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RESEARCH ARTICLE

MICROFINANCE AND HUMAN RESOURCE DEVELOPMENT: A CASE STUDY OF SOME PARTS OF BURDWAN DISTRICT, INDIA

***Dr. Manjari Sarkar (Basu)**

Department of Geography, Kandra R.K. KMhavidyalaya, West Bengal, India

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ABSTRACT

Human resource provides a group with an effective workforce in order to meet its mission. Human development relies mainly on training and developmental activities. Effective human resource uses system and tools to bring together: the right number of people, with right attitude and skills, in right place, at right time". Microfinance, the development buzzword of the nineties was meant to cure the illness of rural poverty. The Indian microfinance scene is dominated by SHGs and their linkage to bank with self-reliance, self-sufficiency and self-help gained momentum. The goal of human resource system, tools and activities is to help the individual employees who make up his/her microfinance institution to be successful at their jobs. Self Help Groups or SHGs represent a unique approach to financial intermediation. The SHG approach combines have access to low-cost financial services with a process of self management and development for the needy people, who are SHG members. SHGs are having link not only with banks but also with wider development programmes. But there are also some questions. How effective are the groups in managing their financial transactions? Individuals cannot only enhance the success of the individuals, but can encourage a team effort capable of reaching goals beyond what one person can do alone. So, microfinance is helping the individuals in group formation. The success of group approach in rural micro-finance among the poor has inspired the tendency to look at all networking as essential and desirable in rural community development. This paper examines to find out how microfinance is helping the human resource development and what are the real situations of that group for the development? The major issues addressed in this study are the effect on human resource development by the formation of microfinance in this region which includes the nature of activities, work space, training and development of skills and marketing of finished products which are main parts of human resource development.

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INTRODUCTION

All employees, regardless of their position in microfinance institution, need the same things to be successful. Everyone needs to: Identify the mission, Understand their role, and how that contributes to the mission, Know specifically what is expected of them, Have the capacity, resources and environment which makes success possible, Receive encouragement, constructive feedback, and opportunities to develop and improve. In this way of proper human resource management, microfinance helps the human resource development. The concept for human resource development, involved members of all career-track groups and departments. Effective human resource uses system and tools to bring together: the right number of people, with right attitude and skills, in right place, at right time". The goal of human resource system, tools and activities is to help the individual employees who make up his/her microfinance institution to be successful at their jobs.

OBJECTIVE

1. Find out how microfinance is helping the human resource development?
2. What is the effect on human resource development by the formation of microfinance in this region?
3. To find out what problems they face to continue this microfinance project.
4. What will be the remedial measure for human resource development?

1. Find out how microfinance is helping the human resource development?

Microfinance providing small loans to the poor and low income household to generate new source of income .It has evolved primarily out of the non-profit development. Community is gradually adding bits of expertise from the commercial world. Because of this gradual formalization, microfinance institutions (like SHGS) are yet not fully structured, and therefore following the most current principles from corporate experience. "For microfinance to fully establish

*Corresponding author: Dr. Manjari Sarkar (Basu), Department of Geography, Kandra R.K.KMhavidyalaya, West Bengal, India.

itself as a pioneering industry, it has to unite the successful practices and behaviors of the business community with the social mission of the development world. (Pityn *et al.*, 2007) In India people matters are most challenging, in comparison to financial and technological matters. After recruitment, the training and capacity building figure out as a predominant factor in preventing turnover. Hiring and retaining good quality human resources is also one of the targets given to microfinance Human resource development challenges in an microfinance are not all that different from those of other companies; however, working with populations at the bottom of the pyramid, in country with varying political and economic climates is bound to generate unique to microfinance. Microfinance is help the human resource development through providing proper training reaching rural India. Building human capital, microfinance highlights nine performance metrics which include outreach borrowers, outreach deposition market penetration, scale growth profitability, efficiency, productivity and portfolio quality. Human development in microfinance depends upon its chosen area of performance.

These are the following ways that microfinance helps the human resource development

a) Training and skill development

Human development relies mainly on training and developmental activities like being reactive to present needs, rather than building capabilities for the further, transferring large amounts of information rather than increasing the knowledge of members. The aspects specific to microfinance include treatment on induction, ongoing professional development. Another important aspect is that financial resources availed for the training and development of employs are never unlimited necessitating decision about where to deploy resources to maximum effect. During the orientation training, an explicit message should be given to newcomers by communicating microfinance mission, strategy, and objectives, particularly the behavior expected from them to achieve these goals.

b) Continuous professional development

Member s learning is an ongoing process throughout the entire relationship between the employee and the microfinance institution. Ongoing learning is required to help members grow as business grows; this involves planning to identity new skills that employees need to fulfill personal and corporate objectives. Learning may also involve cross-learning so people can perform a variety of jobs. Cross-learning can also enhance the ability of members to participate meaningfully in redesigning work procedures to accommodate growth because employees can see the work environment from various perspectives.

