Bank Linkage SHGs in Chandauli District of Uttar Pradesh

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Abstract

Poverty and unemployment are the major problems of the under-developed countries and India is no exception. Self Help Groups (SHGs) is a very important programme for eradication of poverty. The current study has been undertaken in nine development blocks of Chandauli District of Uttar Pradesh. Thefocus of the study is to compare the SHG-Bank Linkage in the nine development blocks in question to other district development blocks of Uttar Pradesh. The study has measured the impact of the SHG-bank linkage in nine development blocks of Chandauli district.

Keywords: Micro finance, Self Help Groups, Poverty, Bank linkage, Growth.

Introduction

Micro finance has been defined by the Task Force on Micro finance as "*provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas for enabling them to raise their income levels and improve living standards*". In India, majority of the rural population are below the poverty line. Thus the financial problem of these people is crucial to the government of India. Micro finance is an important concept of financial development whose primary aim is to alleviate poverty. Micro finance is dominated by the Self help groups (SHGs), Bank linkage programme and Micro finance institution (MFI) model aimed at providing financial services to the poor. Now a day's Government organization, Non Government organization and Micro finance institutions have joined in the SHG movement as promoters.

The district of Chandauli in Uttar Pradesh is a backward area. 87.6% of the total population is rural, 12.4% population lives in urban areas and 40% population live below the poverty line. In study area Self help groups (SHGs) bank linkage programme is a very important programme for poor people. Self help groups bank linkage programme is a programme for the development of socio- economic condition of rural area. Different agencies such as the government organizations, financial institution, etc. have been involved in implementation of this programme.

Self Help Groups

Self help group (SHG) is an informal organization of persons from the homogeneous poor section of the society. It is an association of 10 to 20 local individual members who are financially weak and from the same socio-economic backgrounds. Self help groups (SHGs) play a significant role in rural poverty eradication. Self help group is not only a poverty erradication program. It also aims at developing the entrepreneurship skill and increase cooperative environment among rural poor people. These groups start with saving and not with credit; the group then uses its savings to give loans to members to meet their emergency and other needs. The members decide on savings per members, maximum size of loans, guarantee mechanisms in loan sanction. The SHG is the platform of the members to come together for emergency, tragedy, social and economic support to each other has no difficulty of conversation, social interaction and economic interactions.

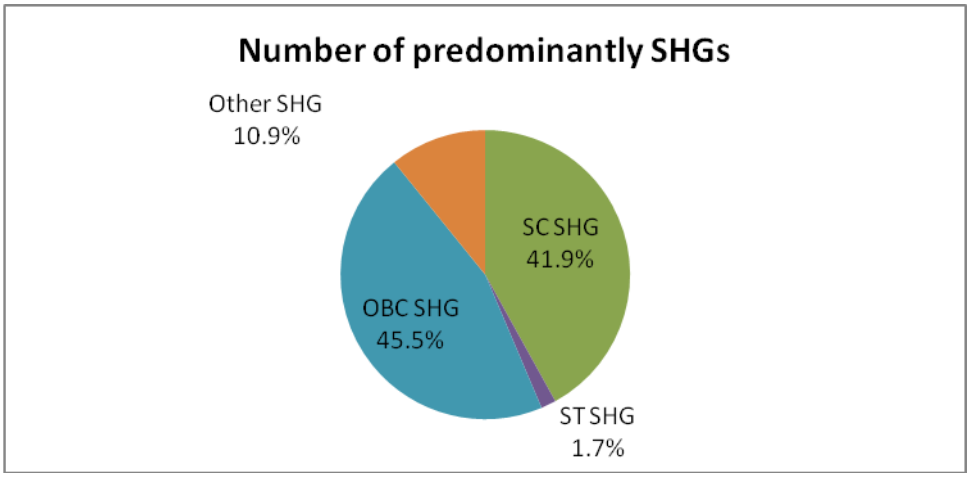
Status of SHGs in Uttar Pradesh

Here SHGs are described according to social group, on basis of poverty level and well being SHGs in Uttar Pradesh.

Situation of predominant SHGs

Chart 1 shows that the status of SC, ST, OBC and other SHG in Uttar Pradesh. Total numbers of SHG are according to social group in Uttar Pradesh 48144 SC, 1935 ST, 52277 OBC and 12465 other SHGs.

