

PERFORMANCE OF SHGs IN PROMOTING WOMEN EMPOWERMENT : A CASE STUDY FROM KEONJHAR AND MAYURBHANJ DISTRICTS OF ORISSA

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The present paper is an attempt to analyse the performance of SHGs in promoting women's empowerment in Keonjhar and Mayurbhanj districts of Orissa. The broad objectives of the study are to analyse the operating system of SHGs for mobilization of saving, delivery of credit to the needy, management of group funds, repayment of loans, building up leadership, establishing linkage with banks and examine the social benefits derived by the members. In order to collect and gather primary data, field observation and structured questionnaire survey methods are employed. In total the study covers 87 SHGs from two blocks. The results reveals that women's participation in SHGs has enabled them to develop the habit of savings, increase economic independence, self confidence, social cohesion, asset ownership, freedom from debt, and additional employment. It suggests that proper and long term training is essential for improving their skills in different income generating activities.

INTRODUCTION

Women are an integral part of every economy. A nation would develop only when women are considered as equal partners in progress with men. Empowerment is a recent approach and is aimed at empowering women through greater self reliance and internal strength. Leaving women out of the development process means depriving half of human resources from getting the benefits. Empowerment of women is thus essential to bring them into the national mainstream. It aims at multi-dimensional growth of women in social, political and economic aspects. Empowerment implies expansion of assets and capabilities of people to influence control and hold accountable institutions that affects their lives. Empowerment is defined as the process by which women take control and ownership of their choices. The core elements of empowerment have been defined as agency (the ability to define one's goals and act upon them), awareness of gendered power structures, self-esteem, and self-confidence (Kabeer, 2001). Empowerment can take place in a hierarchy – individual,

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household, community and societal – and is facilitated by providing encouraging factors (e.g. exposure to new activities, which can build capacities) and removing inhibiting factors (e.g. lack of resources and skills). Self Help Groups (SHGs) that provide micro-finance to women play an effective role in promoting their empowerment. It is an efficient tool to provide the felt needs of the deprived sections of the society- the women. According to Ellie Bosch it is just old wine in a new bottle (Bosch, 2002). SHGs consist of a group of three to eight persons on the condition that each of them would be assuming responsibility for the development of all. Micro Finance institution started in India in 1980s through SHGs model. It is the replication of Grameen Banks of Bangladesh. There are nearly 3,00,000 SHGs working all over India. It is true that the concept of microfinance is yet to spread its wings all over India, but the rate in which it is expanding its branches, very soon it would be reaching the doorsteps of the poor houses. The most successful region for microfinance is Southern India; Andhra Pradesh has become the example for other states in this case. The present study is an attempt in this direction to analyze the impact of micro-credit on poverty stricken women of Gajapati district of Orissa.

THE CONCEPT OF SELF-HELP GROUP (SHGs)

The concept of Self- Help Groups (SHGs) gained significance, especially after 1976 when Prof. Mohammed Yunus of Bangladesh began experimenting with micro-credit and SHGs for women. The strategy made a quiet revolution in Bangladesh in poverty eradication by empowering the poverty stricken women. SHGs are small informal associations created for the purpose of enabling members to reap economic benefit from mutual help, solidarity, and joint responsibility. It could be an all women group, all men group or even a mixed group. The benefits include mobilisation of savings and credit facilities and pursuit of group enterprise activities. The micro finance which they get makes them enterprising. They disburse micro credit to the members and facilitate them to enter into entrepreneurial activities. The group-based approach not only enables the poor to accumulate capital by way of small savings but also helps them to get access to formal credit facilities (Shylendra, 1999). These groups by way of joint liability enable the poor to overcome the problem of collateral security and thus free them from the clutches of moneylenders. The joint liability not only improves the group's accessibility to credit, but also creates mechanisms like peer monitoring leading to better loan recoveries (Stiglitz, 1993). Besides, some of the basic characteristics of SHGs like small size of membership and homogeneity of composition bring about cohesiveness and effective participation of members in the functioning of the group (Fernandez, 1994). In general, SHGs created on the above lines of functioning have been able to reach the poor effectively, especially women, and help them obtain easy access to facilities like savings and credit and empower them (National Bank, 1995). Self- Help Groups are voluntary organizations which grant micro credit to carry on an enterprise. In India, the Self-Help Groups are promoted by NGOs, banks and co-operatives. The National Bank for Agriculture and Rural Development (NABARD) launched a pilot project for linking SHGs in February, 1992. The Reserve Bank of India advises the commercial banks to participate actively in the linkage programme. Normally, after six months of existence of SHGs and after collecting a sufficient thrift fund, the group approaches the link banks (either commercial or co-operative) with its credit plan. The NABARD gives 100 per cent refinance to the banks on their lending through the SHG's.

