

To What Extent the Rural Poor Responded in Borrowing and Repayment: A Study on Some SHGs of Bankura District

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Abstract

Microfinance assistance to Self Help Groups (SHGs) may be considered as a vital option for meeting the financial needs of the poorer sections of the society. Now Microfinance is the branded form of financial intervention that has its primary aim to alleviate the poverty of the down trodden people. It has the capacity to reverse the problem of economic inequality which arises in consequence to improper implementation of development programmes. In this scenario microfinance may play the role of catalyst. Micro finance in the form of SHG-linkage model has been able to inspire hope in the lives of thousands of rural poor, particularly rural women and enable them to contribute to their families' well being through various economic activities including savings and borrowings. Through the generation of self-employment and income, the rural women have been to some extent able to reduce the intensity of their poverty and enhance their quality of life. It is now important equipment or rather a powerful tool for empowering rural poor women by shifting them from debt-trap of informal credit sources to trap-free formal credit system. Through this study, we try to show that the working of the SHG formed purely by the poor people (BPL people) will exhibit the picture of credit worthiness of the poor people and will also prove that it is not the collateral but the coexistence and determination of poor people is the success story working behind the recent functioning of the rural borrowing.

Keywords: Self Help Groups (SHGs), Saving, Borrowing, Repayment, Creditworthiness

Introduction

There is no denying that since more than three decades the working of the microfinance through the SHGs emerges as a major development policy to cope with the threat of poverty and financial exclusion particularly in the rural areas. It is beyond doubt that during this period, in rural areas, the microfinance market has developed remarkably (Fisher & Sriram 2002; Srinivasan 2009) and converted the rural poor as creditworthy under the SHG umbrella minimizing the traditional belief that the poor are not credit worthy because they have no collateral. Through this study, we try to show that the working of the SHG formed purely by the poor people (BPL people) will exhibit the picture of credit worthiness of the poor people and will also prove that it is not the collateral but the coexistence and determination of poor people is the success story working behind the recent functioning of the rural borrowing. It is often argued by the researchers that the credit accumulation of the poor people and their mode of repayment depends on their own hierarchies and framework of calculations (Bloch and Parry 1989; Zelier 1994; Bouman 1994; Guerin 2006 ; Servet 2006 etc). Besides, being a researcher of rural economy we have seen that the institutions such as gender, caste or ethnicity, religion, etc have been working side by side to give the shape of the demand for and access to financial service (Harris and white 1994 ; Johnson 2004; Collins, 2009). Again, both the dynamism and diversity is simultaneously exhibit in the landscape of informal financing by appearing as the strength and weakness of informal financing in our country and in like as countries (Bouman, 1989; Collins et al, 2009). The debt-characteristics like negotiability and flexibility, reliability, discretion and anonymity etc have

have been appearing in several studies related to borrowing and repayment of the poor people (Schreiner and Vonderlack, 2001; Rutherford, 2001; Johnson, 2007 etc).

Review of Literature

Large numbers of studies have been made internationally as well as nationally on the working of the micro finance and of the self help groups in this regard. We oblige to mention selectively some of them in the following paragraphs.

Malcolm Harper (1988) has discussed the various aspects of micro finance with the help of 15 case studies across the world and claimed that the poor can and have able to effort much higher rate of interest than what prevails in the formal banking system. He further claims that the average incremental return on investment is rather high in analyzing the return of fund of micro finance. It has been noted that most of the micro finance initiatives depend on a sizeable portion of grants and subsidies. This study also covers several case studies including the Grameen Bank of Bangladesh.

Shylendra (1999) in his study found that micro credit schemes using SHGs have enabled the poorer sections of the society and destitute to have easy and continued access to credit without any collateral and mortgage property.

Gurumoorthy (2000) finds that SHG is a viable alternative to disburse micro credit to the rural women for the purpose of making them entrepreneur and encouraging them to enter into entrepreneurial activities. The women led SHGs have successfully showed how to mobilize and manage thrift, credit needs, maintain linkage with the banks and enforce financial self-discipline.

Bhatia and Bhatia (2000) through some case studies pointed out that the recovery of SHGs is high and their involvement had helped the bank branches in recovery of old dues. The authors also observed that there have been radical changes in the living standards of the SHG's members, in terms of ownership of assets, increase in saving and borrowing capacity and so on.