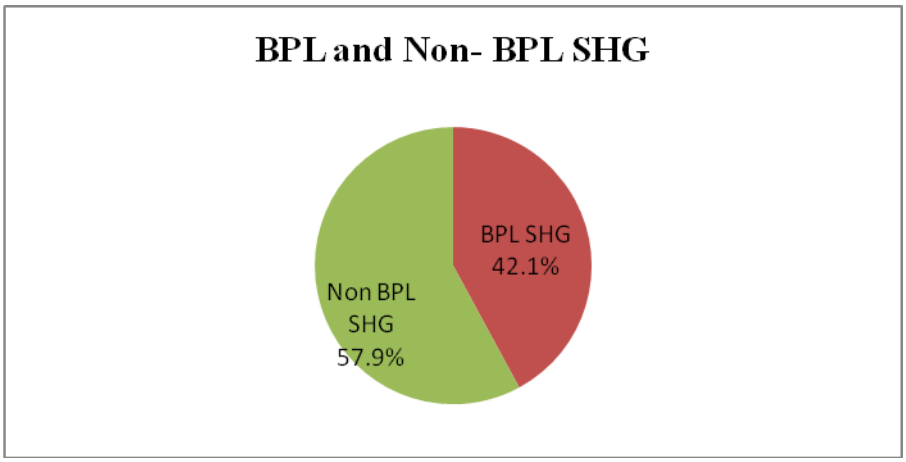
Pie Chart-1



BPL and Non - BPL SHG

Chart 2 shows that the status of BPL and Non – BPL SHG in Uttar Pradesh. In Uttar Pradesh 45,111 BPL SHG and 62,064 Non BPL SHG are working, which show the domination of Non BPL SHGs (42.1% BPL SHG and 57.9% Non – BPL SHG).

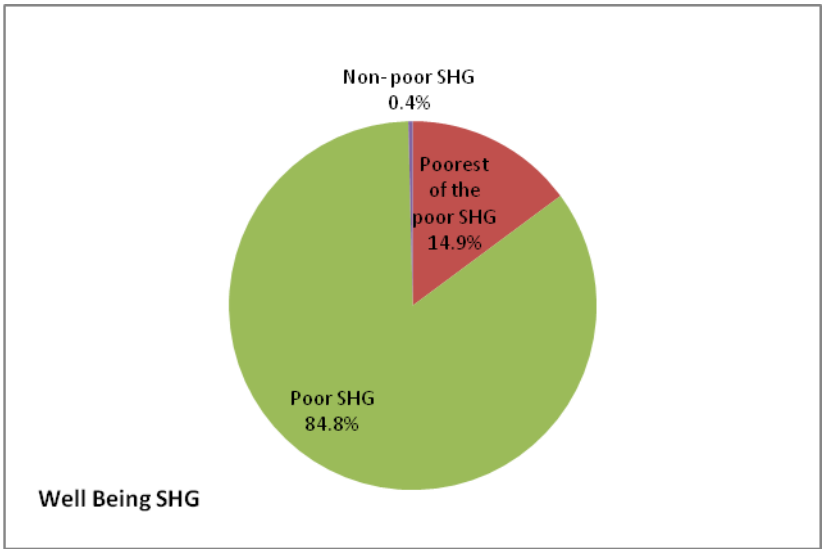
Pie Chart-2



Well Being SHG

Chart 3 shows that the status of Well Being SHG in Uttar Pradesh. According to National Rural Livelihood Mission (2016-2017), Uttar Pradesh had 14,923 Poorest of the poor SHG, 85132 Poor SHG and 384 Non- Poor SHG, which show total number of poor SHGs are dominated in the state.

Pie Chart-3



Review of Literature

Many researchers have undertaken to study of Self-Help Groups and their impact on the women in rural areas. It has added more knowledge to the particular field and the existing review of literature has been vast.

Puhazhendhi, V. (1999) analyzed the functioning of SHG's, in performance, sustainability, empowerment of women, economic impact on the members, future, potentials etc. He observed that SHG's in Tamil Nadu are performing well towards social change and transformation. The emerging trends are leading to positive direction of empowerment of members and promotion of micro finance.

Singh, D. K. (2001) studied the "impact of SHGs of target group in Kanpur Dehat district of Uttar Pradesh." He shows the change of income of Self help group members over pre SHG period.

Kour, A. (2008) studied the "Self help groups and rural development in Jammu district". She found that the scheme of SHGs has not played a significant role in rural development in this particular area.

Singh, Jasbir. (2012) studied the "Performance of Self Help Groups in India." He observed that self-help-groups play a vital role in poverty reduction and increase women empowerment through generating income that is necessary for livelihood. But SHGs failed to play dominant role in income generation in India. SHGs also failed to reduce the dependency of women on man. Hence, the SHGs banks financing programme are not more successful in achieving quantities targets in comparison to other programme.

