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## Research Article: 2

### Does the Linkage with Various Types of Banks Affect the Prevalence of SHG-BLP in West Bengal? - A Comparative Analysis Concerning the COVID - 19 Pandemic



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#### Abstract

*With the onset of COVID-19, Self-Help Groups (SHGs) with local support engaged themselves in the production of COVID-19 safety kits and helped the nation to survive this pandemic. Analysing the impact of COVID-19 on SHGs of West Bengal, it is found that SHGs have deposited more savings to banks in comparison to pre-COVID years, whereas the loan disbursed to them in a year has dropped to a large extent. The Amount of Loan Outstanding against SHGs has increased which indicates the delay in loan repayment during the pandemic year 2020-21.*

*Digging further, it is also noticed that SHGs linked with Regional Rural Banks have made a significant difference in terms of both 'Amount of Savings' and 'Total Amount of Loan Outstanding' with SHGs linked with Commercial banks and Co-operative banks. Moreover, all three types of banks have reduced the amount of loan disbursement to SHGs in a year substantially, with no significant difference between them.*

**Keywords:** Self-Help Group Bank Linkage Programme, COVID-19 Pandemic, Banks, Collateral-free loan, NABARD.

## 1. INTRODUCTION

There is a conventional belief that during every crisis, be it natural or human-made, it's the women's groups who always step up and come in front to fight the battle for humanity. At the far end of the first quarter of 2020, COVID-19 broke out in India and the Government of India had to impose a nationwide lockdown to curb the fast outbreak of the COVID-19 virus among the common people of the country. Comprehending the severity of the situation, women's groups from all over India plunged into action and came up with different mechanisms to face this disaster, quite effectively. In India, over the last three decades, Self-Help Groups (SHGs) have been a revolution not only in the context of Financial Inclusion but also in terms of women empowerment, both financially and socio-politically. With the help and support from local government and concerned authorities, a large number of SHGs changed their usual course of action and took up different activities and responsibilities in their capacity to mitigate the dent caused by the pandemic and provide ways to survive this crisis. The idea of the Self-Help Group was first developed by the National Bank for Agriculture and Rural Development (NABARD) and in 1992, NABARD launched "Self Help Group Bank Linkage Programme" (SHG-BLP) to spread financial inclusion to all corners of our country through the formation and proper functioning of Self-Help Groups. In West Bengal, the "Self

Help Group Bank Linkage Programme" has shown huge growth since its inception and possesses huge potential and possibility to reach out to all those rural households who are still out of this programme.

As per the NABARD State of Microfinance Report 2020-21, it is evident that among the other states in the Eastern Zone, SHGs of West Bengal are highly favoured and immensely benefitted from the SHG-BLP. As it is apparent from various reports, articles, and news that SHGs from all over India were highly instrumental in facing the economic and social crisis of COVID-19, it will be interesting to find out how SHGs of West Bengal have acted in response to the pandemic and how the banks have supported them during the difficult times of COVID-19.

**Table 1: Status of SHGs of West Bengal in comparison to India and Eastern Zone in 2020-21.**

Particulars	All Across India	In Eastern Zone
Contribution to Total Amount of Savings	13%	50%
Amount of Loan Disbursed in 2020-21	13%	57%
Total Amount of Loan Outstanding	10%	50%

Source: NABARD State of Microfinance (2020-21.)

## 2. LITERATURE REVIEW

Anticipating how gruesome the COVID-19 virus could turn out to be, the Government of India forced a countrywide

lockdown to save people from the COVID-19 virus.

In this context, **Devi (2021)** pointed out that SHG members had also faced the disastrous effects of lockdowns and sudden termination of economic and social activities had led them to look for desperate survival measures. Although COVID-19 has indeed hampered the normal operations of SHGs, many researchers like Siwach et al. (2020);

**Tankha (2021)** are arguing that this COVID-19 period can turn out to be an opportunity for SHG members to mitigate the losses incurred due to economic disaster and help the nation to survive this dreadful pandemic. In the early phase of the COVID-19 lockdown in India, there was an acute shortage in the supply of masks, PPE kits, hand sanitizers, and other safety kits which were and are still considered necessary items to prevent COVID-19 virus from spreading and infecting people.

