



ROLE OF SELF HELP GROUPS IN RURAL DEVELOPMENT- A STUDY OF PURI DISTRICT IN ODISHA, INDIA

Mr.Kailash Chandra Mishra* Prof. Jagannath Lenka**

**Lecturer in Economics, M. P. C. Autonomous College, Baripada, Mayurbhanj, Odisha, India.*

***Professor and Head, P.G. Department of Economics, North Orissa University, Baripada, Mayurbhanj Odisha, India.*

Abstract

On the basis of a micro level study it is found that the Self Help Groups (SHGs) have positive and significant impact on generation of employment and income of its members engaged in different economic activities such as commercial farming, pisciculture, food processing, trade & commerce, household industry and agriculture. The members are found to have a change in the quality of their lives. Promotion of SHGs therefore, not only helps foster rural development but also go a long way in attaining inclusive growth in India.

Key Words- Self Help Groups, Micro finance, Rural Development, Quality of life, Employment, Income, Puri District.

I. INTRODUCTION

Rural development is the sine qua non for overall development of Indian economy. More than 70 per cent of people in India are living in rural areas and depends mostly on agriculture for their livelihood. Rural Development can be achieved only with the upliftment of the rural folk consisting of poor farmers, agricultural labourers and self-employed artisans (Mishra & Mishra 2008). Since agriculture is overcrowded and this sector has little hope of absorbing burgeoning population, they are to be engaged either in industrial activity or in other commercial activities which warrant financial investment. Finance being the lifeblood of any commercial venture, availability of adequate funds at reasonable terms is a must to ensure rapid rural economic development (Lenka &Mishra 2008). It is now realized that Micro Finance plays a significant role in financing the target group members which are living below poverty line (Copestake 2007, Guha & Gupta 2005, Tripathy & Jain 2007, Yunus 2004). Further women populations which constitute around 50 per cent of the rural population are either unemployed or underemployed. Understanding the gravity of the unemployment situation and low income, the Government of India launched the Swarna Jayanti Gram Swarozgar Yojana(SGSY) in 1999.

The objective of SGSY is that it will help formation of Self- Help Groups in the formative stage, nurture them and at a later stage it will generate income and employment which will lead to rural development in India. Unless and until all the needy women population is actively engaged in the Self-Help Group formation, rural development will not be possible. Hence, the present study emphasizes on Self-Help Groups and examines the role of SHGs in rural development. The study is confined to the district of Puri and covers the period from the accounting year 2003-04 to 2009-10.

II. OBJECTIVES

The major objectives of the present study are as follows:

- To assess the impact of SHGs on employment and income of the stake holders.
- To study the impact of SHGs on social life of the members
- To investigate the problems faced by the SHGs and provide suitable policy options for successful working of the SHGs.

III. HYPOTHESES

- SHG participation has a positive impact on employment and income of the members.
- SHG participation has a positive impact on social life of the members.

IV. METHODOLOGY

The field study has been restricted to Puri district of Odisha. The study is based on both primary and secondary data. The primary data have been collected by using well-structured and pre-tested interview schedule. A multi-stage sampling method is used to elicit primary data from the respondents. All the Eleven community Development Blocks of the district are chosen. From each CDB, four Gram Panchayats are selected randomly. From each selected Gram Panchayat, six SHGs are selected which are formed and financed in 2004-05. Response from one leader and one member of each selected SHG is collected through the requisite schedules. Thus a total of 528 beneficiary respondents from 264 SHGs are covered in this study.



Moreover information from four non-SHG members in each sample panchayat is elicited for comparative study. The primary data was collected during the period from October, 2009 to March, 2010.

The secondary data have been obtained from various published and unpublished reports of the departments such as Directorate of Economics and Statistics, Department of Panchayat Raj, Department of planning and coordination and Mission Shakti of Government of Odisha.

Statistical tools like percentages, ratios, mean and standard deviation, correlation and regression analysis have been used for comparative analysis. Statistical inferences are drawn through the use of Paired t- test to check whether the cross-tabulated variables are significantly associated.

Further, to know the impact of SHG participation and credit on income, OLS (Ordinary Least square) estimation is used.