Lokhande, M. A. (2012) studied the "Micro financing through women self help groups and its socio-economic impact- A case study of Konkan region of Maharastra". The study inferred that group association and access to financial services certainly brings positive changes among group members leading to their socio-economic empowerment.

Maurya, Harikesh. (2012) studies the "Impact of Micro finance on poverty eradication through SHGs in Pratapgarh district of Uttar Pradesh." He observed that microfinance played a very significant role in the development of Uttar Pradesh by achieving its goals like increment in savings and borrowing patterns, improving economic conditions, reduction in poverty, educational development, employment growth, developed social conditions of people.

Sundaram, A. (2012) studies the "Impact of Self help group in socio-economic development of India". He observed that SHGs programme in various blocks seem to be very successful in reaching poor clients and increased household income, standard of living for the program participants have increased and also that food security is much more important for the program clients.

Manjunatha, S. (2013) studied "Role of women Self Help Groups in rural development of Karnataka state, India." The studies evaluate SHGs important role in increasing rural development of Karnataka state. The major findings in the study justify the greater role played by the SHGs in increasing empowerment of women.

Sarmah, G. N. (2014) studies "Income generation and employment creation through micro finance and Self Help Groups in Lakhimpur district of Assam." He observed that micro finance through SHGs play of an important role on creation of self- employment and generation of income for the rural poor of this district.

Radhika, C. K. and Ahmad, Gazala. (2015) the present study concerned with the "Socio- economic condition of SHGs members in Badagaon block of Jhansi district." It reported the impact of micro finance of SHGs members ensuring socio- economic condition.

The current study has focused on the Chandauli district of UP as the above mentioned studies had not taken into account the study of this district.

Objectives of the study

To examine the comparative status of SHG-Bank Linkage in nine development blocks of Chandauli district to other district development blocks of Uttar Pradesh.

Methodology

The Present study is based on secondary data collected from Ministry of Rural development department, Uttar Pradesh. Chandauli district is administratively divided into 3 Tehsils namely Sakaldiha, Chandauli and Chakiya. For implementation and monitoring of development scheme the district is divided into 9 blocks namely Sakaldiha, Chahniya, Dhanapur, Niyamtabad, Chandauli, Barhani, Shahabganj, Chakiya and Naugarh. There are 620 Village Panchayats and 1629 Revenue villages with 1425 in habited villages and 204 uninhabited villages in the district. In urban area there are 05 statutory towns and 06 census town. Statutory towns comprises of 01 Nagar Palika Parishad and 03 Nagar Panchayats and 01 industrial township (ITS).

Statistical techniques such as tabulations, graphs, charts and diagrams are used for presenting data; Excel and MS Word are used in data analysis such as calculating the growth rate, parentage analysis and interpretations the result etc.

Status of SHG Bank Linkage Programme in Uttar Pradesh:

SHG Bank linkage programme has completed almost 22 years in this country. Still only a few states have been able to utilize it for widening and deepening coverage. A comparison across states shows that Andhra Pradesh had a marginally higher share of number of groups. While microfinance penetration index found gap in the Bihar, Madhya Pradesh, Rajasthan, Uttar Pradesh (BIMARU) states. The following table highlights the status of SHGs in Uttar Pradesh in 2014-2017.

Table 1

BANK LINKAGE					
	SHG			**GROWTH**	
DISTRICT	**2014-2015**	**2015-2016**	**2016-2017**	**GROWTH (2015-2016)**	**GROWTH (2016-2017)**
AGRA	32	321	169	9.0312	4.2812
ALIGARH	21	348	231	15.5714	10.0000