**Mishra (2020)** reported that SHGs with the help of local government and authorities had produced masks, PPE kits, and litres of sanitizers in large numbers to meet the unexpected rise in demand and eventually helped people to save themselves from the virus. Raman (2021) acknowledged that some SHGs had set up community kitchens to provide food for the needful and carried out door-to-door delivery services of essential commodities, food, medicines, and rations in their areas of operation.

**Seetha Lakshmi and Nandan (2020)**

reported that as group meetings and gatherings were prohibited because of the stringent COVID protocols, SHGs members who were accustomed to the usage of mobile phones were spreading COVID awareness about the dos and don'ts among the group members through WhatsApp messages, group chats, and tele-counselling helplines.

**Srikanth and Sravanan (2020)** believed that SHG members should get familiar with the advancement and advantages of technology in their own ways and should embrace options like e-banking, and e-commerce to avoid any cessation of their business and income during the pandemic times. Although all researchers and reporters noticed that during the COVID period, SHGs of all over India faced challenges and endured difficulty to carry on from different dimensions, the majority of researchers like Siwach et al. (2020); Tankha (2021); Srikanth and Sravanan (2020);

**Seetha Lakshmi and Nandan (2020)**

believed that the threats posed by COVID-19 can be turned into opportunities with the resources available to SHGs. They have acknowledged the remarkable contribution made by SHGs and agreed that SHGs need to be accredited because of the role they played to survive the rural economy and prevent it from collapsing amidst the economic crisis.

### 3. OBJECTIVES OF THE STUDY

From the available literature discussed above, the objectives which are formulated for this paper are put together as follows:

- To analyse the consequence of COVID-19 on the performance of SHGs of West Bengal.
- To make a comparative analysis between the SHGs based on their linkage with different types of banks as part of SHG-BLP in 2020-2021.

### 4. RESEARCH METHODOLOGY

To fulfil all the above-mentioned objectives, secondary data are collected from the State of Microfinance Report, an annual report published by NABARD. As per the classification made in the report, SHGs are categorised according to the banks with whom they are linked as part of SHG-BLP. All three classes of banks i.e. Commercial Banks (CB), Regional Rural Banks (RRB), and Co-operative banks (COB) are an integral part of SHG-BLP in West Bengal and hence, data of all SHGs which are linked with these three types of banks for the year 2020-2021 are collected for the required study. After the accumulation of required data,

the following null hypotheses are formulated for the fulfilment of objectives:

- There has been no significant difference between the SHGs linked with different types of banks in terms of the Total Amount of Savings from SHGs in West Bengal.
- There has been no significant difference between the SHGs linked with different types of banks in terms of the Amount of Loan Disbursed to SHGs in a year in West Bengal.
- There has been no significant difference between the SHGs linked with different types of banks in terms of the Amount of Loan Outstanding against SHGs in West Bengal.

Before testing the hypothesis, it is necessary to understand the nature and characteristics of this dataset so that appropriate statistical tools can be applied. For all three variables (Total Amount of Savings from SHGs, Amount of Loan Disbursed to SHGs in a year, and Amount of Loan Outstanding against SHGs), the Shapiro-Wilk Test and Levene test are employed to test Normality and Homogeneity of Variance respectively.



**Table 2: Results of Normality and Homogeneity of Variance**

Tests ⇒	Normality (Shapiro - Wilk Test)			Homogeneity of Variance (Levene Test)		
Variables ↓	Null Hypothesis (H <sub>0</sub> )	P Value	Remarks	Null Hypothesis (H <sub>0</sub> )	P Value	Remarks
Total Amount of Savings from SHGs	There is Normality in the distribution of data	> 0.05	H <sub>0</sub> is not rejected.	Variance is Homogeneous in the distribution of data.	< 0.05	H <sub>0</sub> is rejected.
Amount of Loan Disbursed to SHGs in a year	There is normality in the distribution of data	> 0.05	H <sub>0</sub> is not rejected.	Variance is Homogeneous in the distribution of data.	> 0.05	H <sub>0</sub> is not rejected.
Amount of Loan Outstanding against SHGs	There is normality in the distribution of data.	> 0.05	H <sub>0</sub> is not rejected.	Variance is Homogeneous in the distribution of data.	< 0.05	H <sub>0</sub> is rejected.

