



**AN ECONOMICAL IMPACT OF SELF-HELP GROUP IN THE DISTRICT  
OF PURBA MEDINIPUR**

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**ABSTRACT**

*DRDA's PurbaMedinipur and Zilla Parishad's SHGs of rural poor people were included in the study's universe. West Bengal's PurbaMedinipur district includes four sub-divisions, each with a total of 12 blocks. This year's field survey took place from January to March of this year. Therefore, the year 2018 serves as the benchmark for the study. The price of the reference year is used to measure all economic characteristics both before and after the SHG. Two variables, namely savings and cash credit, are chosen to assess the sustainability of SHGs in the PurbaMedinipur district (loan). The Chi-square (?) test was used to investigate the statistical sustainability of SHGs. Economic performance evaluation of sample SHGs in PurbaMedinipur district on savings habit, loan usage, asset value, linking activity, loan portfolio, etc., had greatly improved over the research period. After joining SHGs, the economic well-being of the families of SHG members was shown to have risen dramatically. Furthermore, the study indicated that membership in SHGs has resulted in economic empowerment for SHG members through engagement in income-generating activities. Additionally, homes with SHG members saw an increase in their level of living following the SHG. Profitability and financial strength may be seen in all of the enterprise categories (i.e. Off Farm/Non-Farm, Farm, Clams/Cockles, and Household Activities/Mixed Activities). In other words, SHGs had done an excellent job, as seen by this.*

**Keywords:** Self Help Groups, Purba Medinipur, Development, Loan, Income



## 1. INTRODUCTION

A rise in the level of life for the lowest members of society is a sign of progress. Self-Help Groups (SHGs) are a transparent medium through which poverty eradication programmes in India's fisheries industry would be realised. Self-Help Organizations (SHOs) have the potential to be critical to the growth of the fishing industry. The most important precondition is that fishermen and women in particular be included in the initial stages of planning and the subsequent execution of a variety of resource-focused development initiatives. On a collective basis, SHG members' abilities to deal with financial difficulties improve, and the group gradually moves toward self-sufficiency. Members of the Self-Help Group should find a small business that may provide some money for the group, and then link the SHG to other financial institutions like NABARD, RashtriyaMahila Ghosh, other banks, and so on. Formal banks begin a connection with the SHG when their funds are put in their accounts. The banks are actively involved in the SHG's future operations, growth, and success because the SHG's welfare naturally falls under their purview. Members of the SHG receive loan assistance from the bank without the need for supporting paperwork. In order to get a loan from NABARD, a SHG must have been a thrift-credit organisation for a minimum of six months. These SHGs are deserving of nine times the amount of savings as a new loan due to their increased thrift and on-time repayment of previous loans. Several additional financial institutions provide loans to developing SHGs. To become a Self-Help Group, a period of 36 months (3 years) is often necessary, according to experience and observation. To get to the Self-Helping Phase after the Formation Phase and Stabilization Periods, the group goes through a gestation period of up to 36 months. This is followed by the step of becoming a flourishing Self-Help Group based on sociological research on Self-Help Groups.

## 2. LITERATURE REVIEW

**Vanithamani and Babu, (2019)** SHGs are groups of self-help organisations formed by rural women with little or no formal education or entrepreneurial experience in order to help them achieve economic independence and address social and personal issues. It is via this group that women may learn about raising money and handling their personal finances. With SHGs, female entrepreneurs have the highest chance of starting micro businesses. Emerging economies, particularly those in developing countries, rely heavily on small and medium-sized firms. Rather than a lack of ideas or expertise, surveys show that small enterprises fail due to a lack of business and management abilities necessary to run a formal firm. SHG members should be encouraged to start their own businesses as a means of empowering themselves and improving their communities. Help those who are already on the path instead of focusing on the formation of new ones with the proper instruction. Support must be given to those who lack the necessary entrepreneurial abilities to succeed in this industry. In order for SHG women to succeed as entrepreneurs, all stakeholders must work together to improve their personal and professional qualities as well as their entrepreneurial competence, which in turn is impacted by their personal and professional traits.

**Goel and Rajkumar, (2018)** Entrepreneurs have a crucial role in financial development in underdeveloped nations. Emerging economies rely heavily on the contributions of women entrepreneurs. Especially for female entrepreneurs, starting and structuring a new firm is a complex and time-consuming process. They frequently confront the problem of maintaining their company, generating revenues, and assuring sustainable corporate growth. Studies have found that the bulk of support for business development comes from informal sources, according to the findings. Only a small minority of women need aid from government programmes. To create a more conducive environment for female entrepreneurs in India, the researchers suggested that the government should give incentives and raise awareness among women entrepreneurs about various development objectives.

