

SELF-HELP GROUPS AND ITS FUTURE DIRECTIONS: EVIDENCE FROM WEST BENGAL, INDIA

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Abstract

The delivery of credit through Self-Help Groups (SHG) to rural women has had remarkable outcomes, both economically and socially. We articulate findings from our field visit in two rural blocks in West Bengal on the motivation and benefits of being an SHG member and provide suggestions for strengthening the existing programme. While our analyses suggest that the SHG programme has successfully mobilised women from poor economic backgrounds to form groups, it seems a few SHG members were not satisfied with the benefits they expected from the group. At a time when significant emphasis is given to economic inclusion of the disadvantaged sections of society bereft of resources and benefits of formal banking systems, the implementation of suggestions stated by the SHG members can help to promote and strengthen the existing SHG programme in the state of West Bengal, India.

Keywords: Motivation, Benefits, Success, Suggestions, Self-Help Groups, West Bengal, India.

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Introduction

The issue of socio-economic inclusion of deprived and disadvantaged groups, particularly women, has been debated over the years. It is imperative to understand that the overall development of society depends on the efforts made to mainstream women by giving them economic rights like access to credit. It is equally significant to recognise the potential of Self-Help Groups (SHGs) in providing banking services to the unbanked masses, particularly women, and enabling them to have a desirable livelihood option. Microfinance and microcredit have played an important role in materialising this. Almost two decades ago, the United Nations celebrated the year 2005 as the International Year of Microcredit and, in the following year, the Grameen Bank and its founder Muhammad Yunus were jointly awarded the Nobel Prize for their contributions to combating poverty and empowering women. Since then, microfinance has received much attention from policymakers, researchers, and financial service providers.

According to Dr Muhammad Yunus, who pioneered the concepts of microcredit and microfinance, the most important obstacle to taking up entrepreneurial activities by the poor is the shortage of start-up capital (Bateman et al., 2012). The provision of microfinance, which primarily focuses on women, therefore, allows those wanting access to formal financial services to undertake self-employment activities or small businesses (Yunus, 1998; Yunus & Yunus, 1998; Rashid & Moh-ud-din, 2012). The extensive research on the impact of microfinance on the eradication of poverty and socio-economic development (Samer et al. 2015; Lal, Kumar & Murtaza, 2023) displays its potential to break the cycle of poverty.

SHGs have been vigorously promoted for its capacity to alleviate poverty and promote gender equity and social integrity. It has been considered a powerful mechanism for mitigating poverty by enabling the rural poor to increase their income and decrease their economic vulnerability (Ghosh, 2012). Many studies have evaluated the positive impact of SHGs on the socio-economic conditions

of the participating households (Moyle, Dollard, & Biswas, 2006; Sarkar & De, 2010; Dhanya & Shivakumar, 2010). Furthermore, it played a major role in achieving sustainable livelihood by eradicating poverty and promoting social entrepreneurship (Juja, 2014).

Microfinance in India

In India, the microfinance sector is dominated by two models, i.e. National Bank For Agriculture and Rural Development's (NABARD) Self-Help Group (SHGs)-Bank Linkage Programme and Microfinance Institutes (MFIs)-Bank Linkage model (Patil, & Kokate, 2017). The SHG-Bank Linkage Programme was launched in 1990 and initiated by NABARD in 1992 to link the unbanked and the weaker section of the country's population with a formal banking system. Thereafter, in 1999, Swarnjayanti Gram Swarajgar Yojana (SGSY) – a rural self-employment program with the primary objective of providing micro-financial services to the rural poor through SHGs – was launched by the Government of India (Patil, & Kokate, 2017). It is a human-centred, agency-led model that focuses on collective self-reliance, which provides a unique developmental tool for poverty eradication (Singh & Mehta, 2015). SHGs are a cost-effective mechanism for providing financial services to the poor and vulnerable population, which has been successful not only in meeting the financial needs of rural poor women but also in strengthening their collective capacities, leading to their empowerment. As of 31 March 2022, India had approximately 119 lakh SHGs covering 14 crore families. During 2021-22, a state-wise compilation of SHGs' savings linked with banks showed that the Southern region registered the highest share (36 per cent) followed by the Eastern region (27.4 per cent) and the Western region (11.4 per cent) (NABARD, 2021-22). An SHG is a registered group of 10-20 women who come from a common social and economic background (Singh 2008; Thangamani & Muthuselvi, 2013). It is the largest microfinance programme in the world (NABARD, 2021-22), and is known for its extraordinarily positive impact on the economic conditions of the

participating household, the health and wellbeing of the mother and child, and women empowerment (Bera 2011; Brody et al., 2017; Murshid & Ball 2018; Gichuri et al., 2019).