ALLAHABAD	30	378	307	11.6000	9.2333
AMBEDKAR NAGAR	9	44	177	3.8888	18.6666
AMETHI (CHATRAPATI SAHU JI MAHARAJ NAGAR	113	82	104	-0.2743	-0.0796
AMROHA (JYOTIBA PHOOLE NAGAR)	78	137	29	0.7564	-0.6282
AURAIYA	36	68	93	0.8888	1.5833
AZAMGARH	8	168	152	20.0000	18.0000
BAGHPAT		175	140		
BAHRAICH	7	48	67	5.8571	8.5714
BALLIA	3	185	75	60.6666	24.0000
BALRAMPUR	4	4	34		7.5000
BANDA	68	66	49	-0.0294	-0.2794
BARABANKI	13	13	49		2.7692
BAREILLY	105	109	18	0.0380	-0.8285
BASTI	19	92	142	3.8421	6.4736
BIJNOR	29	95	127	2.2758	3.3793
BUDAUN	56	114	355	1.0357	5.3392
BULANDSHAHR	115	191	74	0.6608	-0.3565
CHANDAULI	17	134	92	6.8823	4.4117
CHITRAKOOT	4	45	17	10.2500	3.2500
DEORIA	97	279	102	1.8762	0.05154
ETAH	100	222	7	1.2200	-0.9300
ETAWAH	4	29	109	6.2500	26.2500
FAIZABAD	19	90	63	3.7368	2.3157
FARRUKHABAD	23	33	67	0.4347	1.9130
FATEHPUR	48	32	693	-0.3333	13.4375
FIROZABAD	98	43	14	-0.5612	-0.8571
GAUTAM BUDDHA NAGAR	11	19	2	0.7272	-0.8181
GHAZIABAD	73	69	29	-0.0547	-0.6027
GHAZIPUR	2	156	137	77.0000	67.5000
GONDA	10	55	6	4.5000	-0.4000
GORAKHPUR	8	14	85	0.7500	9.6250
HAMIRPUR	1	56	31	55.0000	30.0000
HAPUR	24	63	40	1.6250	0.6666
HARDOI	9	163	68	17.1111	6.5555
HATHRAS (MAHAMAYA NAGAR)	66	119	74	0.8030	0.1212
JALAUN	38	97	48	1.5526	0.2631
JAUNPUR	3	3	210		69.0000
JHANSI	7	99	34	13.1428	3.8571
KANNAUJ	5	29	37	4.8000	6.4000

KANPUR DEHAT	13	15	69	0.1538	4.3076
KANPUR NAGAR	13	39	38	2.0000	1.9230
KASGANJ (KANSHIRAM NAGAR)	10	31	31	2.1000	2.1000
KAUSHAMBI	28	31	47	0.1071	0.6785
KUSHI NAGAR	2	2	17		7.5000
LAKHIMPUR- KHERI	28	365	206	12.0357	6.3571
LALITPUR	4	47	95	10.7500	22.7500
LUCKNOW	37	8	120	-0.7837	2.2432
MAHARAJ GANJ		61	32		
MAHOBA	5	17	39	2.4000	6.8000
MAINPURI	4	64	28	15.0000	6.0000
MATHURA	10	78	30	6.8000	2.0000
MAU	33	38	6	0.1515	-0.8181
MEERUT	30	94	62	2.1333	1.0666
MIRZAPUR	4	112	155	27.0000	37.7500
MORADABAD	58	70	8	0.2068	-0.8620
MUZAFFARNAGAR	38	73	33	0.9210	-0.1315
PILIBHIT	28	43	9	0.5357	-0.6785
PRATAPGARH	24	87	49	2.6250	1.0416
RAE BARELI	59	79	225	0.3389	2.8135
RAMPUR	24	33	31	0.3750	0.2916
SAHARANPUR	52	134	106	1.5769	1.0384
SAMBHAL	28	47	46	0.6785	0.6428
SANT KABEER NAGAR	43	79	47	0.8372	0.0930
SANT RAVIDAS NAGAR		41	22		
SHAHJAHANPUR	42	85	20	1.0238	-0.5238
SHAMLI	2	65	51	31.5000	24.5000
SHRAVASTI	5	9	20	0.8000	3.0000
SIDDHARTH NAGAR		38	37		
SITAPUR	132	209	68	0.5833	-0.4848
SONBHADRA	3	113	95	36.6666	30.6666
SULTANPUR	61	114	752	0.8688	11.3278
UNNAO	12	23	308	0.9166	24.6666
VARANASI		110	103		
TOTAL	2245	6941	7362	502.8233	557.6941

Sources: Ministry of rural development department, Uttar Pradesh.

Table 1 show that the during 2014-2015, in Utter Pradesh total 2245 SHGs were linked to Banks, in 2015-2016 number of SHGs increased up to 6941 and at present (2016-2017) total 7362 SHGs are linked to the Banks. The table shows that in 2014-2015 Sitapur districts had maximum i.e., 132 SHG linked to the Banks. However, Chandauli was one district where the numbers of SHGs was less than 20 in 2015-2016. It was increase up to 134 while others district where highest number of SHGs linked to the Banks Allahabad, Lakhimpur-

Kheri, Agra and Aligarh while in 2016-2017 Sultanpur district had the maximum i.e.,752 SHG linked to Banks but Chandauli district once more decreased to 92 thus in Chandauli distric, SHGs performance either decreased or the beneficiaries were not interested. During 2015-2016 SHGs' which were linked to Banks growth 502.8233 and in 2016-2017 Banks linked SHGs growth is 557.6941. while individual growth during 2015-2016 Ghazipur district has been maximum i.e., 77.0000 and 2016-2017 Jaunpur district 69.0000.But Chandauli's growth was 6.8823 and 4.4117 respectively in 2015-16, 2016-17.