Source: Researchers' Calculations

## 5. DISCUSSIONS

### 5.1 Consequence of COVID-19 on SHGs of West Bengal

To comprehend the consequence of COVID-19 on the SHGs of West Bengal, three variables are considered and they are a) SHG Savings with Banks b) Loan disbursed to SHGs during the year, and 3) Loans Outstanding against SHGs. The variable 'SHG Savings with Banks' indicates the amount of savings made by SHGs which are deposited into banks whereas, 'Loan disbursed to SHGs during the year' gives an insight into the amount of loan which has been granted to SHGs during a particular year only. Through the variable 'Loans Outstanding against SHGs', the amount of loan which is outstanding out of the total amount of loans sanctioned to SHGs over the years is measured and data of all these three variables are usually reported by the banks, which also reflects the contribution of banks and their involvement in the SHG-BLP.

Starting with the Amount of Savings made by the SHGs of West Bengal, it is observed that during the COVID-19 year 2020-21, savings of SHGs have shown a substantial increase, maintaining the upward trend of savings of the last 5 years. Interestingly, the growth rate of the Amount of Savings has also increased to 21 per cent from 17 per cent in the pre-COVID year 2019-20, which establishes the fact that COVID-19 has not been able to disrupt the flow of savings of SHGs of West Bengal. One of the rationales behind the overall increase in the amount of Savings is the variable 'Number of SHGs savings linked with Banks', which revealed that there was a huge addition in the number of SHGs who got their savings linked with the banks even in the alarming times of COVID-19.

As per the NABARD State of Microfinance Report 2020-21, 68729 SHGs from West Bengal were added to the formal financial system by getting their savings linked with the banks, at a growth rate of 7 per cent in 2020-21. This huge surge in the new addition of SHGs to the banking system in the times of COVID-19 and lockdown shows the reality that how SHG-BLP has deepened its network in rural areas and how it has escalated in forming and developing new SHGs over the years. One of the probable explanations behind the uninterrupted upward trend of savings of SHGs with banks can be the continuation of the “Micro-Enterprise Development Program (MEDP)” and “Livelihood Enterprise Development Program (LEDP)” among the SHG members by NABARD. MEDP and LEDP are two skill development programmes, supported by NABARD, which help the members of SHGs to impart and upgrade skills and get access to information and knowledge on the 'nitty-gritty' of beginning a business.

These programmes also help them to get hold of the demand of the market, financial aspects of running a business, marketing and advertisement, branding, promotional skills, packaging, customer management skills, etc. Due to these skill development programmes over the years, SHGs with limited resources

could flourish and endure the COVID-19 economic crisis quite efficiently. Hence, the growth of savings of SHGs of West Bengal in COVID-19 times validates the fact that SHG-BLP has indeed brought a positive change in the lives of members of SHGs and helped them to survive the pandemic through the proper functioning and maintenance of its operation.

**Table 3: Amount of SHGs savings with Banks in West Bengal**

Year	Savings (Amount in Lakhs)	Growth Rate (in %)
2015-16	153538.75	21
2016-17	195270.76	27
2017-18	205053.94	5
2018-19	281899.64	37
2019-20	330364.86	17
2020-21	398758.64	21

**Source:** NABARD State of Microfinance (2020-21)

One of the crucial factors behind the success of SHG-BLP is the lending of collateral-free loans to SHGs by banks which are distributed among the members to utilise that loan for productive purposes. So the Amount of Loans granted to SHGs appear to be a vital parameter to judge the contribution of banks in the growth and expansion of the businesses of SHG members through SHG-BLP.