2. Effect on human resource development by the formation of microfinance in this study region

Human resource provides a group with an effective workforce in order to meets its mission. “Effective human resource uses system and tools to bring together: the right number of people, with right attitude and skills, in right place, at right time”

(Pityan and Helmuth 2007). The goal of human resource system, tools and activities is to help the individual employees who make up his/her microfinance institution to be successful at their jobs. Microfinance institution requires two major resources to operate: capital and people. The microfinance industry gives significant attention to the financial issues of operation. While finance is essential, it is only a tool in the hands of people. Money does not manage itself, people manage it. By building strong, well functioning human resource system, microfinance institution will be poised for growth, ready to manage the challenges of an evolving environment, and responsive to the needs of clients. All institutions are comprised of an interdependent network of individuals. In order to make a microfinance institution to be successful, the individuals within it must be productive, efficient and effective.”Individuals can not only enhance the success of the individuals, but can encourage a team effort capable of reaching goals beyond what one person can do alone” (Pityan and Helmuth 2007). So microfinance has helping the individuals in group formation. All employees, regardless of their position in microfinance institution, need the same things to be successful. Everyone needs to: a) Identify the mission, b) Understand their role, and how that contributes to the mission, c) Know specifically what is expected of them, d) Have the capacity, resources and environment which makes success possible, e) Receive encouragement, constructive feedback, and opportunities to develop and improve. In this way of proper human resource management, microfinance helps the human resource development.

Profile of sample SHG Groups

Here we will discuss the profile of the SHGS and members mainly based on the information collected through the structured questionnaires. Whenever necessary, we will substantiate the quantitative information with insights drawn from personal interviews.

2.1. Religion and sex

As shown in Table 2.1 groups in the overall sample Hindu religion people is more than the Muslim religion people both the two block. Between this two block Burdwan-I reported a slightly more Hindu religion than Muslim .Most of SHG members belong to female both the two block.

Table 2.1. Religion and sex composition of the SHGs groups

Block	Religion		Sex	
	Hindu	Muslim	Male	Female
Burdwan-I	92.15	7.85	6.79	93.21
Katwa-I	90.9	9.9	10.9	89.1

Source: Primary data

2.2. Social category of member

Based on information collected, social categories of members are shown in Table 2.2. The sample drawn from Burdwan-I, 60.75 percent members from SC category. While Katwa-I, 79.20 percent from SC category. In Burdwan-I block 2.80

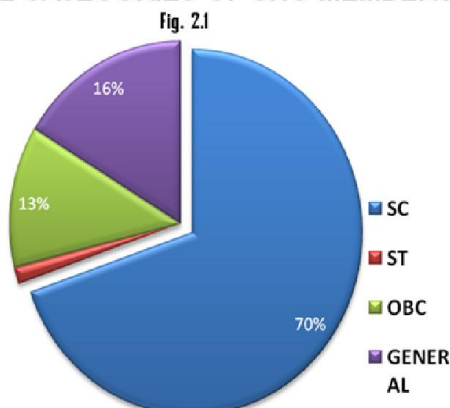
percent members belongs to ST category but Katwa-I block no ST category found. The representation of general category in overall sample is only 16.34 percent.

Table 2.2. Percentage Distribution of SHG members by Social category

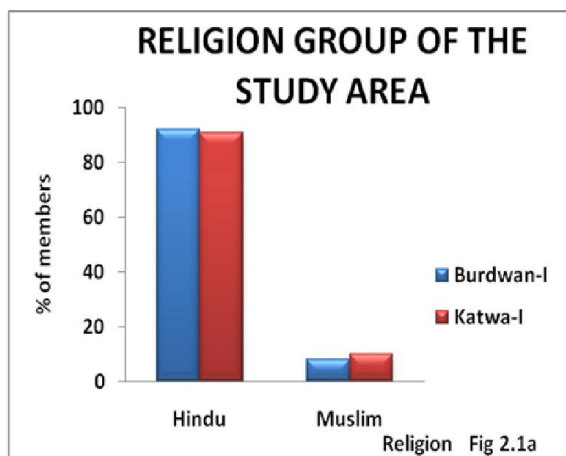
Block	SC	ST	OBC	GENERAL	TOTAL
Burdwan-I	60.75	2.8	11.22	25.23	100(107)*
Katwa-I	79.2	0	13.6	6.94	100(101)*
Overall	69.71	1.44	12.5	16.34	100(208)*

*In Bracket total no. of members. Source: Primary data (Field survey)

SOCIAL CATEGORIES OF SHG MEMBERS



RELIGION GROUP OF THE STUDY AREA



2.3. Literacy and Education of the SHG members

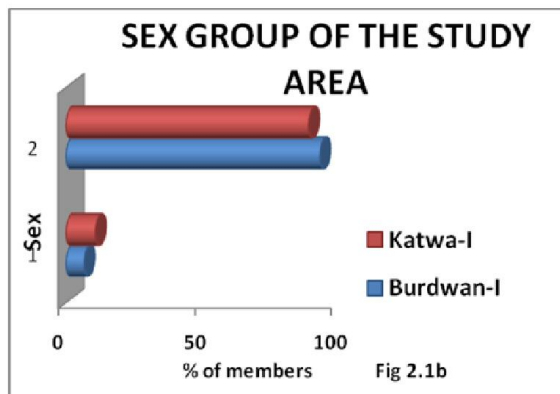
The Table 2.3 provides a fair idea about education level of total number of sample groups. The members’ literacy and education levels as depicted in table 2.3 reveals that 57.69 percent are totally illiterate while 19.71 percent can barely sign their names. 16.82 percent education level is lower primary (up to 4). This is a clear indication that unless there is significant handholding from the promoter agencies in writing the books of accounts, the groups themselves will not be able to independently manage their financial record keeping and also will not be able to Know what is written in the record. The incidence of illiteracy is particular high in Katwa-I block. Only 1.44 percent education level is secondary level in overall samples.