OBJECTIVES OF THE STUDY

The present study tries to develop understanding of group concepts and stages of group formation and its process.

It studies the group's performance which includes attendance percentage, meeting regularity, accounting system, interest repayment, principal repayment system.

STUDY AREA

Mayurbhanj and Keonjhar districts are the backward districts of Orissa. Their backwardness is related to their traditional forms and frames influenced by the social environment and problems. The villages are tribal dominated and the livelihood is based on traditional agriculture and wage labour. There is no provision of credit facility except the village money lenders who provide credit at a high rate of interest. Livelihood of the villagers depends on the rain fed agriculture. In case of floods and droughts they are left at the mercy of nature.

Karanjia Block (Mayurbhanj District)

Karanjia block, as part of Karanjia sub-division of Mayurbhanj, is adjacent to Keonjhar district with a total geographical area of 314 sq.km. National highway No.6 which connects Kolkata to Mumbai, passes through Karanjia. Karanjia is 55 kms from Keonjhar and 120 kms from Baripada, district headquarters of Mayurbhanj district. Neighbouring blocks of Karanjia are Jashipur, Thakurmunda, Raruan and Sukurli. As per 2001, the total population of Karanjia block is 81,390 and the total households are 16,785 in 154 villages. These villages are clustered into 13 Gram Panchayats for administration. Sixty eight per cent of the population are Scheduled Tribes and Scheduled Castes. Majority of the communities in the villages are Bathudi (ST), Suanti (ST), Munda (ST), Santhal (ST), Patra (SC) and Mohanta (OBC). People of the block depend upon agriculture, mainly on cultivation of paddy which is subsistence in nature. The villagers also depend on minor forest products like Sal leaves and seeds, mahua etc. Other occupation involves livestock rearing (goat & poultry) and petty business includes paddy processing, livestock trading, quarrying and wage labour for their livelihoods.

Banspal Block (Keonjhar District)

The block has a total population of 70,647 out of which 4.3 per cent are SCs and 79.3 per cent are STs. The total households of Banspal are 14,620. The major tribes are Bhuyan, Munda & Juang. Among the OBC category, Gouda (Yadav) are in majority. Major part of the block is covered by forests and thus the population density is only 60 per square kilometer. The people of the area depend on wood cutting, wage labour, mining apart from agriculture. There is high rate of migration of people to other places. Major agricultural lands are uplands where people cultivate paddy, maize and oilseeds. There is shifting cultivation in many villages. Banspal falls under elephants corridor, thus crops are usually destroyed by the elephants. Thus, the villagers prefer planting tuber crops like ginger, potato etc. which grows underground. On an average, the families are able to produce food grains for only four months. Most of the area receives rainfall of more than 1500 mm. The terrain is very hilly and sloppy thus there are no water harvesting structures for irrigation. Most of the poor population of Banspal work as wage labourers in the mines.

SAMPLE UNITS

The study was carried out in selective clusters spread over three blocks of Keonjhar and Mayurbhanj districts of Orissa. It is noteworthy to mention here that the SHGs in these districts are

promoted by NGOs as well as government agencies. Due to time constraint the researcher has selected the SHGs promoted by an NGO i.e., PRADAN. It has promoted 75 SHGs in Banspal, 109 in Patna, 35 in Keonjhar Sadar, 223 in Karanjia and 14 SHGs in Thakurmunda (Total 451 SHGs). The present focus is Banspal and Patna blocks of Keonjhar district and Karanjia block of Mayurbhanj district. Twenty percent of SHGs was taken as sample for the study. Two stage-sampling methods were adopted. First a list of SHGs formed year wise was prepared and then a random sample of 20 per cent SHGs were selected by raffle method. In total the study covers 87 SHGs. The sampled groups were divided according to their age, group (aged more than 3 years and group less than 3 years old.)