Dadhich (2001) in his study on microfinance a panacea for poverty alleviation explained the performance of SHGs and pointed out that properly designed and effectively implemented microfinance is not only to alleviate poverty and empower women but also be a viable economic and financial tool.

Singh (2001) conducted a study in Uttar Pradesh comparing the pre and post SHG situations of women SHGs. He found that the average value of assets increased by 46% and the annual income per household by 28% between pre and post SHG periods. The borrowing for consumption purpose was completely absent in the post SHG situation. Credit delivery was easier through SHGs compared to formal and informal institutions. SHGs replaced the moneylenders; credit delivery was made simple and quick with lower interest. It was suggested to improve the awareness and educate the members to keep records proper to grow in future.

Puhazhendhi and Badatya (2002) in an assessment study on the impact of the SHG-Bank Linkage Program in India at the grass root level found that loans from moneylenders and other informal sources with higher interest rates significantly reduced due to intervention of SHGs. It was also observed that consumption loans were replaced by production loans during post SHG situation.

Rao (2002) reveals that the existing formal financial institutions have failed to provide finances to landless, marginalized and disadvantaged sections in the rural society. SHGs help the poorest of the poor to encourage savings and promote income generating activities through small loans and as a result the borrowers are able to overcome the vicious circle of poverty.

Murdoch and Haley (2002) in their study show that microfinance can significantly increase the income of poor households, which translates into better nutrition and health for impoverished families. The remunerations from increase in household income and better nutrition spill over into many other areas in which the poor are in need of help. The holistic impact of microfinance can create a deep and lasting impact on poverty alleviation.

NABARD (2002) conducted a study on 560 households from 223 SHGs in 11 states of India and found that there has been a positive result in increasing the standard of living of SHG members in case of asset ownership, savings and borrowings capacity. The average value of asset including livestock and consumer durable has increased considerably. Almost all members developed saving habit in the post SHG. The trend of consumption loans reduces. The average net income per household has increased by 18% between the pre and the post SHG conditions.

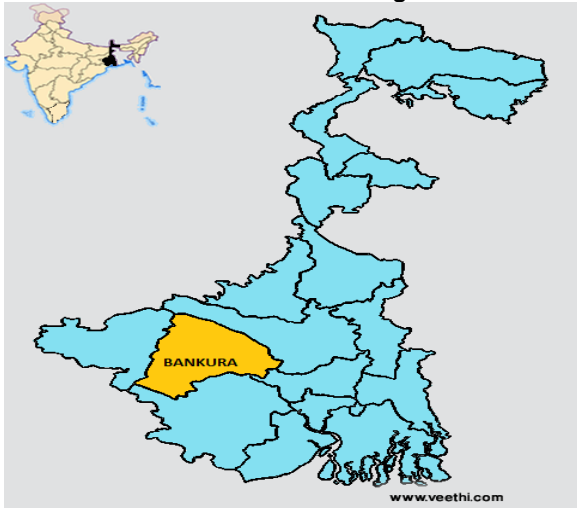
Loganathan and Asokan (2006) in their article analyze the performance of SHGs and reveal that SHGs have provided access to credit to their members, promoted saving, reduced dependence on moneylenders and above all empowered rural women.

Objective of the Study and Study Area

Keeping all these facts and issues in mind in the one hand and basing on the facts and realities as revealed from our study we have fixed our objective to divulge the myth and realities of the picture of borrowing and repayment of the poor collateral less people running under the SHG umbrella. To give the objective a clear shape we have concentrated our study in the Sonamukhi Block of Bishnupur Sub-division of Bankura District of state of West Bengal. The District Bankura is surrounded mainly by three districts namely Bardhaman, Purulia and Paschim Medinipur. However, a very small portion of the district remains in touch of the Hoogly district. Our study block has a close contact with the Bardhaman district, the Rice Queen area of our state and thus possesses very rich land and producing generally

three crops in a crop year. All are given in Map 1 & Map 2.