V. PROFILE OF THE STUDY AREA

Puri is located in the eastern part of Odisha. Though in area it is one of the smallest districts of the state, it possesses a varied physiography. The historical background of the district along with geographical diversities contains the seeds of underdevelopment. The district is found to be an economically poor district with very low income and low per capita income compared to other districts of the state. The average density of population in the district is more than that of the state average. Eighty six per cent of the people in Puri district are living in rural areas and it indicates their poor economic condition.

Puri is agriculturally dominated but the land holding pattern is very much un-even. It is found that the average size of holding in Puri district is less than that of the state average. Lack of irrigation acts as stumbling block on the path of agricultural development.

On the other hand, there is dearth of industries. Though there is the existence of some small scale and cottage industries in the district, these industries are traditional in nature. They are not equipped with advanced technology. Due to lack of mines and mineral ores, no heavy or large scale industries can be established till date.

All the macroeconomic characteristics epitomize the economic backwardness of the district. From the poverty profile of the district it is understood that the percentage of the people below poverty line is much higher than that at the state level. The poverty is mostly concentrated in the rural areas and that too among the households belonging SEBC, SC and ST.

An enquiry has been made in the present study to assess the marine resource of the district. From the study it is found that the district has vast marine resources and a long coast line. But the rate of exploitation of the resources is found to be low due to non-adoption of advanced technology.

Human resource development and infrastructure penetration in the district are not satisfactory. A major percentage of villages lack all weather connectivity. The railway route length is only 42.08 K.M. Number of motor vehicles per thousand population is 24. The airport facility is found to be absent. The banking facility is very much urban centered. Thus the infrastructural facility available is seen to be poor and a large number of people are unable to access the available opportunity. So Self Help Groups are the need of the hour for widening the livelihood options among the rural people, particularly women.

VI. SAMPLE PROFILE OF THE SHG RESPONDENTS

This section provides an analysis of the socio-economic profile of the sampled SHG members obtained through primary survey.

a) Social Group wise Distribution of Sample Beneficiaries.

The objective of SHG- Bank Linkage Programme (SBLP) is to provide financial services to poor, deprived and weaker section of the population. Table-1 shows the social group wise distribution of sample respondents.



Table-1 : Social Group Wise Distribution of Sample Respondents

Social Category	No. of Sample Beneficiaries in Puri District	% to Total
SC	112	21.21
ST	11	2.08
SEBC	249	47.16
General	156	29.55
Total	N = 528	100

Source- Primary data

Caste system in the state Odisha particularly in rural area is very strong. It is found that majority of the SHG respondents belong to socially and economically backward classes. Out of 528 respondents, 47.16 per cent belong to SEBC, 21.21 per cent belong to Scheduled Castes and 2.08 per cent belong to Scheduled Tribes. The respondents from General category constitute 29.55 per cent in the study area. It is a matter of great satisfaction that poor people, irrespective of their castes are coming together for self-help and mutual help by way of SHGs.

b)Head of the Household

In the Indian family and social set up the head of the household plays a key role in all household affairs. The head here is defined as the person who decides important matters of family like use of family resources, assets to be acquired, children's education and marriage of the children etc. Since SHG aims at empowering women to participate in the decision making process of the family, in the present study, we have attempted to bring out the extent of women participating in the family decision making acting as head of the family. Table -2 presents required data in this respect.

Table-2: Types of Sample Households

Types of Household	No. of Household	% to Total
Male headed Household	504	95.45
Female headed Household	24	4.55
Total	528	100

Source - Primary data.

In the table it is observed that the sample households selected for the study are basically male headed. Only 4.5 per cent of the total sample households are female headed. Hence SHGs are very much essential to develop the decision making power among the women population, thereby women have a say in the decision making process.

c) Occupation wise Distribution of Sample Households

Table-3 represents the classification of sample households on the basis of their occupation namely, cultivation, business, daily labour, service and self-employment. Out of 528 sample households, 21.02 per cent sample households are cultivators. It is disappointing to note that 40.72 per cent households eke out their livelihood as daily labourers. But 10.61 per cent sample households are found to earn their livelihood from service. 16.67 per cent sample households are engaged in business whereas a mere 9.09 percentage belongs to self-employed for their livelihood.