Table 1, Sample Groups of the Study

Block	No. of groups	No. of groups	Total
	Groups less than 3 years old	Groups More than 3 years old	
Karanjia	8	7	15
Patna	20	26	46
Banspal	19	7	26
Total	47	40	87

Source: Field Survey

DATA COLLECTION AND ANALYSIS

The data were collected from primary as well as secondary sources. The secondary data were collected from PRADAN's MIS system, office records and groups' minute book, pass book, etc. Primary data were collected from SHGs, individual members and community by using various methods such as focus group discussion, interview schedule, and observation in group and committee meetings and PRA technique i.e. transact walk and wealth ranking. Besides, different books, newspapers, articles, journals, magazines and web sites were also referred to for the purpose. Data were collected and analysed both quantitatively and qualitatively using simple comparison tables, statistical methods and software package i.e. MS-Excel.

RESULTS AND DISCUSSIONS

Formation and Structure of the Groups

The SHGs voluntarily formed by women save money (whatever amount they can save every month) and mutually agree to contribute to a common fund to be lent to the members for meeting their productive and emergent credit needs. These groups are linked to the banks once their activities are stabilized. Besides focusing on entrepreneurial development of the beneficiaries, the SHGs undertake the responsibility of delivering non-credit services such as literacy, health and solving environmental problems. Each SHG consists of 10-20 members. The members of SHGs meet once or twice a month. There is a president, a secretary and a treasurer in each SHG. The term of office bearers is on rotational basis, normally for a year. All the groups maintain records such as membership register, minutes book, cash book, savings ledger and the loan ledger. They prepare action plans

after a detailed discussion of their proposed activities. Every member of the group gets an opportunity to put forth her views. Opinion of the majority is considered while arriving at important decisions. Thus the SHGs have achieved success in bringing women to the mainstream of decision making.

The group goes through four stages like survival, subsistence, self-sufficiency and self-employed. Survival is the primary stage of the group where basically group members try to fulfil their immediate needs. The second stage is subsistence where people try to see more than their immediate necessity. At self-sufficiency stage the groups are in a state to fulfil members' demand sufficiently. Last is the self-employed stage where members take their own responsibilities and initiate new livelihoods or upgrade their existing livelihood system. In this stage they try to take some business or income generating activities where they can earn and manage themselves. It needs at least 2-3 years to reach this stage.

Demographic Profile of the SHGs

We collected data from 87 SHGs for our analysis. The total groups are divided into four categories such as SC, ST, OBC and GC. Table 2 shows that in Karanjia Block, ST, SC, OBC, and GC constitutes 63 per cent, 26 per cent, 10 per cent and 1 per cent of SHGs respectively. Similarly in Banspal Block, Scheduled Tribe percentage is very high among the group members i.e.75

Table 2, Demographic Profile of SHGs

Block	ST (%)	SC (%)	OBC (%)	GC (%)
Karanjia	63	26	10	1
Banspal	75	2	23	-
Patna	51	4	45	-

Source: Field Survey

Educational Status of SHGs

Table 3 indicates the educational status of the three blocks. The literacy rate is high in Karanjia block as compared to that in the other two blocks. It has a tremendous impact on the performance of the groups especially in the maintenance of their account. Except Karanjia in the rest of the two blocks members do not have good education so maintenance of account is quite difficult. For this reason they depend on an external accountant which hampers the performance of the groups.