Before the COVID year 2020-21, it is observed that the SHGs of West Bengal were favoured with an increasing trend of the Amount of Loans Disbursed to SHGs in a year, which indicates the efficiency and success of SHG-BLP in credit linkage in West Bengal. However, with the onset of COVID-19, the upward trend took a hit. As per the NABARD State of Microfinance Report 2020-21, the Total Amount of loans disbursed to SHGs of West Bengal in 2020-21 plummeted by 26 per cent. One of the very reasons behind this sharp fall in the Amount of loans disbursed to SHGs of West Bengal in a year was that during 2020-21, the “Number of SHGs to whom Loans were Disbursed” had dropped drastically by 10 per cent. For the first time in the last 5 years, in 2020-21, West Bengal witnessed a fall in the number of SHGs to whom the loan is disbursed in a year.

There is no denial of the fact that the lockdown inflicted to restrict the COVID-19 outbreak is the prime reason behind this huge dip in the quantum of Loan given to SHGs in a year as well as in the Number of SHGs to whom the Loan is Disbursed. Another possible clarification behind this sharp fall is that banks were unable to provide proper service for a considerable period of 2020-21 because of a lack of regular employees, a disorder of transportation, maintenance of stringent lockdown protocols, etc. During partial lockdowns, banks tried to operate at partial

capacity to meet the minimum demand of customers (Perwej, 2020). So it can be said that granting collateral-free loans to SHGs of West Bengal dealt a mighty blow due to a lack of operational efficiency and competence on the part of banks because of disastrous COVID-19 lockdowns.

**Table 4: Amount of Loan Disbursed to SHGs of West Bengal in a Year**

Year	Loan Disbursed (Amount in Lakhs)	Growth Rate (in %)
2015-16	195378.62	30
2016-17	233580.55	20
2017-18	488373.28	109
2018-19	695576.79	42
2019-20	1013900	46
2020-21	751623.65	-26

**Source:** NABARD State of Microfinance (2020-21)

While evaluating the consequence of COVID-19 on the performance of SHGs in West Bengal, another essential parameter that needs to be considered is the 'Loan Outstanding against SHGs'. The Amount of Loan Outstanding against SHGs gives a clear idea about the quantum of loan which is still left with SHGs as of the last date of the reported financial year. In 2020-21, as per the NABARD State of Microfinance Report 2020-21, the Total Amount of loans outstanding to SHGs of West Bengal has been consistent in maintaining the upward trend of the previous years and has increased by a remarkable 13 per cent from the previous pre-COVID year 2019-20.



This is in line with the expectation because during COVID-19 times, most of the SHGs could not carry out their regular income-generating activities and hence, could not repay the loan in due time (Raman, 2021). Default in repayment of loans in due time is evident from the data of another variable 'Number of SHGs having outstanding loan', which shows that the number of SHGs with outstanding loans had increased by 15 per cent in 2020-21. Even though most of the SHGs could adopt the new change and get engaged in the production of COVID-19 safety items, it is also true that the majority of SHGs neither carried out their usual business operations nor got involved in the manufacture of COVID-19 items, mainly because of lockdowns and lack of required resources. Disruption in regular businesses caused the fall in income and as a result, consumption of savings for non-productive purposes might be one of the prime reasons behind the delay in loan repayment. Similar to the 'Amount of SHG Savings with banks' and 'Amount of Loan Disbursed to SHGs during the year', the impact of COVID-19 has been prominent on the 'Total Amount of Loan Outstanding' to SHGs of West Bengal, and hence, it can be inferred from all the available parameters and above discussion that COVID-19 has indeed cast a substantial negative effect on the SHGs of West Bengal.

