

# SOCIO-ECONOMIC CONDITIONS OF SELF-HELP GROUPS: A STUDY ON LITIMUNDA VILLAGE OF SAMBALPUR DISTRICT

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## ABSTRACT

*Self Help Groups or SHGs represent a unique approach to financial intermediation in India. The approach combines access to low-cost financial services with a process of self management and development for the women who are SHG members. SHGs are formed and supported usually by NGOs or increasingly by Government agencies. Linked not only to banks but also to wider development programmes, SHGs are seen to confer many benefits, both economic and social. SHGs enable women to grow their savings and to access the credit which banks are increasingly willing to lend. SHGs can also be community platforms from which women become active in village affairs, stand for local election or take action to address social or community issues like the abuse of women, alcohol, the dowry system, schools and water supply. The empowerment of women is one of the central issues in the process of development of countries all over the world. The emerging changes in the values and attitudes of the members of the SHGs are a clear manifestation of socio-economic empowerment interventions yielding relatively quicker results. The study has been selected 275 members from different Self Help Groups in Litimunda village of Sambalpur district. The data collected from the selected members include personal data and socio-economic background of the members selected and perceptions of the members regarding admission to organization and management of self help groups.*

*Keywords: SHGs, NGO, Government, development, empowerment*

## 1. INTRODUCTION

The concept of Self Help Group (SHG) has developed from the poverty initiatives. Self help groups bring together people with common experiences. Many people find that self help groups are invaluable

resource groups for empowerment. The Self Help generally refers to groups that involve people who have similar needs, and are operated on informal and nonprofit basis. SHG are affinity groups of rural poor voluntary formed to save and mutually agree to contribute to a common fund to enable the lending of small interest-bearing loans to their members.

Self Help Group (**SHG**) is a village-based financial intermediary usually composed of between 10-15 local women. Members make small regular savings contributions over a few months until there is enough capital in the group to begin lending. Funds may then be lent back to the members or to others in the village for any purpose. In India, many SHGs are 'linked' to banks for the delivery of micro credit. SHGs are member-based microfinance intermediaries inspired by external technical support that lie between informal financial market actors like moneylenders, collectors, and formal actors like microfinance institutions and banks on the other.

In Orissa, the organization of self-help groups, especially for microfinance and micro enterprise development programmes constitute a widely accepted development strategy for poverty reduction. This strategy is equally shared by government, commercial banks and civil society. SHGs have shown a limited effectiveness in terms of their impact on rural poverty and their long-term sustainability. The universal fascination with SHGs has also resulted in obscuring the potential roles of alternative institutions like co-operatives, private sectors, etc. in poverty removal. The possessiveness of some of the implementers has resulted in the development of SHGs as stand alone organizations without having any meaningful interaction with other schemes or community based organizations. As a result of this, the SHG members have not been able to access substantial development funds, which could otherwise have been available to them. This article advocates that for SHGs to have a marked and sustained impact on poverty, it is necessary for them to adopt a more encompassing approach with various community-based organizations & programmes by laying far greater focus on processes, capacity building, convergence with various on-going programmes etc.

## 2. REVIEW OF LITERATURE

Empowerment of women has emerged as an important issue in recent times. The economic empowerment of women is being regarded these days as a Sine-quo-non of progress for a country; hence, the issue of economic empowerment of women is of paramount importance to political thinkers, social scientists and reformers. The Self Help Groups (SHGs) have paved the way for economic independence of rural women. The members of SHGs are involved in Micro – Entrepreneurships. Through that, they are becoming economically independent and providing employment opportunities to others.

The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. The number of women entrepreneurs has grown over a period of time, especially in the 1990s. Women entrepreneurs need to be lauded for their increased utilization of modern technology, increased

investments, finding a niche in the export market, creating a sizable employment for others and setting the trend for other women entrepreneurs in the organized sector. While women entrepreneurs have demonstrated their potential, the fact remains that they are capable of contributing much more than what they already are. Women's entrepreneurship needs to be studied separately for two main reasons. The first reason is that women's entrepreneurship has been recognized during the last decade as an important untapped source of economic growth. Women entrepreneurs create new jobs for themselves and others and also by being different. They also provide the society with different solutions to management, organization and business problems as well as to the exploitation of entrepreneurial opportunities. The second reason is that the topic of women in entrepreneurship has been largely neglected both in society in general and in the social sciences. Not only have women lower participation rates in entrepreneurship than men but they also generally choose to start and manage firms in different industries than men tend to do. (ESS *Student papers Sathiabama/Women Empowerment April 2010*)

Development of the society is directly related with the Income Generation Capacity of its members with agriculture, as the key income generation activity the entrepreneurship on farm and home can directly affect the income of a major chunk of our population. The growth of modernization processes such as industrialization, technical change; urbanization and migration further encourage it. Entrepreneurship on small scale is the only solution to the problems of unemployment and proper utilization of both human and non-human resources and improving the living condition of the poor masses (Prabha Singh, 2009).

Kuratka and Richard 2001 in their book on entrepreneurship started that entrepreneurship is the dynamic process of creating incremental wealth. This wealth is created by individuals who take the major risks in terms of equity, time and career commitment of providing value to some products or services the product or service itself may or may not be new or unique but value must somehow be infused by the entrepreneur by securing and allocating the necessary skill and resources. The delivery of micro finance to the poor is smooth, effective and less costly if they are organized into SHGs. SHG is promoting micro enterprise through micro-credit intervention. Micro enterprise is an effective instrument of social and economic development.

