

Journal of International Academic Research for Multidisciplinary



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**PHYSICAL AND FINANCIAL PERFORMANCE OF WOMEN SELF HELP
GROUPS: A DIAGNOSTIC PRIMARY STUDY IN ODISHA**

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ABSTRACT

The objective of the paper is to analyse the financial performance of Women self help groups in Jajpur district of Odisha. The study is empirical in nature based on primary data collected through field survey by structuring questionnaire. Stratified Sampling method was used to select 500 members in 80 women self help groups in 11 villages in Jajpur block of Jajpur district of Odisha. The average size of the Women SHG is 16 and with the increase in age of SHG, average size of SHG is decreasing in the study area. The study reveals that 44.9 percent of sample SHG members have utilized loan in income generating activities. Only 35 percent of the total SHGs were linked to the bank for credit.

KEYWORDS: Activity, Micro Finance, Linkage, Saving, Self Help Groups

INTRODUCTION

Women comprise 50 per cent of the world's total population, perform two-third of the world's work receive 10 per cent of world's income and own less than one per cent of total assets. As citizens, workers and mothers, they contribute greatly to the economic development and progress of the country. Yet, they form the largest disadvantaged group in the country. Presently, the development of women has become the prime concern of each and every government of the low income countries. Over the decades of planned development, the shift in emphasis of women's programmers from a welfare oriented approach to more pragmatic and development oriented approach has acknowledged women as a productive worker and contributor to the economy. Right from the mid-eighties of the past century micro-finance has become a key strategy for poverty alleviation and socio-economic development of women in Orissa. Almost all the self help groups are women groups. But in other state in some areas men groups and mixed groups also exist. There has also been an increase in the flow of funds for micro-enterprises through various promotional agencies. Though NGOs were the forerunners in this field, the early nineties marked a new era for micro-finance programmes in the State with the evolution of the

Community Development Society (CDS) model women groups in Odisha. Further the setting up of Misson shakti – the poverty eradication programme of the State Government has given a boost to the SHG strategy. The present paper is a comprehensive primary study on the physical and financial performance of Women self help groups in Jajpur district of Odisha. The study is empirical in nature based on primary data collected through field survey by structuring questionnaire. Stratified Sampling method was used to select 500 members in 80 women self help groups in 11 villages in Jajpur block of Jajpur district of Odisha.

Membership Size of SHG

Most of the theoretical literature suggests that the group which contains large number of members may fail to achieve sustainability. To maintain the informal nature of SHGs, a SHG should not have more than 20 members. In this study, average size of SHGs is not very large.

Table-1 Distribution of Sample SHGs

Age of SHG	No. of SHGs	Total Members of SHGs	Average Size
Up to 2 year	20	323	16.2
2 to 3 years	25	386	15.5
More than 3 years	35	545	15.5
Total	80	1254	15.6

Source: Primary data

In this study, Table-1 shows an important feature of member size of the SHGs in Jajpur district. In this above table it is evident that in the age of SHG, up to 2 years, the average size of the SHG is 16.2, in the age of SHG, 2 to 3 years, average size of the SHG is 15.5 and in the age of SHG, more than 3 years, average size of the SHG is 15.5. The study shows that with the increase in age of SHG, average size of SHG is decreasing.

Income Generation Activities / Micro Enterprises taken by SHGs

SHGs use loans for three purposes:-i) Production, ii) consumption and iii) Repayment of previous loans (Guha and Gupta, 2005). Under SBLP, SHGs initially got loans for consumption purpose. However, if SHG-members do not graduate themselves as micro-entrepreneurs, the objective of poverty alleviation under microfinance programmes would not be achieved (Guha and, 2007). In the present study, it is found that 48.6 percentage of the members have not taken any income generating activities (IGA) or set up micro enterprises (MEs), 39.4 percentage of sample SHG members have taken income generating activities, 12 percentage of

sample SHG members have taken loans for the purpose of economic activity like, micro enterprises (MEs) in Jajpur district as shown in table-2