Map 1
Bankura in West Bengal



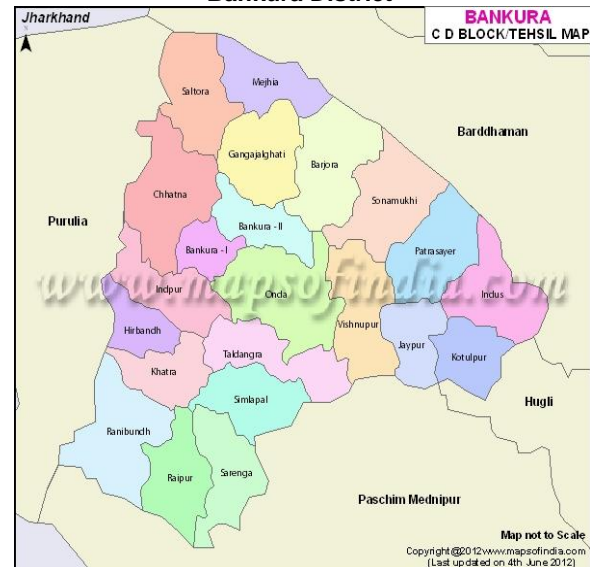
Research Methodology

For sake of the present study we have selected 15 SHGs on the basis of five stratum namely caste (General and Schedule), religion, education and sex. The rationale behind the selection of this stratum is that the SHGs as selected by us have been formed under the so called Anti-poverty scheme SGSY (now re-structured as NRLM) under which mainly the BPL people are being covered in the groups. Thus at a glance no such vital differentiation has been depicted except the stratum accept by us. On the basis of this stratification we have selected our study SHGs randomly without replacement from the five clusters of SHGs, three Groups from each cluster. We have used specially prepared SHG schedule and SHG household schedule for the collection of desired data. A very simple mathematical tool has been used for the presentation of the data. All the computations are being made on the basis of the receipt of returns from the respondents. Out of these 15 SHGs 9 groups laying on the bank of Sali River and remaining 6 groups from several areas of Sonamukhi Block of Bishnupur sub-division as given in Map 2. As we have stated in the preceding paragraph that the land of this block is fertile as compare to other blocks remain other side of the district. A slight reflection of this has been noticed in the working of the SHGs of our sample. We will mention it in succeeding section of this write-up.

Population and Sample Size Of The Study

We have mentioned earlier that we have selected 15 SHGs on the basis of stratified random sampling method form the study area. These 15 SHGs covered three Gram Panchayets (GP) namely, Kochdihi, Dihipara and Purba Nabasan. Thus three Pradhans, five panchayets, six Resource Persons of the GPs, Block Women Development Officer and Officials of the DRDC be the population of this study. On the other hand, we have restricted our sample size in 15 SHGs, 165 SHG members and 165 SHG households.

Map 2
Bankura District



Study Design

The first section of this write-up covers the introduction, objective of the study & study area, Research Methodology and population & Sample size of the study. Our second section deals with the data on sample profile. The third section will cover the picture of borrowing and repayments analysis and we try to give some findings and concluding remarks in fourth section of this write-up.

Sample Profile

Formation of the SHGs

As stated earlier that we have considered 15 SHGs by taking three groups from each stratum to rationalise the returns receipt from the SHG members and SHG households. Though it is very hard nut to crack to receipt the actual return from the respondents still we have tried to collect the return from the respondents under several sittings and through cross checking net and till we say that it is very hard to convince the respondents and remembering them about their responsibilities to their society and economy. The average size of the group in terms on number of members is 11. Thus as a whole we have 165 SHG members and accordingly 165 SHG households. The role of the NGO and Panchayets are very prominent in the formation of the SHGs in the study area. Two third SHGs of the study area are being promoted by these two agencies. What is surprising is that the role of our commercial banks or of regional rural banks in the initiation process of formation of SHGs is completely absent in this study area. Two officials, one from Pisciculture office and other from Block Development office took an active role in formation of two SHGs. Both of them have village origin. Three groups are formed under the initiation of a social Worker with CPM background. All are given in table 1.

Table 1
Formation of the SHGs

Initiator	Number of SHGs	Percentage
NGO	5	33.33
Govt. Officials	2	13.33
Social Workers	3	20.01
Banks	-	--
Panchayets	5	33.33
Total	15	100.00

Relative Economic Situation Of SHG Members

As per guideline of the formation of SHGs under SGSY scheme 30 percent member of a group is allowed to be picked up from the families who are not belonging to BPL group. On the basis of this we have categorised SHG members in two groups as given in table 2. One can see from this table that 23.03 percent member are coming from the APL group in our study area. There is a common consensus among the surveyors of the rural economy that the single most important indicator of measurement APL and BPL category, in the rural area, is still the possession of land asset (Kar, 2014; Kar and Bhumali, 2014). One can have this view from table 3.

