationship Between SHGs and PRIs(%)

Name of the Block	Gram Panchayat Name	Poor	Average	Good	Very Good	Total
Sandeshkali II	Bermajoor II	37	45	18	0	100
Minakhan	Mohanpur	30	50	20	0	100
Kanjirapally	Parathodu	10	10	35	45	100
Madapally	Vazhappally	4	9	32	55	100

The relationship between SHGs and Panchayati Raj Institutions is discussed in Table 4.27. About 45-55 percent SHGs reported that the relationship was very good in Parathodu and Vazhappally while not even a single SHG in Bermajoor II and Mohanpur reported the same. About 32-35 percent SHGs reported that the relationship was good in Parathodu and Vazhappally against 18 – 20 percent in Bermajoor II and Mohanpur . It is important to note that about 30-37 percent SHGs reported that the relationship between SHGs and PRIs was poor in Bermajoor II and Mohanpur 4-10 against Parathodu and Vazhappally . This indicates that relationship between SHGs and Panchayati Raj Institutions is stronger in the case of SHGs in Kerala compared to that of West Bengal.

Table 4.28

Involvement of SHGs in Social Audit: Reported by SHGs(%)

Name of the Block	Gram Panchayat Name	% of respondents
Sandeshkali II	Bermajoor II	55.88
Minakhan	Mohanpur	46.53
Kanjirapally	Parathodu	67.14
Madapally	Vazhappally	64.64

The Involvement of SHGs in social audit is discussed in Table : 4.28. The feedback from the survey shows that about 56 percent of SHG members in Bermajoor II confirmed their involvement in social audit against 47 percent in Mohanpur ,67 percent in Parathodu and 65 percent in Vazhappally.

Table 4.29

SHG Member Participation in Gram Sabha: Responses of SHG members (%)

Name of the Block	Gram Panchayat	Poor	Average	Good	Very Good	Total
Sandeshkali II	Bermajoor II	15	25	50	10	100
Minakhan	Mohanpur	10	20	55	15	100
Kanjirapally	Parathodu	8	22	60	10	100
Madapally	Vazhappally	10	12	70	8	100

Table 4.29 explains the SHG member participation in Gram Sabha. The responses of SHG members reveals that about 8-15 percent members reported very good participation while another 50-70 percent members reported good participation in Bermajoor II, Mohanpur, Parathodu , Vazhappally. However, about 12-25 percent members reported average

participation while another 8-15 percent members reported poor participation in Bermajoor II, Mohanpur, Parathodu , Vazhappally. There is a reasonably good participation of SHG members in Gram Sabha in Kerala and West Bengal.

Table 4.30

Distribution of members according to improvement in Social capital (%)

Social capital	Bermajoor II	Mohanpur	Parathodu	Vazhappally
Improvement in the willingness to co-operate with other members	88.00	92.00	91.00	86.00
Improvement in the mutual trust with members of the group and others	90.21	89.90	93.12	89.43
Improvement in the trust of the community in the member	83.52	85.12	84.21	82.54
Improvement in the trust of the Officials in the member	79.92	80.52	81.45	80.25

We may discuss the important social capital characteristics of SHGs with the help of Table 4.30. The variables such as the willingness of the member to cooperate with other group members, mutual trust with other members of the group as well as other people, Improvement in the trust of the community in the member and Improvement in the trust of the officials in the member are the major determinants of social capital. Table 4.30 shows that there is remarkable improvement in social capital by way of remarkable improvement in the variables. In Table 4.30 we report the response of SHG members in all the four villages. About 86-91 percent SHGs in Parathodu, Vazhappally, Bermajoor II and Mohanpur reported Improvement in the willingness to co-operate with other members. About 89-93 percent SHGs in Parathodu, Vazhappally, Bermajoor II and Mohanpur reported Improvement in the mutual trust with members of the group and others. Improvement in the trust of the community in the member was reported by about 83-85 percent SHGs in Parathodu, Vazhappally, Bermajoor II and Mohanpur. Similarly, Improvement in the trust of the Officials in the member was reported by about 80-82 percent SHGs in all the four gram panchayats.

