

## EFFECTIVE GROUP WORK IS THE KEY FOR THE SUCCESS, GROWTH AND SURVIVAL OF SELF HELP GROUPS: AN EMPIRICAL VIEW

B. C. M. Patnaik\*, Ipseeta Satpathy\*

bcmpatnaik@gmail.com

### ABSTRACT

*Self Help Groups which are small and informal associations of poor people having preferably similar socio-economic background and who have come together to realize some common goals based on the principles of self-help and collective responsibility. The present paper is an attempt to examine the impact of effective group work for the success, growth and survival of SHGs with the objective of appraising its impact on employment, income, health and education of the group members. It was found that through effective group work has not only increased the saving habit of the poor but also helped in reducing the intensity of poverty. It has been helpful in removing illiteracy and making people health conscious. The linkage programmes between Self Help Groups and banks have extended wider opportunities for closer interaction between banks and group members. As a result, the poor masses have been able to earn their living, generate self-employment and uphold their living standards. In other words, effective group work has contributed immensely towards success, growth and survival of SHGs.*

### INTRODUCTION:

One of the significant innovations- and now it has been so much embraced by the banking sector and the state that it no longer looks like an innovation- has been the concept of Self Help Groups (SHGs). Strictly speaking, even SHGs were not as much as innovation as they were an improvisation of the informal systems that existed in the society. But, never the less, an SHG has to be treated as an innovation from the point of view of the formal financial sector because for the first time something like group collateral was accepted by the banking system as a surrogate for the traditional collaterals that they were used to. The reason why we call SHGs an improvisation rather than an innovation because they run on the basic principle of a chit fund or a *bishi*. All most important piece in all this was that SHGs did not ignore the markets in tow most significant ways. They set interest rates on loans near the informal lending rates of their areas ( in most places

at around 24% p.a.) , reducing the possibility of arbitrage, second, they soon lined with the banks and brought the mainstream market players in to the operations. Thus, SHG movement in India, which is uniquely Indian, went much beyond *bishis* and can be truly called the innovation that emerged from the grassroots and later replicated elsewhere. The fallout of SHGs movement in Alwar (Rajasthan) where PRADHAN promoted SHGs may be of interest here. Women, who were enterprising and grew fast, soon realized that their group would not be in a position to meet the increased needs of their individual enterprise. At the same time, they needed the group for savings and other smaller loans. Some the women from the diverse groups got together to set up what they called a 'company' which was more like *bishi*, a self-liquidating meta group that operated functionally till the women could meet their needs. This is taking lessons out of the SHGs and applying them in different frame, as effectively.

\*Associate Professors; KIIT University, Bhubaneswar (Odisha)

**OBJECTIVES OF THE STUDY:**

- To know impact of Group work in Self help groups
- To study the impact of SHGs in Rural area.

**RESEARCH METHODOLOGY:**

With reference to the selection of the research universe the state of Odisha has been selected with specifications to the compulsions of the geographical territory, linguistic boundary, and administrative settlement commonness.

Odisha is an Eastern Indian state, the state boundaries are on the Bay of Bengal Sea. South-Andhra Pradesh, West -Chhatisgarh and Jharkhand, North- West Bengal having a total area of 1,55,707 Square Kilometers with total population of 36,706,920 ( as per Indian census survey-2001) , population density 236 per Square Kilometers, Sex Ratio 972 literacy rate of 63.61%. The state is comprising of 30 districts (Administrative Divisions) and 58 Sub-Divisions.

**Sampling plan**

In support to the objective of the research there is a primary research through questionnaire administration method in the field through stratified random sampling method covering the

- Ganjam
- Gajapati and
- Balasore

districts of Odisha through regional, geographical, economic, cultural, lingual and settlement wise.

Total 300 questionnaires served and 162 responded.