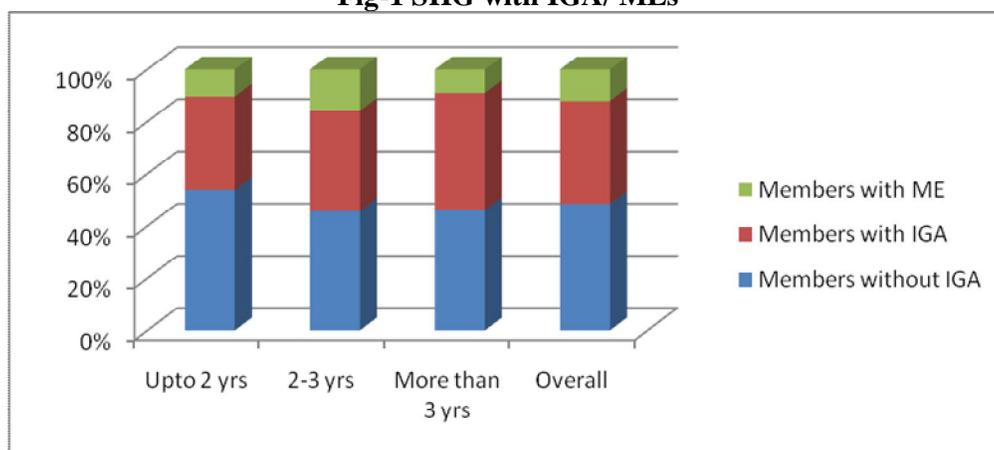
Table-2 Distribution of SHG with IGA/ MEs

Category	Age of the SHG			Overall
	Upto 2 yrs.	2 to 3 yrs.	More than 3 yrs.	
Members without IGA	89 (53.9)	87 (45.8)	67 (46.3)	243 (48.6)
Members with IGA	59 (35.8)	73 (38.5)	65 (44.9)	197 (39.4)
Members with MEs	17 (10.4)	30 (15.8)	13 (8.9)	60 (12)
Total members	165 (100)	190 (100)	145	500 (100)

Source: Primary data

In the age of SHG, up to 2 years, it is found that 53.9 percentage of the members have not taken any income generating activities (IGA) or set up micro enterprises (MEs), 35.8 percentage of sample SHG members have taken income generating activities, 10.4 percentage of sample SHG members have taken loans for the purpose of economic activity like, micro enterprises (MEs). In the age of SHG, 2 to 3 years, it is found that 45.8 percentages of the members have not taken any income generating activities (IGA) or set up micro enterprises (MEs), 38.5 percentage of sample SHG members have taken income generating activities, 15.8 percentage of sample SHG members have taken loans for the purpose of economic activity like, micro enterprises (MEs)

Fig-1 SHG with IGA/ MEs



In the age of SHG, more than 3 years, it is found that 46.3 percentage of the members have not taken any income generating activities (IGA) or set up micro enterprises (MEs), 44.9 percentage of sample SHG members have taken income generating activities, 8.9 percentage of sample SHG members have taken loans for the purpose of economic activity like, micro enterprises (MEs) in Jajpur district.

Table-3 Distribution of Composition of Cumulative loan Portfolio

Purpose	Age of the SHG			
	Upto 2 year	2 to 3 years	More than 3 years	Overall
Production	52,312 (42.4)	1,20,423 (66.4)	2,15,420 (86.5)	1,29,385 (70.1)
Consumption	36,210 (29.3)	29,455 (16.3)	18,123 (7.3)	27,929 (15.1)
Other purpose i.e., Health, marriage Etc.	35,120 (28.5)	31,450 (17.4)	15,670 (6.3)	27,413 (14.9)
Total	1,23,642 (100.0)	1,81,328 (100.0)	2,49,213 (100.0)	1,84,727 (100.0)

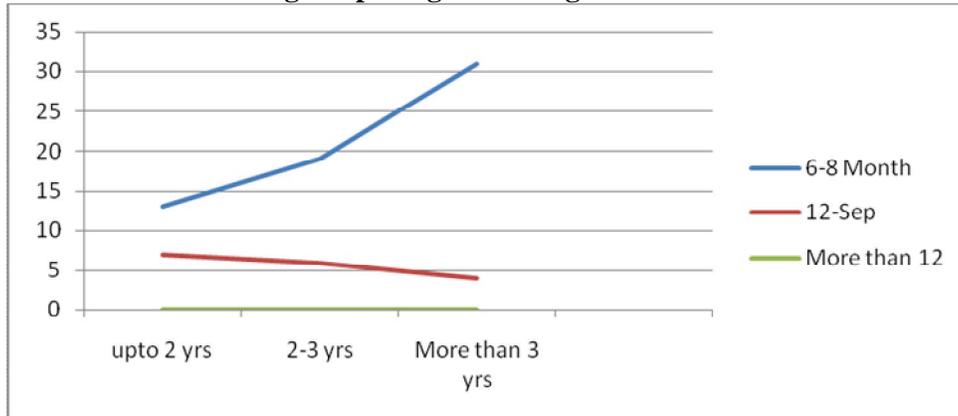
Source: Primary data, Figures in bracket are percentages