**Sihag, (2018)** SHGs have shown to be an effective tool in the fight against rural poverty. SHGs are being formed by a growing number of rural residents, particularly women, who are taking

part in activities like as resource management, education, and savings in addition to earning a living. Research on SHGs working under the Baba SahebAmbedkar Hast ShilpYojana (AHVY), Haryana, was conducted to have a better understanding of SHGs.

**Srivatsala, (2018)**Enabling women to take ownership of resources like information, technology and finance is a key component of empowerment. Increasingly, women are able to participate in income-generating activities, decision-making and community participation as a result of this training. In addition to boosting their self-esteem, it also elevates their social position. In this way, entrepreneurship helps students become change-makers and develop their own abilities. In order to fulfil the needs of the market and develop new goods and processes, entrepreneurship is a powerful force.

**Srivatsala, (2018)**when it comes to getting their ideas off the ground and into the marketplace, women entrepreneurs encounter a variety of challenges. The engagement of rural women in SHGs is made possible through microfinance, which is critical to their success. With their competent talents and engagement in entrepreneurial activities, rural women create and run businesses. To manage these businesses, they need just the rudimentary indigenous knowledge, skills, and potential that they already possess. They might do better in this sector, however, if they had some assistance from government and non-government organisations in the form of technical training, public awareness campaigns, and financial resources. Rural women entrepreneurs should be encouraged to develop a network to encourage other young women to start their own businesses.

**Soonthodu, (2018)** the biggest difficulty encountered by rural women is financial uncertainty. Women lack financial security owing to illiteracy, unemployment, and rely on male members for earning. A self-help group is one venue for women where these ladies are supplied with financial support at nominal prices. Conditional weekly repayments compel women into taking up positive decisions. Thus, they grow economically stronger. Besides, women of SHGs demonstrate higher self-esteem and leadership qualities. These women become equal participants in socio-cultural life and active decision-makers. Thus, SHGs are an excellent means of empowering rural women. India is predominantly a rural country since most of its people



dwells in rural regions. Growth of rural regions is very critical for the development of our country and SHGs play an important part in that. Interest rates imposed on SHG loans are exceedingly high and thus the government is concentrating on measures to minimise these high rates of interest. The major aim of SHGs has been the upliftment of rural women. However, women from the private sector also might organise SHGs and enjoy its benefits. Karnataka experienced a growth in the number of SHG related activities in India. The involvement of financial institutions becomes significant in the proliferation of SHGs throughout other states as well. As a result, SHG members can start their own small businesses. These firms can be started with the help of financial institutions. Unemployed rural kids may benefit from technical assistance, financial assistance, and moral support if these resources are made available to them.

**Srivatsala (2018)** trained young women and discovered that they needed training facilities to learn new skills and refine the ones they already had. It was found that just 4% of women business owners in the districts were able to benefit from training programmes run by NGOs, government agencies, and other organisations, according to interviews. The majority of female entrepreneurs produced pitiful earnings and struggled to keep their enterprises afloat. 87% of those polled said that the government and non-profit organisations should help them get their items to market more easily. Additionally, the interviews revealed that they were unaware of government and non-profit training programmes. They requested incentives and subsidies to help them promote their companies and raise awareness of their products and services. Our objective was to guarantee that they received adequate technical assistance and financial rewards for it.

### **3. RESEARCH METHODOLOGY**

#### **3.1 Profile of study area**

##### **3.1.1 Geographical Location of selected sample District**

PurbaMedinipur in India's West Bengal state is the subject of this investigation. A map of West Bengal's PurbaMedinipur district.

##### **3.1.2 Sample Size and Distribution**

As previously mentioned, the sample SHGs were chosen from four subdivisions, which include 25 blocks from the district.