Microfinance in West Bengal

In the latest report on the status of microfinance in India by NABARD, West Bengal ranked second among the 29 states and eight UTs with respect to exclusive women SHGs and groups that were formed under NRLM, and first with respect to bank loans disbursed to SHGs (NABARD, 2022). Furthermore, with 51–75 per cent of rural households being covered under the SHG programme, West Bengal has one of the greatest reaches of the SHG programme in the country (Das, 2010; Saha, Annear & Pathak, 2013). SHGs in West Bengal have also been found to be effective in providing better access to credit, reducing reliance on local moneylenders, increasing members' autonomy, employment, and income, improving access to health information and services, reducing rural poverty and empowering women with decision-making power in their families and communities (Bera, 2011; Saha, Annear & Pathak, 2013; Datta & Singh, 2014; Das & Datta, 2014; Mukherjee, 2015; Maity, 2016). Two studies on Nadia district of West Bengal show that SHG members were mostly middle-aged married women who belonged to the general caste; and they were mostly engaged in two economic ventures – crops (mainly rice) and livestock (primarily goat and pig farming) (Garai Mazumder Maiti, 2016; Gupta et al., 2020). A study in Purba Medinipur district of West Bengal found that women SHG members who were involved in the plantation programme, nursery preparation, poultry farming, vermicomposting, paddy, and rice business played an active role in the decision-making of their family and society (Adhikary, 2015).

Purpose of the Paper

Discussions revolving around development often lead to the question “What ultimately

matters?” This allows us to put people in the centre while striving for development. SHG is an instrument which focuses on the economic and social well-being of not only the individual but also the society at large. As India boasts of having numerous financial protection schemes meant for poor households that promise to economically uplift the member's household, an SHG also makes the same promise. Despite this, and given the general presumption that a woman is economically dependent on male members of the family, this paper attempts to understand what influences women from a poor resource household to become an SHG member, given that she must repay the loan with interest. The answer to the question crucially depends on factors like motivation to become an SHG member and the benefits and services received from it. This provides a useful opportunity to re-evaluate the reasons behind participating in the most widely participated grassroots-oriented programme in India, the SHGs. We try to address the following research questions:

- Who are the SHG members?
- Does social network have any role in having SHG membership?
- What motivated rural women to join SHG?
- Did the women benefit from the SHG membership?
- Whether they faced any challenges?
- Which factors determined the improvement in their life post SHG membership?
- Which factors led to the success of SHGs?

Study Design for Data Collection

For the present study, data collection was done by using multi-stage random sampling. In India, West Bengal has the second-highest number of SHGs covered under the National Rural Livelihoods Mission (NABARD, 2022). Moreover, in West Bengal, Birbhum is one of the five

aspirational districts and has the highest percentage (87.5 per cent) of rural households (Census of India, 2011; Bhattacharjee et al., 2021; Bhattacharjee et al., 2022; Tewari, 2022). By considering the proportion of female SHG members in West Bengal (WB) in the age group of 18-59 years as the prevalence for the present study and by using the formula developed by Lwanga & Lemeshaw, 1991 for sample size estimation, 160 respondents were obtained. Our field visits and initial interactions with SHG members revealed that although the majority of the women in the identified villages were members of SHGs, their perceptions, expectations, benefits, services availed from the SHG and experience of different adversities varied with where they lived. Given this backdrop, we considered the location of the respondents as an indicator to study their exposure to programme benefits and hence surveyed an additional 160 respondents from a different block away from the district headquarters. We chose two blocks out of

the total 19 blocks in Birbhum district based on the highest (Khoyrasole - 100 per cent) and lowest (Suri I - 86 per cent) percentage of rural households (Census of India, 2011). Accordingly, we selected 160 SHG members from the district headquarters located in Suri I, and 160 SHG members from Khoyrasole which is located about 50 km away from Suri I. Following discussions with officials at the office of district SHG & Self-Employment section Suri I, we randomly selected 40 SHG members from each of the selected villages based on the following:

Inclusion criteria of respondents:

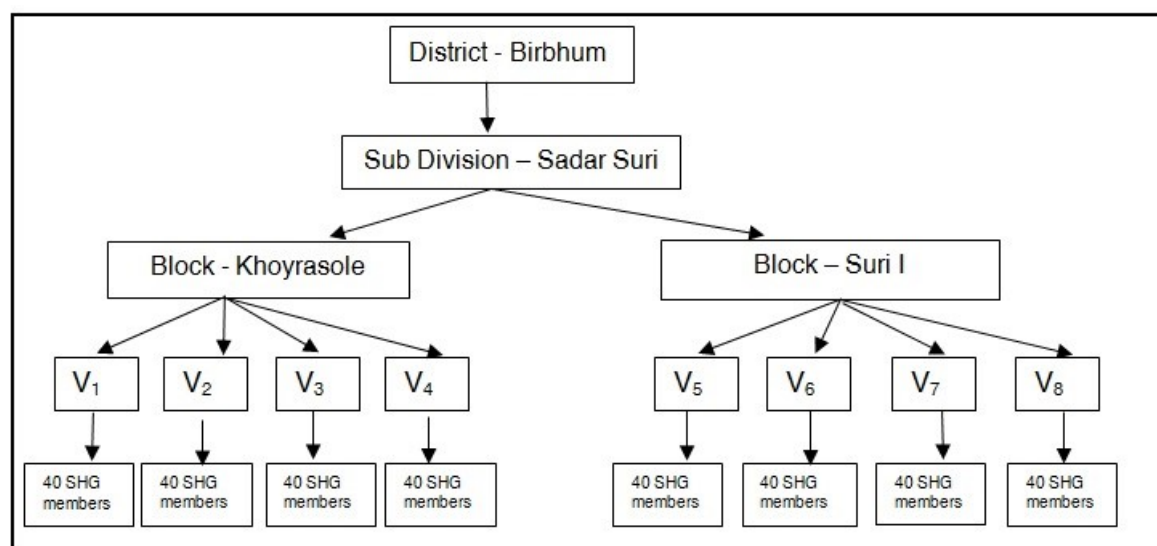
1. Women in the age group of 18-59 years
2. Women who were SHG members for at least three years at the time of survey.

Exclusion criteria of respondents:

1. Proxy members of SHG

Figure 1

Sampling Frame of the Study



Note: "V" stands for villages

Methods

The present paper relies on the personal testimonies of 320 SHG members from two blocks of West Bengal, India. For the present cross-sectional study, a combination of quantitative and qualitative tools and techniques was used to collect primary data. For quantitative information, a structured interview schedule was canvassed. Information about various aspects pertaining to the individual, household and group characteristics was collected through a pre-designed and pre-tested questionnaire. Furthermore, individual-level in-

depth interviews were undertaken to have an extensive understanding by preparing proper checklists and guidelines.

Apart from descriptive statistics, the study used binary logistic regression model to identify the predictors of improvement in life due to SHG membership. Binary logistic regression is carried out when the outcome variable is divided into two categories. It is a statistical method used to estimate the probability of occurrence of a binary outcome based on a set of explanatory features. The logistic regression equation is given as:

$$\text{Logit } P = \text{Log} (p/1-p) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_n X_n$$

Where, P is the predicted probability and log odd of P and (1-P) provides the odds ratios on the reference category and "i" are the coefficients. Coefficients are estimated through maximum likelihood. All the variables were checked for multicollinearity and coded accordingly.

Outcome variable- Improvement in life due to SHG membership

Our outcome variable is improvement in life due to SHG membership which is a dichotomous variable and it is based on the responses given in the following figure (Figure 2).