Table -3: Occupation wise Distribution of Sample Households

Occupation	Total No. of Households	% to Total
Business	88	16.67
Cultivation	111	21.02
Daily Labour	215	40.72
Service	56	10.61
Self-Employment	48	9.09
Others	10	1.89
Total	528	100

Source – Compiled from the data collected



d) Size of the Households

It is seen that members of SHG who have large family size and have high number of dependants in the families, often face higher levels of financial hardships. Guha and Gupta (2005) found that most of the members showed interest in joining SHGs because of their financial hardships. Based on the number of members, the selected households are broadly classified into four categories which are given in Table-4. It is found that, around 60 per cent members had four to six family members and 24 per cent members had seven to nine members. Very few SHG members had family size of ten or more members.

Table-4: Distribution of the Households according to Family Size

Size of the Family	No. of Households	% to Total
Upto 3 members	72	13.6
4-6	318	60.2
7-9	127	24.1
10 and above	11	2.1
Total	528	100

Source – Compiled from the data collect

e) Age of Members

On the basis of age Groups i.e. 18-25, 26-35, 36-55 and above 55 years the distribution is framed. Table-5 shows the sample SHG members classified according to different age categories. It can be observed from the table that the largest proportion of the sample SHG members was in the age group 36-55years. A very small percentage of members belong to the age group above 55 in the sample SHGs. It appears that old people tend to leave SHGs. Some of the members revealed that these members left the SHGs as they could not work and save due to old age. Death of some members due to old age was also the reason for reduction of older members in some of the SHGs.

Table -5: Distribution of SHG Members According to Age

Age in Years	No of beneficiaries	% to Total
18-25	61	11.6
26- 35	177	33.5
36-55	271	51.3
Above 55	19	3.6
Total	528	100

Source- Primary data

f) Marital Status of the Sample Households

Table-6 shows the marital status of the sample households in the district. It is found that 90.5 per cent beneficiaries are married while 6.8 per cent beneficiaries are unmarried and only 2.7 per cent beneficiaries are widow. Further, it is found that married persons are participating in SHGs more actively than any other beneficiaries.

Table-6: Marital Status of the Sample Households

Marital Status	No. of Household	% to Total
Unmarried	36	6.8
Married	478	90.5
Widow	14	2.7
Total	528	100

Source- Primary data

g) Economic Status of the Sample Households

Table-7 reflects the distribution of the sample households on the basis of economic status. In the present research the economic status is discussed under two heads such as BPL and the non-BPL or APL.



Table- 7:Distribution of Sample Respondents by Economic Status

Category	No. of Sample respondents of Puri District	% to Total
BPL	489	92.61
Non- BPL	39	7.39
Total	528	100

Source- Primary data

Notes: A. BPL refers to people below the government specified poverty line. , Poverty line income was kept at Rs. 65.75 per day which was the benchmarked poverty line followed by Government of India.

It is observed that out of 528 respondents, 489 (92.61%) are from below the poverty line (BPL) and only 7.39 per cent are from non-BPL category. This clearly indicates that the respondents are mostly from the BPL category. In order to bring the poorest of the poor above poverty line, Micro finance initiatives through self help groups must be extended on a large scale.

h) Size of Landholding of Sample Households

Information is elicited from sample households on the size of the land they operate. The present research classifies the total sample in five categories in relation to status of land holding which is given below.

Table -8:Distribution of Respondents According to their Land Holding Size

Land holding size (in Acres)	No. of Sample respondents	% to Total
<1	112	21.21
1 – 3	262	49.62
3 – 5	44	8.33
>5	17	3.22
Landless	93	17.61
Total	528	100

Source- Primary data

As shown in Table-8, 17.61 per cent of the respondents are landless and 21.21 per cent possessed land upto 1 acre only. While 49.62 per cent of the respondents own between 1 and 3 acres of landed property, 8.33 per cent of respondents own between 3 and 5 acres and only 3.22 per cent of respondents possess more than 5 acres of landed property. This indicates that almost all of the SHG members are either landless or small or marginal farmers.

i) Educational Status of the Beneficiaries of the Sample Households

The availability and usage of any system depends on the level of understanding by the people for whom the system is meant for. Further the members can take advantages of any system if they are well educated to understand and take advantages accordingly. But the incidence of illiteracy in remote rural areas is a matter of serious concern. Further, high incidence of illiteracy among the SHG members caused higher dependency on leaders, poor record keeping and inability to meet the demand for loans (Shylendra , 2004). Illiteracy is a big obstacle in growth of SHGs.

