

Self -Help Groups and Women Empowerment- A Study of Khordha District in Odisha

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Abstract - In India, the trickle down effects of macroeconomic policies have failed to resolve the problem of gender inequality. Women have been the vulnerable section of society and constitute a sizeable segment of the poverty-struck population. Women face gender specific barriers to access education, health, employment etc. Since women's empowerment is the key to socio economic development of the community; bringing women into the mainstream of national development has been a major concern of government. This study has made attempt to highlight the characteristics and impact of Self -Help Groups on women in selected blocks in Khurda District of Odisha. 180 members were purposively selected from 9 Women SHGs operating in five selected blocks of Khurda district. The objective of the study is to analyze the operating system of SHGs and to understand the impact of SHGs on psychological, economic and social wellbeing of women in rural areas. The study has able to identify different aspects related to SHGS and women empowerment. The study suggested some necessary steps to be deployed in order to bring women into the mainstream of national development.

Key Words: Women Empowerment, Self Help Group, Economic development, Social and psychological wellbeing, Managerial aspects

INTRODUCTION:

Women comprise half of human resources. They have been identified as key agents of sustainable development and women's equality is central to a more holistic approach towards destabilizing new patterns and process of development that are sustainable. Women as entrepreneurs have become an integral part of national development planning and strategies. The contribution of women and their role in the family as well as in the economic development and social transformation are pivotal. Self-help groups (SHGs) have been effective in making positive social and economic changes in the society. Micro finance is a programme for the poor and by the poor to mobilize the savings and use them to meet their financing needs. Rural sector always remain the main component of the development process of Indian economy. India has 6.40 lakh villages and its 72.2% of the population is living in rural areas. Micro finance is one of the effective tools to help neglected groups of society. WSHGs are usually informal groups whose members i.e. the women have a common perception of the need and importance towards collective action. These groups promote savings among themselves and use the pooled resources to meet the urgent needs. They rotate this common pooled resource within the members

with a very small rate of interest. The number of members in a WSHG normally ranges from 10 to 20. WSHGs are usually informal groups whose members i.e. the women have a common perception of the need and importance towards collective action.

Micro finance is a tool for poverty alleviation and improving socio economic conditions of the poor. Micro financing is a new method to meet the credit requirement in rural areas. Since the bank borrowing requires collateral and the deprived class does not have any type of such collaterals, the success of Bangladesh Grameena Bank which was started by Prof. Muhammed Yunus, in 1976 attracted the attention of Indian policy makers towards the micro finance and micro credit. In the recent period, considerable emphasis has been placed on promotion of micro credit enterprises in view of perceived inadequacies of existing agencies in providing productive credit to those with little or no previous access to formal credit facilities. Especially when women join SHGs, they are empowered and can generate main or additional income for the family; hence with the increased knowledge and awareness the development takes place. Women become self-confident to take decisions regarding their spending patterns, child education, starting new businesses, etc. When the people join as a group and are provided with empowerment it leads to both social and economic development.

Socio Economic profile of Khordha District:

Khordha district has a geographical area of 2813 square kilometres. It is the most urbanized of all the districts of Odisha. Khordha is the 25th district in terms of size and 5th in terms of population. It has 18 lakhs population of which males constitute 52.57 percent and females 47.43 percent. The total literacy rate works out to be 79.59 percent, the male literacy rate being 87.90 percent and female rate 70.36 percent indicating substantial gender gap in literacy even in a low literacy scenario. The average household size is 5 persons per household (Odisha Review-Census Special).

Literature Review:

Few studies are available on SHG and micro-finance and women empowerment. Osman (2000) in his article remarked that micro-finance schemes alone cannot alleviate poverty. The battle for total eradication of poverty requires combining micro-finance schemes with parallel, complementary programmes addressing the social and cultural dimensions of want, privation, impoverishment and