Figure 2

Improvement in Life Post-SHG Membership (%), Birbhum, West Bengal, India

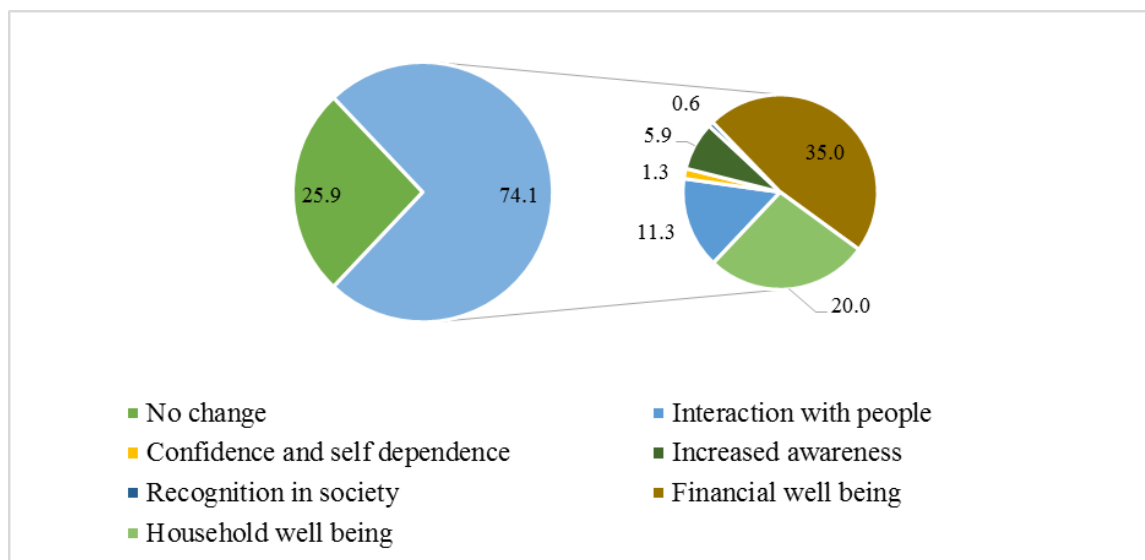


Figure 2 displays the results of improvements in life post-SHG membership. While 25.9 per cent of the respondents said that there was no improvement in their life after taking SHG membership, a majority (74.1 per cent) of them gave a positive response. Of these, 237 respondents, 35 per cent experienced a change in terms of financial well-being, followed by household well-being (20.0 per cent), better interaction with people (11.3 per cent), increase in awareness (5.9 per cent), confidence & independence (1.3 per cent) and finally recognition in society (0.6 per cent). Thus, we coded the responses into "0" as "no improvement" and "1" as "yes, signifying improvement in terms of financial and household wellbeing, etc."

Explanatory Variables

The key independent variables used in this regression are related to SHG membership, like duration of the SHG membership (less than five and more than five years), participation in training programmes (yes or no), and frequency of meetings (once in seven days, once in two weeks and once in a month). Thereafter, individual characteristics like age (less than 30 years, 30-39 years, 40-49 years, 50-59 years) and education (no education, primary education, secondary and above) of the respondents were taken into consideration. Finally, household characteristics like the head of the household (male and female), religion (Hindu/Muslim), caste (Scheduled Caste/Tribe, OBC and others), ownership of BPL card (no and yes), asset index (low, medium & high), and place of residence (villages nearer to the district headquarters and villages away from the district headquarters) were considered.

Ethical Approval

Since the present study is based on primary data, to maintain research ethics, permission and consent were obtained before proceeding with the fieldwork. All the necessary ethical approval on the research topic, methods and survey instruments were taken from the Students Research Ethics

Committee (SREC) of the International Institute for Population Sciences (IIPS), Mumbai, India.

Findings

Sample Profile of SHG Members: Table 1 presents the socio-demographic profile of the surveyed SHG members. The age profile shows that the mean age of SHG members was 36.6 years. Majority of the SHG members belonged to the age group of 30-39 years (37.5 per cent), followed by less than 30 years (26.9 per cent), and 40-49 years (25.3 per cent); one in 10 SHG members belonged to the age group of 50-59 years (10.3 per cent). Although 10.9 per cent of SHG members were illiterate, 38.8 per cent of them had secondary education and one-sixth of SHG members had above secondary education (16.6 per cent). Nearly all the respondents (98.4 per cent) were exposed to either newspaper, television or radio. Differences in marital status of the SHG members were quite evident. Majority of the SHG members were currently married (88.1 per cent) and only 11.9 per cent of them were never married, separated, or widowed. Almost five in seven SHG members' age at marriage was above 18 years (76.9 per cent). The age distribution of the husbands of the SHG members shows that 43.6 per cent were below the age of 39 years, 31.9 per cent of them were 40 to 49 years, and the remaining 24.5 per cent belonged to the age group of above 50 years. The mean age of the SHG member's husband was reported to be 49.1 years. While 5.3 per cent of husbands of the SHG members were illiterate, majority had primary to secondary education (73.4 per cent) and 9.2 per cent pursued graduation. Most of the SHG members' spousal age gap was 5-9 years (51.4 per cent). Three-fourths (76.3 per cent) of the surveyed respondents belonged to the Hindu religion. Caste-wise distribution of the SHG members was mild-36.6 per cent belonged to Scheduled Castes & Scheduled Tribes, followed by Other Backward Class (32.2 per cent) and others (31.1 per cent). Almost all the households possessed Below Poverty Line cards like Rajya Khadya Suraksha Yojana (a public distribution system run by the Government of West Bengal).

Table 1

Percentage Distribution of SHG Members by Selected Individual Characteristics, Birbhum, West Bengal, India

Respondent's Age (in years)	Percentage	N
Less than 30	26.9	86
30-39	37.5	120
40-49	25.3	81
50-59	10.3	33
Respondent's Age (Mean)	36.6	
Respondent's Education		
Illiterate	10.9	35
Primary Education	33.8	108
Secondary Education	38.8	124
Above secondary education	16.6	53
Mass Media Exposure		
No Exposure	-	-
Exposure	98.4	315
Marital status		
Currently married	88.1	282
Otherwise	11.9	38
Age at Marriage (in years)		
Below 18	23.1	70
Above 18	76.9	233
Husband's Age (in years)		
Less than 39	43.6	123
40-49	31.9	90
50 & above	24.5	69
Husband's Age (mean)	49.1	
Husband's education		
Illiterate	5.3	15
Below primary	12.1	34
Primary to higher secondary	73.4	207
Graduation & above	9.2	26
Spousal age gap (in years)		
Below 5	34.0	96
5-9	51.4	145
Above 10	14.5	41