Entrepreneurship is the only solution to the growing employment among rural youth. It helps to generate employment for a number of people within their own social system. This is more beneficial for women in rural areas as it enables them to add to the family income while taking care of their own home and livestock centered task. Rural women possess abundant resources to take up enterprises. She has the benefit of easy availability of arm and livestock based raw materials and other resources. (ESS *Student papers Sathiabama/Women Empowerment April 2010*)

Women comprise half of human resources they have been identified as key agents of sustainable development and women's equality is as central to a more holistic approach towards stabilizing new patterns and process of development that are sustainable. (Birendra Kumar Jha, 2009). The contribution of women and their role in the family as well as in the economic development and social transformation are pivotal. Women constitute 90 per cent of total marginal workers of the country. Rural women who are engaged in agriculture form 78 per cent of all women in regular work (Harendar Kumar, 2009). Experience of NIRD action research projects reveal that, the operational aspects, such as the extent of enabling that goes into the community self help processes and sharpening the mind set of women. Men and the project administrators are low or critical components that determine their extent to which empowerment may or may not take place. The role of micro-credit is to, improve the socio and economic development of women and improve the status of women in households and communities. The micro entrepreneurs are strengthening the women empowerment and remove the gender inequalities. Self Help Group's micro credit mechanism makes the members to involve in other community development activities. Micro credit is promoting the small scale business enterprises and its major aim is to alleviate poverty by income generating activities among women and poor. Therefore, they could achieve self-sufficiency. Now-a-days economic development is one of the factors that have changed the entire scenario of social and cultural environment within the country especially for the women. The rural women are engaged in small-scale entrepreneurship programme with the help of Self Help Groups. Through that they were economically empowered and attaining status in family and community.

Rural women play a vital role in farm and home system. She contributes substantially in the physical aspect of farming, livestock management, post harvest and allied activities. Her direct and indirect contribution at the farm and home level along with livestock management operation has not only help to save their assets but also led to increase the family income. She performs various farm, livestock, post harvest and allied activities and possesses skills and indigenous knowledge in these areas. The women were empowering themselves technically to cope with the changing times and productively using their free time and existing skills for setting and sustaining enterprises. They were engaged in starting individual or collective income generation programme with the help of self-help group. This will not only generate income for them but also improve the decision-making capabilities that led to overall empowerment.

The Indian desire of Sarve Santh Niramayaha, 'let all be free from disease let all be healthy', is a seemingly difficult task for poor and oppressed populations. Although poverty is widely accepted to be a root cause of ill-health (Wagstaff, 2001; 2002), we in public health have often attempted to address illness and disease by implementing, sectoral programs, in the pursuit of 'magic bullet' or uniquely 'health' solutions. These approaches, however, marginalize the multi-factorial and social nature of health production. An alternative approach to improve the health of the poor is to adopt a multisectoral approach

(Lipson, 1998). Evaluating an intervention in another sector (e.g. rural development, agriculture), from a public health perspective, could illuminate potential intra-sectoral initiatives. Moreover, such an exercise may demonstrate unrecognized health benefits from that sector. Due to the existence of a strong linkage between poverty and health, poverty alleviation schemes (PAS) are a particularly attractive option to explore.

In many low- income countries, over half of the population lives in poverty, which does not include those who are not considered 'poor' but live under impoverished conditions and will suffer from poor health (Leon, Walt, & Gilson, 2001). Women represent about 70% of the poor (UNDP, 1995) and are particularly vulnerable to health problems due to persistent gender inequalities. These inequalities are the result of institutional (e.g. inappropriate health care), household barriers (e.g. unequal distribution of health-related resources), societal norms (e.g. preferences for the male child), as well as interactions between economic class and women's status (Mukhopadhyay, 1998; Sen, Iyer & George, 2002). Consequently, there have been increasing numbers of development interventions geared to not only raising women's access to resources, but also to increase their level of autonomy, and decision-making powers.

This report is a preliminary exploration of the linkages between participation in one type of PAS, micro-credit, and health. Micro-credit is increasingly seen as a contributor to the reduction of poverty in developing countries, by providing the poor the opportunity to engage in productive activities. Micro-credit involves small groups of poor individuals who obtain access to collateral-free loans from financial institutions. These groups begin by collecting fees from members, which are put into a bank for saving. After a specified time (usually around six months), members become eligible for credit and can make a request for a loan. After securing a loan, the member is then required to repay the amount borrowed, with the accumulated interest.

One form of micro-credit, popular in India, is the self-help group (SHG). Promoted by national and state government, and non-governmental organisations (NGOs), SHGs are voluntary groups engaged in collective saving and thrift activities for the purpose of securing credit. The 1990s saw a proliferation of women SHGs across India, particularly in the South (Narayana, 2002). These groups were designed not only as a strategy for poverty alleviation, but also to increase women's access to resources and their power in household decision-making (Sundram, 2001).