**Table 5: Total Amount of Loan Outstanding against SHGs of West Bengal**

Year	Loan Outstanding (Amount in lakhs)	Growth rate (in %)
2015-16	377939.9	32
2016-17	484172.9	28
2017-18	587027.4	21
2018-19	858523	46
2019-20	1127148	31
2020-21	1274092	13

Source: NABARD State of Microfinance (2020-21)

## 5.2 Comparative Analysis of SHGs Linked with Three Different Kinds of Banks

Banks have always been an integral part of SHG-BLP and have played a pivotal role in the growth and expansion of this holistic inclusion programme covering all corners of this country. From the discussions made in the previous section, it is apparent that COVID-19 has had a distinguished effect on the SHGs of West Bengal in terms of 'Amount of SHGs savings with banks', 'Amount of Loan Disbursed to SHGs during the year', and 'Amount of Loan Outstanding'. As all these SHGs, being a part of SHG-BLP, are linked, financed, and supported by the banks, it is necessary to analyse whether the impact of COVID-19 has been uniformed across all SHGs linked with banks or whether there has been a significant difference between them in terms of 'Amount of SHGs Savings with banks', 'Amount of Loan Disbursed to SHGs in a year' and 'Amount of Loan Outstanding against SHGs' in 2020-21.



The year 2020-21 is considered for the analysis because COVID-19 hit India at the fag end of March 2020 and continued till 2021. Starting with the testing of the hypothesis, the first hypothesis was: There has been no significant difference between the SHGs linked with different types of banks in terms of the Total Amount of Savings from SHGs in West Bengal.

To test this hypothesis, the Welch Test is adopted because the Welch Test is considered to be suitable for the data which is normal but has no homogeneity of variance. Along with the Welch Test, for better clarity, the Games-Howell test is also conducted as a part of Post-Hoc Analysis. Coming to the results of the tests, it is observed that the P value of the Welch test is less than 0.05, which shows that the null hypothesis should be rejected and proves the point that there exists a significant difference between all SHGs linked with all the three kinds of banks in terms of the Total Amount of SHGs savings in West Bengal in 2020-21. From the Post-Hoc analysis, results of the Games-Howell test showed that SHGs linked with Regional Rural Banks have outperformed SHGs linked with both CBs and COBs in terms of SHGs' savings to banks in West Bengal. Furthermore, in the same context, there lies a significant difference not only between SHGs linked with Regional Rural Banks and Commercial Banks but also between the SHGs which are linked with Regional Rural Banks and Co-operative Banks as well.

However, even though SHGs linked with Co-operative Banks performed slightly better than of SHGs linked with Commercial Banks, no significant difference between them has been proved in the post-hoc analysis. It is interesting to see that in West Bengal, all three types of banks have witnessed a huge surge in the amount of SHGs' savings as well as in the number of SHGs who got their savings linked with banks in 2020-21, in comparison to the previous pre-COVID year. SHG-BLP is a holistic financial inclusion programme where banks are expected to take up more responsibilities and help SHGs in the initial days with formation programmes, regular meetings, maintenance of funds and books, etc. With more support from banks and concerned NGOs, SHGs tend to operate effectively with financial discipline which eventually leads to the generation of more income and savings. It is evident from the above results that despite being under total and partial lockdowns for a considerable period in 2020-21, SHGs of West Bengal which are linked with Regional Rural Banks have made more savings significantly in comparison to those SHGs who are linked with Commercial Banks and Co-operative Banks. It can be argued that during lockdowns or even after that, Regional Rural Banks with their vast network and deep penetration to marginal rural areas, might have helped and supported SHGs who are linked with them to strive against the dreadful pandemic.

During lockdowns, although most of the SHGs could not run their usual regular businesses, a lot of SHGs with the help of local government and concerned authorities started producing masks, PPE kits, sanitisers, and other safety items to survive this economic crisis (Swiach et al., 2020; Tankha, 2021). It can be said that even though CBs, RRBs and COBs have experienced an enhancement in SHGs savings from West Bengal in COVID year, there exists a significant difference between the SHGs linked with these banks and hence, the impact of COVID-19 has not been uniform across all the SHGs linked with three kinds of banks.