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Religion		
Hindu	76.3	244
Muslim	23.8	76
Caste		
Scheduled Caste & Scheduled Tribe	36.6	117
Other backward class	32.2	103
Others	31.3	100
Households having BPL card		
No	-	
Yes	98.1	314
Asset Index		
Poor	33.4	107
Middle	34.1	109
Rich	32.5	104
Place of residence		
Villages nearer to district headquarters	50.0	160
Villages away from district headquarters	50.0	160
Total (N)	100	320

Motivation to Join SHG

The authors try to explore whether the decision to join the SHG was an individual choice or otherwise. The findings given in Table 2 highlight that six out of 10 SHG members chose to join the programme on their will and 38.4 per cent of the total 320 members were either persuaded by friends, community service providers or family members. In the latter case, respondents were influenced to join the SHG by women who had prior experience of being SHG members. They were motivated by the members' personal accomplishments as well as the social and economic upliftment of their households on account of SHG membership.

A 40-year-old SHG member recollects how her friends inspired her to join SHG. She says, *"I was a housewife with no knowledge of the outside world. My friends told me to join the group and motivated me to step outside the house. I will forever be indebted to them."*

Moreover, an SHG member with no formal education believed that it was her willpower that motivated her to join the group. She says, *"I chose to join SHG to have a better life for myself and my children. I have no education and so does my husband, but I want my children to be educated. I want to pay their school fees."*

Reasons for Joining SHG

Rural societies are mostly characterised by less economic possibilities, and majority of the women bear the brunt of it. They are less likely to have access to credit, loans, and insurance on crops and livestock. For decades, SHGs have played a critical role in providing affordable credit without any collateral to impoverished people, especially women. Hence, while exploring the reasons behind joining the SHG (Table 3), almost half of the respondents said they wanted to avail various governmental benefits like *Swasthya Sathi* (a health insurance scheme of the West Bengal

Table 2*Decision to Join SHG as Stated by the SHG Members, Birbhum, West Bengal, India*

	Percentage	N
Individual choice	61.6	197
Friends	26.9	86
Community Service Provider	8.1	26
Family members	3.4	11
Total	100	320

Table 3*Reasons for Joining SHG as Stated by the SHG Members, Birbhum, West Bengal, India*

	Percentage	N
To get benefits	48.0	154
Persuasion by others	38.0	123
To be independent	14.0	43
Total	100	320

Government), *Samajsathi* (a personal accident insurance scheme for SHG members of the State) and *Muktidhara* (a sustainable livelihood project to generate and maintain sustainable livelihood for poverty alleviation and economic development of SHG members). As stated earlier, 38.4 per cent of the members joined because they were persuaded by others. Finally, a meagre 14 per cent said they joined the group to become independent.

During an in-depth interview, a 35-year-old SHG member said, *"I wanted to do something – I knew I could. I wanted to take up an income-generating activity so that I could support my family and at the same time be financially independent. I knew that the group gives loans at a low-interest rate. So, I thought I should become a member to avail the loan."*

A college-going SHG member also offered a similar motive: *"After finishing college, I want to take up animal husbandry as a profession. SHG gives free livestock like goats and hens. I can make profit by selling milk, eggs, or meat."*

Benefits Received Post-SHG Membership

Regarding the benefits received by joining the SHG, almost one-third (33.8 per cent) of the respondents revealed that they received job/business-related aids like loans for starting income-earning opportunities like grocery shop or a tailor shop. A few others obtained jobs such as cooking mid-day meals in local schools. Benefits like increase in income and savings, and financial independence were reported by 17 per cent of the

respondents. Medical facilities like *Sasthya Sathi* card, and medicines for livestock were reported by 6 per cent of the members. While livestock plays an important role in the rural economy by providing food, livelihood, and social security, its maintenance can often be burdensome. SHGs promote good livestock practices by providing the members with free livestock and vaccines/ medicines for them which is another benefit received by the group members (7 per cent).

Around 2 per cent of the members reported utilising the loan for household expenditures like repair and maintenance. Apart from financial needs and economic support, SHG also facilitates social bonding among the members. For instance, almost 5 per cent of the members reported having learned teamwork and improved their awareness of the functioning of Panchayat and such institutions. Most of the SHG members found progress in their social status within and outside the households.

Table 4

Benefits Received Post-SHG Membership as Stated by the SHG Members, Birbhum, West Bengal, India

	Percentage	N
Job/ Business	33.8	108
Financial aid	17.2	55
Medical aid	6.3	20
Livestock	6.6	21
Household maintenance	1.6	5
Self-developmental	4.7	15
No benefits	30.0	96
Total	100	320

On the contrary, in-depth interviews with members who reported that they did not receive any benefits show that their expectations from the group were not met. For instance, a 25-year-old SHG member said, *"I joined the group for want of a job. This is the lone benefit I expect from the group which I have not received."* Another SHG member said that she did not receive goats from the group as the group leader failed to inform her. Few rued that they hardly knew any influential persons who could help them avail the benefits while others cited lack of discussion on benefits in group meetings.