Table 3, Member's Educational Status

Block	Literate (in percent)	Illiterate (in percent)
Karanjia	40	60
Banspal	29	71
Patna	31.5	68.5

Source: Field Survey

Group Meeting of SHGs

Looking at the attendance percentage of the sampled groups, in three different blocks table 4 shows, great difference between the blocks .Karanjia's SHGs have higher attendance percentage than the other two blocks. The members have highly benefited by these SHGs and they treat the groups not as mere associations for savings and credit, rather for them it is an institution built by them to promote their socio-economic development. During group discussion SHGs' members in Karanjia showed that SHGs are not just local financial institutions rather it has become a social platform for rural women who have come together to bring about changes in ones own life and to promote village development. Such a statement was lacking from SHGs' members of Banspal and Patna blocks. SHGs were treated by them as an association where they could carry on their credit and saving activity. From our observation in group meetings it was noticed that the members who had taken large loans were the absentees. They also lacked peer feeling and non-adherence to group norms. There was no late and absent fines imposed hence it had low attendance and irregular meetings. Rather SHGs in Karanjia have better peer feeling and groups hold on to group's norms (absent& late fine) and have built up people's organization.

Table 4, Attendance of SHGs in Group Meeting

(Groups in percentage)

Attendance percentage	Banspal	Karnajia	Patna
Less than 75	27	6.5	28
Between 75-90	46	32.5	52
More than 90	27	61	20

Source: Field survey

Meeting Regularity of SHGs

Out of the three sampled groups, in Karanjia block 93.4 per cent of the groups has 100 percent meeting regularity but Patna has only 60 per cent of meeting regularity followed by Banspal at 40 per cent (table 5). In Banspal and Patna the educational status of members is very low , so they have to depend on external accountants. Usually the external accountants are fixed by members. They request the primary school teachers or any literate members for writing group accounts and also pay some minimal amount for writing the accounts. But if the external accountants doesn't turn up the meeting is not held or if group accountant is absent group members do not hold any meetings. Such a situation has led to a weak performance of SHGs in Patna and Banspal. Even though the meetings are conducted regularly but the attendance is not high. In other words though meetings are held above 90 percent but the attendance is not even 70 percent. During our observation we found that most of the members are daily wage labourers .It becomes difficult for them to attend all the meetings. Generally a meeting takes more than an hour, and spending so much of time involves losing their wage for the day. Hence the element of absenteeism comes in.

Table 5, Meeting Regularity of SHGs (in per cent)

Meeting percentage	Banspal	Karnajia	Patna
Less than 75	47	2.1	8
Between 75-90	13.3	4.34	32
More than 90	39.7	93.4	60

Source: Field Survey

FINANCIAL STATUS OF SHGs

It can be seen in table 6 that irrespective of the age of the group higher percentage of members fall in two categories namely, those who save less than Rs. 100 and between Rs. 100- 300. Those in the category of saving Rs.300-500 were 10.64 percent in group less than 3 years old and 5.13 per cent in groups more than 3years old. 10.25 per cent of the groups more than 3years old have saved Rs 500- 700. In the groups more than 3years old the saving is more due to additional income generated by some other income generating activities. Some groups have economically heterogeneous members .This leads to higher level of saving by few members.

Table 6, Average Savings per group/week

Amount (in Rs)	Groups less than 3 years old	Groups more than 3years old
Less than 100	28.40	23.09
100-300	55.68	58.97
300-500	12.64	5.13
500-700	2.13	10.25
700-900	Nil	2.56
More than 900	1.15	nil

Source: Field Survey

Saving Credit Ratio

Table 7 shows the savings and credit ratio amongst the three different blocks. Here we are looking at credit taken by the members as per their savings. The table shows the difference in availing credit among the three blocks. Karanjia has a higher saving ratio with better credit utilization. The members in groups less than three years old avail credit four times of their savings and the groups more than 3 years old avail credit thrice than their savings. This shows that the new groups have better saving habit than the older one. There is no idle money in the group. Members in Karanjia have understood that more the credit more would be the profit in terms of interest collection. Members can take more of small loans to invest in different productive and unproductive purposes. But looking at Banspal and Patna in both ages of the groups, the credit availability is 1: 1 or 1: 2. We don't find much difference in the credit and savings in Banspal and Patna blocks because of low

savings in the group. Since deposits and bank loan are directly proportional, credit rotation is not that striking as it is in Karanjia Block.