The relationship between poverty and health has held the attention of public health researchers and activists throughout history (Rosen, 1993; Waitzkin, 1981). Poverty continues to be of primordial importance, particularly in the developing world (Wagstaff, 2001). This powerful linkage between poverty and health has been characterized as big directional and synergistic (Das Gupta & Chen, 1996; Leon, et al., 2001; Wagstaff, 2002). First, poverty exacerbates ill-health. The poor have limited access to health

inputs (e.g. nutritious foods, health services, non-toxic environment), and little capacity to convert (e.g. through education) the inputs they do have into health. Therefore, the poor have lower health productivity than non-poor, and consequently limited outputs. This is supported by global studies, which have shown that the poor suffer more from ill health (Gwatkins et al., 2000). Second, poor health may lead to impoverishment and downward mobility. Poor health restricts economic growth by reducing the availability of labour, limiting the productivity of workers, creating dependency on others, and wasting resources (Abel-Smith, 1990). A household member who falls ill reduces their capacity to earn income, or perform necessary household tasks, thereby increasing economic vulnerability of the household (Wagstaff, 2001). Moreover, the burden of medical costs is higher for the poor, and in extreme cases, may push families who are just above the poverty line, into destitution (Krishnan, 1999).

The challenge set before us is to break the cycle of ill-health and poverty. While many public health experts have attempted to address poverty within their interventions, it is also possible that poverty alleviation strategies, such as micro-credit, may have a positive impact on health. In order to understand the potential health benefits of participating in micro-credit, these schemes will first be reviewed.

Without land or paid employment, many of the world's poor turn to self-employed activities to generate income. The poor are faced with the challenge of acquiring credit to take loans to engage in various productive activities, without the necessary collateral (e.g. land) required by formal lending institutions. Micro-credit initiatives have become increasingly popular as a way to mobilize poor communities through the provision of loans through specialized financial institutions (Mosely & Hulme, 1998). Small groups are formed, and loans are allocated to members, based on group solidarity instead of formal collateral (Montgomery, 1996). This strategy appeals both to those on the left for it is based on redistribution principles, and to those on the right for it promotes self sufficiency and independence of the poor through capitalist activities (Mosely & Hulme, 1998). Micro-credit schemes have been particularly targeted towards poor women, who are often discriminated against not only by institutions, but also within their own households. The provision of loans to women may then serve the dual goals of increasing household wealth and empowering females (Amin, Becker & Bayes, 1998; Kabeer, 2000).

The evidence with respect to the impact on women's status and well-being is mixed. Some studies have found positive results, including female empowerment and decreased violence against women (Amin, Becker, & Bayes, 1998; Hashemi, Schuler & Rile; 1996). Other studies have cited unintended side effects of micro-credit, including increased violence against women, negative peer-pressure linked to loan repayment and emotional stress of females due to family-related conflicts (Amed & Chowdhury, 2001; Montgomery, 1996; Rahman, 1998). The extent of women's empowerment is also unclear, as some authors have found that these initiatives have led to another form of domination over women, through the development of new hierarchies of power (Rahman, 1998). For example, Rahman stated that 60% of

husbands were using loans secured by women. This means that even if household income increases and women are gaining new experiences with financial institutions, they are not acquiring new status or power within the family. The conflicting results of micro-credit on women's status and well-being may be attributed, in part, to methodological variations (Kabeer, 2000). Some studies base their findings purely on statistical evidence, while others rely on qualitative approaches. Kabeer points out that a quantitative survey may determine an average reduction of violence, while ethnographic work may find increased violence within certain households. Differential impacts of credit schemes may also be related to the type of questions being addressed, those studies which have found positive impacts usually focused on outcomes, while studies finding negative results focused on processes (Kabeer, 2000). Also, the underlying issues being addressed, such as autonomy and empowerment, are not always measured appropriately. Kabeer promotes a comprehensive approach, which includes the participation of female members in the evaluation process, combined with conceptual clarity and validity of the elements of study.

Much of the evidence of the impacts of micro-credit in South East Asia has arisen from Bangladesh, where the micro-credit 'movement' originated (Yunus, 1999). In particular, studies have focused on the larger and well-known schemes such as the Grameen Bank. There is, however, a diversity of initiatives across the continent. In India the importance of the Self Help Group (SHG) is expected to grow rapidly; NABARD (1999) predicts that by the year 2008, at least one third of the rural population will be covered by one million SHGs (Sivramkrishna & Panigrahi, 2001). Prior to detailing SHGs, we will first examine the context, which is extremely crucial in understanding the dynamics of social organization, socio-economic conditions, and the health needs of the population.

### **3. OBJECTIVES**

The objectives of the paper are

1. To study the SHG membership particulars in the Litimunda village of Sambalpur district
2. To study the socio-economic conditions of Self-help groups
3. To suggest necessary measures for the effective working of SHGs and improve the socio-economic conditions of group members

### **4. DATA BASE AND METHODOLOGY**

In the present study, 275 members have been surveyed from Litimunda village of Sambalpur district. This village belongs to Jujomura block of Sambalpur district. Sambalpur district belongs to western part of Orissa. As it is not possible to study the entire SHGs of Sambalpur district for an individual, it is decided to select a sample for the purpose of the study. Hence the multi stage random sample technique has been used.

The data, so collected, have been analysed and presented in the form of tables, simple averages, percentages and weighted scores have been widely used in the process of analysis.

## 5. ANALYSIS AND FINDINGS

Table 1 shows category-wise number of members selected. Out of 275 members selected 17(6.18%) members belong to Scheduled Tribe (ST), 63(22.91%) members belong to Schedule caste (SC), 90(32.73%) members belong to other Backward Category (OBC) and 105(38.18%) members belong to General Category.