**Respondents' perception with regard to effective Group work for the success, growth and survival of SHGs**

To measure the perception level of the participants with regard to effective group work of SHGs the various variables identified as group work in SHGs has reduced the incidence of poverty through increase in income , group work in SHGs has enabled the poor to build assets and thereby reduced their vulnerability, group work in SHGs enabled the households that access to it to spend more on education than non-client households, family participating in the program have reported better school attendance and lower drop outs, empowered women by enhancing their contribution to households income and increasing the value of assets, group work in SHGs given the women better control over decisions that affects their life, contributed to reduce dependency on informal money lenders and other non-institutional sources and facilitated significance research in to the provisions of financial services for the poor and helped in building capacity at self help group level. In this regard we have been assigned as +3,+2,+1,0 and -1 for the responses of the respondents " Completely agree", " Agree", " Neutral, " Disagree" and " Completely disagree" respectively. Final scores for each feature are calculated by multiplying the number of response by the weights of the corresponding response.

**Calculation of respondents' perception: Ideal and Least scores**

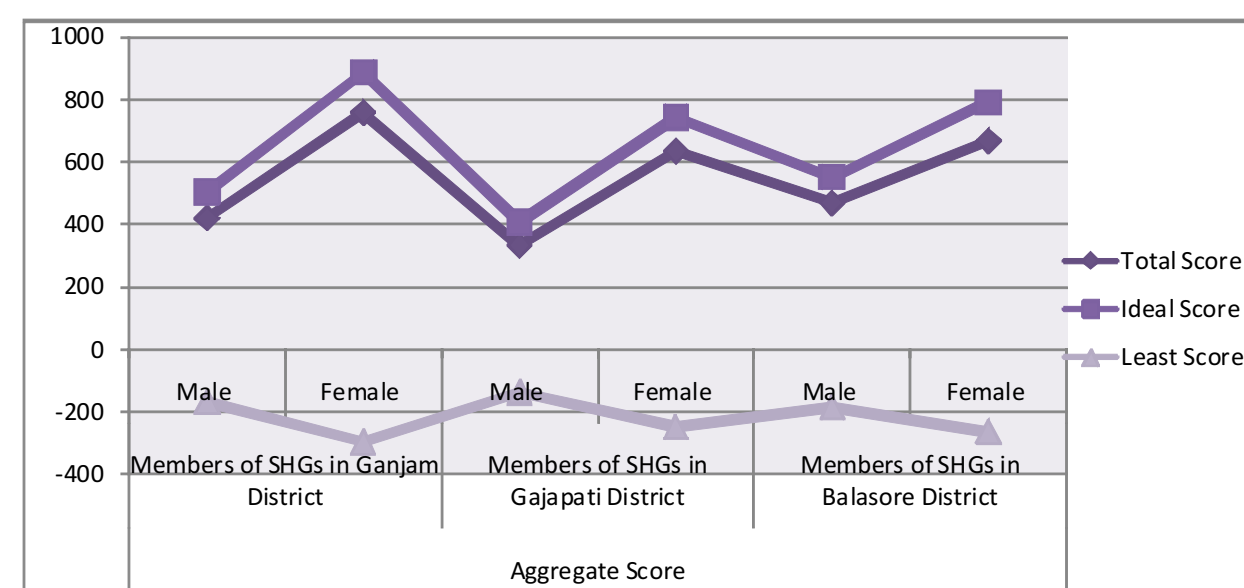
Ideal scores are calculated by multiplying the number of respondents in each category with (+3) and product with total number of attributes. Least scores calculated by multiplying the number of respondents in each category with (-1) and the product with number of attributes in the questionnaires.

*Table-1: The components of sample size*

Area	Questionnaire served	Response received	Male	%	Female	%
Ganjam	100	58	21	36.21	37	63.79
Gajapati	100	48	17	35.42	31	64.58
Balasore	100	56	23	41.07	33	58.93
Total	300	162	61		101	

Table-2: Computation of ideal score and least scores for the respondents of Ganjam, Gajapati and Balasore districts of Odisha

Category	Equation	Ideal score	Equation	Least score
Male respondents of Ganjam	$21 \times 3 \times 8$	504	$21 \times -1 \times 8$	-168
Female respondents of Ganjam	$37 \times 3 \times 8$	888	$37 \times -1 \times 8$	-296
Male respondents of Gajapati	$17 \times 3 \times 8$	408	$17 \times -1 \times 8$	-136
Female respondents of Gajapati	$31 \times 3 \times 8$	744	$31 \times -1 \times 8$	-248
Male respondents of Balasore	$23 \times 3 \times 8$	552	$23 \times -1 \times 8$	-184
Female respondents of Balasore	$33 \times 3 \times 8$	792	$33 \times -1 \times 8$	-264