It seems that there is a remarkable improvement in Social Capital in Kerala and West Bengal by way of willingness to co-operate with other SHG members and Improvement in the mutual trust with SHG members of the group and others

Table 4.31

SHGs and Women empowerment: Opinion of Respondents (%)

Name of the Block	District	SHG improved women's position in the family	SHG developed women's skills, confidence & leadership
Sandeshkali II	Bermajoor II	78	71
Minakhan	Mohanpur	67	68
Kanjirapally	Parathodu	88	85
Madapally	Vazhappally	92	83

About 68-71 percent of members of SHG in Bermajoor II and Mohanpur reported the increase in their skills, confidence and leadership quality of women SHG members while 83-85 percent of members of SHG in Parathodu and Vazhappally reported the same. About 67-78 percent of members of SHG in Bermajoor II and Mohanpur reported the improvement in the position of women in their respective families after becoming SHG members while 88-92 percent of members of SHG in Parathodu and Vazhappally reported the same (See Table 4.31).

We have carried out the performance of SHGs based on the ratings given by the members of the respective SHGs. The assessments of SHGs carried by the respective members are reported in Table 4.32. The performance of about 22-25 percent SHGs was reported as very good against 53-59 percent good, 18-20 percent average and 1-2 percent poor in Bermajoor II and Mohanpur. The performance of about 23-31 percent SHGs was reported as very good against 40-42 percent good, 28-29 percent average and 1-6 percent poor in Parathodu and Vazhappally.

Table 4.32

Performance of SHGs(%)

Name of the Block	Gram Panchayat Name	Poor	Average	Good	Very Good	Total
Sandeshkali II	Bermajoor II	1	18	59	22	100
Minakhan	Mohanpur	2	20	53	25	100
Kanjirapally	Parathodu	1	28	40	31	100
Madapally	Vazhappally	6	29	42	23	100

We may discuss the success factors of SHGs with help of Table: 4.33 . A good leadership by President or Secretary was reported by 91-95 percent SHG members in Bermajoor II, Mohanpur, Parathodu and Vazhappally as the main success factor. However, enthusiasm and discipline among members in activities was reported by 78-86 percent SHG members in Bermajoor II, Mohanpur , Parathodu and Vazhappally as the main success factor. According to about 75-89 percent SHG members in Bermajoor II, Mohanpur , Parathodu and Vazhappally, team spirit and team management of the affairs and finances of SHGs was the main success factor. Peer group pressure on defaulting members, maintenance of proper records , registers and books of accounts, transparency and accountability, addressing social issues of injustices and exploitation and participation in training programmes and group activities were other factors pointed by SHG members in all the four Gram Panchayats as success factors of SHGs.

Table 4.33

SHG Success Factors: Opinion reported by SHG members

Particulars	% of SHG members	% of SHG members	% of SHG members	% of SHG members
	Bermajoor II	Mohanpur	Parathodu	Vazhappally
A good leadership by President or Secretary	95	91	93	91
Enthusiasm and discipline among members in activities	86	87	81	78
Team spirit and team management of the affairs and finances of SHGs	77	80	89	75
Peer group pressure on defaulting members.	65	60	59	55
Maintenance of proper records , registers and books of accounts.	78	89	80	86
Transparency and accountability	70	71	79	77
Addressing social issues of injustices and exploitation	62	57	56	67
Participation in Training Programmes and group activities	35	33	23	25

The foregoing analysis clearly indicates that the newly developed methodology is, indeed, quite effective in setting up a database capturing various aspects and dimensions of SHGs in a particular gram panchayat.

Summary and Conclusions

5.1. Broad Objectives of the Present Study

The main objective of the present project is to develop an appropriate methodology and framework for setting up a database on SHGs in India by studying Kerala and West Bengal. From the two selected states one district each is studied in detail. In addition, a model of SHG database is set up for four villages- two each in Kerala and West Bengal.

5.2. Characteristics of SHG and need for database

SHG and Activities: Self Help Group (SHG) is a group in which members provide each other with various types of help for a particular shared cause. In India, there are mainly four types of SHGs: (1) formed under government programmes, (2) formed with the support of NGOs or international organizations, (3) formed with the support of political parties, religious /community based organizations, etc and (4) formed without any external support. SHGs carry out multiple activities in different social development sectors. SHGs carry out multiple activities in different social development sectors. Many state governments and government agencies have been utilizing SHGs for the implementation of several rural and urban development programmes. SHGs have tremendous potential in the planning and execution of development programmes, especially at the grassroots level. Though SHGs have become a powerful social capital in India there is a huge data gap with respect to them in various states.