Table 1:Category-wise selected Self-Help Group Members

| SI No | Category | No of Members | Percentage |
|-------|----------|---------------|------------|
| 1     | ST       | 17            | 6.18       |
| 2     | SC       | 63            | 22.91      |
| 3     | OBC      | 90            | 32.73      |
| 4     | General  | 105           | 38.18      |
| Total |          | 275           | 100.00     |

Source: Field Survey

Type of the family of the selected self-help group members is shown in Table 2. The table shows that 70(25.45%) are members of joint families and the remaining 205(74.55%) are members of nuclear families. Members of joint families get financial support in times of need but such support is lacking in case of members of nuclear families.

Table 2: Type of Family of the Selected Self-Help Group Members

| SI No | Type of Family | No of Members | Percentage |
|-------|----------------|---------------|------------|
| 1     | Joint Family   | 70            | 25.45      |
| 2     | Nuclear Family | 205           | 74.55      |
| Total |                | 275           | 100.00     |

Source: Field Survey

Type of family selected self-help group members is shown in Table 2. The table shows that 70(25.45%) are members of joint families and the remaining 205(74.55%) are members of nuclear families. Members of joint families get financial support in times of need but such support is lacking in case of members of nuclear families.

Type 3: Type of House of Selected Self-Help Group Members

| SI No | Type of House                | No of Members | Percentage |
|-------|------------------------------|---------------|------------|
| 1     | Hut                          | 75            | 27.27      |
| 2     | House with Tiled roof        | 82            | 29.82      |
| 3     | House with concrete roof     | 95            | 34.55      |
| 4     | House with metal sheets roof | 23            | 8.36       |
| Total |                              | 275           | 100.00     |

Source: Field Survey



Type of house of the respondents shows their financial position and living condition. Table 3 shows 75(27.27%) members live in huts, 82(29.82%) members live in houses with tiled roofs and 95(34.55%) members live in house with concrete roofs. The remaining 23(8.36%) members live in house with metal sheet roofs.

Literacy level of the selected self-help group members is given in Table 4 of the 275, 84(30.55%) members are illiterate, 105(38.18%) members can sign only, 71(25.82%) members are educated up to primary level and only , 15(5.45%) members are educated up to secondary level. To conclude literacy level of the SHG members is very low.

Table 4: Literacy Levels of the Selected Self-Help Group Members

| SI No | Literacy Level      | No of Members | Percentage |
|-------|---------------------|---------------|------------|
| 1     | Illiterates         | 84            | 30.55      |
| 2     | Can sign only       | 105           | 38.18      |
| 3     | Primary education   | 71            | 25.82      |
| 4     | Secondary education | 15            | 5.45       |
| Total |                     | 275           | 100.00     |

Source: Field Survey

To study further, the economic backgrounds of the SHG members landholding details of the respondents have been collected. The details of the landholding of the members collected are shown that as many as 85(30.91%) members do not have any land, In other words they are land less labour. More than 50% of the members have one to three acres of land. Remaining 10.53% of the members hold 4 to 10 acres. This shows that the members in general are either landless or small farmers.

Table 5: Total Land Holding of the Selected Self-Help Group Members

| SI No | Land Holdings | No of the Members | Percentage |
|-------|---------------|-------------------|------------|
| 1     | 0             | 85                | 30.91      |
| 2     | 1             | 57                | 20.73      |
| 3     | 2             | 55                | 20.00      |
| 4     | 3             | 27                | 9.82       |
| 5     | 4             | 12                | 4.36       |
| 6     | 5             | 6                 | 2.18       |
| 7     | 6             | 4                 | 1.45       |
| 8     | 7             | 2                 | 0.73       |
| 9     | 8             | 1                 | 0.36       |
| 10    | 9             | 3                 | 1.09       |
| 11    | 10 & above    | 1                 | 0.36       |
| Total |               | 275               | 100        |

Source: Field Survey

Table 6 is related to Primary and secondary occupation of the Selected Self-Help Group Members. 82(29.82%) members assisting the family in farm work.110(40%) working as an agricultural labour. 12(4.36%) members are housewife.19(6.91%) members rearing animals and 52(18.91%) have stated that they are engaged in other occupation.

Table 6: Primary and secondary occupation of the Selected Self-Help Group Members

| SI No | Occupation Description            | Primary Occupation No of Members | Percentage | Secondary Occupation No of Members | Percentage |
|-------|-----------------------------------|----------------------------------|------------|------------------------------------|------------|
| 1     | Assisting the family in Farm work | 82                               | 29.82      | 62                                 | 22.55      |
| 2     | Working as an Agricultural Labour | 110                              | 40.00      | 48                                 | 17.45      |
| 3     | Housewife                         | 12                               | 4.36       | 88                                 | 32.00      |
| 4     | Rearing Animals                   | 19                               | 6.91       | 55                                 | 20.00      |
| 5     | Other Occupation                  | 52                               | 18.91      | 22                                 | 8.00       |
| Total |                                   | 275                              | 100.00     | 275                                | 100.00     |

Source: Field Survey

Information regarding saving per month by the members has been collected and presented in Table 7. Ten members i.e. 3.64% of the members save Rs 10 per month. 7.27% of the members save Rs 20 per month. 38.18 % of the member save maximum Rs 50 per month. 5.45% of the members save Rs 100 per month.