#### FINDINGS OF THE STUDY:

Findings of the study are as under. The tables are formed on the basis of questions contained in the questionnaires

#### Interpretation

In the present case the total scores of male and female respondents of Ganjam, Gajapati and Balasore are 421, 758, 332, 634, 469, 667 as against the ideal scores of 504, 888, 408, 744, 552, 792 respectively. In no case the total scores are touching the least score. The perception level is more in case of in case of female respondents of Gajapati and similarly lowest in case of male Gajapati. However the perception levels in all cases are more than 81%. Hence the role of group work is important for the survival, growth and success of SHGs.

#### Conclusion

SHGs are predominating as an important instrument for rural development. It has not only augmented the saving habit but also assisted in scaling down the intensity of poverty. Further, it has been facilitative in moving out illiteracy and making people health conscious. The linkage programmes between Self Help Groups and banks have extended wider opportunities for more one-on-one interactions between banks and group members. As an outcome, the poor masses have been capable of earning their livelihood, generating self-employment and upholding their living standards with the aid of Self Help Groups. No doubt, the Government, banks, financial institutions and Non Governmental Organizations have helped a great deal in the promotion of Self Help Groups however, in order to make this social

Table-3: Response of the respondents

Attributes	Members of SHGs in Ganjam District		Members of SHGs in Gajapati District		Members of SHGs in Balasore District	
	Male	Female	Male	Female	Male	Female
	Aggregate Score		Aggregate Score		Aggregate Score	
Group work through SHGs has reduced the incidence of poverty through increase in income	49	88	38	66	60	86
Group work through SHGs enabled the poor to build asset and thereby reduce their vulnerability.	54	90	43	80	53	82
Group work through SHGs enabled the households that access to it to spend more on education than non-client households.	51	82	42	78	60	81
The children of families participating in the program have reported better school attendance and lower dropouts due to group work through SHGs	53	103	44	82	59	90
Group work through SHGs empowered women by enhancing their contribution to household income and increasing the value of assets.	59	100	44	88	60	89
Group work through SHGs given the women better control over decisions that affects their life.	52	98	42	81	59	90
Group work through SHGs contributed to reduce dependency on informal money lenders and other non-institutional sources.	54	95	39	86	62	73
Group work through SHGs facilitated significance research in to the provision of financial services for the poor and helped in building capacity at self help group level	49	102	40	73	56	76
<b>Total Score</b>	<b>421</b>	<b>758</b>	<b>332</b>	<b>634</b>	<b>469</b>	<b>667</b>
<b>Ideal Score</b>	<b>504</b>	<b>888</b>	<b>408</b>	<b>744</b>	<b>552</b>	<b>792</b>
<b>Least Score</b>	<b>-168</b>	<b>0296</b>	<b>-136</b>	<b>-248</b>	<b>-184</b>	<b>0264</b>
<b>No. of respondents</b>	<b>21</b>	<b>37</b>	<b>17</b>	<b>31</b>	<b>23</b>	<b>33</b>

Source: Annexure A, B, C, D, E & F.

movement genuinely significant and successful the administrations and authorities at different levels have to intervene extensively not as financiers or providers of other inputs but as facilitators and promoters. Unless and until the policy-making governmental functionaries serve the rural poor

with primary urgency and devotedness, these institutions may not succeed in accomplishing the success of human development. However this can be possible only through group initiatives which is found out in the survey.