The distribution of respondents by their educational status is depicted in Table-9.

Table -9:Education-wise Distribution of Sample Beneficiaries

Educational Qualification	No. of Sample respondents	% to Total
Illiterate	227	42.99
Primary	183	34.66
Secondary	78	14.77
Higher Secondary	38	7.20
Graduation or above	02	0.38
Total	528	100

Source- Primary data

As far as literacy level of the respondents under study is concerned, 57.01 per cent of the respondents are literates, while 42.99 per cent are illiterate. Out of 528 respondents, 34.66 per cent have studied upto primary level, 14.77 per cent upto



secondary level and 7.2 per cent till higher secondary standard. Only 0.38 per cent of the respondents are found to possess a graduate degree.

J) Income status of sample Households

The economic background of the 528 sample respondents is described in Table-10

Table -10: Distribution of Sample Respondents by Daily Income Per-Capita

Income Class (Per Capita per Day in Rs.)	No.of Sample respondents	% to Total
0 – 50	353	66.86
51 – 100	148	28.03
101 – 150	27	5.11
Above 150	0	0.00
Total	528	100

Source- Primary data

Out of the total respondents, while 66.86 per cent are earning per day Income up to Rs.50/- , 28.03 per cent found to be earning from Rs.51 to Rs.100 a day (Table- 10). The income distribution in the district also indicates inequitable distribution pattern. While none of the respondents is found to be in the income class above Rs.150. It may, therefore, be construed that most of the sample respondents belong to BPL (Below Poverty Line) category.

k) Savings Status of Sample Households

Table-11: Distribution of Sample Respondents by Monthly Savings Contributed

Savings (Per Capita per month in Rs.)	No. of Sample respondents	% to Total
30	82	15.53
31 – 60	118	22.35
61 – 100	304	57.58
> 100	24	4.54
Total	528	100

Source- Primary data

Out of the total sample respondents in Puri district,15.53 per cent of respondents have saved up to Rs. 30 a month (Table-11) while 22.35 per cent of respondents save from Rs.31 to Rs.60, 57.58 per cent save between Rs.61 and Rs.100 and only 4.54 per cent save above Rs.100 per month.

From the analysis of socio-economic profile of the sample respondents, it is observed that more than half of the respondents belong to socially disadvantaged groups like SEBC, SC and ST. Most of the respondents are landless labourers, marginal farmers and small farmers with an income below poverty line. The respondents are less educated and lack scientific temper. Among the literate respondents, most of them have only primary education which is not sufficient to understand about the SHGs functioning and record keeping. Thus, it may be pointed out that the district needs special attention for improvement of education, employment and income so as to join the mainstream of development.

VII.RESULTS & DISCUSSIONS

The important findings that emerged from the present study are noted below.

a)Impact on Employment Generation

No doubt that any financial assistance, if utilized properly, generates gainful employment opportunities in the rural economy. It was found that the sample respondents also got gainful employment opportunities. Thus employment situation in the pre and post SHG periods for the sample beneficiaries is discussed below.

It is found that the overall growth of employment during Pre and Post-SHG periods is 30.56 per cent. But the growth of employment across activities is different. In case of Pisciculture, there is highest percentage of increase in employment i.e.



61.96 per cent and in case of 'Trade and commerce' there is lowest percentage increase in employment. So far as growth of employment is concerned, Pisciculture is followed by Food Processing, Household Industry and Commercial farming where growth of employment is more than the average growth. On the other hand, 'Trade and commerce' followed by 'Livestock' and 'Others' have growth of employment less than the average growth. In case of 'Agriculture' the growth of employment is 23.93 per cent. Though the growth of employment is less than the average growth yet, a large section of the population is engaged in agriculture. So, agriculture still dominates the employment absorbing sector of the economy. To know the significant difference in employment between pre and post-SHG period, Paired t-test is applied and the results are shown in Table-12

Null Hypothesis – H_0 : There is no difference in the average employment generation between Pre and Post- SHG Periods.

Alternative Hypothesis - H_1 : There is a difference in the average employment generation between Pre and Post- SHG Periods.