dispossession. Kapur (2001) in her study tried to discuss, analyse and answer the challenging questions as to why despite all the efforts and progress made, still there continues to be so much of gender discrimination and what strategies, actions and measures to be undertaken to achieve the expected goal of empowerment. She opined that women's empowerment is much more likely to be achieved if women have total control over their own organisations, which they can sustain both financially and managerially without direct dependence on others. Pattanaik (2003) in her study reveals that SHGs are continuously striving for a better future for tribal women as participants, decision-makers and beneficiaries in the domestic, economic, social and cultural spheres of life. But due to certain constraints like gender inequality, exploitation, women torture for which various Self Help Groups are not organised properly and effectively. Malhotra (2004) in her book has examined how women entrepreneurs affect the global economy, why women start business, how women's business associations promote entrepreneurs, and to what extent women contribute to international trade. It explores potential of micro-finance programmes for empowering and employing women and also discusses the opportunities and challenges of using micro-finance to tackle the feminisation of poverty. According to her, the micro-finance programmes are aimed to increase women's income levels and control over income leading to greater levels of economic independence. They enable women's access to networks and markets, access to information and possibilities for development of other social and political role. They also enhance perceptions of women's contribution to household income and family welfare, increasing women's participation in household decisions about expenditure and other issues leading to greater expenditure on women's welfare. Narasaiah (2004) in her study mentioned that the change in women's contribution to society is one of the striking phenomena of the late twentieth century. According to him micro-credit plays an important role in empowering women. Giving women the opportunity to realise their potential in all spheres of society is increasingly important. Cheston & Kuhn (2004) in their study concluded that micro-finance programmes have been very successful in reaching women. This gives micro-finance institutions an extraordinary opportunity to act intentionally to empower poor women and to minimise the potentially negative impacts some women experiences. Manimekalai (2004) in his article commented that to run the income generating activities successfully the SHGs must get the help of NGOs. The bank officials should counsel and guide the women in selecting and implementing profitable income generating activities. He remarked that the formation of SHGs have boosted the self-image and confidence of rural women. Sahu and Tripathy (2005) in their edited book views that 70 per cent of world's poor are women. Access to poor to banking services is important not only for poverty alleviation but also for optimising their contribution to the growth of regional as well as the national economy. Self Help Groups (SHGs) have emerged as the most vital instrument in the process of participatory development and women empowerment. The rural women are the marginalized groups in the society because of socio-

economic constraints. They remain backward and lower position of the social hierarchical ladder. They can lift themselves from the morass of poverty and stagnation through micro finance and formation of Self-Help Groups. Das Gupta (2005) in his article commented that a paradigm shift is required from "financial sector reform" to "micro-finance reform". While the priority sector needs to be made lean, mandatory micro credit must be monitored rigorously. Simultaneously space and scope have to be properly designed for providing competitive environment to micro-finance services. Extensive database needs to be created by the RBI for understanding micro-finance. Sinha (2005) in his study has observed that micro-finance is making a significant contribution to both the savings and borrowing of the poor in the country. According to him the main use of micro-credit is for direct investment. There is of course some fungibility, depending on household credit requirements at the time of loan disbursement. Some studies reveal that micro-finance programmes have had positive as well as negative impacts on women. Some researchers have questioned how far micro-finance benefits women (Goetz and Sen Gupta, 1996). Some argue that micro-finance programmes divert the attention of women from other more effective strategies for empowerment (Ebdon, 1995), and the attention and the resources of donors from alternative, and possibly more effective means of alleviating poverty (Rogaly, 1996). In some cases women's increased autonomy has been temporary. It only benefits women who are already better off. But in most cases the poorest women are least able to benefit because of their low initial resources base, lack of skill and market contact.

Research Objectives

The broad objective of the study is to examine the role and performance of SHGs in promoting women's empowerment in the study area. However, the study has some specific objectives. They are:

1. To analyse the economic gains derived by the members after joining the SHGs.
2. To examine the social benefits derived by the members.
3. To study the psychological wellbeing derived by the SHG members.
4. To analyse the operating system of SHGs by analysing the sources and purpose of loan demanded and utilized, repayment of loans, and economic activities undertaken by members.