### **4. RESULT AND ANALYSIS**

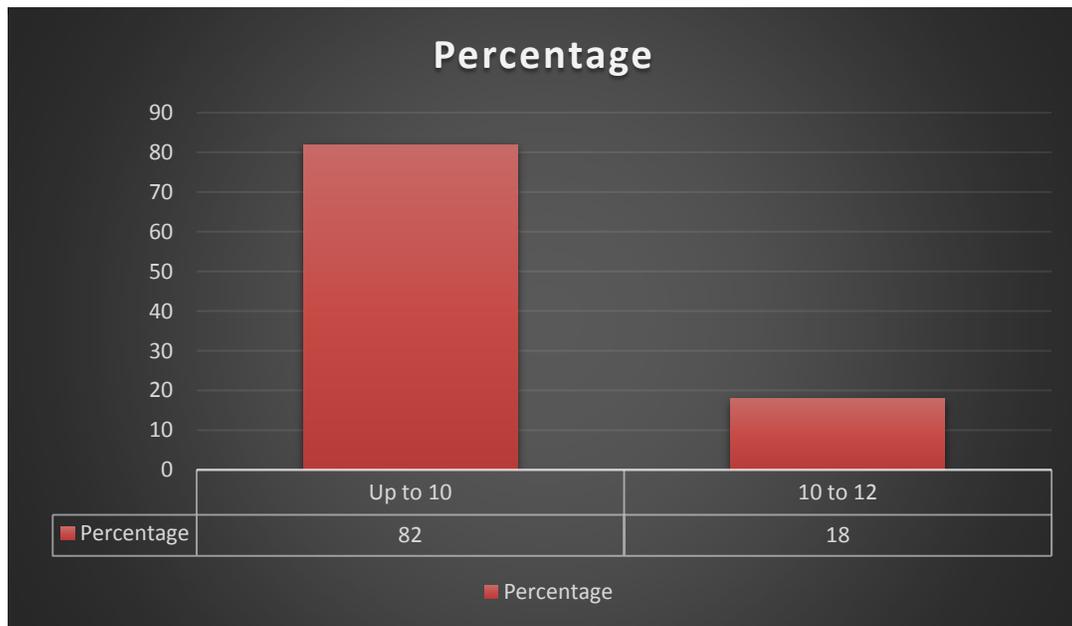
#### **4.1 Profile of Sample SHG'S Members**

This chapter provides an overview of the socioeconomic characteristics of the sample SHG members studied in the study. A total of 2076 participants from 519 SHGs in 12 blocks of PurbaMedinipur district were included in the sample.

##### **4.1.1 Distribution Blueprint of the Members**

In the PurbaMedinipur districts, the average number of SHG members was found to be 11. Table-1 shows the sample SHG members' distribution patterns. **Table - 1 Distribution Pattern of the Members**

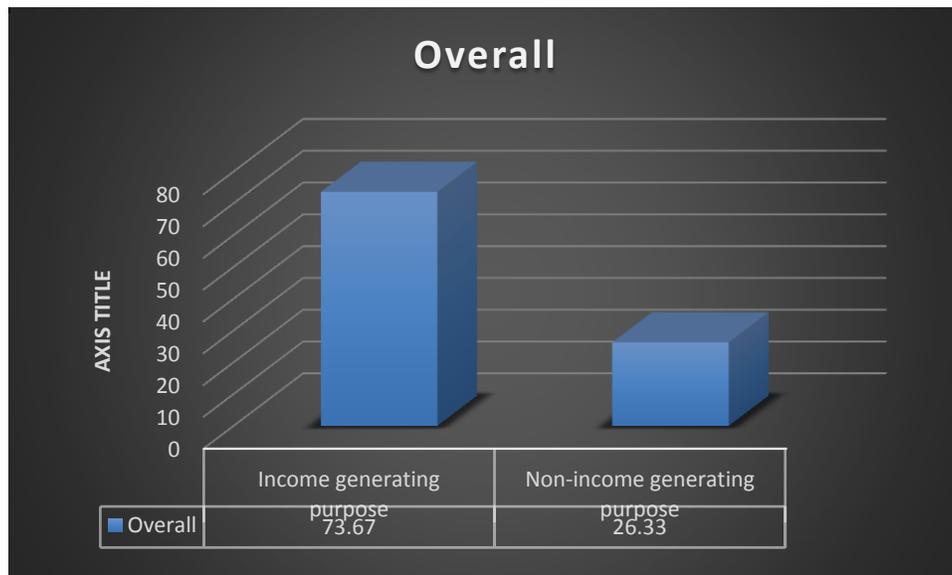
<b>Range of No. of Members</b>	<b>Number of SHG</b>	<b>Percentage</b>
Up to 10	424	82.00
10 to 12	95	18.00
<b>TOTAL</b>	<b>519</b>	<b>100.00</b>



**Figure 1 Distribution Pattern of the Members**

**Table 2 Age of SHGs (Years)**

Purpose	Age of SHGs (Years)			Overall
	Upto 3	4-6	Above 7	
Income generating purpose	45.68	83.0	92.3	73.67
Non-income generating purpose	54.32	16.97	7.69	26.33
Total	100.00 (81)	100.00 (165)	100.00 (273)	100.00 (519)



**Figure 2 Age of SHGs (Years)**

The total number of SHGs is shown in parenthesis in the table. According to the data in Table 2, 74% of sample SHGs used the loan amount for income-generating activities and only 26% used it for other reasons. 92.30 percent of SHGs over the age of six years used loans to generate income, compared to just 83.03 percent of those six years or younger and 45.68 percent of those "up to three years old." 6.1.4.3 Patterns of Borrowing As a result of the SGSY-SHG program's emphasis on making it simple to obtain cash credit (Loans) from the group's corpus, credit diversification and widening will be strengthened. SGSY-SHG was found to contribute to both credit expansion and credit dependence in the current investigation in this subsection.