5.3 SHGs in Kottayam District, Kerala

5.3.1. Selection of District / Block

Kottayam is one of the 14 districts of Kerala, and as in other parts of Kerala the presence of SHGs is quite significant in this district. Kanjirappally block and Madappally block were selected from Kottayam district of Kerala for an in depth analysis of structure and functioning of SHGs. A total of six SHG programmes were functioning in the selected Kanjirappally and Madappally blocks as explained in the following paragraphs

5.3.2. Kudumbashree: State Government Sponsored SHG programme:

Kudumbashree is a three tier women SHG system. Major chunk of government funds for this programme is channelized through local government. Funds under special central assistance, matching grant, revolving fund and micro enterprise subsidy are being used by each local government institution for the Kudumbashree activities. A large number of activities of NHG members at household level are funded through the micro finance operation of thrift and credit societies, which is the kingpin of whole Kudumbashree programme. Neighborhood Groups are facilitated to avail loan from bank through bank linkage programme.

5.3.3. Janasree: Political Party Sponsored SHG Programme:

Congress party in Kerala launched another SHG programme under the name Janasree .Under Janasree, SHGs are formed both for men and women in the district of Kottayam . It focuses on micro credit, micro enterprise, micro insurance and other poverty alleviation programme. Women empowerment is a major focus of the programme.

5.3.4. Changanacherry Social Service Society (CHASS) – A Community- based organization:

SHGs programme are promoted by CHASS, a social work programme of Syro- Malabar division of Catholic Church under Archdiocese of Changanacherry. Its activities include micro credit, livelihood and micro enterprises.

5.3.5. Sree Narayana Dharma Paripalana (SNDP) Sangam – A Community Organization Sponsored Programme: An SHG programme is promoted by SNDP Sangam of Ezhawa community in Kerala. In fact, SNDP Sangam has a large number of social development projects including educational institutions and hospitals. The SHGs are functioning under selected SNDP unions in different parts of Kerala.

5.3.6. Nair Service Society (NSS) SHG programme- Religious Organization Sponsored Programme:

This NSS was formed in 1914 for the welfare of Nair community in Kerala. It opened an array of educational institutions, hospitals and other socially beneficial institutions all over the state. Karayogams, village level unit of NSS have formed SHGs in different parts of Kerala.

5.3.7. NGO Sponsored Programmes:

NGO which are formed within the existing legal frame work have formed several SHGs in the selected blocks. Most of these SHGs focus on micro financing and micro enterprise. They do not work within the frame work of any comprehensive poverty alleviation programme moreover. They do not give much attention to livelihood issues.

5.4. Sources of Data in Kottayam District

5.4.1. SHG promoters: Promoters of SHGs are the main source of data in the district of Kottayam. The promoters of SHGs in Kottayam District are given in the following paragraph.

- **Government Agencies:** Gram Panchayats keep all the information of SHGs formed under Kudumbashree programme. Elected representatives of a Gram Panchayat are in a position to provide minimum information of all types of SHGs functioning in their respective ward. The president of a Gram Panchayat can also provide minimum information of all types of SHGs. The District Mission office of Kudumbashree keeps all the details of SHGs under the Kudumbashree programme
- **Religious/ Community based Organisations:** Religious/ community based Groups such as Ezhawas, Nairs, Syro-Malabar Catholics promote SHGs of their respective community. They can provide a reasonable level of information about SHGs in a Gram Panchayat.
- **Political Parties:** Units of Political parties at Gram Panchayat, block or district level can provide information about the functioning of SHGs.
- **NGOs:** The various NGOs in the district of Kottayam can be approached for the data on the SHGs promoted by them.

5.4.2 SHGs : A single SHG is itself an important source of data. The office bearer of an SHG can provide information. The office bearers and members of primary level federations and secondary level federations are important sources of data.