Table 2.3. Percentage Distribution of SHG members by literacy and Education level

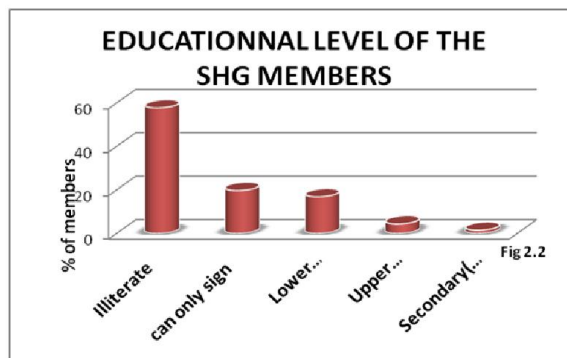
Literacy/Education level	Block		
	Burdwan-I	Katwa-I	Average
Illiterate	56.13	59.23	57.69
can only sign	21.29	18.1	19.71
Lower Primary(up to 4)	16.56	16.59	16.82
Upper Primary(up to 8)	3.72	4.72	4.32
Secondary(up to 10)	2.3	1.36	1.44

Source: Primary data.

SEX GROUP OF THE STUDY AREA



EDUCATIONNAL LEVEL OF THE SHG MEMBERS



2.4. Formation of the SHG groups

As shown in Table 2.4 the average age of the groups in the overall sample is 2.5 years. Between the two blocks Burdwan-I reported a slightly older sample with an average age of 2.6 years and Katwa-I reported relatively younger groups with average age of 2.39 years.

Table 2.4. Formation of SHG groups (Block -wise)

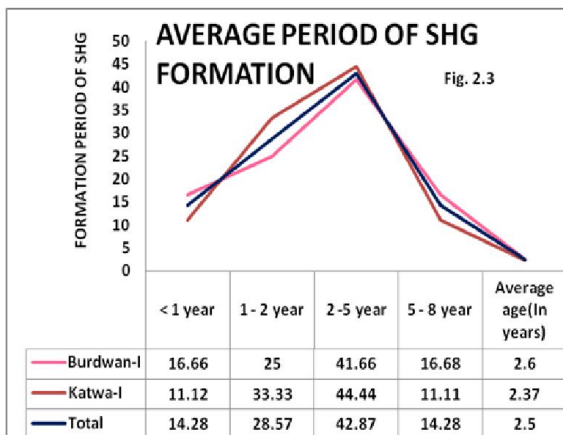
Age of group	Burdwan-I (%)	Katwa-I (%)	Total (%)
< 1 year ago	16.66	11.12	14.28
1 - 2 year	25	33.33	28.57
2 -5 year	41.66	44.44	42.87
5 - 8 year	16.68	11.11	14.28
Average age(In years)	2.6	2.37	2.5

Source: Primary data.

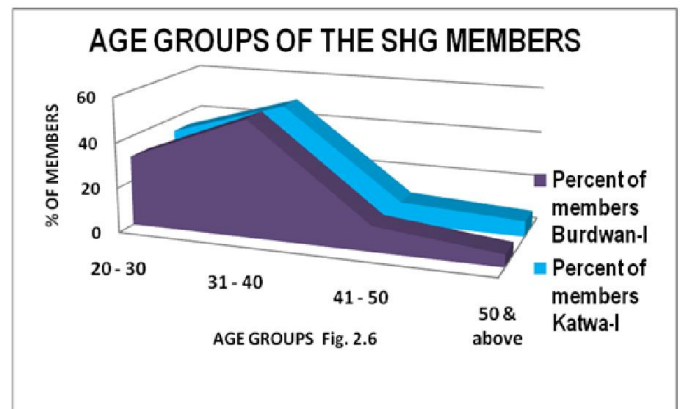
2.5. Poverty status of SHG members

We have analyzed the poverty status of the members in table 2.5. It shows that there are variations across the blocks with respect to poverty status of the members. In Burdwan-I block 61.21 percent SHG members are BPL and Katwa-I block 68.17 percent SHG member are BPL. In the Burdwan-I block

7 groups are exclusive BPL group and 5 groups are exclusive APL groups. In Katwa-I, 7 groups are exclusive BPL group and 2 groups are exclusive APL group. So most of the members are belongs to BPL. Table 2.5 Poverty profile of SHG members



Burdwan-I and 6.94 percent of Katwa-I are 50 and above years of age. Therefore, it can be concluded that majority of the member are above 30 years of age.