Factors Influencing Improvement in Life Due to SHG Membership

SHG-BLP plays an important role in lifting the rural poor out of poverty. Accordingly, the

participants were asked a question on improvement in life due to their association with SHG. The estimates from logistic regression analysis for improvement in life due to SHG membership by socio-demographic and economic variables are presented in Table 5.

Attributes related to SHG like duration of membership, frequency of meetings, and attendance in training programmes played a significant role in improving life after taking membership. For instance, SHG members with more than five years of association were 1.4 times more likely to report improvement [OR: 1.44; CI: 0.74-2.77]. With respect to the frequency of SHG meetings, as the duration increased, the response also increased significantly. SHG members who met only once a month were three times more likely to report improvement due to SHG membership

compared to those who met once a week [OR: 3.25; p-value<0.05; CI: 1.32-7.98]. The odds of reporting improvement due to SHG membership were higher among those who attended training [OR: 3.55; p-value<0.01; CI:1.38-9.13].

Members who belonged to the age group of 30-39 years were 1.34 times more likely to experience improvement due to SHG membership [OR:1.34; CI:0.61,2.94]; on the contrary members from 50-59 years were less likely to experience it [OR: 0.61; CI:0.20, 1.83]. SHG members who had primary education were three times more likely to report having experienced improvement in life than the reference category of no education [OR: 3.21; p-value<0.05; CI: 1.18, 8.74]. SHG members

belonging to female-headed households were 2.3 times more likely to have experienced improvement in life [OR: 2.34; CI: 0.78, 6.98]. The odds of experiencing any improvement were seen to be higher among those who belonged to OBC and the Muslim religion. Those who had a BPL card were 3.36 times more likely to experience improvement in life [OR: 3.36; CI: 0.48, 23.69]. SHG members who belonged to the high asset index were 74 times less likely to experience improvement in life [OR: 0.26; p-value<0.05; CI: 0.08, 0.80]. Likewise, the SHG members who lived in villages away from the district headquarters were 63 times less likely to experience improvement in life [OR: 0.37; p-value<0.05; CI: 0.15, 0.90].

Table 5

Odds Ratio from Logistic Regression Analysis Showing the Effect of Selected Variables on Improvement in Life Post-SHG membership, Birbhum, WB, India

Duration of SHG membership	Odds Ratio (95 per cent CI)
Less than 5 years®	
More than 5 years	1.44(0.74, 2.77)
Frequency of SHG meetings	
Once in seven days®	
Once in two weeks	2.94**(1.35, 6.41)
Once in a month	3.25*(1.32, 7.98)
Training programmes attended	
No®	
Yes	3.55**(1.38, 9.13)
Age	
Less than 30®	
30-39	1.34(0.61, 2.94)
40-49	0.99(0.41, 2.34)
50-59	0.61(0.20, 1.83)
Education	
No education®	
Primary Education	3.21*(1.18, 8.74)
Secondary & above	2.26(0.82, 6.24)