5.4.3. Banks: Branch of a commercial bank can provide relevant information about SHGs in their service areas.

5.4.4. Others: There are several other sources of data in the district of Kottayam who provide information on the SHGs in their respective areas. They include Anganwadi workers, health workers, social workers, prominent Citizens, Scholars, Academicians and social activists.

5.5. SHGs in West Bengal

5.5.1. North 24 Parganas is one of the 18 districts of West Bengal. It is significant to note that the district has a strong presence of SHGs compared to several other districts. From the district of North 24 Parganas in West Bengal, Sandeshkhali II block and Minakhan block were also selected for in depth analysis of structure and functioning of SHGs. The SHG programmes functioning in the selected Sandeshkhali II and Minakhan blocks are explained in the following paragraphs.

5.5.2. Swarnajayanti Gram Swarojgar Yojana (SGSY) Programme

A Large number of SHGs were formed under SGSY Programme. SHG formation under SGSY, a centrally sponsored programme, is implemented by Panchayats & Rural Development Department (P& RDD), Government of West Bengal. So P& RDD is the promoter of SHGs under SGSY. Under this programme in each Gram Panchayat area, SHGs are formed by Gram Panchayat. Gram Panchayat is the local executor of the programme. SHGs are nurtured by Resource persons engaged by Gram Panchayat. It is a BPL focused programme.

5.5.3. SHGs under Non-SGSY Programmes

Various agencies have promoted SHGs under different non-SGSY programme as explained in the following paragraphs.

- **SHGs under Primary Agriculture Cooperative Societies (PACS):** PACS have promoted SHGs in a big way. About 40 percent of the total SHGs in West Bengal are formed by the cooperative sector (SHG Resource Centre,2010). SHGs promoted by PACS constitute a significant portion of SHGs in the district of North 24 Parganas. Periodical meetings, regular savings, rotation of leadership, united efforts on social issues and group dynamism which develops amongst the SHG members are the attractive features of these SHGs.

- **Other Departmental Initiatives:** Women Development Undertaking promoted SHGs through departmental initiatives. Several SHG groups were formed by government departments like Health, social Welfare, Rural development, Fisheries, etc.
- **Banks:** Commercial banks have really started promoting the formation of SHGs in the state of West Bengal. They provide various mentoring services which includes training to the members of various SHGs.
- **NGOs:** Several NGOs have formed single tier SHGs and the federation of SHGs.

5.6. Sources of Data in North 24 Parganas, West Bengal

5.6.1. SHG promoters: The following mentioned Promoters of SHGs are the main source of data.

- **Government Agencies:** Gram Panchayats keep all the information of SHGs formed under SGSY -programme. Cooperatives as promoters of SHGs can provide critical information about SHGs in their area.
- **Banks:** Most of the branches of a commercial bank can provide relevant information about SHGs in their service area.
- **NGOs:** The various NGOs in the district of North 24 Parganas can be approached for the data on the SHGs promoted by them.

5.6.2. SHGs: The office bearers and members of single tier SHGs clusters and federations are important sources of data. Even ordinary members of an SHG can provide information on their SHGs.

5.6.3. Others: The other sources of data in the district of North 24 Parganas include social and political activists, Anganwadi workers, health workers, social workers, prominent citizens, Scholars and Academicians.

5.7. Complexities in Data Collection

There may be variations in regard to records available with SHGs promoters, bank, etc. Reluctance in providing data on financial figures may be another serious problem. In some places there may be some difficulties in identifying the original promoter. This difficulty is in identifying SHGs with a particular promoter due to the claim for affiliation and support by more

than one Self Help Group Promotion Agency. Some of the SHG members may be sensitive in providing financial data and giving long interviews as it would impose an unwarranted burden on their time. These problems can be overcome by formulating appropriate strategies, especially for creating awareness about the needs and uses of SHG database among various stakeholders.

5.8. Developing Methodology: Operational Issues

In order to develop a methodology it is pertinent to understand the essential features of SHGs. SHG is a group in which members provide each other with various types of help for a particular shared cause. People banded together to develop their chances for improved existence by pooling their social and economic resources. They are composed of peers who share a similar problem or interested in a focal issue such as micro credit, education, health and employment. These groups are organized and led by lay people, rather than professionals. However, professionals of various kinds lead SHGs in exceptional cases. An SHG normally has 10-20 members, while one member represent a family and therefore an SHG covers 10-20 families. For example, SHG on finance is a village based financial intermediary usually composed of between 10-20 women, covering 10-20 families. Most SHGs are voluntary, peer-led and informal. As SHG is not a household-based entity, a household survey is not feasible to capture the information.