Research Methodology

The research was conducted in 5 different blocks of Khordha Districts i.e. Khordha, Begunia, Bhubaneswar, Chilika and Baliana to analyse the different issues associated with the Women Self Help Groups (WSHGs). A purposive sampling method was adopted to select respondents from the 5 different blocks. The data were collected from 180 members from 9 WSHGs operating in 5 blocks. A structured questionnaire was used to collect responses from the members of WSHGs. The questionnaire included questions related to demographic profile of members, structure of SHGs, Purpose of Credit Demanded

and Utilised, Economic Activities Covered by SHG Members, Loan repayment schedule and the impact of micro finance through SHG on psychological, economic and managerial aspects of rural women. Fifteen variables were used to study the impact of WSHGs on psychological, economic and social aspects of rural women in the respective blocks. These variables are identified and selected from the survey of literature. The measurement was on Likert scale and scores were assigned for each statement. A high score of 5 was given to strongly agreed responses and low score of 1 was given to strongly disagreed statements.

Data Analysis

The data analysis includes descriptive statistics where demographic component like age, income, occupation number of dependants in family and family system were analyzed. Further the structure of SHGs, purpose of credit demanded and utilised, economic activities covered by SHG members, loan repayment schedule and psychological, economic and managerial aspects of rural women were analysed. The analyses were compiled and compared to draw the inferences about the performance of the WSHGs in the study area.

Table 1: Demographic Profile of SHG Members

Item	Variables	Frequency	Percentage
Age (years)	Below 25	33	18.3
	25-45	95	52.8
	Above 45	52	28.9
No. of Dependant	1-3	76	42.2
	3-6	65	36.1
	Above 6	39	21.7
Occupation	Agriculture	102	56.67
	Agriculture labour	37	20.56
	Business	21	11.67
	Others	20	11.11
Family System	Nuclear	109	60.6
	Joint	71	39.4
Income level	Below Rs. 5000/month	77	42.8
	Rs.5000-10000/month	80	44.4
	Above Rs.10000/month	23	12.8

Source: field Data

The table 1 indicates that 52.8% of the members in the WSHGs are within the age group of 25-45. Similarly, 42.2% of members are having less than three dependants in their family. 56.67% of members in WSHGs have selected agriculture as their occupation and 20.56% have selected agricultural labour as their occupation. Most of the members i.e. 60.6% are having a nuclear family. 44.4% of the members have a income level between Rs. 5000 to Rs. 10000.

Structure of SHGs in the Study Area

The structure and characteristics of Self-Help Groups in the study area is presented in Table 2.2. It is noted that the average membership per SHG was 16.26. The study reveals that in the Begunia block, the average membership of the Self-Help Group is highest (17) and Khurda block had lowest membership (15).

Table 2: Structure of SHGs

Item	Khurda	Bhubaneswar	Begunia	Chilika	Baliana	Overall
Membership average (No.)	15.00	16.78	17.00	15.86	16.66	16.26
Savings per SHG (in Rs.)	14517	16125	13633	7093	2097	10693
Loan (Avg.) (in Rs.)	19752	17177	16040	8758	5677	13481

Source: Field Data

Most of the members agreed that their motives in joining SHGs were to save. Some said they joined the SHG to get credit to meet the unexpected cash demand for consumption and other purposes. Few opined that it led to social empowerment. The average savings per SHG was Rs. 10,693. It varied from Rs. 2097 in Baliana to Rs. 16125 in Bhubaneswar block. The average amount of loans per SHG

was Rs. 13481. The highest being Rs.19752 in Khurda block and the lowest of Rs. 8758 in Chilika block.

Purpose of Credit Demanded and Utilised

The amount of loan and number of loans are decided by the members themselves depending on their need and urgency. The purpose of loan taken by the members of SHGs is collected on 5 point scale with a rating scale from (1) 'strongly disagree' to (5) "strongly agree".

Table 3: Purpose-wise Credit Demanded by SHG Members

Purpose	Mean	S.D.
Domestic consumption	3.54	1.09
Health	3.22	0.98
Agriculture	3.98	0.66
Business	4.32	0.79
Repayment of old debts	3.77	0.88
Education	3.02	0.87

Source: Field data

The purpose-wise credit demanded by the SHG members from the SHGs is given in Table 3. It is observed that most of the members have demanded credit for Business purposes with mean value of 4.32. The other major purposes for getting a loan is used to invest it in Agriculture with mean value of 3.98 and is followed domestic consumption with mean value of 3.77. A proportion of credit was demanded by the SHG members for Repayment of old debts. A less proportion of loan is demanded for education and health purposes.