It is crystal clear from this table that about 30 percent member of our sample SHGs are very poor and having only the home stead area. Another 48 percent are poor and having land amount up to 2 Bighas or more. 9 SHG members of our sample are succeeded to establish themselves in less poor status

belonging from the land group 2-4 Bighas. Although the land amount as revealed from our table is rather tiny in amount still we consider it because of the fact that due to nearness of the rice queen district a demonstration effect is working very well as we observed here.

Another point to be noted here is that the loan cycle arises from revolving fund of the SHGs among the members is remained on continuous moving position due to the possession of land among the members. We have stated in the preceding section that at least three crops have been raised from a plot of land in any crop year.

Table 2
Self-Help Group Members by Poverty Status

Economic Status	No. of Members	P.C. of the Total
Above Poverty Line	38	23.03
Below Poverty Line	127	76.96
Total	165	100.00

Table 3
Distribution of SHG Members by Land Asset

Land Group	No. of Members	P.C. to total
No Land	48	29.09
Up to 2 Bighas	50	30.30
2-4 Bighas	38	23.03
4 and above Bighas	29	17.57
Total	165	100.00

Note: 1 bigha = 0.33 acre

Table 4
Distribution of SHG Members by Education

Education Level	Male	%	Female	%	Total	%
Illiterate	1	5.00	15	10.34	16	9.70
Sign Only	4	20.00	39	26.90	43	26.06
Up to class IV	2	10.00	18	12.41	20	12.12
Class V-VIII	5	25.00	48	33.10	53	32.12
Class IX-XII	6	30.00	22	15.17	28	16.97
B.A & Above	2	10.00	3	2.07	5	3.03
Total	20	100.00	145	100.00	165	100.00

Table 5
SHG Leaders by Academic Qualification

Qualification	President		Secretary		Cashier		Total	
	No	Percentage	No	Percentage	No	Percentage	No	Percentage
Illiterate	-	-	-	-	-	-	-	-
Only Sign	2	13.33	2	13.33	1	6.67	5	11.11
Upto class IV	5	33.33	1	6.67	3	20.00	9	20.00
Class V- VIII	5	33.33	9	60.00	7	46.67	21	46.67
Class IX and above	3	20.00	3	20.00	4	26.67	10	22.22
Total	15	100.00	15	100.00	15	100.00	45	100.00

Educational Status of the SHG Members

It will be in order if we examine the educational status of the SHG members because education is working as catalyst behind the good running of the groups. At the same time it is also very important to take educational stock taking of the leaders of the SHGs of our sample. All are given in tables 4 and 5 which are self explanatory and we simply leave out it to the readers.

Sample Population

We have in corroborate here the population analysis not merely to show the number of population, age and sex distribution but to find out the number of active working force in the SHG as well as in the SHG households to justify the borrowing and repayment scenario of the SHG members. Again the rationale behind the adoption of SHG household population is very simple. We know very well that the person who is the member of any SHG is also be the member of any SHG household and the good working of borrowing

and repayment cycle very much depends on the good cooperation of the SHG members and as well as of the household members. Both the dynamism and diversity informal finance depend to a large extent on

the active co-operation of the group as well as family member of a depressed but resource rich area economy (Kar, 2011).

Table 6
Distribution of SHG Members by Age

Age Group	Schedule Caste		Mixed		General		Muslim		Educated		Total	
	No	%	No	%	No	%	No	%	No	%	No	%
15-25	3	9.38	3	8.82	1	3.03	3	9.09	4	12.12	14	8.48
25-35	11	34.37	13	38.23	7	21.21	13	39.39	12	36.36	56	33.94
35-45	15	46.88	11	32.35	16	48.48	9	27.27	14	42.42	65	39.39
45-55	3	9.38	7	20.59	7	21.21	6	18.18	2	6.06	25	15.15
55&above	-	-	-	-	2	6.06	2	6.06	1	3.03	5	3.03
Total	32	100.00	34	100.00	33	100.00	33	100.00	33	100.00	165	100.00