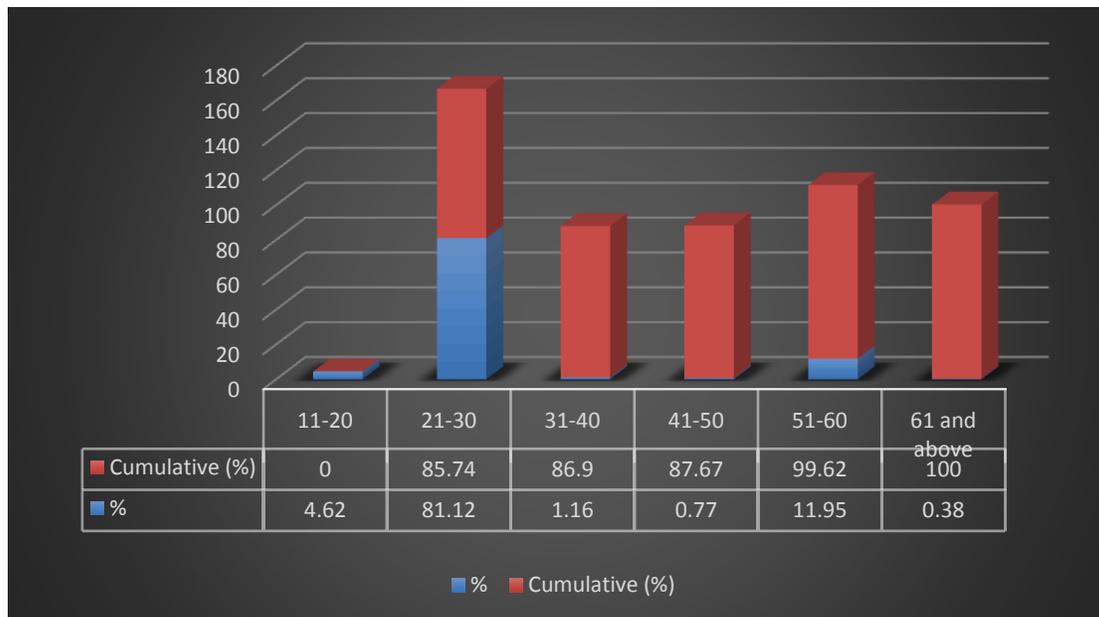
## 4.2 Economic Impact of SGSY

### 4.2.1 Impact of SGSY on Savings

Savings Impact in respect of Savings Range and Pattern Every member of SHG promotes small amount of savings. The savings are kept with the banks. The amount of savings per month per member varied across the groups depending on the capacity of SHG members. Table – 5.20 shows the distribution of sample SHGs according to their savings range and pattern.

**Table – 3 Range and Pattern of Savings by Sample SHGs**

Savings Range (Rs./Month/Member)	SHGs		Cumulative (%)
	Frequency (No.)	%	
11-20	24	4.62	-
21-30	421	81.12	85.74
31-40	06	1.16	86.90
41-50	04	0.77	87.67
51-60	62	11.95	99.62
61 and above	02	0.38	100.00
Total	519	100.00	100.00
SHGs reported increase in savings Rate	238	45.86	



**Figure 3 Range and Pattern of Savings by Sample SHGs**

As per table-3 it is found that the sample 519 SHGs saved a minimum of Rs. 20. Majority of the sample SHGs (81.12%) saved Rs. 20 to Rs. 30 per month per member. Table 6.9 also shows that out of 519 SHGs, 238 SHGs (45.86%) reported an increase in savings rate over a period of time.

## 5. CONCLUSION

In addition, these initiatives failed to have any long-term impact on rural poverty or development. SGSY is the result of the most recent evaluation and reorganization of the anti-poverty strategy. In terms of the implementation strategy, SGSY represents just a minor difference from previous programs. Through the organization of rural poor into SHGs and the development of their capacity, training, and planning of activity clusters, as well as the development of infrastructure and support for technology and marketing, SGSY has been designed as a comprehensive self-employment program. Group members' performance and influence were evaluated by a team of researchers before and after SHG. Some people tried to figure out how SHG members' financial situation improved after joining the group. Other studies have shown that SHGs have taken major efforts towards economic empowerment and self-employment. SHG members' HHs' economic well-being was seen as improved as a result of this, according to some. SHG members who took IGA/ME throughout the post-SHG period saw a rise in their income, according to the findings of other study groups. However, in the district of PurbaMedinipur, no regional level extensive research has been conducted till yet on SHG under SGSY.

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