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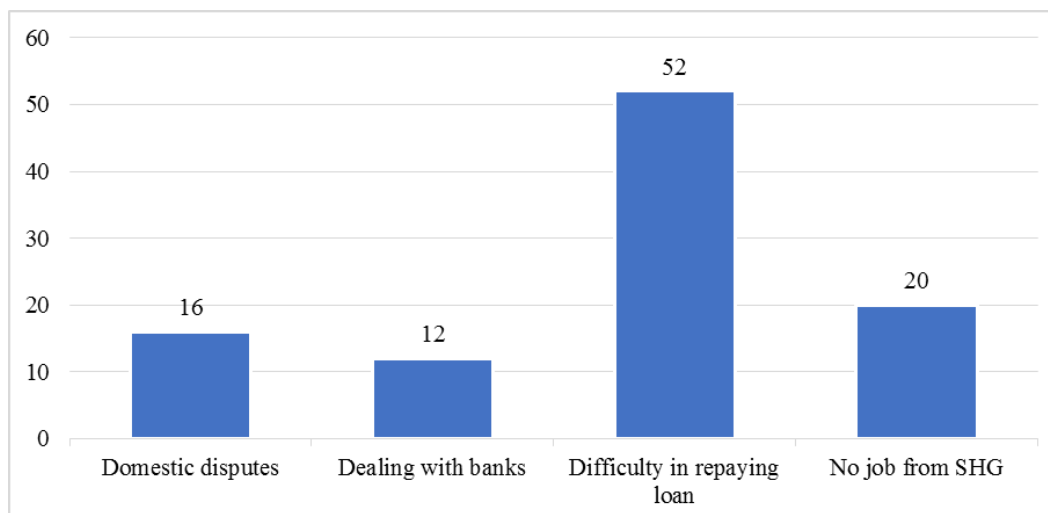
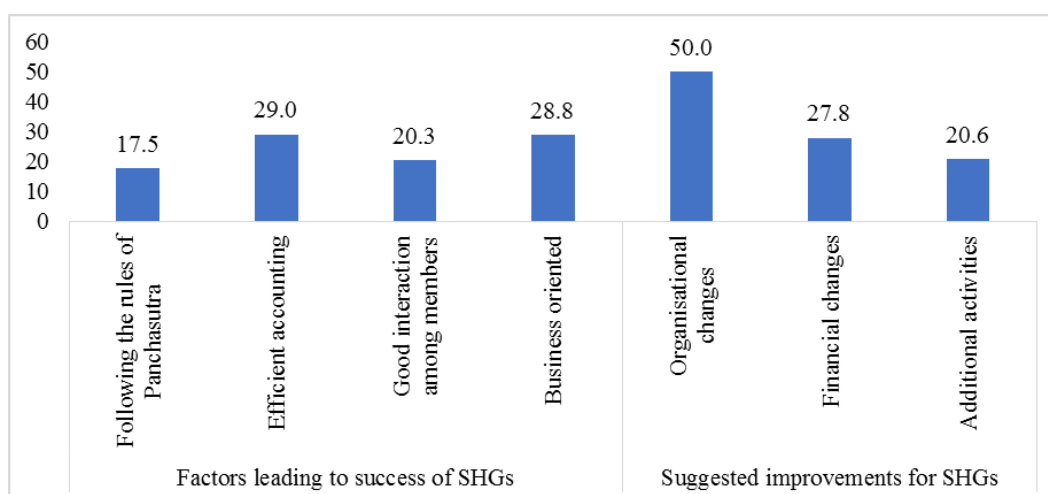
Sex of the household head	
Male®	
Female	2.34(0.78, 6.98)
Religion	
Hindu®	
Muslim	1.87(0.64, 5.46)
Caste	
Scheduled Caste/Tribe®	
OBC	1.98(0.77, 5.10)
Others	1.01*(0.48, 2.17)
Ownership of BPL card	
No®	
Yes	3.36(0.48, 23.69)
Asset Index	
Low®	
Medium	0.54(0.23, 1.26)
High	0.26*(0.08, 0.80)
Place of residence	
Village nearer to the district headquarters®	
Village away from the district headquarters	0.37*(0.15, 0.90)
N= 320; R ² =0.14	

Note: *p<0.05, **p<0.01, *** p<0.001; ®: Reference; Outcome variable-Improvement in life due to SHG membership. We coded the responses into “1” meaning “yes, denoting improvement in terms of financial and household well-being, etc., due to SHG membership” and “0” otherwise.

Challenges Faced by SHG Members

SHG members also faced certain challenges post-SHG membership as described in Figure 3. While 20 per cent of the SHG members complained about no jobs from SHG, 16 per cent of them cited domestic disputes as an adverse consequence of SHG membership. One of the SHG members expressed her grief by stating, “...every time there is a meeting in the group, there will be a fight in the household. It is mostly my mother-in-law who thinks meetings are a waste of time and therefore, I should not attend it.” Another SHG member said

that the major reason for the dispute was regarding repayment of loan. She states, “*Saving money for repayment of loan on a regular basis becomes difficult because we have very little income. So, on occasions where we have to buy something important but also need to save, there is a quarrel between me and my husband.*” Almost one in eight (12 per cent) SHG members found it challenging to talk to the bank officials or manager, and perform paperwork and formalities. However, 52 per cent reported repayment of loans as their major problem.

Figure 3*Challenges Faced by SHG Members (%) in Birbhum, West Bengal, India***Figure 4***Opinion of SHG Members on Success and Improvements for SHGs (%) in Birbhum, West Bengal, India***Factors Leading to the Success of SHG**

Not all governmental schemes work at the ground level. However, the success of SHGs has made it the most widely participated grassroots-oriented programme in India. According to a few members, following the five cardinal principles of *Panchasutra*, i.e. weekly meetings, weekly savings, regular internal lending, regular repayment and good bookkeeping affected the success of SHGs

(17 per cent). Three in ten SHG members stressed efficient accounting like proper use of the group savings fund, timely repayment of loans, and exact bookkeeping of day-to-day finances. Efficiency of the group leader, and a sense of solidarity and unity among group members were other reasons cited for the successful operation of the group (20.3 per cent). Some members suggested that the intent and interest to do business helps in the success of SHGs (28.8 per cent).