5.9. New Methodology

5.9.1. Identification of SHGs- Snowball Sampling Technique

Generally, a village has varied SHGs in terms of promoter, membership, activities, etc. One single SHG will give lead to other SHGs. In respect of networks one tier lead to another tier in the same network. Similarly one SHG network will lead to another SHG network. There are chances that one promoter of SHG could lead to another SHG promoter. This is called snowball sampling technique. In statistics research, snowball sampling is a non-probability sampling technique. The sample group appears to grow like a rolling snowball. As the sample builds up, enough data is gathered to be useful for research. This sampling technique is often used in hidden populations which are difficult for researchers to access. It was widely believed that it was impossible to make unbiased estimates from snowball samples, but a variation of snowball sampling called respondent-driven sampling has been shown to allow researchers to make

asymptotically unbiased estimates from snowball samples under certain conditions (Goodman 1961). As opposed to other sampling methods snowball sampling has certain advantages. It will enable surveyors to include people in the survey that they would not have known. It will also help in locating people of a specific population if they are difficult to locate, sometimes even quickly. By using this sampling technique all the SHGs operating in a village can be identified. It is important to make the methodology cost-effective. The proposed sampling technique is, indeed, quite cost-effective. This can be replicated in other Indian states. There are state level variations in respect of SHG programmes and functioning and it is essential to evolve a methodology which can be replicated elsewhere

5.9.1. Various Sources of Data

5.9.1.1. SHG promoters, SHG facilitators and SHGs are the three broad categories of entities that can provide information on SHGs.

Various categories of these promoters are (1) Panchayati Raj Institutions and other Government Agencies (2) Banks and Cooperatives (3) NGOs (4) Community based Organisations and (5) Political Parties

SHGs - SHGs Clusters, Federations and SHG Basic Unit : SHG federations/ networks are being promoted by government and non government agencies. These federations have different tiers and it is important to remember that each tier of SHG network can provide adequate data for setting up database. It is important to understand that most of the SHG programmes have federated SHGs. All of them have either 3-tier or a 2-tier structure. Some of these SHG Federations are at a formative stage in some states and districts. Gram Panchayat cluster, block level cluster and district level federations are being formed for some of the SHG programmes. The office bearers and members of these clusters and federations are important sources of data. There are SHGs without any network. In such cases an SHG limit its operation to its single unit. Office bearers or even ordinary members of each SHG can provide data on such SHGs. The basic unit of SHG clusters or federation is the single SHG. A single Self- Help Group itself is an important source of data. The office bearers of such single SHG can provide a more comprehensive insight on the workings of their SHG. In exceptional cases, even an ordinary member of an SHG can provide information on their SHGs.

Other Agencies and Individuals: There are other sources which can provide data on SHGs in a particular Gram Panchayat. They include social and political activists, Anganwadi workers, Asha workers, cultural organizations such as youth club, prominent citizens, etc.

5.9.2. Data Collection: Census Method

Data can be collected using the Census Method by covering all the SHGs in a Gram Panchayat area under the survey. The survey of SHGs is to be carried out by using pre- designed schedule/ schedule which is an inexpensive way to collect data\ information from the large number of respondents. Questions can be designed to gather either qualitative or quantitative data. Two sets of schedules can be used to canvass the information. One meant for collecting Gram panchayat level data on SHGs and the other for data on a particular SHG. The second schedule is meant for members, present and former office bearers of SHG. Steps are to be taken to ensure proper reporting while collecting data on SHG characteristics. Issues of underreporting or misreporting are likely to arise. Counterchecking can be made by collecting the same data from more than one source. Instead of self-administered schedule, interview mode will be used for data collection. It is ideal to collect data by carrying out personal interviews.

5.9.3. Data Collection: Major Variables

It is quite significant to identify variables for data collection. These include both village level and SHG level data.