The table-3 reveals that average borrowed money from the bank by the sample SHGs, in the age of SHGs, up to 2 years, was Rs.1,23,642, out of which 42.4 percentage loans were taken for productive activities, 29.3 percentage money was used for consumption purposes and 28.5 percentage of money was for other purposes like, health, marriage etc. In the age of SHGs, 2 to 3 years, it is found that average borrowed loan from the bank by the SHGs, was Rs. 1, 81,328, out of which 66.4 percentage loans were taken for the purpose of productive activities, 16.3 percentage of loan money was used for consumption and 17.4 percentage of loan money was for the purposes like, health, marriage etc. In the age of SHG, more than 3 years, average loan borrowed from the bank was Rs. 2, 49,213, out of which 86.5 percentage loan money was used for the purpose of productive activities, 7.3 percentage loan money was used for consumption purposes and 6.3 percentage of loan money was used for the purpose of health, marriage etc. in Jajpur district. It is seen; in this study that higher percentage of loan money was used in older SHGs than the 2 to 3 years of SHGs and up to 2 years of SHGs. The comparison study reveals that in case of consumption activity, it is seen that as SHGs gets older and older the loan money was used less and less for consumption purposes and for other purposes like health, marriage etc. It is found that at the initial stage of SHGs as it is in the age of up to 2 years of old of SHGs, 28.5 percentage loan money was used for the purposes of consumption, 17.4 percentage loan money was used for the purposes of consumption and 6.3 percentage of loan money was used for the purposes of consumption in the age of SHGs, more than 3 years in Jajpur district.

Table-4 Distribution of Time gap between Openings of Savings Accounts

Age wise Time	6-8 month	9-12 month	>12 months	Total
Upto 2 years	13 (65)	7 (35)	0	20 (100)
2 to 3 years	19 (76)	6 (24)	0	25 (100)
More than 3 years	31 (88.6)	4 (11.4)	0	35 (100)
Total	63 (78.75)	17 (21.25)	0	80 (100)

Source: Primary data

Fig-2 Openings of Savings Accounts

According to the guidelines under SBPL, every SHG should link to the bank after six months of its operation. This however, depends on the group performance. The table-5 indicates that in the age of SHGs, up to the 2 years, 65 percentage of the total SHGs were linked to the bank between 6 and 8 months, 35 percentage of the total SHGs were linked to the bank between 9 and 12 months and none of the SHG was linked to the bank after one year of the operation.

In the age of SHG, 2to 3 years, it is found that 76 percentages of total SHGs were linked to the bank between 6 and 8 months and 24 percentages of total SHGs were linked to the bank between 9 and 12 months and none of the SHG was found bank linkage after one year of the operation. In the age of SHG, more than 3 years, the data reveals that 88.6 percentage of total SHGs were linked with the bank between 6 and 8 months and 11.4 percentage of total SHGs were linked with the bank between 9 and 12 months and none of the SHG was found linked with bank more than one year of the operation. Hence in total of 78.75 percentages SHGs had the bank linkages in between 6 and 8 months and 21.25 percentage SHGs had the bank linkages in between 9 and 12 months in Jajpur district.

Table-5 Distributional Pattern of First and Second Bank Linkage Amount

Age wise time Gap	Total/Group (in Rs.)	Loan/Group (in Rs.)	Group (%) Receiving< Average loan	Group (%) Receiving > Average loan
Upto 2 year	11,35,300	56,765	7 (35)	13 (65)
2 to 3 years	13,50,135	54,005	14 (56)	11 (44)
More than 3 years	22,75,350	65,010	21 (60)	14 (40)
Total	47,60,785	59,509	42 (52.5)	38 (47.7)

Source: Primary data

The table-5 shows that loan disbursed to the age of SHGs, up to 2 years was Rs. 11, 35,300, loan disbursed to the age of sample SHGs, 2 to 3 years, was Rs. 13, 50,135 and loan disbursed to the age of SHGs, more than 3 years, was highest which was Rs. 22,75,350. The study further reveals that in the age of sample SHGs upto 2 years, the loan size of 35 percentage sample SHGs was less than average loan and the loan size of 65 percentage sample SHGs was more than average loan. In the age of sample SHGs, 2 to3 years, it is found that the loan size of 56 percentage sample SHGs was less than average loan size and 44 percentage sample SHGs loan size was more than average loan size. But in the age of sample SHGs, more than 3 years, the data indicates that 60 percentage of total SHGs loan size was less than average loan size and 40 percentage sample SHGs loan size was more than average loan Size in Jajpur district.

LOAN SIZE

One of the most important objectives behind launching SHGs was to establish the formal banking system in rural areas. Besides opening up of accounts and depositing saving amount in the banks, the SHGs enter into a formal linkage programme with the banks, which in turn extend formal financial services for providing credit inputs to the groups. The members and their families would thus get out of the clutches of the exploitative informal sources of credit. At the same time, it is presumed that the banks would also benefit in the process through reduced transaction costs and increased deposits.