**Table 6: Results of the Analysis carried out on Total Amount of Savings made by SHGs linked with different types of Banks in West Bengal**

Tests	Null Hypothesis ( $H_0$ )	P value	Remarks
<b>Welch (Compare of means)</b>	There has been no significant difference between the SHGs linked with different types of banks in terms of Total Amount of Savings from SHGs in West Bengal during COVID-19 Pandemic time.	< 0.05	$H_0$ is rejected.
<b>Games-Powell (Post-Hoc Analysis)</b>	There is no significant difference between the SHGs linked with Commercial Banks and RRB in terms of savings.	< 0.05	$H_0$ is rejected.
	Presence of no significant difference between the SHGs linked with CBs and COBs in terms of savings.	> 0.05	$H_0$ is not rejected.
	Presence of no significant difference between the SHGs linked with RRB and COBs in terms of savings.	<0.05	$H_0$ is rejected.

**Source:** Researchers' Calculations

Moving on, the second hypothesis: There has been no significant difference between the SHGs linked with different kinds of banks in terms of the Amount of Loan Disbursed to SHGs in a year in West Bengal. As data satisfies both the conditions of normality and homogeneity of variance, ANOVA is regarded suitable to carry out the required analysis and hence, ANOVA is employed to test the formulated hypothesis. Interestingly, the results of ANOVA showed a P value of more than 0.05, which indicates that no significant difference has been proved between the SHGs linked with CBs, RRBs and COBs in terms of Amount of Loan Disbursed to SHGs of West Bengal in 2020-21. In the pre-COVID era, all three types of banks were very much liberal in sanctioning loans to SHGs which in due course helped the programme to reach out to far-off distant places and develop SHGs so that they can operate effectively. However, with the advancement of COVID-19, CBs, RRBs and COBs have reduced the disbursement of loans to SHGs of West Bengal in a year uniformly, and hence; no significant difference has been found between the SHGs linked with them in the context of disbursement of loans to SHGs in a year.

Approval and sanctioning of loans to SHGs require some paperwork and administrative obligations that need to be fulfilled and taken care of by the bank employees or the authorities assigned. During lockdowns and even in post-lockdown phases, regular banking proceedings and operations were highly disrupted because of stringent lockdown norms, lack of transportation, maintenance of COVID-19 protocols like social distancing, limited banking hours, limited entry of customers, sanitization of office premises, etc. It can be argued that due to interruptions in the usual banking procedures and business hours because of COVID-19 lockdowns, all these three types of banks could not follow the liberal approach of granting collateral-free loans like before and hence, reduced the disbursement of loans to SHGs of West Bengal substantially. Thus, it can be inferred that in terms of the Amount of Loan Disbursed to SHGs of West Bengal in a year, the impact of COVID-19 has been uniform across CBs, RRBs and COBs with whom SHGs are credit-linked as part of SHG-BLP.

**Table 7: Results of the Analysis carried out on the Amount of Loans Disbursed to SHGs in West Bengal linked with different types of Banks.**

Tests	Null Hypothesis ( $H_0$ )	P value	Remarks
ANOVA (Compare of means)	There has been no significant difference between the SHGs linked with different kinds of	> 0.05	$H_0$ is not rejected.

	banks in terms of the Amount of Loan Disbursed to SHGs in West Bengal in the year 2020-21.		
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**Source:** Researchers' Calculations

Continuing forward, the next hypothesis: There has been no significant difference between the SHGs connected with various kinds of banks in terms of the Amount of Loan Outstanding against SHGs in West Bengal. For further analysis, the Welch test is employed again along with the Games-Howell test for better understanding. From the results of the Welch test, it is observed that the P value is less than 0.05, which indicates the rejection of the null hypothesis and acceptance of the fact that there exists a significant difference between the SHGs linked with CBs, RRBs and COBs in terms of having Total Amount Loan Outstanding against SHGs of West Bengal as on 31st March 2021. Furthermore, results of the Games-Howell test showed that SHGs who are credit-linked to Regional Rural Banks have more loans outstanding against them in comparison to those SHGs who are credit-linked with Commercial Banks and cooperative banks.

Results also show a significant difference not only between SHGs connected with RRBs and Commercial Banks but also between SHGs linked with RRBs and COBs in terms of the Total Amount of Loan Outstanding against SHGs of West Bengal.