2.7. Status of activity

During study, we tried to capture the status of the group activities in the sample group, some of the activities studied are they meeting regularly, conducting business of the groups. 6 BPL groups are those in which more than 80 percent members are BPL as per state BPL list of state government. 2 APL groups are those in which BPL members is less than 80 percent of total membership performing some activity or had shut down everything. To map the status we divided all the sample groups in three sub category of active, Dormant, Disband. A third of the groups were found active in the sense that the members were regularly meeting at the time of survey. Table 2.7 SHGs by status of activity.

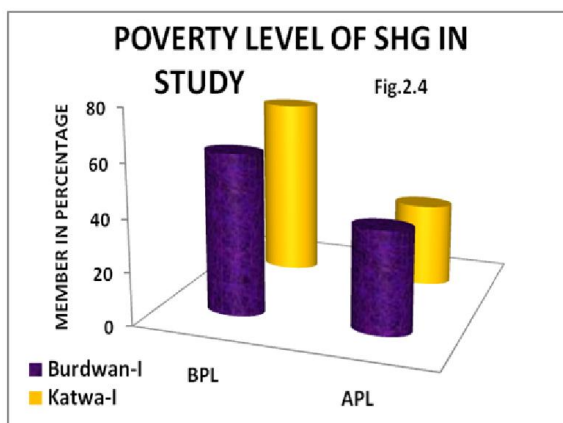


Table 2.5. Poverty profile of SHG members

Block	BPL group	APL group	% of members by poverty status	
			BPL	APL
Burdwan-I	7	5	61.21	38.79
Katwa-I	7	2	68.17	31.83

Source: Primary data.

Table 2.6. Age group of the members of SHGs

Age group	Percent of members	
	Burdwan-I	Katwa-I
20 - 30	31.1	33.66
31 - 40	52.17	49.5
41 - 50	11.25	9.9
50 & above	5.48	6.94

Source: Primary data (Field survey).

2.6. Age groups of the SHG members

Table 2.6 shows the distribution of the members (Burdwan-I and Katwa-I block) on the basis of the age of the SHG members. It can be seen that 31.10 percent of SHG members of Burdwan-I and 33.66 percent of SHG members of Katwa-I are 20-30 years of age. In the block Burdwan-I, 52.17 percent and Katwa-I, 49.50 percent are between 31-40 years of age. 11.25 percent of Burdwan-I and 9.90 percent Katwa-I are between 41-50 years of age, and remaining 5.48 percent of

Table 2.7. SHGs by status of activity

Block	Active	Dormant	Disbanded	Total
Burdwan-I	25(3)	58.33(7)	16.67(2)	100(12)
Katwa-I	22.22(2)	66.66(6)	11.12(1)	100(9)
Total	23.80(5)	61.90(13)	14.30(3)	100(21)

Source: Primary data.

2.8. Attrition rate of members of the SHGs

It presents the response of the members regarding attrition in the SHGs. It can be concluded that 82 percent of SHGs of Burdwan-I block and 85 percent of SHGs of Katwa-I block have responded that no member had left their groups. Nine percent for Burdwan-I and ten percent for Katwa-I block reporting one member and remaining nine percent for Burdwan-I and five percent for Katwa-I SHGs reporting more than two members of their SHGs had left the group since inception. Therefore it can be concluded that the attrition rate of the SHG members is quite low. Table 2.8 Attrition rate of the SHG members (%)

Table 2.8. Attrition rate of the SHG members (%)

Attrition rate	Block	
	Burdwan-I	Katwa-I
No attrition	82	85
One member	9	10
Two member	9	5

Source: Primary data.

Analysis of Economic impact of SHG formation in the study area

The study shows the outcome of an ex-post evaluation study of the SHGs. A sample of 21 SHGs consisting of 208 members have been taken to study the various aspects of the SHGs viz. economic status and occupational pattern etc pre and post SHG formation. It is found that most of members of SHGs are economically weak. The overall findings of the study suggest that SHG bank linkage programme has considerable positive impact on the social condition.

58.52 percent for Burdwan-I and 56.29 percent for Katwa-I belongs to 1000-3000 Rs/m income group. But the post SHG period <1000 Rs/m income group members decrease and 1000-3000 Rs/m income group increases. This is the clear cut indication that the after joining SHG the group member's family income had increase. The other income group's percentages have been increased. It is worthwhile to mention here that all 208 household were engaged in multiple activities for income as shared by the respective members. However, it is interesting to note that agriculture labour remains to be the primary source of income for the families irrespective of the number of livelihoods pursued by the family members. During interaction with members, it was observed that in majority of cases, source of income and purpose of loan from banks do not match.

3.2. Housing position of the SHG member

Portrays the response of the members into two categories on the basis of owning *kuchcha* house (Mud house) or *pucca* house (cemented house). It can be seen that 65 percent of the members are having *kuchcha* house for Katwa-I block and 44 percent for Burdwan-I block in post SHG period. Remaining part of both the blocks are having *pucca* house in post SHG period. In pre SHG period there is no permanent house has been found 18 percent of the members for Burdwan-I and 29 percent for Katwa-I, but after formation of SHG the members formed their own house.

3.3. Occupational profile of the members

When it comes to members, in the block Burdwan-I no fixed occupation found 41.12 percent of sample population (Table-3.3), and 20.56 percent are cultivator. House wife and non-agriculture wage work are reported by a relatively larger proportion of SHG members in Katwa-I block. In the block Burdwan-I second largest occupation is that the members are self employed. Table: 3.2 Housing position of the SHG members.