5.9.4 Preparation and Administration of Schedule

It is essential to prepare structured schedule to capture relevant information. As mentioned earlier two types of schedule - schedule for gram panchayat level data of SHGs and schedule for SHG level data - can be prepared. However utmost care should be given in the administration of these schedules. The way in which data is collected will influence its quality. Precaution should be taken to get good quality data. Interviewers need to be provided two days of training with different sessions.

5.10. Applicability of the Methodology in Other Indian States

Methodology developed based on the field experiences in Kerala and West Bengal can be made applicable in other Indian states.

5.11. Updating the Database of SHGs

Considering the contribution of SHGs in the development of rural community and the continuous growth and expansion of SHG and their networks across the states, the database of SHGs needs a regular and continuous updating. For the updating SHG database the following two options may be examined:

Option 1: Continuous Updating: A dynamic updating of SHG database can be carried out through an appropriate mechanism. Each SHG unit formed under government programmes can be asked to register with Gram Panchayat with an annual renewal. In respect of other SHG units local promoter of the respective SHG should be oriented to ensure the registration and annual renewal with Gram Panchayat or any other appropriate authority. This will ensure a continuous updating of the database. It may be noted that this exercise cannot capture the data of defunct or poorly performing SHGs.

Option 2: A quinquennial updating of SHG database can provide a comprehensive picture of SHGs. This updating can help in a better administration of official data and formulation of government policies and programmes for SHGs.

5.12. Model of SHG Database using the newly Developed Methodology

5.12.1. SHG database of four Gram Panchayats: An attempt was made to create a sample database of SHGs using the methodology developed. As we discussed in the introductory chapter two Gram Panchayats each from the Kottayam district of Kerala and North 24 Parganas of West Bengal were selected for setting up a sample data base. From Kottayam district, these Gram Panchayats were Parathodu Gram Panchayat from Kanjirappally block and Vazhappally from Madappally block. From the district of North 24 Parganas two Gram Panchayats were Bermajoor II Gram Panchayat from Sandeshkhali II block and Mohunpur Gram Panchayat from the block of Minakhan. The selection of district, block and gram panchayats was made using case study method. However, census survey method was used to study SHGs in the selected Gram Panchayats.

5.12.2. The data collected were analyzed and presented in table formats as listed below.

- SHGs in selected Gram Panchayats
- Gender-based Classification of SHGs
- Caste-Based Classification of SHGs

- Caste-Based Classification of SHGs: Details of Heterogeneous SHGs
- Distribution of Members: Education-Status Wise
- Distribution of Members: BPL and APL classification
- SHGs in Operation in Years
- SHG -Promoters: Selected Gram Panchayats
- Legal Framework of SHGs : Selected Gram Panchayats
- Source of Fund of SHGs
- Services of SHGs
- SHG Panchayat Level: Areas of Activities
- Livelihood Activity of SHG Members
- Graded SHGs
- SHG Meeting Patterns
- Agenda of SHG Members
- Structure of SHGs
- Borrowers through SHGs(%):Percentage of SHG members
- Payment of Rate of Interest
- Pattern of repayment of loan from own Pooled Savings
- Tenure of Repayment of loan from own Savings
- Timely Repayment of Loan: Reasons
- Bank Linkage Programmes: Loans and Subsidy
- Purpose of Loan Taken By SHG Members
- SHG Members : Average Annual Income **from SHG Activities**
- Possession of Entitlement Card by SHG members/households
- Working Relationship Between SHGs and PRIs
- Involvement of SHGs in Social Audit: Reported by SHGs
- SHG Member Participation in Gram Sabha: Responses of SHG members
- Distribution of members according to improvement in Social capital
- SHGs and Women empowerment: Opinion of Respondents
- Performance of SHGs
- SHG Success Factors: Opinion reported by SHG members