Table 7
Distribution of SHG Household Members by Age and Sex

Age Group	Male	%	Female	%	Total	%
Upto 5	20	5.18	10	2.51	30	3.82
5-15	85	22.02	74	18.55	159	20.25
15-35	133	34.46	189	47.37	322	41.02
35-45	65	16.84	70	17.54	135	17.20
45-55	51	13.21	31	7.77	82	10.44
Above 55	32	8.29	25	6.27	57	7.26
Total	386	100.00	399	100.00	785	100.00

We have summarised all the information regarding population in table 6 and in table 7 respectively for the SHG and SHG households. What is ushering here is that more than 81 percent SHG member are remained in active age group if we fixed the age interval of activeness to age group 15-45. The same percentage for the SHG household members becomes 58.04. If we further reduce the age interval to 15-35 and defined it as more active labour force than the above two percentage figures reduce to 42.42 percent and 41.02 percent respectively for the SHG and SHG household.

Saving Potentiality and Gradation

What we have tried to establish in the preceding section would be in tune if we add the saving potentiality of the SHG members and hence gradation of the groups. In our previous study (Kar, 2011) we had seen that there is a direct correlation between the savings potentiality and active or more active labour force. Not only that, the savings potentiality in regular interval also guaranteed by the existence of the working of active and more active labour force both in the groups and also in the households. Our returns on savings are summarised in table 8.

Table 8
Savings Potentiality of the SHG Members

Category	No. of Members	P.C.
Regular Interval	121	73.33
One or Two Months Interval	35	21.21
Irregular	9	5.45
Total	165	100.00

Table 9
Gradation of SHGs

Gradation	No. of SHGs	P.C.
First Gradation	4	26.67
Second Gradation	11	73.33
Total	15	100.00

On the other hand, gradation of a SHG depends on saving potentiality of the group, good working of the revolving fund, and good maintenance of the account books, regularity of group meetings and attendance of the members and returns on repayments. On the basis of the these indicators 11 groups out of 15 are in the second gradation stage in our sample and out of these 11 groups 9 are succeeded to achieve the project loan by 2013 that is on an average ten years later from the inception of the groups. All are given, except the inception year, in table 9.

Borrowings and Repayments Borrowing For What?

It is in theory that microfinance loan (SHG borrowing) should be livelihood oriented and must be encouraged the self-employment activities for smoothing the level of living of the marginalised people and push them to a poverty free zone (Fisher & Sriram, 2002; Srinivasan, 2009; Kar, 2011). But if we have a look in reality then we see that nearly 20.12 percent borrowing are concentrated in non-economic purposes such as for housing, consumption, ceremonies and purchase of durable goods. Though there is a common argument that the quality of life and productivity of labour force depends to some extent on the quality of housing (Kar, 2014), but expenditure on recurring consumption by borrowing rather exhibits the negative attitude of the SHG members or SHG households members. Again,

borrowing for ceremonies particularly for the marriage of the female child highlights about the poor planning on life-cycle events among the downtrodden households. What is worth noting here is that the poor as well as rich people of this area economy traditionally avail the public health net work in a very efficient manner and that is the reason for which the medical expenditure has been recorded less than 2 percent of the total borrowing of our sample? A detail picture of borrowing is given in table 10.

Table 10
Propensity of Borrowing

Purpose	Number of Households	Percentage to the total Households
Farming	58	43.94
Petty Business	13	9.85
Medical	08	6.06
Housing	22	16.67
Consumption	18	13.64
Ceremonies	06	4.54
Durable Goods	03	2.27
Education	01	0.76
Land mortgage	03	2.27
Total	132	100.00

If we differentiate borrowing by productive and unproductive then we see that 79.87 percent SHG households are remained in the group of productive borrowing. If we further categorize the productive borrowing by direct and indirect productive borrowing then we see that 79.04 percent SHG households of our sample engaged in direct productive activities with their borrowing amount.