Table 7, Saving Credit Ratio

Block	Groups less than 3 years old	Groups more than 3years old
Karanjia	4.46	3.3
Banspal	2.74	2.56
Patna	1.08	2.09

Source: Field Survey

Principal Repayment Ratio

The performance of groups is assessed on interest repayment ratio and principal repayment between the two categories of the groups. There are four criteria developed to measure the performance of the groups, like groups which fall in below 0.5 are poor, groups between the range 0.5 – 0.8 are average, 0.8 – 1 are good and more than one have excellent performance in repaying interest and principal amount. From table-8 we can understand the group's performance in paying regular interest. As the table shows, groups, which are less than 3years are performing much better than older groups, which are more than 3 years. Here we can infer that young groups are regular in paying interest weekly, as they want to increase group fund by paying regular interest. Most of the groups have the norm of paying interest weekly, which is strictly followed by groups that are less than 3 years. Most of the new groups have mixture of rich, poor and middle class members. Those who are financially sound have greater capacity of paying interest on time. Whereas the older groups are unable to repay the interest on time because majority of the members in the group are not financially sound thus they do not follow the norm of weekly repayment of interest. Adding to it groups follow the norm of penal interest, if the members are not able to repay the principal amount in the given period of time then they have to pay a double interest for the principal amount. Collecting penal interest has been a strategy for better recovery of principal as well as interest. Moreover it is taken as a punishment and as a result the members repay on time. But it has also been observed that members who are financially sound have take a loan for longer duration but they repay the loan amount before time, and avoid the payment of penal interest. Members who are financially sound are literate so they are able to foresee their repayment pattern as they have regular income source. But for the poor members who are mostly illiterate have less vision in comparison to the literate and apart from this they also have irregular income. As a result they are unable to repay on time and become the victims of penal interest.

Table 8, Principal Repayment Ratio

Ratio	Groups less than 3 years old (per cent)	Groups more than 3years old (per cent)
< 0.5	38.29	47.5
0.5-0.8	12.78	20.0
0.8-1	48.93	32.5

Source: Field Survey

Overdue Ratio of SHGs

Overdue ratio refers to the principal amount not being paid on time when it was supposed to be repaid to the groups. The ratio less than fifty per cent indicates a good performance of the groups and 50-90 per cent indicates average performance and the last one indicates the poor performance of the groups. Table 10 indicates that majority of the groups fall under the good performance of the groups in terms of overdue ratio.

Table 10, Overdue Ratio of SHGs

Ratio	Groups less than 3 years old (per cent)	Groups more than 3years old (per cent)
< 0.5	70.21	70
0.5-0.9	27.65	30
>0.9	2.14	nil

Source: Field Survey

Loan Use Pattern of SHGs

Table 11 shows various credit disbursements done for different purposes. While making a comparison of new groups below 3 years and older groups above 3 years old, the loan amount for business has been high in comparison to other purposes. Most of the members after joining the SHGs have started small petty business such as rice business, livestock trading, opening a small petty shop, leaf plate making etc. Though most of the members are in agriculture their income from it is very low. Food sufficiency from the agricultural practices is uncertain. But some kind of small business has given regular income to their families. It is interesting to see that members have started investing their savings more on productive ventures rather than agriculture, business, livestock which carries asset values to it. Therefore, it can be concluded that in the older groups the credit utilisation is better and they invest their savings in some income generating activities and creating some assets.

Table 11, Loan Use Pattern of SHGs

Purpose	Groups less than 3 years old	Groups more than 3years old
Agriculture	16.24	20.55
Livestock	4.9	5.71
Business	20.48	29.04
Housing	9.26	12.68
Education	2.2	1.86
Health	9.32	5.61
Social obligation	18.37	11.88
Consumption	14.84	10
Debt redemption	1.42	1.21
Household assets	2.97	1.46

Source: Field Survey

Availability and Accessibility to Credit

With the intervention of PRADAN, SHGs have made significant changes in the life of members. SHGs are being treated as an informal banking system where credit is available to the members at a low rate of interest. All the SHGs investigated had access to credit at annual increased rate of 12-24 per cent. and they have weekly system of interest collection, which has enhanced increasing group fund and credit mobilisations. Out of the total sample size, 98 per cent of SHGs investigated have got bank linkages from the local commercial bank and all of them have got access to formal credit system from SHGs itself. About 4.2 percent of groups have been benefited from SGSY loan. Members treat the SHGs as all time credit availability sources that provide affordable credit without any collateral. It has been a source for small credit like Rs. 25 to Rs. 50 that is usually not available in banks or any formal credit system. Members avail credit for small consumption purposes like household expenses, medical expenses etc and have better utilisation capacity through the effective intervention of SHGs.