Economic Activities Covered by SHG Members

The table 4 reveals that most of the SHG members are engaged in the collection and processing of minor forest products with the highest mean value of 4.56. These products include broom making, cashew, mahula, turmeric, tamarind, khalli (leaf plates), raw broom, amla, etc. The dairy has received second highest mean value of 3.89 as there is a high demand for milk and dairy products in the nearest urban areas. Some of the members are engaged in individual businesses like preparing pickle, bodi, papad, haldi powder, wax, making bags, vegetable business, tailoring, pan shop, etc. have received mean value of 3.67.

Table 4: Economic Activities Covered by the SHG Members

Item	Mean	S.D.
Collection and marketing of Minor Forest Products	4.56	0.54
Individual business	3.67	0.89
Poultry	3.43	1.01
Dairy	3.89	0.75
Fishery	2.34	0.68
Other activities	3.11	1.98

Source: Field data

The table 4 indicates that members are also engaged in poultry business. Some are engaged in other activities. As there is a good demand for milk products, they are preparing sweets with milk, ghee, etc. and are getting good price. They earn about Rs. 3000 to Rs. 6000 per month through these activities.

Sources of Loan

The members of SHG have plenty of options to get loans from various sources. The major sources of getting loan includes banks, money lenders, friends and relatives, NGOs and other sources includes SHGs, Loan Melas organised by banks, corporations etc.

Table 5: Various Sources of Loan

Sources	Mean	S.D.
Banks	3.62	0.83
Money Lender	3.17	0.67
Friends / Relatives	4.32	0.76
NGO	2.56	0.98
Others	2.43	0.54

Source: Field data

The table 5 depicts that friend and relatives are considered as the major source for getting a loan with a highest mean value (4.32). The bank is considered as second major source for getting a loan (3.62) and is followed by money lenders (3.17).

Loan repayment schedule

The loan is available to members from various sources in the locality. SHG members are getting both internal loans and external loans under the security of NGOs. They are paying Rs. 2 as interest per Rs. 100. Repayment of loan on time helps members to avail more loans form bank when there is a need.

Table 6: Loan repayment schedule

Repayment Schedule	Number of Beneficiaries	Percentages
In Advance	16	8.9
On Time	118	65.6
Late	46	25.6
Total	180	100

Source: Field data

The table no. 6 depicts that 65.6% of the members repay their loan on time which indicates that various activities undertaken by the SHGs helps to strengthen their financial status. Similarly, only 8.9% of the members are repaying their loans in advance. The percentage of late payer of loan is 25.6%.

Psychological, Economic and Social Impact of SHGs on Women

The SHGs has provided moral support for the women in rural areas and it has helped them to become independent in all respect. The women in SHGs have come out traditional life style and are playing an important and equal role in

economic development. The data collected from the field relating to Psychological, Economic and Social Impact are analysed in the tables 7-9. The overall mean calculated in these tables is nearer to 4.00 which indicate that the women are accepting the positive impact of joining SHGs on their

psychological, economic and social wellbeing. In table 7, the mean and standard deviation of different variable relating to psychological wellbeing of the SHG members are calculated.

Table 7: Psychological wellbeing

Sl. No.	Variables	Mean	S.D.
1	Self confidence	4.46	0.56
2	Skill development	4.14	0.58
3	Improvement in the literacy level	4.24	0.62
4	Awareness on children education	3.89	0.52
5	Awareness on health and sanitation	4.22	0.76
6	Awareness about the environment	4.17	0.83
	Overall Mean	4.19	

Source: Field Data

The data given in the table 7 shows that micro-finance has enhanced the confidence level of the women with a mean value of 4.26. The second highest mean value is 4.24 for improvement in the literacy rate of women. The women are becoming more literate in terms of doing business and managing the activities of self-help groups.

Similarly, the following table 8, 9 and 10 measured the mean and standard deviation of different variables of Economic development, managerial aspects and Social wellbeing of members of SHGs respectively.

Table 8: Economic wellbeing

Sl. No.	Variables	Mean	S.D.
1	Induces habit of Savings	4.52	0.96
2	Micro finance reduces poverty	3.43	0.92
3	Women undertake Income generating activity	4.29	0.79
4	Employment opportunities in rural areas	4.05	0.95
5	Creation of assets in rural areas	3.18	1.19
	Overall Mean	3.89	

Source: Field Data

It is observed from the table 8 that the variable “induces habit of savings” has the highest mean (4.52) while “creation of assets in rural areas” has the lowest mean (2.98). This indicates that membership of SHG has helped

the members to in individual economic development rather than creating assets for the whole group. Further it is observed that women members in the study have shown their interest in additional income generation activities.

