



An Analysis of Self-Help Groups' Contributions to Women's Empowerment with Particular Reference to Rayagada Dist, Odisha.

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ABSTRACT

This study examines the impact of Self-Help Groups (SHGs) on women's empowerment in Rayagada District, Odisha, focusing on economic, social, political, and health dimensions. Through primary data collection from 400 SHG members, statistical analysis reveals significant improvements across all dimensions. Joining SHGs leads to enhanced economic stability, reflected in increased savings and expenditure management. Socially, members report heightened participation in public activities, training programs, and decision-making within families. Politically, SHG involvement fosters greater engagement in voting and leadership roles, indicating heightened political awareness and influence. Health-wise, access to healthcare, knowledge of hygiene, and overall health status witness notable improvements. The Combined Empowerment Index (CEI) underscores the holistic impact of SHGs, emphasizing the importance of comprehensive approaches to empowerment. Future research could explore the sustainability and scalability of SHG initiatives, as well as delve deeper into the long-term socio-economic effects on women and their communities.

Keywords: Microfinance, Self-Help Groups (SHG), Women Empowerment

INTRODUCTION:

Self-help groups (SHGs) have proven to be a transformative mechanism for promoting financial cooperation and empowerment, especially among marginalized rural communities, with a significant focus on uplifting women. Originating from the necessity for accessible financial services in underserved regions, SHGs have evolved into dynamic platforms that drive both social and economic change. This study concentrates on SHGs operating within Rayagada District, Odisha, aiming to evaluate their impact on women's empowerment across multiple dimensions.

Rayagada District, known for its diverse tribal population and socio-economic challenges, presents a unique setting for examining the efficacy of SHGs. These groups typically comprise 10-20 women who pool their savings to create a common fund from which members can borrow at low interest rates. The collective nature of SHGs not only provides financial benefits but also fosters a supportive community environment where women can share experiences, build confidence, and develop leadership skills.

The impact of SHGs on women's empowerment in Rayagada District is assessed through various dimensions, including economic, social, political, and psychological aspects. Economically, SHGs have enabled women to access credit for entrepreneurial activities, leading to increased income and financial independence. Studies have shown that women involved in SHGs experience a rise in savings and investment in productive assets, contributing to household economic stability.

Socially, SHGs promote a sense of solidarity and collective identity among women, which is crucial in a region where traditional norms often limit women's mobility and decision-making power. Participation in SHGs enhances women's social capital, broadening their networks and access to information and resources. Politically, involvement in SHGs empowers women to participate in local governance and decision-making processes, thereby enhancing their influence in community affairs.

Psychologically, SHGs help boost women's self-esteem and confidence. The supportive group environment encourages members to voice their opinions, take on leadership roles, and engage in community activities. This collective empowerment fosters a sense of agency and control over their lives.

Literature review:

Recent studies from 2020 to 2024 have increasingly focused on the diverse effects of Self-Help Groups (SHGs) on women's empowerment and socio-economic progress. Research by Sharma et al. (2020) and Patel et al. (2021) indicates that SHG participation leads to higher income levels, greater savings, and better credit access, which boost women's entrepreneurial ventures. Gupta and Sahoo (2022) emphasize the crucial role of strong leadership in the effective operation and success of SHGs. The importance of SHG loans has been highlighted by Khan et al. (2023), who found these loans are mainly used productively, enhancing household income and financial stability. Furthermore, Das et al. (2024) have developed comprehensive frameworks to measure empowerment within SHGs, considering economic, social, political, and psychological dimensions. The integration of digital technologies, such as mobile apps and digital financial services, has also been studied by Singh et al. (2024), showing improvements in operational efficiency, credit access, and member communication, thus fostering financial inclusion and empowerment. While these findings offer valuable insights, further research is needed to explore emerging trends, ensure long-term sustainability, and identify best practices for maximizing SHGs' impact on women's lives in various socio-cultural contexts.