Paired t-test has been applied to test the statistical significance of the hypotheses.

$$t = \frac{\bar{d} - \mu_d}{\frac{sd}{\sqrt{n}}}$$

Where, n = Number of Paired Observations

df = n-1, degrees of freedom

\bar{d} = Mean of the difference between Paired (or related) Observations.

n = Number of Pairs of differences.

Sd = Sample Standard deviation of the distribution of the difference between the Paired (or related Observations)

The Null and Alternative hypotheses are re-stated as follows.

H_0 : $\mu_d=0$

H_1 : $\mu_d \neq 0$

Decision Rule- If the calculated value is more than its critical value of t at a specified level of significance and known degrees of freedom, then, the Null hypothesis is rejected.

Table-12: Impact of SHG on Average Employment Situation

Economic Activity	Average Employment Generated in Person days during Pre-SHG	Average Employment Generated in Person days during Post-SHG	Increase in Employment	% Increase in Employment	't' Value
Agriculture	163	202	39	23.93	3.29*
Commercial Farming	192	278	86	44.79	3.56*
Food Processing	160	255	95	59.38	4.3*
Pisciculture	184	298	114	61.96	6.13*
Livestock	125	138	13	10.40	0.74
Household Industry	175	263	88	50.29	6.22*
Trade & Commerce	288	302	14	04.86	0.48
Others	202	240	38	18.81	0.73
Overall	180	235	55	30.56	4.374

Source- Compiled from the data collected, * Significant at 1% level.

Since the calculated value of t (4.374) for overall activities is higher than the tabulated value (2.365) at 5 per cent level of significance, the Null hypothesis is rejected. We therefore conclude that there is significant difference in employment generation between Pre & Post SHG Periods. In other words, there is a significant change in the generation of employment due to participation in SHG.



Activity wise results reveal that except livestock, Trade & Commerce and Others, all other activities generated a significant employment opportunities due to SHG participation. Activities like agriculture, Commercial Farming, Food Processing, Pisciculture and Household industry therefore are found to have potential to generate additional employment opportunities in the district.

A look at this data makes us infer that the loans provided by SHGs are productive and efficient in generation of employment to rural farm and non-farm (activities) workers in general.

b) Impact on Generation of Income

There is a functional relationship between generation of Income and employment and the potential of employment can be judged by the amount of income generated in any activity. Before analysing the impact of SHGs on generation of income, the following section presents the income of the sample respondents during Pre and Post-SHG periods.

It is evident from the table-13 that, the SHGs had a favourable impact on generation of Income in the study area. The average income of all respondents taken together stands at Rs.25,942 which is sufficient to reduce the intensity poverty. No doubt the income generation varies from activity to activity and each activity has its own capacity to generate income. The data also reveal this fact. Income generated in the selected activities shows that it varies from Rs. 14,440 per annum in case of Agriculture to Rs. 44,330 in case of Trade & Commerce, Pisciculture, Commercial farming and Household Industry are proved efficient activities as these activities have generated average income of Rs. 39,250, Rs. 33,360 and Rs. 28,240 respectively per beneficiary in a year. The members engaged in food processing could receive an average income of Rs. 25,120 followed by Rs. 21,170 in other activities and Rs. 19,200 in livestock.

It is found that the overall growth of income is 57.72 per cent. But it is different from activity to activity. In livestock the generation of income is found lowest. Activities like commercial farming, Pisciculture, Trade & Commerce, Food processing, Household Industry are found to have generated income higher than the overall increase in income. Activities like livestock and agriculture have income growth less than the overall growth. To know the significant difference in income between pre and post-SHG period, Paired t-test is applied and the results are shown in Table-13

Table-13: Impact of SHG on Average Income during Pre and Post SHG Periods

Economic Activity	Average Income Generated in Rs during Pre- SHG	Average Income Generated in Rs during Post- SHG	Increase in Income	% Increase in Income	't' value
Agriculture	11,400	14,440	3,040	26.67	12.56*
Commercial Farming	16,650	33,360	16,710	100.36	5.34*
Food Processing	15,200	25,120	9,920	65.26	7.97*
Pisciculture	22,450	39,250	16,800	74.83	5.55*
Livestock	18,350	19,200	850	4.63	0.796
Household Industry	17,300	28,240	10,940	63.24	5.99*
Trade & Commerce	25,700	44,330	18,630	72.49	5.303*
Others	10,250	21,170	10,920	106.54	3.37*
Total Average	16,447.63	25,941.76	9,494.13	57.72	4.806

Source- Compiled from the data collected. *Significant at 1% level.