Table 11
Distribution of Borrowing Amount by the Purpose of Borrowing

Purpose	Amount Borrowed (Rs)	Percentage to the total Borrowing	Average amount (Rs)
Farming	1038350	56.18	17902.59
Petty Business	422500	22.86	32500.00
Medical	19700	1.07	2462.50
Housing	196000	10.60	8909.09
Consumption	132300	7.16	7350.00
Ceremonies	16200	0.88	2700.00
Durable Goods	7600	0.41	2533.33
Education	1000	0.05	1000.00
Land mortgage	14500	0.78	4833.33
Total	1848150	100.00	14001.14

Table 12
Ranking of borrowing in order of Total and Average Amount

Rank	Total Amount	Average amount
I	Farming	Pity Business
II	Pity Business	Farming
III	Housing	Housing
IV	Consumption	Consumption
V	Medical	Land Mortgage
VI	Ceremony	Ceremony
VII	Land Mortgage	Durable
VIII	Durables	Medical
IX	Education	Education

We have derived table 12 from table 11 to rank the borrowing in terms of total and average amount as given above. Our ranking table, whatever may be the criteria of ranking, direct productive borrowings rank themselves in the upper steps of our ranking ladder. Borrowings for housing and for consumption retain themselves in the same ranking position in our computation irrespective of ranking criterion. But what remains to say is that in terms of borrowing education remains as the unfavoured child in our ranking table. Our propensity to borrow figures, total amount of borrowing and average amount of borrowing figures allow us to say that the working of the SHG is rather good in this sample area.

Borrowing by Whom

As we have stated in our methodology section that we have taken 15 SHGs on the basis of the stratified random sampling without replacement on the basis of four strata such as caste (General & Schedule caste), Religion, Sex and education. Here for the sake of simplicity we have accumulated the borrowing amount on the basis of the groups as given in table 13. One can say without any hesitation by observing table 13 that the schedule caste SHGs are efficient in terms of taking loans from the revolving fund and project loan. Their share out of total borrowing of the sample is 36.58 percent. This is very good percentage in microfinance scenario. This goodness will be tallied later on with repayment practices. However, we like to mention some points which are responsible for motivating them to borrow. Firstly, most of the members of these groups are poor and possess a very tiny amount of land and so they borrow for smoothing their consumption demand.

Table 13
Borrowing by the SHG Households

Groups	Total Amount	Percent age	Average per capita Amount
Schedule Caste	676100	36.58	21128.12
Mixed	146850	7.95	4319.12
General Caste	414100	22.41	12548.48
Muslims	303150	16.40	9186.36
Educated	307950	16.66	9331.82
Total	1848150	100.00	11200.91

Secondly, they have no other assets that substantiate their income smoothing and this leads them to borrow. Thirdly, most of the houses of these Schedule Cast households are mad house and it requires some amount of money for annual repairing and obligated them to borrow. The members of the mixed groups are mainly the general caste members and we have observed more or less same propensity to borrow what we observed in case of General Cast SHGs.

While the members of mixed groups exhibit rather lower propensity to borrow because of their loose management and coordination. Not only that the average attendance of the members in the group meeting exhibits less awareness about the group

activities as compared to other groups. On the other hand, due to the inhabitants of Sali River bank on Bardhaman side the members of the educated group are relatively sound in agriculture and thus avoid borrowing until it becomes mandatory. Similarly, Muslim groups also recorded the lowest propensity to borrow in terms of total amount and in average per capita amount. This is, as we think, due to inherent characteristics of the Muslim society in this locality not to allow their women independently to participate in economic and other out-houses activities. Even they avoid taking consumption loan from the revolving fund in their starvation.

Repayment Performance

Loan repayment performance of a borrower elsewhere in the world among the downtrodden people depends generally on the size of the borrowing amount, purpose of borrowing, income of the borrowing household, age of the borrower and other earning members in the household, education, average household size and finally on the designing of the credit project (Von Pischke, 1980; C.J. Arene, 1992; Ghatak & Guinnane, 1999). In our sample we have 9 SHGs who are going with credit project out of 15 SHGs. Out of these 9 credit projects (S.C.SHGs-3, General SHGs-2, Educated SHGs-2 and Muslim SHGs-2) 6 credit projects are earmarked as agricultural projects and the project plan simply confined to the production of paddy and to the production of potato and other popular vegetables. The rest three projects are going with Goatery. As the area has a good irrigation network and easy access of animal foods due to nearness of forest land, the choice of credit projects, as we think, are at par and so will be the repayment rate. The reflection of the same has been summarised in table 14.

The average repayment rate in this SHG area economy is 57.43. It is not in tune with the micro finance activities and remains far behind of the optimum rate. Generally, the optimum rate remains in the range of 70 percent to 80 percent in most of the Asian countries (Kar, 2011). Although, as a whole, the rate of repayment is rather lower in our study area and remains far behind of the optimum rate, but if we analyse the propensity of repayment on the basis of our stratification then it gives us some relief on repayment ratio. Repayment rates of the 9 SHGs belonging to Schedule caste group, General group and Muslim group tried to touch the lower limit of the optimum repayment rate. In percentage form they are 64.67 percent, 67.67 percent and 66.41 percent respectively.