Annexure -A (21)

Attributes	Opinion of male members of SHGs in Ganjam					Score
	Strongly agree 3	Agree 2	Neutral 1	Disagree 0	Strongly disagree -1	
Effective group work in SHGs has reduced the incidence of poverty through increase in income.	14	3	2	1	1	49
Effective group work in SHGs enabled the poor to build asset and thereby reduce their vulnerability.	16	2	2	1	0	54
Effective group work in SHGs enabled the households that access to it to spend more on education than non-client households.	15	3	1	1	1	51
The children of families participating in the program have reported better school attendance and lower dropouts due to effective group work in SHGs.	17	1	1	1	1	53
Effective group work in SHGs empowered women by enhancing their contribution to household income and increasing the value of assets.	18	2	1	0	0	59
Effective group work in SHGs has given the women better control over decisions that affects their life.	17	1	1	0	2	52
Effective group work in SHGs contributed to reduce dependency on informal money lenders and other non-institutional sources.	17	2	0	1	1	54
Effective group work in SHGs facilitated significance research in to the provision of financial services for the poor and helped in building capacity at self help group level.	15	2	1	2	1	49

Source: Compiled from filed survey

Annexure -B (21)

Attributes	Opinion of female members of SHGs in Ganjam					Score
	Strongly agree 3	Agree 2	Neutral 1	Disagree 0	Strongly disagree -1	
Effective group work in SHGs has reduced the incidence of poverty through increase in income	27	3	3	2	2	88
Effective group work in SHGs enabled the poor to build asset and thereby reduce their vulnerability.	28	2	4	1	2	90
Effective group work in SHGs enabled the households that access to it to spend more on education than non-client households.	26	3	2	2	4	82
The children of families participating in the program have reported better school attendance and lower dropouts due to effective group work in SHGs.	32	3	1	1	0	103
Effective group work in SHGs empowered women by enhancing their contribution to household income and increasing the value of assets.	31	2	3	1	0	100
Effective group work in SHGs has given the women better control over decisions that affects their life.	29	4	3	1	0	98
Effective group work in SHGs contributed to reduce dependency on informal money lenders and other non-institutional sources.	29	5	2	1	1	95
Effective group work in SHGs facilitated significance research in to the provision of financial services for the poor and helped in building capacity at self help group level.	31	4	1	1	0	102

Source: Compiled from filed survey

Annexure -C (17)

Attributes	Opinion of male members of SHGs in Ganjam					Score
	Strongly agree 3	Agree 2	Neutral 1	Disagree 0	Strongly disagree -1	
Effective group work in SHGs has reduced the incidence of poverty through increase in income	10	2	4	1	0	28
Effective group work in SHGs enabled the poor to build asset and thereby reduce their vulnerability.	12	3	1	1	0	43
Effective group work in SHGs enabled the households that access to it to spend more on education than non-client households.	11	4	1	1	0	42
The children of families participating in the program have reported better school attendance and lower dropouts due to effective group work in SHGs.	13	2	1	1	0	44
Effective group work in SHGs empowered women by enhancing their contribution to household income and increasing the value of assets.	14	1	1	0	1	44
Effective group work in SHGs has given the women better control over decisions that affects their life.	13	1	1	1	1	42
Effective group work in SHGs contributed to reduce dependency on informal money lenders and other non-institutional sources.	11	3	1	1	1	39
Effective group work in SHGs facilitated significance research in to the provision of financial services for the poor and helped in building capacity at self help group level.	10	4	2	1	0	40

Annexure -D (31)

Attributes	Opinion of female members of SHGs in Gajapati					Score
	Strongly agree 3	Agree 2	Neutral 1	Disagree 0	Strongly disagree -1	
Effective group work in SHGs has reduced the incidence of poverty through increase in income	18	5	4	2	2	66
Effective group work in SHGs enabled the poor to build asset and thereby reduce their vulnerability.	22	6	2	1	0	80
Effective group work in SHGs enabled the households that access to it to spend more on education than non-client households.	23	4	2	1	1	78
The children of families participating in the program have reported better school attendance and lower dropouts due to effective group work in SHGs.	26	2	1	1	1	82
Effective group work in SHGs empowered women by enhancing their contribution to household income and increasing the value of assets.	27	3	1	0	0	88
Effective group work in SHGs has given the women better control over decisions that affects their life.	26	1	2	1	1	81
Effective group work in SHGs contributed to reduce dependency on informal money lenders and other non-institutional sources.	25	5	1	0	0	86
Effective group work in SHGs facilitated significance research in to the provision of financial services for the poor and helped in building capacity at self help group level.	20	6	2	2	1	73