Table-6 Distribution of Linkage Pattern among Sample SHGs

SHGs credit Linkage	Age of the SHGs			
	Upto 2 year	2 to 3 years	More than 3 years	Overall
Only one linkage	0	0	0	0
2 linkages	4 (20)	4 (16)	2 (5.8)	10 (12.5)
3 to 4 linkages	16 (80)	12 (48)	9 (25.8)	37 (46.25)
5 to 6 linkages	0	9 (36)	18 (51.5)	27 (33.75)
More than 6 linkages	0	0	6 (17.2)	6 (7.5)
Total	20 (100)	25 (100)	35 (100)	80 (100)

Source: Primary data

The table-6 reveals that 12.5 percentage sample SHGs have received two linkages or two doses of loans from the bank, 50 percentage sample SHGs have received three to four linkages or three to four doses of loans from the bank, 33.75 percentage sample SHGs have received five to six linkages or five to six doses of loans from the bank and 7.5 percentage sample SHGs have more than six linkages or more than six doses of loans from the bank in Jajpur district. It is found from the data that in the age of sample SHGs, upto 2 years, none of the sample SHG has only one linkage with bank, but 20 percentage sample SHGs have two linkages, 80 percentage sample SHGs have received three to four linkages or three to four doses of loans from the bank and none of sample SHGs have received five to six linkages or five to six doses of loans from the bank and more than six linkages or more than six doses of loans from the bank. The above table reveals that in the age of sample SHGs, 2 to 3 years, none of the SHG has one linkages with bank, but 16 percentage sample SHGs have received two linkages or two doses of loans from the bank, 48 percentage sample SHGs have received three to four linkages or three to four doses of loans from the bank, 36 percentage sample SHGs have received five to six linkages or five to six doses of loans from the bank and none of the sample SHG has more than six linkages or more than six doses of loans from the bank. Further it is obvious from the data that in the age of SHGs, more than 3 years, none of sample SHG has one linkage with the bank, but the study reveals that 5.8 percentage sample SHGs have received two linkages or two doses of loans from the bank, 25.8 percentage sample SHGs have received three to four linkages or three to four doses of loans from the bank, 51.8 percentage sample SHGs have received five to six linkages or five to six doses of loans from the bank and 17.2 percentage sample SHGs have more than six linkages or more than six doses of loans from the bank in Jajpur district.

Table-7 Distribution of Average Loan Amount in each Bank Linkage Received

No. of linkage	No. SHGs Linked	Range of Linkage Amount(Rs.)	Average linkages Amount per SHG (Rs.)	Percentage Change
One	80	2,000-50,000	16,870	
Two	80	10,000-1,50,000	32,421	(92.2)
Three	80	15,000-2,77,500	55,560	(71.8)
Four	53	8,000-4,30,000	55,320	(-0.5)
Five	52	15,000-2,75,000	56,780	(2.6)
More than five	35	65,000-2,95,000	1,04,545	(84.2)

Source: Primary data

As per table-13 it is found that during the one linkage, in the range between Rs. 2,000 and Rs. 50,000, the average bank linkage per SHG was Rs. 16,870, during two linkages, in the range between Rs. 10,000 and Rs. 1,50,000, the average linkage per SHG was Rs. 32,421, during three linkages, in the range between Rs. 15,000 and Rs. 2,77,500, the average linkage per SHG was Rs. 55,560, during the four linkages, in the range between Rs. 8,000 and Rs. 4,30,000, the average linkage per SHG was Rs. 55,320, during the five linkages it was found that in the range between Rs. 15,000 and Rs. 2,75,00, the average bank linkage per SHG was Rs. 56,780 and during the more than five linkages it is found that in the range between Rs. 65,000 and Rs. 2,95,000, the average bank linkage per SHG was Rs. 1,04,54. More over the study indicates that at the time of two bank linkage, there was 92.2 percentages change in bank linkages, in three bank linkages it is seen that 71.8 percentage of change in the bank linkages, in four linkages, there was negative change in bank linkages, in five bank linkages, there was 2.6 percentage of bank linkage and in more than five bank linkages, 84.2 percentage of bank linkage was found in Jajpur district.

CONCLUSION

Over the last two decades, Micro-credit has acquired greater dimension and recognition as an instrument for meeting the credit needs of the poor for starting up their Income Generating Activities (IGA) or Micro Enterprises (ME). The institution of self help groups (SHGs) has provided strength to Micro-credit system. A non formal agency in the form of self help groups of the poor is definitely a promoting partner of the formal agencies. Dissatisfaction with the result of many formal credit programmes has stimulated searches for modalities that may provide effective

financial services to rural poor particularly to women. Hence Selh Help Groups should be strengthened at the greater interest of women.

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