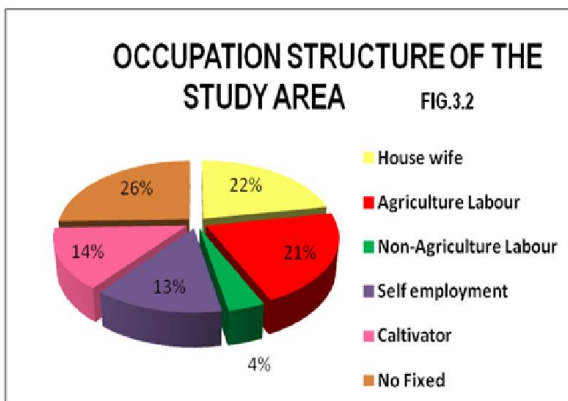
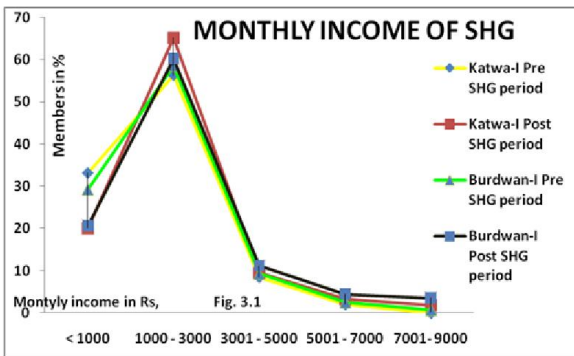


Table 3.1. Household income of SHG members in Rs.

Monthly family income in Rs	Katwa-I		Burdwan-I	
	Pre SHG period (%)	Post SHG period (%)	Pre SHG period (%)	Post SHG period (%)
< 1000	33.15	20.13	29.2	20.67
1000 - 3000	56.29	65.21	58.52	60.23
3001 - 5000	8.52	9.54	9.21	11.17
5001 - 7000	2.04	3.29	2.44	4.42
7001 - 9000	0	1.83	0.63	3.51

Source: Primary data.

3.1. Household Income (SHG)

Poor practice basket of livelihood activity for household incomes. In the context of Burdwan, agriculture, animal husbandry and wage labour are the three main sources of income for poor households. For this study, the livelihood source which contributes maximum to the household income has been taken as main source of income. During member interaction, we discussed all livelihood sources of households and tried to figure out the primary sources with the help of concerned members. Table 3.1 shows that in Pre SHG period

Table 3.2. Housing position of the SHG members

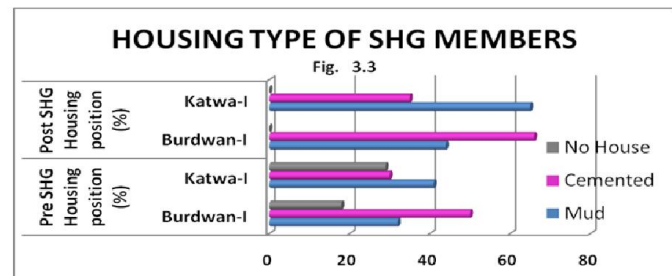
House type	Pre SHG time Housing position (%)		Post SHG time Housing position (%)	
	Burdwan-I	Katwa-I	Burdwan-I	Katwa-I
Mud	32	41	44	65
Cemented	50	30	66	35
No House	18	29	0	0

Source: Primary data.

Table 3.3. SHG member's occupation

Occupation	Burdwan-I	Katwa-I	All
House wife	0	45.54	22.11
Agriculture Labour	12.15	30.69	21.15
Non-Agriculture Labour	0	7.9	3.84
Self employment	26.17	0	13.46
Cultivators	20.56	6.33	13.94
No Fixed	41.12	8.92	25.5

Source: Primary data.



3.4. Increase of assets

Increase of assets is reflects the increase of income among the members. Table 3.4 shows the distribution of assets before and after joining the SHG. It clearly shows that after joining the SHG, member’s assets increases to some extent. In the pre SHG period 68.59 percent of Burdwan-I and 74.02 percent members of Katwa-I are reported no assets. But after joining the SHG the most of the members reported that their assets increase. Table: 3.4 Percentage of assets in Pre and Post SHG period among the members

Table 3.4. Percentage of assets in Pre and Post SHG period among the members

Assets Type	Pre SHG Period (%)		Post SHG Period (%)	
	Burdwan-I	Katwa-I	Burdwan-I	Katwa-I
T.V	5.12	2.23	15.25	5.26
Radio	8.52	12.5	10.65	14.54
Bicycle	14.25	11.25	25.9	22.29
Mobile	3.52	0	35.21	21.21
No Assets	68.59	74.02	12.9	36.68

Source: Primary data.