Source: Compiled from filed survey



Annexure -E (23)

Attributes	Opinion of male members of SHGs in Balasore					Score
	Strongly agree 3	Agree 2	Neutral 1	Disagree 0	Strongly disagree -1	
Effective group work in SHGs has reduced the incidence of poverty through increase in income	18	2	2	1	0	60
Effective group work in SHGs enabled the poor to build asset and thereby reduce their vulnerability.	16	2	2	2	1	53
Effective group work in SHGs enabled the households that access to it to spend more on education than non-client households.	17	4	1	1	0	60
The children of families participating in the program have reported better school attendance and lower dropouts due to effective group work in SHGs.	19	1	1	1	1	59
Effective group work in SHGs empowered women by enhancing their contribution to household income and increasing the value of assets.	18	2	2	1	0	60
Effective group work in SHGs has given the women better control over decisions that affects their life.	16	5	1	1	0	59
Effective group work in SHGs contributed to reduce dependency on informal money lenders and other non-institutional sources.	19	2	1	1	0	62
Effective group work in SHGs facilitated significance research in to the provision of financial services for the poor and helped in building capacity at self help group level.	18	1	1	2	1	56

Source: Compiled from filed survey

Annexure -F (33)

Attributes	Opinion of female members of SHGs in Balasore					Score
	Strongly agree 3	Agree 2	Neutral 1	Disagree 0	Strongly disagree -1	
Effective group work in SHGs has reduced the incidence of poverty through increase in income	26	4	1	1	1	86
Effective group work in SHGs enabled the poor to build asset and thereby reduce their vulnerability.	25	3	2	2	1	82
Effective group work in SHGs enabled the households that access to it to spend more on education than non-client households.	24	5	1	1	2	81
The children of families participating in the program have reported better school attendance and lower dropouts due to effective group work in SHGs.	28	2	2	1	0	90
Effective group work in SHGs empowered women by enhancing their contribution to household income and increasing the value of assets.	27	3	2	1	0	89
Effective group work in SHGs has given the women better control over decisions that affects their life.	26	5	2	0	0	90
Effective group work in SHGs contributed to reduce dependency on informal money lenders and other non-institutional sources.	19	8	2	2	2	73
Effective group work in SHGs facilitated significance research in to the provision of financial services for the poor and helped in building capacity at self help group level.	22	4	3	3	1	76

**REFERENCES:**

- Bagchi, Amiya Kumar (2004), "Rural Credit and Systemic Risk", in Ramachandran and Swaminathan
- C. P. Chandrasekhar, C. P., and Ray, Sujit Kumar (2004), "Financial Sector Reform and the Transformation of Banking", in Ramachandran and Swaminathan
- Chandrasekhar, C. P. and J. Ghosh, 2002. *The Market that Failed, A Decade of Neoliberal Economic Reforms in India*. New Delhi: Leftword Books.
- Chavan, P and R. Ramakumar, 2002, "Micro-credit and Rural Poverty: Analysis of Empirical Evidence", *Economic and Political Weekly*, 37, 10, pp 955-965.
- Chavan, Pallavi (2004), "Banking Sector Liberalization and the Growth and Regional Distribution of Rural Banking ", in Ramachandran and Swaminathan
- Chavan, Pallavi and Ramakumar, R. (2004), "Interest Rates on Micro-credit ", in Ramachandran and Swaminathan
- Dhanagare, D. N., 1990. 'Green Revolution and Social Inequalities'. In *Poverty and Income Distribution*, Ed K. S. Krishnaswamy, 266-288. Bombay: Oxford University Press for Sameeksha Trust.
- Dreze, J., 1990. 'Poverty in India and the IRDP Delusion'. *Economic and Political Weekly*, 25 (39): A95-A104.
- Government of India (GOI), 1993. *Economic Reforms, Two Years After and the Tasks Ahead*, New Delhi: Ministry of Finance, Department of Economic Affairs, Discussion Paper.