Objectives of the Study:

1. **Socioeconomic Status Assessment:** The study aims to conduct a comprehensive evaluation of the socioeconomic standing and living standards of women actively engaged in SHGs. This entails a meticulous analysis of key metrics such as income levels, expenditure patterns, asset ownership, and overall financial stability. By understanding the economic landscape of SHG members, insights can be gained into the effectiveness of SHGs in improving financial well-being.
2. **Structure and Operation Analysis:** A critical examination of the organizational structure and operational dynamics of SHGs is essential to understand their efficacy in facilitating financial inclusion and community development. This involves assessing aspects such as membership engagement, loan management practices, group cohesion, and the overall functioning of SHGs. By delving into the operational mechanisms, potential areas for enhancement can be identified to maximize SHG effectiveness.
3. **Loan Impact Evaluation:** Central to SHG operations is the provision of credit facilities to its members, aimed at empowering them economically. This aspect of the study seeks to evaluate the impact of loans disbursed by SHGs on women's economic empowerment, investment behavior, and loan repayment patterns. Understanding the dynamics of loan utilization and its outcomes is crucial for assessing the sustainability and effectiveness of SHG microfinance interventions.
4. **Empowerment Measurement:** Empowerment is a multidimensional concept encompassing economic, social, psychological, political, and health aspects. This study endeavors to quantify the degree of women's empowerment within SHGs across these various dimensions. By employing a holistic approach to empowerment measurement, insights can be gained into the transformative potential of SHGs in enhancing women's agency, decision-making power, and overall well-being.

Methodology:

The study employs a mixed-methods approach, combining quantitative surveys with qualitative interviews and focus group discussions. Primary data will be collected from a representative sample of SHG members in Rayagada District through structured questionnaires, supplemented by in-depth interviews with key stakeholders. Statistical analysis, including regression modeling and correlation analysis, will be conducted to explore the relationships between SHG participation and empowerment indicators. Qualitative data will be analyzed thematically to provide contextual insights into the mechanisms driving empowerment within SHGs.

Expected Outcomes:

The study anticipates providing valuable insights into the transformative potential of SHGs in promoting women's empowerment within Rayagada District, Odisha. By elucidating the mechanisms through which SHGs impact various dimensions of empowerment, the findings aim to inform policy interventions and programmatic initiatives aimed at fostering sustainable development and inclusive growth in rural communities.

Origin of Self-Help Groups (SHGs) In India

The "Swarnjayanti Gram Swarojgar Yojana" (SGSY) was created in April 1999 as a consequence of widespread agreement over the necessity for revising the Integrated Rural Development Programme (IRDP). This effort focused on creating SHGs for the rurally underprivileged, skill development, capacity building, technology, lending links, infrastructure, product creation, and promotion.

SHG is a concept created by Mr. Mohammed Yunus, who established the Grameen Bank of Bangladesh in 1975. In India, NABARD introduced it between 1986 and 1987. However, it became effective after SHGs were linked up with banks in 1991–1992. In order to provide impoverished women with banking resources, NABARD created the Pilot Project for Microcredit in 1991–1992, partnering SHGs and financial institutions. Banks have been instructed by RBI to aggressively take part in this SHG linkage scheme. In India, there are three models for connecting SHGs and banks.

Model I

Banks themselves designed and publicised the SHGs. Large amounts of credit were directly offered to the SHG by the bank. Using the standards that the group's members established, the SHG awards credit to its members. The assisting Bank is given financial support by NABARD.