Social impact and empowerment of members

Vest section of the rural poor are even now deprived of the basic amenities, opportunities and oppressed by social customs and practices. It has been an accepted premise that women were not given enough opportunities to involve themselves in the decision making process of the family as well as in the society. Hence, women were the main target groups under SHG programme. When infused with confidence and sense of belonging to the group, it has been found that women often would show better results than man. The SHG programme provides adequate scope for the rural household, especially women, to help in developing self worth and social behavior through a series to trainings and group meetings. An assessment of the impact of SHG on social life of the members by comparing the pre and post SHG situation was carried out. It has also empowered women members substantially and has contributed to increased self confidence and positive behavioral changes in the post-SHG period as compared to the pre-SHG period. The participation of women in SHGs made a

significant impact on their empowerment both in social and economic aspects. The overall social impact has been summarized as under.

4.1. Nature of communication of members

It is found that there has been 32 percent increase in number of SHG members for Burdwan-I and 31 percent increase in number of SHG members for Katwa-I , who can now freely talk in the meetings while there has been a decrease members, who sometimes talks or hesitates to talk. Thus it can be concluded that microfinance movement is having a good impact on members, in their ability to express their feelings and has made people more confident to express themselves.

Table 4.1. Members nature at the time of communication in the meeting

Features	Pre-SHG situation		Post-SHG situation	
	Burdwan-I	Katwa-I	Burdwan-I	Katwa-I
Freely talks	23	20	55	51
seldom talks	49	45	28	25
Hesitates to talks	28	35	17	24

Source: Primary data.

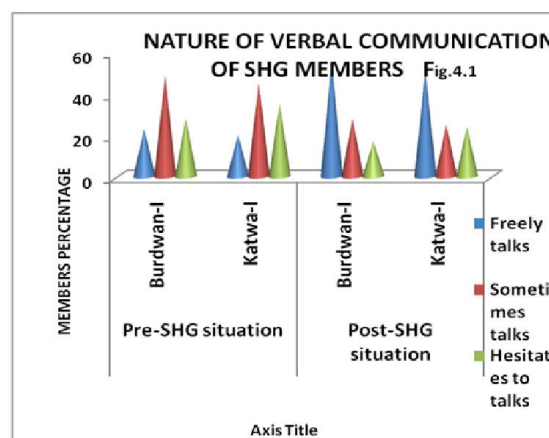
4.2. Frequency of interaction with outsiders

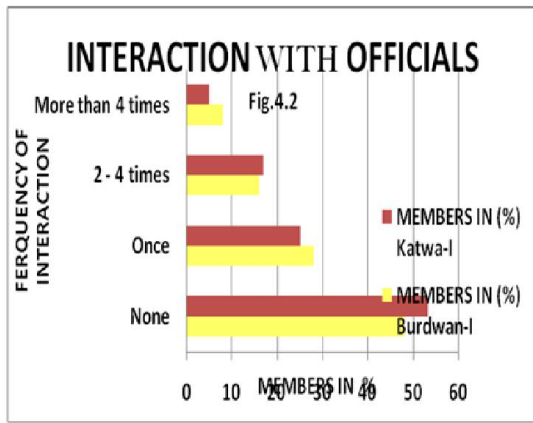
Table 4.2 presents the changes that occurred in the frequency of interaction with outsiders or officials during pre and post SHG period. Members generally, got lesser opportunity to interact with bankers, government officials and others in pre-SHG period. It can be seen that in the pre-SHG period most of the members were not interacting with officials whereas after associating with SHG, most of the members had interacted with the officials. The interaction has helped them to articulate their problems and improved their self confidence.

Table 4.2. Frequency of Interaction with officials

Frequency of interaction with officials	Pre-SHG period (%)		Post-SHG period (%)	
	Burdwan-I	Katwa-I	Burdwan-I	Katwa-I
None	48	53	16	18
Once	28	25	22	24
2 - 4 times	16	17	30	28
More than 4 times	8	5	32	30

Source: Primary data.





4.3. Change in family violence

Family violence being a sensitive topic was difficult to be ascertained from the members especially women. It has been seen that the most important element in violence is verbal abuse. Involvement with SHG has reduced this violence especially due to reduction in economic difficulties. In most of cases the members suggested that their husbands should also be involved in SHG. 4.4 Status of access to amenities:- Since SHG programme has economic as well social implication, it is necessary to evaluate the various dimensions of the programme. Lack of infrastructure facilities, access to amenities like health, sanitation, education, market, water supply, affect the economic and overall development of the members. Table 4.4 presents the status of access to above mentioned facilities for the sample members. It can be seen that there has been an increase of 35.31 percent in Burdwan-I block and 35.08 percent in Katwa-I block in SHG members in terms of their status of access to amenities factors. Therefore, it can be concluded that after joining SHG the members have been benefitted in getting access to amenities like medical, sanitation, education, market, water supply and transport.

Table 4.4. Status of Access to amenities in Percentage

Particulars	Pre-SHG period (%)		Post-SHG period (%)	
	Burdwan-I	Katwa-I	Burdwan-I	Katwa-I
Medical Facilities	58.12	55.2	70.12	62.52
Sanitation Facilities	20.25	13.3	65.23	63.14
Water Supply Facilities	25.31	21.2	66.54	56.15
Market Facilities	49.35	42.04	80.16	76.54
Adequate Transport Facilities	51.51	44.28	87.72	82.23
School For Children	43.18	41.2	89.81	87.14
Average	41.28	36.2	76.59	71.26

Source: Primary data.