Table 14
Repayment by the SHG Households

Self-Help Groups	Amount	P.C. of Repayment	Average per capita Amount
Schedule Caste	437234	64.67	13663.56
Mixed	36712	25.00	1079.76
General	280221	67.67	8491.54
Muslims	201322	66.41	6100.67
Educated	105873	34.38	3208.27
Total	1061362	57.43	6432.50

These rates certainly satisfied our views on repayment we just commented in the preceding paragraph. One thing that we like to divulge here is that at the time of our sampling design we were in belief that the SHG group constitute considering both male and female members will release better performance in all aspects of the working of the SHGs. But the returns we receipt from our respondents of the mixed group on borrowing and repayment allow us to say that the group should be specific in terms of member selection.

It is rather customary to conclude the borrowing-repayment picture by presenting the outstanding amounts of the loan retain in the hands of the members of the SHGs. A glimpse of that has given in table 15. Again this table penetrates us about the performance of the SHGs of mixed group and educated group of our sample.

Table 15
Borrowing, Repayment and Outstanding

SHGs	Amount Borrowing	Amount Repayment	Amount Outstanding	Percentage
Schedule Caste	676100	437234	238866	35.33
Mixed	146850	36712	110138	75.00
General	414100	280221	133879	32.33
Muslims	303150	201322	101828	33.59
Educated	307950	105873	202077	65.62
Total	1848150	1061362	786788	42.57

Findings

1. Although the borrowing both form revolving fund and from project account is at per as per our returns receipt from the respondents, but regarding repayment the overall situation is far from satisfactory.
2. Some of the SHG households are taken loan from the savings account of the group in case of their serious need. But in normal period they prefer to take loan from revolving fund due to its lower annual rate of interest as compare to the interest charged in case of savings account loan. In our sample interest rate charged for the loan taken from the revolving fund is 12 percent per annum, while the same for the savings account loan is 24 percent per annum. Although at a glance this amount is very high, but in the rural areas interest rate executed by the money lenders ranges from 48 percent to 60 percent per annum which is four to five times higher than the savings account interest.
3. We have taken three mixed group in our sampling box with 34 members. Of which 18 members are male and the rest are female. All these groups are remained far behind in terms of both borrowing and repayments in our sample area. Thus one can say on the basis of the returns receipt by us that a SHG comprising with both male and female is less effective in terms of the fundamental activities of the SHGs.
4. Being a land dependency area the majority of the projects undertaken by the SHGs are agricultural projects and confined the project activities in

- raising crops in their own tiny amount of land and in the land leased in by them for a crop year.
- More than half of the SHG households exercised their choice to confine themselves in productive borrowings. In percentage form it is nearly 54 percent. But in money term this percentage increases as much as to 79 percent.
 - The average repayment-borrowing ratio in money terms of the sample area is 0.5743. This is far behind the optimum ratio. On an average the borrowing amount retained in the hands of the SHG members per capita is amounted to Rs. 4768.41. This amount will be reduced to Rs. 3360.27 if the repayment-borrowing ratio would be 0.70 and further reduces to Rs. 2240.18 if the ratio becomes 0.80. Thus the actual amount retained as loan per capita is more than double then the optimum amount. No doubt the existing amount of balance is really burdensome to the SHG members of our sample area.

Conclusion

The oldest SHG was formed in the year 2001 and the younger one was in the year 2006. Thus on an average the average age of the SHG of this sample under our study is 7 years. We can also reduce this age to 5 years because at least two years are needed to a group to be matured in financial transaction from the date of formation. If we see all the activities of the SHGs on the basis of this working age then it is beyond doubt that the working of the SHGs of this sample is satisfactory. Again it is also very clear from our population table that nearly 60 percent populations of the SHG households are in the age group 15 to 45. This age group is no doubt an asset to any society to do any good work. If we reduce our looking to the SHGs only then the above percentage increases as much as to 73.33 percent. Thus we can say (whatever we have seen in our repayment scenario) that the SHGs under our study have a bright prospect in terms of repayment in the course of time.

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