Since the calculated value of t is much higher than the tabulated value. The Null Hypothesis is rejected. We therefore conclude that there is significant difference in generation of income between Pre and Post-SHG Periods. Activity wise results reveal that all the activities except livestock are proved effective in generating income. The activities like agriculture, commercial farming, food processing, pisciculture, household industry, trade & commerce have significant potential in generating income in the district of Puri.

To know whether the increased income in different activities is due to SHGs or due to other factors, we have to verify it through Linear Regression (OLS) Estimation.

$$Y = \beta_1 + \beta_2 \text{MSHG} + \beta_3 \text{LPROP} + \beta_4 \text{EDUYS} + \beta_5 \text{ALRUP} + \beta_6 \text{HDASSET} + \beta_7 \text{PNREGS} + \beta_8 \text{RDMIM} + \beta_9 \text{RAGED} + \beta_{10} \text{SAPLD} + \beta_{11} \text{SGHHD} + U$$



Where Y = Income of the sample respondents.
MSHG =Member of SHG = 1 and Non-member = 0
LPROP =Landed Property in acres
EDUYS =Education –Years of schooling
ALRUP =Amount of loan in rupees
HDASSET =Holding of assets in rupees
PNREGS =Participation in NREGS dummy takes value 1 and 0 otherwise
RDMIM =Dependency Ratio (Ratio of dependent members to independent members)
RAGED =Age of the respondent
SAPLD =Economic Status dummy taking values 1for APL and 0 for BPL
SGHHD =Gender of the Head of the Household if male =1 and 0 for female
U =Error Term

Table - 14: Factors determining Income of the Respondents: Regression Results

Dependent variable Y=Income of the respondents	Regression Co-efficient	t-value
Independent Variables		
MSHG	0.27	4.57*
LPROP	0.25	3.59*
EDUYS	0.08	1.48
ALRUP	0.17	4.72*
HDASSET	0.12	3.99*
PNREGS	0.24	5.32*
RDMIM	-0.08	3.10*
RAGED	0.06	0.58
SAPLD	0.12	5.12*
SGHHD	0.03	1.73
Constant	0.135	
R ²	0.673	

Notes- * indicates significance at 1% level.

From the above analysis, it indicates that the variables, member of SHG, Landed property, Year of schooling, Amount of loan, Holding of Assets, Participation in NREGS, Age of the respondents, Economic status and Gender of the head of the household are showing positive regression co-efficients whereas ratio of dependent members to independent members is showing negative regression co-efficient and the t-value in case of SHG member, Landed property, Amount of Loan, holding of assets, participation in NREGS, Dependency ratio, and economic status which yields significant results. Thus it is concluded that though other factors are contributing to the increase in income yet, SHGs contribution is significant. The regression co-efficient of SHG participation is 0.673, which indicates that the income of the respondents has been increased by 67.3 per cent due to SHG participation.

It is interesting to note that the SHG beneficiaries productively make use of their increased income. 39.2 per cent of the respondents reinvested their income on activities in which they are engaged, 9.66 per cent of them revealed that a major part of the income generated was utilized for educating their children and 10.61 per cent of them spent it on health care. 24.81 per cent of the respondents told that income generated was spent for meeting the consumption expenditure and 15.72per cent told that income generated was used for creation of new assets. In general, the field experiences reveal that the strategy of SHGs is productive enough and had a favourable effect on employment and income generation. It is also observed that there is a quality improving effect on the families of sample respondents because majority of the beneficiaries utilized the income generated either for investing or improving the educational and health requirements. These expenditures resulted in qualitative improvement of human resources or in short it leads to human development.