4.5. Health care facility

Different types of health-care facilities such as homeopathy, allopathic, unani, ayurvedic and herbal medicines are available to both the urban and rural people. The membership in the SHGs creates awareness among the members to avail

themselves of the different types of medical facilities provided by different agencies to lead a way to happy life. Table 4.5 shows the distribution of members based on the extent of availing themselves of medical facility before and after joining the SHGs. It could be observed that 58.12 percent of members of Burdwan-I and 55.20 percent of members of Katwa-I availed themselves of medical facility before joining the SHGs whereas the number of members increased to 70.12 percent for Burdwan-I and 62.52 percent for Katwa-I after joining the SHG.

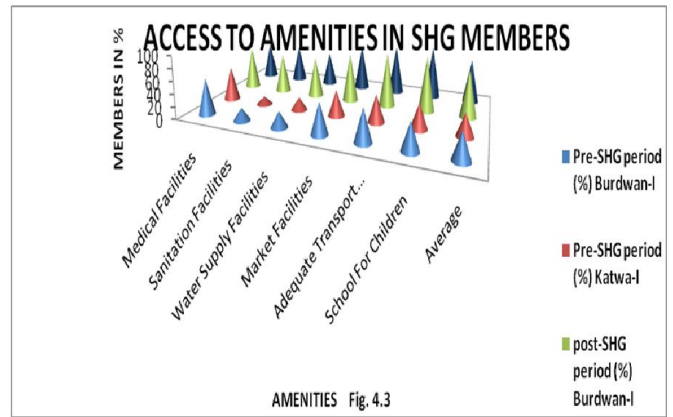


Table 4.5. Availing of Medical Facilities by Members

Response	Pre-SHG period (%)		Post-SHG period (%)	
	Burdwan-I	Katwa-I	Burdwan-I	Katwa-I
Availing	58.12	55.2	70.12	62.52
Not Availing	48.88	44.8	29.88	37.48

Source: Primary data.

4.6. Sanitation

For any social and economic development, adequate sanitation in conjunction with good hygiene and safe water are essential to good health. The lack of clear water and poor sanitation has caused many diseases and spread of diseases. Therefore the individuals and local government authorities like corporations, municipalities and panchayats pay special attention to the provision of sanitary facilities to the people. The improvement in sanitation by availing of the existing facilities and creation of new facilities is due to the awareness created by the SHGs among the members. The distribution of members with sanitary facilities in their houses before and after joining the SHGs is depicted in table 4.6 that 65.23 percent of members of Burdwan-I and 63.14 percent of members of Katwa-I reported having sanitation facility in their houses becoming members in the SHGs, where 20.25 percent for Burdwan-I and 13.30 percent for Katwa-I in pre-SHG period.

Table 4.6. Members having sanitary facility within their houses

Response	Pre-SHG period (%)		Post-SHG period (%)	
	Burdwan-I	Katwa-I	Burdwan-I	Katwa-I
Having	20.25	13.3	65.23	63.14
Not Having	79.75	86.7	34.77	36.86

Source: Primary data

4.7. Water supply facility

It is foremost duty of the government to make available good drinking water to its citizens. Keeping this in view, the government, corporations, municipalities and panchayats provide drinking water facility in public places and also to residences of individuals. The membership in the SHGs creates awareness among the members to get drinking water facilities available in residential localities. Table 4.7 discloses the distribution of members according to responses on water supply within the house before and after joining the SHG. It could be seen from table 4.7 that 41.23 percent of members of Burdwan-I and 34.95 percent of members of Katwa-I reported that they had water supply within their houses after joining the SHGs where as only 20.25 percent of members of Burdwan-I and 21.20 percent of members of Katwa-I expresses their opinion that they had such facility before becoming members of SHGs.

Table: 4.7. Members having water supply within their houses

Response	Pre-SHG period (%)		Post-SHG period (%)	
	Burdwan-I	Katwa-I	Burdwan-I	Katwa-I
Having water supply	25.31	21.2	66.54	56.15
Not Having water supply	74.69	78.8	33.46	43.85

Source: Primary data.

4.8. Children's education

Education is a device for social transformation. It is only through education that people could improve their individual and social life. Keeping this in mind, the SHGs educate the members to send their children to schools. Through rigorous efforts the members of the SHGs are made to realize the benefits of sending their children to schools and colleges. Table 4.8 discloses the number of members sending their children to schools and colleges before and after joining the SHGs.

Table 4.8. Children Education Level

Education Level	Pre-SHG period (%)		Post-SHG period (%)	
	Burdwan-I	Katwa-I	Burdwan-I	Katwa-I
Not Joining School	56.82	58.8	10.19	12.86
Lower Primary (up to 4)	32.51	28.25	48.91	46.2
Upper Primary (up to 8)	8.1	9.2	31.23	30.7
Secondary (up to 10)	1.71	2.62	6.71	7.79
Higher Secondary (up to 12)	0.86	1.13	2.96	2.45

Source: Primary data.