Changes Required in the Working of SHG

In addition to factors affecting the success of SHG, the members were also asked about the changes they wished to see in its operation. Half of the members demanded organisational changes like increase in the frequency of meetings, periodic change of group leader and undertaking a joint business venture rather than individual income earning opportunities. Few members wanted the sanctioned loan amount to be raised, restricting loans to members who mostly use it for unproductive purposes, and reduction in the present rate of interest. One-fifth of respondents wished for more job opportunities and skill development training from the group.

Conclusion

This paper presents findings on two broad domains. First, the socio-demographic profile of the SHG members in Birbhum, West Bengal; second, the motivation, reasons, and benefits of being an SHG member. We also focus on the suggestions of the SHG members for its better performance in Birbhum of West Bengal, one of the Aspirational Districts in India.

The descriptive statistics reveal that SHG members were mostly from the 30-39 years age group, pursued secondary and above education, and were mostly married. However, since one of the aims of the SHG programme is to include vulnerable groups, efforts should be made to motivate illiterate women and those from minority religious groups and castes to join the programme. Collective efforts at the individual and community levels should be made to encourage those from minority groups to join the programme.

As per the literature, the reasons to join an SHG can either be the wish to improve the current impoverished situation or social interaction. For instance, many studies evaluated the positive impact of SHGs on the economic conditions of the participating households (Dhanya & Shivakumar, 2010; Paul & John, 2010) indicating the change in the economic condition because of membership.

Improved access to financial services through SHG-BLP accelerated household income and savings (Chakraborty, 2008), increased business income and assets (Ghosh, 2012; Kamili & Sangmi in 2016) and increased family income after repayment of bank loans and other household expenses. Since SHGs are group-based, social networking also plays a prominent role in passing on information when a group is being formed. Ghatak (1999) provides a theory that explains how members in a group tend to select others who have the same commitment towards joint liability of repaying the loan. By analysing data collected from 43 villages in Southern Karnataka, Banerjee et al. (2013) found that participants were more likely to inform friends and acquaintances.

We found out that, in addition to improving the economic status and social networking, members join the SHG to become independent. Regarding the decision to join SHG, the results emphasised the influence of existing SHG members on their peers. In this connection, it is pertinent to state that friends or neighbours play a key role in passing information on SHGs and influencing others to join the groups. Sound community networks hence are needed to increase SHG membership. Majority of the SHG members cited "availing benefits" as a reason to join the group. This is also reflected in the benefits received by the members of the group. Additionally, economic benefits in the form of jobs or loans for business, and enhanced income and savings have made the members economically independent and self-reliant.

Since most members were from economically and socially backward classes, it was imperative to examine whether their lives improved due to SHG membership. Improvement in life was considered based on factors such as financial and household well-being, increase in interaction with people, increase in awareness, confidence, and independence and finally recognition in society. The study results reveal that SHG members who met once a month for group meetings and attended training had significantly higher odds of improvement in life after taking membership. Although not significant, those with more than five

years of SHG association reported the same. Moreover, SHG members who were BPL cardholders were more likely to report improvement in life because of their membership. This indicates that SHGs in the study area have played a pivotal role in improving the lives of the poor.

While several challenges were reported by the SHG members, the most cited one was the repayment of loans. This could be because of irregular savings or non-utilisation of the loan for income-generating activities. Proper monitoring of the loan could help members mitigate this problem. Educated and experienced SHG leaders can take up the responsibility of tracking the utilisation of the loan.

Along with good leadership and training programmes, the successful operation of an SHG depends on the principles of *Panchasutra*. The sustainability of SHG-BLP might be threatened by low-quality maintenance of bookkeeping, intra-group conflict, and unnecessary delays in sanctioning loans. Poor accounting practices also lead to dissolution of the group. Hence, attention should be given to educating the SHG members on skills to maintain day-to-day accounts. Group leaders can be encouraged to resolve conflicts

through mutual discussions. Apart from a few criticisms, the SHG-led development has been quite beneficial for women at the grassroots level. Its success is by and large determined by its members who come from the 'have-not group' of the society. Doable suggestions like increase in the frequency of meetings, periodic election of the group leader, proper bookkeeping, etc., can ensure better functioning of the SHGs. Moreover, enhancing the amount of sanctioned loans from the banks can help them undertake more self-employment opportunities. In the absence of affordable credit to the poor, SHGs are a sustainable scheme that can be easily implemented in low-resource settings.

Limitation

The findings of this paper may not have relevance beyond a specific type of setting with specific socio-economic characteristics of the population, and hence, the results should not be generalised. Second, the intent of the paper was not to assess the progress of SHG members in quantified terms but to shed light and focus on the ways through which the SHG programme can be strengthened.

Author Contributions:

Debashree Sinha: Conceptualisation, investigation, methodology, writing -original draft, & formal analysis.

Aparajita Chattopadhyay: Conceptualisation, supervision, writing - review & editing.

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