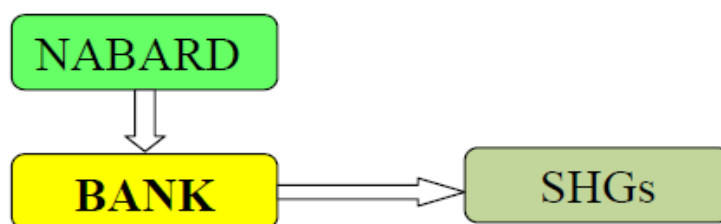


Fig.1.2. Model I SHGs Bank Linkage

Model II

In Model II, the SHGs were created and promoted by the DRDA under the direction of the Block Development Officer (BDO) or an NGO. The SHGs are referred directly to the bank for financing by the BDO or NGO. The bank may extend credit to an individual member or the entire group. Here, the supporting organization aids the SHGs and the Banks by keeping track of the SHGs, providing members with training, and assessing the loan payback situation.

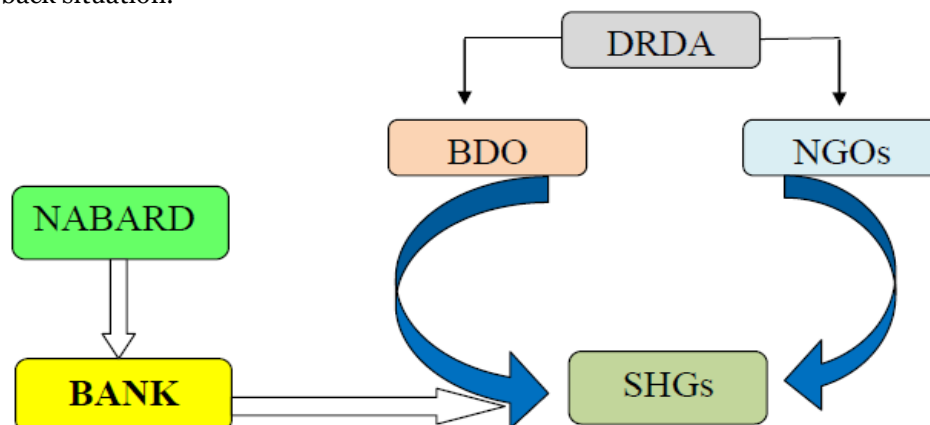


Fig.1.3. Model II SHGs Bank Linkage

Model III

NGOs created and arranged the groups and suggested linking them to the bank. Banks provided the money to NGOs so that they could support SHGs financially or vice versa. NGOs are responsible for the SHGs' operation, training, and activity monitoring.

Statement of the Problem

Women are the ones who suffer from poverty the most since they must balance the "means and ends" of the household and frequently skip meals so that the rest of the family can take use of the limited resources. These women face social and economic prejudice, and getting credit is difficult for them. Millions of Indian women are subsistence farmers, and social change won't have much of an impact on them unless they are given economic freedom.

The global agenda for socio-economic and political development processes is increasingly placing women at the forefront. Despite the significant gap between the agenda, policies, and practices, planners, and implementation systems are continually focused on their contribution. Women's development is more

important because the development indicators for women, such as health, education, nutrition, and decision-making, have so far made poor progress.

The majority of developmental programmes now shift their emphasis from an individual to a group approach. People form SHGs when they are helped by one another to solve common issues. These groups can address a variety of issues, including microcredit and alcoholism.

The term "Self Help Group" refers to a group of rural women who have got together to organize themselves into a group to end their poverty and have a stable source of income.

Giving rural women microcredit will help them launch their businesses. In terms of rural microcredit, regional rural banks, cooperative banks, and commercial banks are unsuccessful. Due to the low status of their means of subsistence and low levels of literacy, many rural poor women are unwilling to contact banks or financing organizations and lack the necessary fortitude.

Research Gap

A survey of the literature revealed that the majority of research concentrated on the SHG members' credit lending, spending, and savings habits. In the studied area, there has been relatively little research on the structure and operation of SHGs, particularly on overall empowerment such economic, social, psychological, political, and health aspects. The goal of the current study is to measure the degree of women's empowerment at various levels.