Table 12, Mobilisation of Bank loan

Block	Bank loan mobilized (Rs)
Banspal	225000
Karanjia	994000
Patna	139000

Source: Field Survey

The above table shows the amount of linkages with the local commercial bank in each block. Karanjia has highest linkage as it has got the highest number of groups. In the other two blocks the number of groups is less in comparison to Karanjia. Even the loan demand in it is higher than any other block and also the credit rotation for Karanjia is higher than in the other two blocks. But there has been a drastic change in credit pattern, as shown in table 13. It shows the credit source utilised by members of SHGs prior to and after becoming members.

Table 13, Source of Credit

Source	Before SHGS	Source	After SHGS
Moneylender	34.66	SHGs	100
Banks	10.66	Banks	5.33

Source: Field Survey

About 34.66 per cent of the members before becoming members of SHGs had taken money from the money lenders but after becoming members of the SHGs none of them go to the money lenders. While 10.66 per cent of the women were availing credit from the banks prior to joining SHGs now this percentage is 5.33 and all the members are availing credit from their groups after becoming members of SHGs. Their precedence of taking credit from their groups rather than from bank is due to their interest in claiming more dividend paid to the group at the end of each year.

Change in Savings

Indians have always recorded a high rate of savings among all the nations of the world, due to their cultural ethos. The poor people can also save but due to few options available with the banks or other institutions they lack the saving quality. The findings of this study prove that the SHG programme by PRADAN has unleashed the hidden potential of the members to save money. All the 150 sampled members have savings in their SHGs. They have flexible savings in the group and being members enhances their saving capacity. The average savings in groups vary, if we look at Karanjia Block it has an average saving of Rs 28,162.55, where as Patna and Banspal have Rs 11,302 and Rs 12,627, respectively. At the end of the financial year there is dividend distribution in the groups and higher the savings by members higher would be the dividend.

Sharing of Responsibility

Sharing of responsibility within the group has been brought about with group norms like box and key rotation, attending cluster meetings where the attendance of President and Secretary is mandatory but other representatives attend on rotation basis. If such norms are violated then penalty is charged on the members. Thus a correlation between the discipline and responsibility is maintained in the groups. But some Presidents and Secretaries are overburdened with responsibility as they are the only literate persons in the group. So it is expected by members that they are alone responsible for the maintaining of accounts, group records, withdrawing and depositing money in the bank etc. It sometimes becomes difficult in the group to distribute roles because of low literacy and low awareness. It is to be noted that only 4 per cent of illiterate members have come forward in taking responsibility after joining the group.

Building Social Capital

SHGs promoted by PRADAN have built up a social capital by a common platform of cluster. Each cluster has 7-15 groups, which are formed considering the geographical area of the groups. Every month a cluster level meeting is held. Cluster follows a process in identifying the group issues. First it identifies member's needs, second how these needs have to be taken care of either externally or internally. Members feel that cluster plays a crucial role to make linkages with other institutions and programmes to meet the needs of its members. At the cluster level regular dissemination of relevant and current information to the members takes place. As the members are well informed, they participate much effectively in the network activities. Such a kind of platform tries to articulate common consensus among the members. Clusters take up various activities like assessing external funds for the groups. In general the cluster does not have any revolving fund of its own but PRADAN donates some fund to cluster which is treated as revolving fund for the groups. If any of the groups in the cluster does not have a bank linkage and savings are insufficient for credit then the group has the right to use cluster fund in terms of loans. The loan is disbursed to the members with 12-24 per cent of interest rates.