Table -15: Use of Income Generated

Use of Income	No. of Respondents reported	% to Total
Reinvested in the activity	207	39.20
Spent on Consumption Expenditure	131	24.81
Spent on Education	51	9.66
Spent on Health	56	10.61
Creation of New Assets	83	15.72
TOTAL	528	100

Source- Compiled from the data collected.

c) Social Impact of SHGs

The increase in income and employment has also resulted in harmonious and healthy social impacts. The responses given in the table indicate that the SHGs movement has a considerable impact on social life of the members, although slow and small.

Table-16: Views of Respondents on Social impact of SHGs

Sl. No.	Social impact	No. of respondents out of Total (528)	% to Total
1.	Increase in social relations	278	52.65
2.	Sense of responsible citizen	149	28.22
3.	Development of leadership qualities	282	53.22
4.	Responsiveness to social changes	159	30.11
5.	Co-operative and positive attitude	309	58.52
6.	Knowledge and information	177	33.52
7.	Self-confidence and courage	302	57.20
8.	Participation in social activities	337	63.83
9.	Personality Development	313	59.28

Source- Compiled from the data collected.

The present study reveals that 58 per cent respondents have learnt the lessons of co-operation and positive thinking after joining SHGs. 28.22 per cent members have developed sense of responsible citizens, 30.11 per cent have positive response to social changes, 57.20 per cent have self-respect and self-confidence and 53.22 per cent have developed leadership qualities. So it is evident that Self Help Groups are instrumental in all round development of so far under privileged and neglected sections of the society.

The members particularly women members are coming forward in exchanging their ideas, feeling and sharing the moments of happiness as well as sorrows with co-members. The members try to solve individual problems and extend helping hand to the needy members. The group members are found enough confident about their progress. Rural women are coming together and joining the process of their development.

It is found that women groups are engaged in rooting out the social ills such as, alcoholism, dowry, child marriages etc. Impact of Self Help Groups can be observed in the form of increased functional literacy. Most of the members are able to read and sign the documents of the group. Members have become aware about rules and regulations, business meetings and their rights and duties. Thus the strategy of SHG has intervened in uplifting the socio-economic conditions of the members and helped overall development of the economy.

D) Problems of SHGs

The SHGs are facing a number of problems while undertaking income generating activities. It is observed that 26.14 per cent of the total sample respondents perceived marketing as the main problem whereas 53.22 per cent experienced problems pertaining to timely and adequate availability of finance. While 12.31 per cent of respondents perceive product and its quality and 6.25 per cent perceive infrastructure as the main problem in the successful implementation of their self-employment ventures, only 2.08 ascribed facilitators' support as the problem area.



Difficulty Categories	No. of Sample Respondents	% to Total
Marketing	139	26.14
Finance	281	53.22
Product and Quality	65	12.31
Infrastructure	33	6.25
Facilitators' support	11	2.08
Total	528	100

Source- Primary data.

VIII. SUGGESTIONS & POLICY IMPLICATIONS

On the basis of the above findings the following suggestions are made for successful working of the SHGs.

- A careful selection of key activities in a particular area based on local physical and human resources and market demand is vital for the successful operation of micro enterprises.
- The selected activities under the programme should have the potential of generating income and employment sustained over a period of time helping the beneficiaries to effectively cross the poverty line and thereby rural development can be made. While preparing project reports for assistance under SGSY, the emphasis should be on aspects like availability and access to training, credit, technology, infrastructure and marketing facilities.
- In almost all the SHGs surveyed, the members are found to take up individual activities without carrying out a detailed feasibility analysis of the economic unit. This indicates that groups have only satisfied the objective of economic activation without fulfilling the criterion of social mobilization. It is understood this individualistic approach within the SHGs without a strong social mobilization would affect the sustainability of the employment venture taken up in a rural set up.
- Emphasis should be laid on participatory decision making while mapping the local resources, identifying and selecting economic activities. Field level programme monitoring mechanism should not only examine periodically the progress made by the beneficiaries in acquisition of assets, management of the economic unit and generation of income and employment from the unit along with its sustainability but also monitor the quality of operation of the SHGs.
- Efforts are to be made to expand rural bank network and to increase the access to these bank branches by linking more and more quality groups with them.
- The group should have regular meetings where the amount of contribution towards thrift is fixed and the interest rate to be charged on loans disbursed out of group corpus is arrived at. The group shall have to guarantee the repayment by the member borrower and decide the penalty to be levied on the defaulters. The group should formulate its own norms for sustainable development and should strive to follow the rules and regulations devised by them.
- The group should maintain proper accounts of their thrift collected and loans distributed amongst the members.
- For sustainability of SHGs, the government needs to set up educational awareness and skill amongst the client beneficiaries. An improvement in the literacy status is also needed to maintain simple basic records of the group such as Minutes book, Attendance Register, Loan Ledger, General Ledger, Cash Book, Bank Pass Book and individual pass books. The SHG member borrower should have awareness on the interest charged, amount of equated monthly installment to be paid to the bank and the detailed composition of the installment (i.e. principal and interest.). This is possible only if the members are imparted financial literacy through a basic orientation training followed by awareness generation programme on credit management.
- The study clearly highlights the policy implications like enhancement of necessary infrastructure in the backward regions, enhancement of education, capacity building and skill up-gradation, effective monitoring of investment activities by both the government and bank officials are the need of the hour. Thus, the immediate and imminent policy implication is to identify and narrow down problem areas under the programme, target the identified regions, ensure proper co-ordination amongst field level agencies to enhance the income and employment opportunities for the disadvantaged and deprived people in the rural areas of Puri district.