Status of SHG Bank Linkage Programme in Chandauli district:

Table 2 shows that the status of SHG Bank linkage programmes in Chandauli district of Uttar Pradesh. During 2014-2015, in Chandauli a total of17 SHGs were linked to Banks, in 2015-2016 number of SHGs increased up to 134 and presently (2016-2017) 92 SHGs are linked to the Banks. Thus the analysis of Table 2 shows that in 2014-2015 Chakiya and Sakaldiha had maximum i.e., 7 SHGs linked to the Banks, while minimum i.e., 1 SHG was linked to Bank in Dhanapur block. During 2015-2016 Chakiya and Dhanapur block had maximum 10 and 94 SHG linked to the Bank, in 2016-2017 Chakiya and Dhanapur block saw a decrease to 4 and 54 SHG linked to the Bank. During 2015-2016 SHGs' which were linked to Banks, growth was 95.3571 and in 2016-2017 Banks linked SHGs growth is 53.5001. While individual growth during 2015-2016 Dhanapur blocks has been maximum i.e., 93.0000 and Sakaldiha block has seen negative growth of -0.5714. During 2016-2017 Dhanapur block's growth has been decreased to 53.0000, Chakiya and Sakaldiha block has seen negative growth of -0.4285 and -0.5714 respectively.

Table 2

BANK LINKAGE						
		SHG			**GROWTH**	
DISTRICT	**BLOCK**	**2014-2015**	**2015-2016**	**2016-2017**	**GROWTH 2015-2016**	**GROWTH 2016-2017**
CHANDAULI	BARHANI		1	1		
CHANDAULI	CHAHANIYA			22		
CHANDAULI	CHAKIYA	7	10	4	0.4285	-0.4285
CHANDAULI	CHANDAULI	2	7	5	2.5000	1.5000
CHANDAULI	DHANAPUR	1	94	54	93.0000	53.0000
CHANDAULI	NAUGARH			1		
CHANDAULI	NIYAMATABAD		9	2		
CHANDAULI	SAHABGANJ		10			
CHANDAULI	SAKALDIHA	7	3	3	-0.5714	-0.5714
TOTAL		17	134	92	95.3571	53.5001

Sources: Ministry of rural development department, Uttar Pradesh.

Findings of the study: The following are the finding has been drawn from the study.

During 2014-2015, 2015-2016 and 2016-2017 in Utter Pradesh total 2245, 6941 and 7362 SHGs link to the Banks. During 2015-2016 SHGs' which were linked to Banks growth 502.8233 and in 2016-2017 Banks linked SHGs growth is 557.6941. while individual growth during 2015-2016 Ghazipur district has been maximum growth 77.0000 and 2016-2017 Jaunpur district 69.0000 maximum growth but Chandauli growth was 6.8823 and 4.4117 respectively in 2015-16, 2016-17. During 2014-2015, 2015-2016 and 2016-2017 in Chandauli district total 17, 134 and 92 SHGs link to the Banks. During 2015-2016 SHGs' which were linked to Banks growth 95.3571 and in 2016-2017 Banks linked SHGs growth is 53.5001. While individual growth during 2015-2016 Dhanapur block has been maximum growth

93.0000 and Sakaldiha blok has been negative growth -0.5714. During 2016-2017 Dhanapur block growth has been decrease to 53.0000, Chakiya and Sakaldiha block has been negative growth -0.4285 and -0.5714.

Suggestions:

On the basis of the present study, a few suggestions are put forward for the Government department that are involved in the formation and smooth working of SHGs in Chandauli district of Uttar Pradesh.

1. A Self-Help Group should not only concentrate on the growth of the group, but should also show active involvement on the social issues and other essential issues like health, sanitation etc. to develop the entire village.
2. Groups should be aware of all government schemes and should make use of them for their development.
3. The group members should collectively utilize the benefits of different government schemes so as to enhance their living standard.
4. Senior women should also be encouraged to participate in the programme as they have good experience of making different sort of things.
5. There is need for recurring and increased finance to SHGs. Banks should recognize the members' requirement of money at the right time for appropriate income generation activities.

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