Table 7: Monthly Savings by the Selected Self-Help Group Members

| SI No | Saving per Month (in Rs) | No of Members | Percentage |
|-------|--------------------------|---------------|------------|
| 1     | 10                       | 10            | 3.64       |
| 2     | 20                       | 20            | 7.27       |
| 3     | 30                       | 25            | 9.09       |
| 4     | 40                       | 45            | 16.36      |
| 5     | 50                       | 105           | 38.18      |
| 6     | 60                       | 30            | 10.91      |
| 7     | 70                       | 10            | 3.64       |
| 8     | 80                       | 10            | 3.64       |
| 9     | 90                       | 5             | 1.82       |
| 10    | 100                      | 15            | 5.45       |
| Total |                          | 275           | 100        |

Source: Field Survey

Source of Earnings per Savings by the Members of the Self Help Groups shows in Table 8. Different people use different sources of earnings for savings. The information regarding sources of earnings for savings has been elicited and tabulated. Possible sources of earnings are

- Family Income
- Earnings from Own Labour
- Contribution by Husband
- Income from Animal Husbandry
- Borrowed Money

Table 8: Source of Earnings per Savings by the Members of the Self Help Groups

| Sl. No | Source of Earnings           | No of Members by Order of Priority |                         |                         |                        |                        |                       | Total                  |
|--------|------------------------------|------------------------------------|-------------------------|-------------------------|------------------------|------------------------|-----------------------|------------------------|
|        |                              | 0                                  | 1                       | 2                       | 3                      | 4                      | 5                     |                        |
| 1      | Family Income                | 10<br>(3.64)<br>[0]                | 38<br>(13.82)<br>[190]  | 98<br>(35.64)<br>[392]  | 52<br>(18.91)<br>[156] | 45<br>(16.36)<br>[90]  | 32<br>(11.64)<br>[32] | 275<br>(100)<br>[860]  |
| 2      | Earnings from Own Labour     | 6<br>(2.18)<br>[0]                 | 115<br>(41.82)<br>[575] | 81<br>(29.45)<br>[324]  | 52<br>(18.91)<br>[156] | 11<br>(4.00)<br>[22]   | 10<br>(3.64)<br>[10]  | 275<br>(100)<br>[1087] |
| 3      | Contribution by Husband      | 3<br>(1.09)<br>[0]                 | 78<br>(28.36)<br>[390]  | 108<br>(39.27)<br>[432] | 54<br>(19.64)<br>[162] | 21<br>(7.64)<br>[42]   | 11<br>(4.00)<br>[11]  | 275<br>(100)<br>[1037] |
| 4      | Income from Animal Husbandry | 55<br>(20.00)<br>[0]               | 48<br>(17.45)<br>[240]  | 15<br>(5.45)<br>[60]    | 32<br>(11.64)<br>[96]  | 78<br>(28.36)<br>[156] | 43<br>(15.64)<br>[43] | 275<br>(100)<br>[595]  |
| 5      | Borrowed Money               | 101<br>(36.73)<br>[0]              | 25<br>(9.09)<br>[125]   | 9<br>(3.27)<br>[36]     | 8<br>(2.91)<br>[24]    | 54<br>(19.64)<br>[108] | 78<br>(28.36)<br>[78] | 275<br>(100)<br>[371]  |

Source: Field Survey

Note: 1. Weights: 0=0, 1=5, 2=4, 3=3, 4=2, 5=1.

2. Figures in the parentheses ( ) are the percentages on row total

3. Figures in square brackets [ ] are the weighted weights

The respondents have been asked to choose one or more source of earnings for savings. That means answers are not mutually exclusive. If a respondent chooses more than one source of earnings, he/she has been asked to give order of priority. The possible choices in order of priorities are from 1 to 5. If any body doesn't choose a given source of earnings, that members priority is taken as '0'. For priority 1 the weights assigned are 5, priority 2 the weights assigned are 4, for priority 3 the weights assigned are 3, for priority 4 the weights assigned are 2 and for priority 5 the weights assigned are 1. Then the members have been asked to prioritize the answers. The number of respondents, who have chosen a particular priority for a particular source of earnings, is multiplied by the respective number of weights assigned and the products are totaled to arrive as the total weights. Total weights for a source of earnings indicate relative popularity of a source of earnings among the members.

All the 275 members surveyed prefer to choose first priority for a source of earnings the total weights to that source would be 1375 (i.e.  $275 \times 5$ ). If nobody chooses a source of earnings the total weights for the source would be '0'. Then the total weights can be categorized as follows.

|            |              |
|------------|--------------|
| 1042- 1375 | Most popular |
| 688—1042   | Popular      |
| 344—688    | Less popular |
| 0-344      | Not popular  |