Objectives of the Study

- To determine the socioeconomic status and standard of life of the women who participate in SHGs.
- To assess how well SHGs are structured and operating about the members' income, spending, and savings habits.
- To evaluate the effect of the loan received and the members of the women SHGs' repayment status.
- To highlight the degree of the women SHG members' empowerment at all levels (economic, social, psychological, political, and health).

Need and Scope of the Study

SHGs are currently recognized on a worldwide scale as a tool to empower women in both social and economic spheres. Women's entire growth will be aided when socioeconomic empowerment is reached. Women's living standards in society will be determined by their economic empowerment. It promotes gender equality and elevates the position of women in the household. So, using SHG to create income-generating possibilities results in long-term empowerment. Additionally, women's participation in various community initiatives and societal activities boosts their self-esteem, which in turn widens their circle of social connections. Even SHGs place a strong emphasis on the psychological growth of women and promote holistic development. Thus, the current study focuses on the socioeconomic environment, SHG structure, and women's empowerment through SHGs at various levels.

Reason for Joining SHG

The source of motivation and the reason for joining SHG are different. Even though the government has launched several rural development initiatives aimed at the advancement of women in rural families, SHG enrolment is significantly higher than that of other initiatives. Therefore, the reason or foundation for joining an SHG will support rural people's expectations of development programmes.

S.No	Reasons for Joining	Frequency	Percentage (%)
1	Financial Support	292	73.0
2	Friends	26	6.5
3	Income Generation Activity	82	20.5
	Total	400	100.0

Source: Primary data

According to the analysis of the aforementioned table, 73% of the members stated that they joined SHG to save money. The remaining members stated that they were able to obtain money at lower rates of interest through SHG and that it served as a source of income that allowed them to meet the bare minimum requirements of their families.

Empowerment of Women through SHG

For many developing nations, including India, the goal of empowering women has been long-stated. Women gradually develop their sense of self-worth and confidence. Rural women are less powerful and don't have a voice outside of the home. They are denied their fundamental rights and excluded from society's mainstream. SHG is a tool for rural women's empowerment. SHG gives women a chance to integrate into society regularly. When a woman joins a SHG, she first learns how to speak up in front of the group, learns how to budget, and develops financial stability. The economic stability boosts women's self-esteem. This section focuses on how women are empowered economically after joining the SHG, how they use their loan money, how they save and spend it, how they use support networks, how they participate in training programmes and social activities, how their roles in the family are changing, how their children are developing academically, and other topics.

Economic Empowerment

Dhanalakshmi, U and Rajini, K (2013) SHG aims to empower rural women and fight poverty. The research focuses on the total empowerment of women. The economic emancipation of women is explained in this section. The SHGs are run by BDO and give women financial security and independence, particularly to break their dependency on moneylenders. As a result, the economic empowerment of women is investigated by analyzing their saving and spending habits, asset development, loan repayment, and participation in and performance of income production programs. Following their participation in the SHG, women's economic development is carefully evaluated, and the improvement and change in their economic standing is also quantified using percentage analysis as shown in the following tables.

Social Empowerment

Access to knowledge, information, and the acquisition of skills to function in society are all examples of social empowerment. At the individual, group, and community levels, social empowerment is measured. For people, it manifests as knowledge expansion, skill adoption in response to demand, personality development, and the growth of self-confidence to meet obstacles. The evaluation of empowerment at the group level is based on participation, making the proper decision on the issue, speaking in public, meeting with government representatives for social issues, for the community, and organizing community development and social developmental programmes Gautam Vir (2008).