The present study prescribes a number of suggestions but the most important ones are mentioned below.

- Provision of adequate and timely finance.
- Sufficient Infrastructure
- Capacity Building
- Skill Upgradation
- Creation of adequate marketing facilities.
- Effective supervision and monitoring of investment activities.
- Strong political will
- Inspection of the end use of the loan.

IX. CONCLUSION

From the analysis it is construed that the self Help Groups have emerged as a powerful instrument for rural development. Especially, the SHGs in Puri District have brought the disadvantaged and vulnerable groups into the realm of development through the provision of finance and other inputs. The beneficiaries of these groups have been able to generate additional income and employment by utilising the funds in various income generating activities. It has not only developed the saving habit of the members of the group but also helped them in repaying the loan timely. Besides, the SHG-Bank linkage programme has offered ample opportunities for closer interaction between the banks and the members of the group. In fact, the state Government, banks and NGOs have helped in promoting SHGs but these functionaries ought to act as the facilitators and promoters of SHGs rather than mere financiers or providers of other inputs with a view to making the SHG movement effective and vibrant. Unless these functionaries serve the rural poor with strong urge and devotion, the purpose of SHGs will be defeated. It is therefore imperative to take a holistic approach to bring about rural development which will in turn foster economic development of the country. Thus, it is suggested that provision of adequate and timely finance, sufficient infrastructure, capacity building and skill up-gradation, creation of adequate marketing facilities, effective supervision and monitoring of investment activities, strong political will and inspection of the end use of the loan will not only foster rural development but also go a long way in attaining inclusive growth in India.

Notes: In the study area the sample beneficiaries are engaged in different income generating activities. For the sake of simplicity and convenience, all the economic activities have been grouped into eight sub heads.

- Agriculture includes cultivation of Paddy, Pulses and Turmeric.
- Commercial Farming includes production of Sugarcane, Betel leaves, Mushroom, Vegetables and fruits such as Coconut, Cashew, Sapota, Jackfruit, Pineapple, Guava, Lemon and Orange.
- Food Processing includes Rice making, Arisha & Kakara pitha preparation, Juice, Sauce, Jelly, Jam, Pickle preparation, Buddy, Papad & Mixture making, Chips & Muduki making, Biscuit and Mudhi making, Tamarind processing.
- Pisciculture includes Fresh water Fishery, Marine Fishery, Prawn culture, Dry fish
- Livestock includes Dairy, Goat and Sheep rearing, Poultry, Piggery, Bee keeping.
- Household Industry includes Making of Agarbatti, Bag, Balita, Basket, Broom, Candle, Chandua & Cloth appliqué, Coir rope, Furniture, Handicraft, Phenyl preparation, Pottery and Terracotta, Toy and appliqué, Rice/Flour Huller.
- Trade & Commerce includes Cloth shop, Imitation jewellery shop, Fertiliser & Pesticide storage and selling, Flower vending, Grocery Business, Sweet shop and Stationary shop.
- Others include cycle repairing, net weaving, Brick kiln, Laundry, Catering Services, Mid-Day meal cooking, Tent house, Sea shell and Shipa

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