Table 9: Reasons for Joining the Self Help Group

| Sl No | Reason for Joining the Group           | No of Members by order of Priority |                         |                        |                        |                        |                        |                        |                        |                       | Total                  |
|-------|--|------------------------------------|-------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|------------------------|
|       |  | 0                                  | 1                       | 2                      | 3                      | 4                      | 5                      | 6                      | 7                      | 8                     |                        |
| 1     | Getting the credit                     | --                                 | 115<br>(41.82)<br>[920] | 76<br>(27.64)<br>[532] | 60<br>(21.82)<br>[360] | 24<br>(8.73)<br>[120]  | --                     | --                     | --                     | --                    | 275<br>(100)<br>[1932] |
| 2     | Economic Empowerment                   | 5<br>(1.82)                        | 40<br>(14.55)<br>[320]  | 55<br>(20.00)<br>[385] | 75<br>(27.27)<br>[450] | 25<br>(9.09)<br>[125]  | 30<br>(10.91)<br>[120] | 20<br>(7.27)<br>[60]   | 15<br>(5.45)<br>[30]   | 10<br>(3.64)<br>[10]  | 275<br>(100)<br>[1500] |
| 3     | Social Empowerment                     | 4<br>(1.45)                        | 20<br>(7.27)<br>[160]   | 45<br>(16.36)<br>[315] | 58<br>(21.09)<br>[348] | 45<br>(16.36)<br>[225] | 35<br>(12.73)<br>[140] | 25<br>(9.09)<br>[75]   | 23<br>(8.36)<br>[46]   | 20<br>(7.27)<br>[20]  | 275<br>(100)<br>[1329] |
| 4     | To inculcate the habit of Saving       | 8<br>(2.91)                        | 65<br>(23.64)<br>[520]  | 40<br>(14.55)<br>[280] | 45<br>(16.36)<br>[270] | 60<br>(21.82)<br>[300] | 25<br>(9.09)<br>[100]  | 20<br>(7.27)<br>[60]   | 10<br>(3.64)<br>[20]   | 2<br>(0.73)<br>[2]    | 275<br>(100)<br>[1552] |
| 5     | To clear the Old Loans                 | 15<br>(5.45)                       | 18<br>(6.55)<br>[144]   | 22<br>(8.00)<br>[154]  | 45<br>(16.36)<br>[270] | 60<br>(21.82)<br>[300] | 53<br>(19.27)<br>[212] | 15<br>(5.45)<br>[45]   | 32<br>(11.64)<br>[64]  | 15<br>(5.45)<br>[15]  | 275<br>(100)<br>[1204] |
| 6     | Motivation provided by the Officials   | 8<br>(2.91)                        | 10<br>(3.64)<br>[80]    | 12<br>(4.36)<br>[84]   | 15<br>(5.45)<br>[90]   | 45<br>(16.36)<br>[225] | 50<br>(18.18)<br>[200] | 62<br>(22.55)<br>[196] | 58<br>(21.09)<br>[116] | 15<br>(5.45)<br>[15]  | 275<br>(100)<br>[1006] |
| 7     | Motivated by the NGO                   | 97<br>(35.27)<br>[40]              | 5<br>(1.82)<br>[40]     | 6<br>(2.18)<br>[42]    | 7<br>(2.55)<br>[42]    | 10<br>(3.64)<br>[50]   | 12<br>(4.36)<br>[48]   | 64<br>(23.27)<br>[192] | 68<br>(24.73)<br>[136] | 10<br>(3.64)<br>[10]  | 275<br>(100)<br>[560]  |
| 8     | To Share the Experiences of the Others | 115<br>(41.82)<br>[24]             | 3<br>(1.09)<br>[24]     | 2<br>(0.73)<br>[14]    | 3<br>(1.09)<br>[18]    | 15<br>(5.45)<br>[75]   | 12<br>(4.36)<br>[48]   | 10<br>(3.64)<br>[30]   | 77<br>(28.00)<br>[154] | 38<br>(13.82)<br>[38] | 275<br>(100)<br>[401]  |

Source: Field Survey

Note: 1. Weights: 0=0, 1=8, 2=7, 3=6, 4=5, 5=4, 6=3, 7=2, 8=1.

2. Figures in the parentheses ( ) are the percentages on row total

3. Figures in square brackets [ ] are the weighted weights

Reasons for joining the SHGs have been enquired into. The reasons given in the schedule are

- Getting the credit
- Economic Empowerment
- Social Empowerment
- To inculcate the habit of Saving
- To clear the Old Loans
- Motivation provided by the Officials
- Motivated by the NGO
- To Share the Experiences of the Others

The respondents have been asked to choose one or more reason for joining SHGs. The possible choices in order of priorities are from 1 to 8. If any body doesn't choose a reason, that members priority is taken as '0'. For priority 1 the weights assigned are 8, priority 2 the weights assigned are 7, for priority 3 the weights assigned are 6, for priority 4 the weights assigned are 5 and for priority 5 the weights assigned are 4, for priority 6 the weights assigned are 3, for priority 7 the weights assigned are 2, for priority 8 the weights assigned are 1. Then the members have been asked to prioritize the answers. The number of respondents, who have chosen a particular priority for a particular reason, is multiplied by the respective number of weights assigned and the products are totaled to arrive as the total weights. Total weights for a reason indicate relative popularity of a reason for people becoming members of a self-help group.

All the 275 members surveyed prefer to choose first priority for a source of earnings the total weights to that source would be 2200 (i.e.  $275 \times 8$ ). If nobody chooses a source of earnings the total weights for the source would be '0'. Then the total weights can be categorized as follows.

- 1650- 2200      Most popular
- 1100—1650      Popular
- 550—1100      Less popular
- 0-550            Not popular

Group meetings are to be held periodically shows in Table 10.. As many as 175(63.64%) members said that group meetings are held weekly once. 100 (36.36%) members said that group meetings are held monthly once.