However, no significant difference has been proved between the SHGs who are credit-linked to Commercial banks and those SHGs who are credit-linked to Cooperative banks. Evidence suggests that due to COVID-19 and lockdowns, the majority of SHGs have faced a plethora of challenges and could not carry out regular group meetings, regular maintenance of funds and books, and usual businesses. Since their revenue-earning activities were interrupted and their flow of income got hampered, most of the SHGs failed to repay the loan in due time (Raman, 2021). Default in loan repayment leads to an increase in the amount of loan outstanding which got reflected in the data reported by all three types of banks.

Although it is undeniable that COVID-19 has had an immense effect on the Amount of Loans Outstanding against SHGs of West Bengal, significant differences between the SHGs' credit linked with CBs, RRBs, and COBs showed that the impact of COVID-19 has not been uniform across SHGs linked with all these three types of banks, in the context of the Amount of Loan Outstanding against SHGs in West Bengal.

**Table 8: Results of the analysis carried out on the Amount of Loans Outstanding to SHGs linked with different types of Banks in West Bengal.**

Tests	Null Hypothesis (H <sub>0</sub> )	P value	Remarks
Welch	There has been no	< 0.05	H <sub>0</sub> is rejected.

(Compare of means)	significant difference between the SHGs linked with different types of banks in terms of Amount of Loan Outstanding against SHGs in West Bengal.		
Games-Powell (Post-Hoc Analysis)	There is no significant difference between the SHGs linked with Commercial Banks and RRB in terms of Amount of Loan Outstanding.	< 0.05	H <sub>0</sub> is rejected.
	Presence of no significant difference between the SHGs linked with CB and COB in context of Amount of Loan Outstanding.	> 0.05	H <sub>0</sub> is not rejected.
	Presence of no significant difference between the SHGs linked with RRB and COB in context of Amount of Loan Outstanding.	< 0.05	H <sub>0</sub> is rejected.

Source: Researchers' Calculation



## CONCLUSION

With the outburst of COVID-19, the majority of SHGs experienced hurdles in pursuing their businesses and their earning of income came to a halt. However, with support from local government and concerned authorities, most of the SHGs got engaged in the production of the COVID-19 safety kit and helped the nation to endure the pandemic. Analysing the impact of COVID-19 on the SHGs of West Bengal, it was observed that the Amount of Savings deposited by SHGs of West Bengal had risen to an all-time high and had increased substantially by 21 per cent, whereas the Amount of Loan Disbursed to SHGs of West Bengal in 2020-21 had plummeted by 26 per cent.

Cessation of usual and regular economic activities of SHGs led to the delay in loan repayment which eventually increased the Amount of Loan Outstanding against SHGs of West Bengal by 13 per cent. For most of 2020-21, regular banking and business activities of all three types of banks were hampered and they could not operate proficiently with full potential and expectation. Results from the statistical analysis show that there exists a significant difference in the Amount of Savings deposited by SHGs linked with RRBs with that of the Amount of Savings deposited by SHGs which are linked with Commercial banks and Co-operative banks. However, in terms of 'Disbursement of Amount of Loan in a Year', no significant difference between SHGs credit

linked with banks is found and all three types of banks have reduced the disbursement of loans substantially in 2020-21.

Regarding the Total Amount of loans outstanding against SHGs, SHGs credit linked with RRBs have reported an increase in loan outstanding and made a significant difference with those SHGs who have their loan outstanding to Commercial Banks and Co-operative Banks. Overall, considering all relevant parameters and comparing them with that of pre-COVID years, it can be inferred that COVID-19 had indeed cast a significant effect on SHGs of West Bengal and had tested the strength and robustness of SHG-BLP.

From the above analysis it is evident that linkage with various types of banks is crucial for the prevalence of SHG-BLP and hopefully, the banks will probably take more liberal approach in supporting and giving proper guidance to SHGs to overcome this pandemic situation in future. SHGs that could not carry out their usual regular business are expected to resume it and take it further by utilising all the opportunities for growth and development.

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