Table 9: Managerial Aspects

Sl. No.	Variables	Mean	S.D.
1	Managerial abilities of women	4.12	0.76
2	Role in decision making	4.32	0.73
3	Groups management	4.02	0.66
4	Awareness about trainings organized by NGO	3.68	1.08
	Overall Mean	4.04	

Source: Field Data

Table 9 shows the change in social and managerial aspects of SHGs under study. It is evident from the table that the role of women members is decision making is most important one.

Similarly, managerial ability of the women has got enhanced due to their involvement in SHG management.

Table 10: Social Wellbeing

Sl. No.	Variables	Mean	S.D.
1	Participation in democratic institutions	4.06	0.94
2	Expressing opinions freely	3.68	0.74
3	Moving independently	4.48	0.64
	Overall Mean	4.07	

Source: Field Data

Findings:

The structure of SHGs indicates that SHGs operating in Khurda and Bhubaneswar blocks are having comparatively more savings by the members. The savings from relatively better earning is considered as one of the major reasons to join SHGs in these areas. Some said they joined the SHG to

get credit to meet the unexpected cash demand for consumption and other purposes. The high capacity of earning helps them to avail loan with high value from different sources for business purpose.

The primary reason for getting loan from bank is to invest in various business activities. The members utilise the loans in various business activities like preparing pickle, papad, turmeric powder, candles, bags, vegetable business, tailoring, etc. The second major reason to get loans is to utilise it for agricultural purpose. The money borrowed from banks is employed for wealth generation activities and not for personal consumption.

Most of the women have engaged themselves in economic activities like Collection and marketing of Minor Forest Products which are easy available from nearest forests. They are also engaged in business like preparing pickle, tailoring, making bags, growing mushrooms, dairy, poultry and fishery as they are getting loans quite easily for these activities. These activities also require less investment, training and there is a good market for these products in the urban areas. Further, steps may be taken by NGOs to provide skill development training which may include communication skills, computer awareness and vocational skills such as plumbing, stitching and marketing for expanding their business.

The friends and relatives are considered as the primary sources of getting loans by the SHG members as money borrowed from this source is easier to get with lesser interest rate and flexible repayment time. After expansion of commercial banks (nationalised and grameen banks) getting loans from banks have been easier for the members. With 2% interest rate the banks are second best option to avail loan whenever required. The banks should take necessary steps to make loans and procedures easier for the women SHGs.

The various types businesses undertaken by the members of SHG have helped them a lot in increasing their income level. The increase in income level has supported the members to repay their loans in time. The repayment of loan in time allows them to avail subsequent loans with easily and at right time.

There is a positive impact of joining SHGs on Psychological, Economic and Social aspects of the women in the rural areas. The psychological wellbeing is well addressed by joining SHGs compared to achieving economic and social objectives. The psychological aspects of members like self-confidence, literacy level, skill development and awareness on health and sanitation is enhanced. Similarly, economic aspects like habit of savings, undertake Income generating activity and creating employment opportunities is embedded through SHG groups. SHGs have also helped women to improve various Managerial skills like decision making skills, managerial abilities and group management tactics. These parameters at large will help to women in the rural areas to empower themselves and to overcome the obstacles associated with poverty and development.

CONCLUSION:

The economic progress of India depends on the productive contribution of both male and female workforce. In early period, Indian women were confined within the four walls of their houses and were dominated by males. In this twenty-first century, we must take along an active people-centred and growth-oriented poverty alleviation strategy where women will play a significant role. It is predicted that self-help groups will provide that platform to achieve economic prosperity in India. "When a woman moves forward the family moves, the village moves and the nation moves". It is essential as their thought and their value systems lead the development of a good family, good society and ultimately a good nation. The best way of empowerment is perhaps through inducting women in the mainstream of development. Women empowerment will be real and effective only when they are endowed with income and property so that they may stand on their feet and build up their identity in the society.

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