4.9. Women empowerment

Formation of a large number of self help groups in the country, which mobilize savings and recycle the resources generated among the members. By this formation of SHGs, create confidence for the economic self-reliance of the rural poor, particularly among women who are mostly invisible in the social structure. Rural women play a significant role in the domestic and socio-economic life of the society and therefore, national development is not possible without developing this

segment of the society. Empowerment can be viewed as a means of creating a social environment in which one can take decisions and make choice either individually or collectively for social transformation. It strength innate ability by way of acquiring knowledge generation and experience. Empowerment is a multi-dimensional social process that helps people gain control over their own lives communities and their own lives communities and their society. Table 4.9 discloses the effect of SHG formation on empowerment. It could be seen from table 4.9 that 60.08 percent women of Burdwan-I and 58.89 percent of Katwa-I block think that after joining the SHG they feel empowered. 2.33 percent of Burdwan-I and 1.73 percent of Katwa-I block think that after joining the SHG they empower to some extent.

To find out what problem the member faces to continue this microfinance

SHG is the small group formed mostly by the women members (normally 11-20 members) residing in a particular locality, processing the core skill capability of producing a product individually or in groups and have started business venture of their own with the support of the government agencies .The group members are choose by the local area people who are interested ,the members are from families which are in below poverty line , not much educated and unemployed but young and energetic who are interested in becoming entrepreneurs government wants to help these groups during initial period of the business to overcome the teething problems and provides support and training ultimately to function independently as a successful business venture . The problems faced by the SHGs are –► Inability to access market ► Caste barrier in the interior rural village: -mainly food procession product like *BORI,PAPANR, ACHAR etc.* produced by SC and Minority people are not marketable to the upper Caste people► Road connectivity is also a major problem

- i.Limited financial strength hence limited borrowing capacity and lack of professionalism because the members are less qualified.
- ii.Main problem of SHGs is basically the middlemen who help members of SHG to take loans and take some percentage share due to which SHGs get fewer amount but have to repay the actual amount which they applied for.
- iii.The vicious circle of poverty in India has a much greater impact in women. Women suffer from malnutrition, illiteracy, unemployment, lack of awareness and poor health care. This is the serious problem which is threatening the continuation of the microfinance.
- iv.The following financial problems faced by the SHGs member are long procedure ,lack of capital ,unnecessary documentation , credit policies that can gradually ruin their business, inadequate financial assistance , lack of credit support by the financial institutions, lack of support from officials, high interest rate ,lack of refinance facility, and waste of time, energy and money in getting the assistance.
- v.Some major errors are found in accounts. The weekly financial records of SHGs where often incomplete and regularly had major errors in calculation and tallying. Even if literate, the SHGs group accountants, whether internal or

- external dreaded their accounting task, since the amounts transacted in an SHGs are not standard and vary from meeting to meeting, the required tasks included calculating weekly interest dues for each member on varying loan amounts (some at higher penalty interest rates)
- vi. Dependency behavior- not fully "self help". In the absence of the skill to handle these complex book-keeping tasks.
 - vii. No reliable up-to-date record of SHG financial performance to give partners to evaluate the success \viability of these micro-finance collectives, since neither were the internal accounts of each SHGs maintained accurately nor were they aggregated at any level.
 - viii. Other problem are also faced by the members are: -Lack of training, non cooperation among member, improper maintenance of account, interference of outsider, lack of proper infrastructure, lack of interest among the members, lack of suitable leadership, lack of knowledge of the market and potential profitability, employment of too many relatives, setting prices arbitrarily, lack of husband and family member support.
 - ix. Some infrastructural problems encountered by the SHGs like lack of a permanent market to sell their products, lack of transportation, exploitation by middle man, lack of nearby warehouse.
 - x. The rigidly structured (10-15 members and lack of flexibility with changing its composition and size) group account oriented micro-finance model does not have the required flexibility to accommodate the differential savings habits of members within the group. Since there is only one servicing account for the group, all the member generally save the same amount and equally share any benefits.
 - xi. 1) In the absence of access to innovative and beneficial financial products, the SHG members may not be able to make the most efficient use of the in calculated savings habits and financial inclusion. Unfortunately, even as the focus has been to get people to save and open bank accounts, important issues like the returns on their savings have been lost in the maze of priorities.

Remedial measure for the SHGs problem

These are the remedial measure which helps the SHG to overcome their problem.

- i. Financial literacy of members is required to solve the problem of proper credit usage, value for savings, cash flow management, capital formation and account keeping.
- ii. Need of proper training and motivation. Majority of the SHGs member were illiterate therefore training and entrepreneurial inputs be provided to each and every members before setting up any SHGs activity on priority basis.
- iii. Need based skills training which help them particular product development.
- iv. Produce proper working environment for more production. A self directed, work based process, leading to increased adaptive potential holistic.
- v. Each group creates his own unique culture. They set their core values, mission, vision and code of conduct from the basis of this culture which is also heavily influence by the group leader and the individuals.

- vi. Train the group members to utilize credit properly and to improve their economic condition.
- vii. Good communication and understanding among the members help them more effective to solve the problem. And good operation efficiency will be required. Focusing on guiding, energizing, motivating, problem solving and empowering members to reach their potential.

At the last most of the SHGs were joining business only at vary low late and ranging their average profits between 10000-20000 INR per annum annually. Therefore government should provide more assistance to these groups and rural development agencies should help in marketing their products.

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