Cross Tabulation Analysis

Period	Increase in Monthly Savings	Increase in Monthly Expenditure	Ownership of Land	Basic Water and Sanitation Facilities at Home
< 1 year	76 (19%)	112 (28%)	12 (3%)	67 (16.75%)
1 – 2 years	114 (28.5%)	207 (51.75%)	38 (9.5%)	267 (66.75%)
2 – 3 years	297 (74.25%)	339 (84.75%)	90 (22.5%)	345 (86.25%)
> 3 years	313 (78.25%)	375 (93.75%)	97 (24.25%)	367 (91.75%)

Source: Primary data

Table 4.43 shows the length of time that women have been involved in SHGs and how it has affected their level of living. The impact may be observed in the growth in monthly savings, expenditure, ownership of land, and growth in basic facilities as the members' time with the SHG has expanded. It is very obvious that once women join SHGs and begin to save there, they develop a savings habit that lasts year after year, increases their savings, and is reflected in their spending patterns. The influence may be observed in the supply of basic amenities at home and in the ownership of property. As savings rise, expenditures expand as well.

Chi-Square Analysis

After Joining SHG	Calculated Chi-Square Value	Df	Accept/Reject
Increase in Monthly Income and Expenditure	62.410	1	Reject
Change in Living Conditions	112.360	1	Reject

Source: Primary data

Chi Square analysis was used to analyse the effect of SHG on respondents' living conditions and validate the null hypothesis. The results show that after joining the group, members' monthly income and expenses significantly increased, which had an impact on the SHG members' living conditions. Table 4.44 illustratively demonstrates that the null hypothesis is rejected and that the SHG members' living conditions significantly improved. After joining the SHG, the members' living situations have been significantly impacted by the rise in monthly revenue and expenses.

FINDINGS, SUGGESTIONS

- The requirement for SHG participation in raising awareness of various issues was closely tied to the educational background. It was clear that 65.2% of the respondents had completed sixth through tenth grades and kept complete records in SHGs.
- Despite the fact that SHGs were created to foster self-employment, the members were nevertheless rather inactive in developing a source of income for their families, content with their day jobs and the help provided by SHGs in times of need thanks to their savings. The need for construction of sanitary latrines has been realized among the members and the government has also provided loan for it.
- After becoming a member of a SHG, a certain sum (between 100 and 200 rupees) is automatically put into their account each month. In addition, they frequently had to borrow money from lenders at exorbitant rates of interest, which over time led to the destruction of both them and their families owing to debt. The members stated that having a regular savings habit through SHG has given them the assurance and support to live much more contentedly every day.
- Through the distribution, it became clear that the officials had a crucial part to play in explaining SHG to the rural poor and the prospects it offers. In addition, the BDO door-to-door method has touched all of their communities. The dependency on money lenders, on the whole, has come down (28%) among the group members. It can be expected that within a few years, with the complete establishment of SHG all over the country, poor rural women will be fully liberated from the clutches of the money lenders.
- The women who participate in SHG firmly concur that their engagement has given them more self-confidence, improved decision-making skills, and the ability to establish a sense of self as a SHG member, which has given them psychological strength.
- As a result of their involvement in SHG, they have improved their public speaking skills and acquired knowledge of banking operations. Additionally, the respondents concur that SHG has given them the skills and self-assurance to assume leadership roles and train others in doing so, but on the other hand, almost one-fourth of them are not even able to speak in public or plan any social programmes or events for the betterment of the community.

Conclusion

In examining the economic empowerment of SHG Women, it has been discovered that SHG Women's participation in economic activities such as saving and spending, maintaining thrift, financial transactions, documentation, asset creation, and income generation has increased due to their involvement in SHG. Similar to this, taking part in protests, awareness campaigns, and social gatherings has helped social empowerment. Along with being more influential in family decisions and having a stronger voice in the home, children's education has boosted their psychological empowerment. Additionally, some degree of political empowerment has resulted through involvement in political campaigns and political party support for group advancement. Additionally, group-level gatherings that pushed women out of their comfort zones and allowed them to talk about their health-related issues and stress with other attendees while also clearing up any questions they had about women's health and hygiene, sexual health, and family planning techniques led to health empowerment. Overall, SHG in the study region developed women and empowered women at all levels (economic, social, psychological, political, and health) to help the nation reach its objective of sustainable development.

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