5.12.3. Analysis of data: Highlights

- It is observed that the number of SHGs in a gram panchayat in Kerala is much higher compared to West Bengal even after considering the difference in the size of Gram Panchayats in both the states.
- It may be noted that the size of a gram panchayat in Kerala is bigger than that of West Bengal.
- We can safely conclude that majority of SHGs in both Kerala and West Bengal is women based SHGs.
- It is noticed that there was an increasing tendency of forming SHGs with members of one's own caste.
- It is remarkable to note that the educational level of SHGs in Kerala is higher when compared to West Bengal.
- It has been reported that the number of APL members in SHGs is quite high in Kerala in comparison with West Bengal.
- It is significant to note that the community-based organizations, religious-based organisations and political parties have promoted SHGs in a big way in Kerala . However, this pattern of promotion is not seen in West Bengal.
- Most of SHGs continue to remain unregistered both in Kerala and West Bengal.
- The intensity of micro- credit activities of SHGs is quite high in Kerala as compared to West Bengal. Similarly, the number of SHGs that provide social welfare activities to their members is quite high in Kerala in comparison with West Bengal. However, it appears that the state level variation is quite negligible in respect of services provided by SHGs to their members.
- It appears that SHGs in Kerala are more aggressive and efficient in carrying out activities in various fields in comparison with SHGs in West Bengal.
- Both in Kerala and West Bengal, livelihood activities of the majority of SHG members are in the field of agriculture.
- Kerala has a higher proportion of graded SHGs to non-graded SHGs as compared to West Bengal.
- Majority of SHG members in both Kerala and West conduct their regular meetings on weekly basis.

- In both Kerala and West Bengal SHGs assign more or less equal share of time for discussing the agenda on thrift and credit activities, problems related to basic services and scheme availing strategies.
- The result of our survey in Kerala and West Bengal provides an interesting evidence of SHG's preference for charging a moderate rate of interest in the range of 11-12 percent on the loan from their own pooled savings.
- There are not much state level variations in respect to the pattern of repayment of loan from own pooled savings.
- In respect of tenure of repayment of loan borrowed, majority of SHGs follow the policy of repayment within 4-12 months in both the states.
- It appears that the influence of peer pressure from SHG members is the main reason for timely repayment of loans, in both the states.

References

Basu, Jyotish Prakash "Microfinance and Women Empowerment, An Empirical Study with special reference to West Bengal at "http://www.igidr.ac.in/~money/mfc_10/Jyotish

Deininger Klaus and Liu Yanyan, " Longer-Term Economic Impacts of Self-Help Groups in India"

Goodman, L.A. (1961). "Snowball sampling". *Annals of Mathematical Statistics* 32 (1): 148–170. doi:10.1214/aoms/1177705148.

Government of Kerala (2004): Planning and Economic Affairs Department: Preparation of Annual Plans, under Tenth Five Year Plan by Local Governments, Modified Guidelines, 31 March 2004, Thiruvananthapuram.

Government of West Bengal - Department of Cooperation <http://coopwb.org/self-help-group.php>

<http://sandhyakerala.com>

<http://www.kudumbashree.org>

John Jacob (2009) "A study on Kudumbashree project, A Poverty Eradication Programme in Kerala : Performance, Impact and Lessons for other States" , Kerala Development Society , Planning Commission New Delhi. at www.planningcommission.nic.in

John Jacob (2011) "The Impact of Global Financial Crisis on Employment, Income and Poverty in Kerala" No. 11 - 10 South Asia Network of Economic Research Institutes(SANEI)SANEI WORKING PAPER SERIES, at www.saneinetwork.net

Malayala Manorama^{3rd} February, 2008

Nair, Tara S, Commercial Microfinance and Social Responsibility: A Critique, July 31, 2010 vol xlv no 31, Economic & Political Weekly.

Oommen M.A. (2007): Kudumbashree of Kerala: An Appraisal, Institute of Social Sciences, at <http://www.kudumbashree.org>

Policy Research Working Paper 4886, The World Bank, Development Research Group, Sustainable Rural and Urban Development Team, March 2009, at <http://econ.worldbank.org>

Ram Mohan, T.T, "Five myths about micro finance". Economic Times, Delhi edition, Thursday 11 November 2010.

Ramesh, J (2007): "Self-help Groups Revolution: What Next?", Economic & Political Weekly, Vol 36, pp 3621-24.

SHG Resource Centre, Self Help Group Promotional Forum (2010), "Status of Self Help Groups in West Bengal, Kolkata.

Tiwari , Meera "Didi of Rural Bihar: Real Agent of Change?", Economic & Political Weekly , August 14, 2010 vol xlv no 33

www.janasree.in,

www.nss.org.in