CONTRIBUTION OF SHGs TOWARDS EMPOWERING WOMEN

The values of SHGs are based on the belief that the groups shall be a way to empower the poor women to run their organisations, deal with social issues apart from credit, effectively. Women members are involved in mobilizing credit from banks by visiting and talking to the bank officers, attending meeting of their groups, in their villages, outside their villages and participating and

contributing in the trainings. All these activities have brought positive changes in the women folk. Many authors and organisations have defined empowerment in various ways. There is no universally accepted definition that captures the intended meaning and essence of empowerment. It is appropriate to quote empowerment as elaborated by Ashok Khosla (Development Alternatives, December 2003) as follows. “*A person becomes more empowered when he or she is able to participate meaningfully in family and community processes.*”

Figure 1

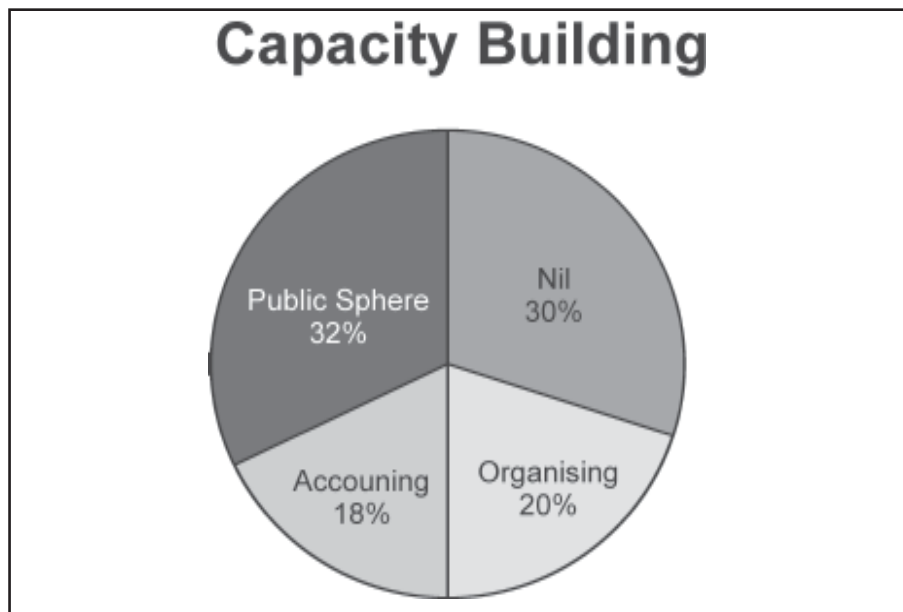


Figure 1 represents the percentage of members who have gained various skills after joining the SHGs. About 20 per cent of the members are confident in organizing the community, whereas 32 per cent are sure in raising their voice in public sphere like panchayat meeting, SHGs meeting etc. PRADAN has been conducting workshop on maintenance of accounts for the groups members. Nearly 18 per cent of the members have gained accounting skills through their participation in SHGs. and the other 30 percent have not attained any of the skills after joining SHGs because of low literacy and awareness.

CONCLUSION

The foregoing discussion on socio-economic impact of Self Help Groups (SHGs) on its beneficiaries revealed positive changes in the levels of living of the members. The economic impact is visible in terms of saving habits, increased credit accessibility, contribution to household income, and acquisition of household assets. The impact is also pronounced on the social front in terms of increased role in household decision-making, improved status and self confidence, ability to deal with adversities and community involvement. These groups were informal groups whose members pool savings and rely within the group on rotational or needs basis. These groups have been formed based on specific activity that is to promote savings among members and use the pooled resources to meet emergent needs of members, including consumption as well as production needs. The internal

savings generated by these groups are well supplemented by external resources loaned/donated by Banks, Grameen Vikas Trust and Government Agencies. These Self Help Groups have been able to mobilize and also effectively recycle the pooled savings among members. They have succeeded in performing/providing banking services to their members, though in primitive way, but in a manner which is cost effective, simple, and flexible. The groups have developed good linkages with various NGOs and govt. institutions. At personal level, the average income of the members has increased substantially. The literacy level of the members has increased. Also, the level of awareness on health and hygiene has increased. The group members can clearly perceive their social, educational and economical upliftment by the SHG's formation. Seeing the upliftment through SHG movement, other women of the villages have also started forming groups. It can be concluded that the Self Help Group concept has not only provided financial services to the rural poor but has also acted as a launching pad for livelihood intervention. Proper capacity building and linkage of SHGs to mainstream organizations has really succeeded in poverty alleviation and social upliftment

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