Table 10: Periodicity of the Group Meetings for selected SHG Members

| SI No | Periodicity of the Group Meetings | No of Members | Percentage |
|-------|-----------------------------------|---------------|------------|
| 1     | Weekly                            | 175           | 63.64      |
| 2     | Monthly                           | 100           | 36.36      |
| Total |                                   | 275           | 100        |

Source: Field Survey

Details of Sanctions for Non Attendance by Members of the Selected SHGs are given in Table 11. As many as 235(85.45%) members said that fines are imposed when members abstain from the groups periodical meetings., 10(3.64%) members said that Removal from the membership are imposed when members abstain from the groups periodical meetings , 30(10.91%) members have not given any answer.

Table 11: Details of Sanctions for Non Attendance by Members of the Selected SHGs

| SI No | Types of sanctions for Non attendance | No of Members | Percentage |
|-------|---------------------------------------|---------------|------------|
| 1     | Fines                                 | 235           | 85.45      |
| 2     | Removal from the Membership           | 10            | 3.64       |
| 3     | Not applicable                        | 30            | 10.91      |
| Total |                                       | 275           | 100        |

Source: Field Survey

Table 12: Issues Discussed at the Group Meetings Priority-Wise

| SI No | Issues Discussed at the Group Meetings          | No. of Members by Order of priority |                        |                         |                        |                        |                       | Total        |
|-------|---|-------------------------------------|------------------------|-------------------------|------------------------|------------------------|-----------------------|--------------|
|       |   | 0                                   | 1                      | 2                       | 3                      | 4                      | 5                     |              |
| 1     | Issues related to Savings                       | 51<br>(18.55)<br>[0]                | 10<br>(3.64)<br>[50]   | 105<br>(38.18)<br>[420] | 55<br>(20.00)<br>[165] | 25<br>(9.09)<br>[50]   | 29<br>(10.55)<br>[29] | 275<br>(100) |
| 2     | Issues related to Disbursement of Loans         | 38<br>(13.82)<br>[0]                | 26<br>(9.45)<br>[130]  | 52<br>(18.91)<br>[208]  | 84<br>(30.55)<br>[252] | 35<br>(12.73)<br>[70]  | 40<br>(14.55)<br>[40] | 275<br>(100) |
| 3     | Issues Relating to recovery of loans            | 85<br>(30.91)<br>[0]                | 15<br>(5.45)<br>[75]   | 12<br>(4.36)<br>[48]    | 28<br>(10.18)<br>[84]  | 50<br>(18.18)<br>[100] | 85<br>(30.91)<br>[85] | 275<br>(100) |
| 4     | Issues Relating to Income Generating activities | 48<br>(17.45)<br>[0]                | 85<br>(30.91)<br>[425] | 64<br>(23.27)<br>[256]  | 45<br>(16.36)<br>[135] | 18<br>(6.55)<br>[36]   | 15<br>(5.45)<br>[15]  | 275<br>(100) |
| 5     | Social Issues                                   | 106<br>(38.55)<br>[0]               | 10<br>(3.64)<br>[50]   | 25<br>(9.09)<br>[100]   | 20<br>(7.27)<br>[60]   | 32<br>(11.64)<br>[64]  | 82<br>(29.82)<br>[82] | 275<br>(100) |

Source: Field Survey

Note: 1. Weights: 0=0, 1=5, 2=4, 3=3, 4=2, 5=1.

2. Figures in the parentheses ( ) are the percentages on row total

3. Figures in square brackets [ ] are the weighted weights

Issues Discussed at the Group Meetings Priority-Wise in Table 12. The issue discussed, as perceived by the researcher are

- Issues related to Savings
- Issues related to Disbursement of Loans
- Issues Relating to recovery of loans
- Issues Relating to Income Generating activities
- Social Issues

The respondents have been asked to choose one or more issues discussed at the group meetings. That means answers are not mutually exclusive. If a respondent chooses more than one issue, he/she has been asked to give order of priority. The possible choices in order of priorities are from 1 to 5. If any body doesn't choose a given issue, that members priority is taken as '0'. For priority 1 the weights assigned are 5, priority 2 the weights assigned are 4, for priority 3 the weights assigned are 3, for priority 4 the weights assigned are 2 and for priority 5 the weights assigned are 1. Then the members have been asked to prioritize the answers. The number of respondents, who have chosen a particular priority for a particular

issue, is multiplied by the respective number of weights assigned and the products are totaled to arrive as the total weights. Total weights for an issue indicate relative popularity of an issue for discussion among the members.

All the 275 members surveyed prefer to choose first priority for an issue the total weights to that source would be 1375(i.e.  $275 \times 5$ ). If nobody chooses an issue the total weights for the source would be '0'. Then the total weights can be categorized as follows.

- 1042- 1375      Most popular
- 688—1042      Popular
- 344—688      Less popular
- 0-344      Not popular

Reasons for Inactive Participation in the Discussions by the Selected SHG Members shows in Table 13.42(15.27%) members said that poverty is the reason for inactive participation in the discussions. 8(2.91%) members said that illiteracy is the reason for inactive participation in the discussions. 20(7.27%) members said that unspecified reasons is the reason for inactive participation in the discussions. 205 (74.55%) have not given any answer.

Table 13: Reasons for Inactive Participation in the Discussions by the Selected SHG Members

| Sl No | Reasons for inactive participation | No of Members | Percentage |
|-------|------------------------------------|---------------|------------|
| 1     | Poverty                            | 42            | 15.27      |
| 2     | Illiteracy                         | 08            | 2.91       |
| 3     | Other Reasons                      | 20            | 7.27       |
| 4     | Not Applicable                     | 205           | 74.55      |
| Total | Total                              | 275           | 100.00     |

Source: Field Survey

The average loan amount received by the members varies. In some cases it is more than Rs 30,000. Model average loan amount falls between Rs 15000 and Rs 20000 (table 14)

Table 14: Average Loan Amount Received by the group Members

| Average Loan(Rs) | No of Groups | Percentage | Cumulative Total | Cumulative Percentage |
|------------------|--------------|------------|------------------|-----------------------|
| 0-5000           | 3            | 5.77       | 3                | 5.77                  |
| 5001-10000       | 5            | 9.62       | 8                | 15.38                 |
| 10001-15000      | 12           | 23.08      | 20               | 38.46                 |
| 15001-20000      | 14           | 26.92      | 34               | 65.38                 |
| 20001-25000      | 6            | 11.54      | 40               | 76.92                 |
| 25001-30000      | 8            | 15.38      | 48               | 92.31                 |
| 30001& above     | 4            | 7.69       | 52               | 100.00                |
| Total            | 52           | 100.00     | --               | --                    |

Source: Field Survey

Type of economic activity Taken up by the selected SHG members is given in Table 15.62 (22.55) % of members are engaged in milk animals.

Table 15: Type of economic Activity Taken up by the Selected SHG Members

| SI No | Type of Economic Activity        | No of Members | Percentage |
|-------|----------------------------------|---------------|------------|
| 1     | Sheep/Goat Rearing               | 32            | 11.64      |
| 2     | Milk animals                     | 62            | 22.55      |
| 3     | Agriculture Investment           | 46            | 16.73      |
| 4     | Fruits/Flower/Vegetables Vending | 18            | 6.55       |
| 5     | Weaving                          | 15            | 5.45       |
| 6     | Tailoring                        | 14            | 5.09       |
| 7     | Petty Shop                       | 16            | 5.82       |
| 8     | Street Wise Cloth vending        | 12            | 4.36       |
| 9     | Hotel/Tiffin Centers             | 5             | 1.82       |
| 10    | Other activity                   | 18            | 6.55       |
| 11    | Not applicable                   | 37            | 13.45      |
| Total |                                  | 275           | 100.00     |

Source: Field Survey

Reasons for Choosing the Present economic activity by the Selected SHG Members shows in Table 16. 142 (51.64) members are choosing the present economic activities for Previous Experience, 188(68.36) ) members are choosing the present economic activities recommended by the Officials, 155 (56.36) ) members are choosing the present economic activities suggested by the fellow members, 85(30.91) ) members are choosing the present economic activities suggested by the NGO, 122 (44.36) ) members are choosing the present economic activities taken up by other members, 87(31.64) ) members are choosing the present economic activities for other reason.

Table 16: Reasons for Choosing the Present economic activity by the Selected SHG Members

| SI No | Reason for Choosing the Present Economic Activity | Answer by the Members |                |               |              |
|-------|---|-----------------------|----------------|---------------|--------------|
|       |   | Yes                   | No             | N.A           | Total        |
| 1     | Previous Experience                               | 142<br>(51.64)        | 98<br>(35.64)  | 35<br>(12.73) | 275<br>(100) |
| 2     | Recommended by the Officials                      | 188<br>(68.36)        | 75<br>(27.27)  | 12<br>(4.36)  | 275<br>(100) |
| 3     | Suggested by the Fellow Members                   | 155<br>(56.36)        | 102<br>(37.09) | 18<br>(6.55)  | 275<br>(100) |
| 4     | Suggested by the NGO                              | 85<br>(30.91)         | 162<br>(58.91) | 28<br>(10.18) | 275<br>(100) |
| 5     | As the activity was taken up by other members     | 122<br>(44.36)        | 115<br>(41.82) | 38<br>(13.82) | 275<br>(100) |
| 6     | Other reason                                      | 87<br>(31.64)         | 168<br>(61.09) | 20<br>(7.27)  | 275<br>(100) |

Source: Field Survey



## 6. SUGGESTIONS AND CONCLUSIONS

(a) It is found that majority of the members do not participate in the groups discussions. This may be due to illiteracy and ignorance. Therefore efforts are made to come out of their shell and encouraged to participate in the discussions. Otherwise the purpose of setting SHGs gets defeated.

(b) Government officials and NGOs have to take much more interest in motivating and organizing the poor and SHGs especially among weaker sections of the society.

(c) Imposing sanctions is a negative incentive as is found in the study. Hence, negative act does not always yield results. Therefore members should be enlightened and motivated to attend the meetings regularly.

(d) More and more primary SHGS have to be federated and village organisations have to be formed. This helps the government in management of the SHGs and implementation of the poverty alleviation programmes in an effective manner in the district.

(e) It is noticed in the study that relatively a large number of SC and ST groups have been formed into SHGS. This may be due to existence of relatively a large number of SCs and STs below the poverty line and the interest evinced by the officials in organizing SCs and STs into SHGs for alleviating them from poverty. Besides, SHGs should also be encouraged to form as SHGS to eradicate poverty even among poor people in the other communities.

On the basis of the above suggestions, it can be said that the government, NGOs, electronic and print media have to devote for popularizing poverty alleviation through micro finance and SHGs and should discharge their social responsibility.

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