

Socio-economic Empowerment of Women through Self Help Groups: An empirical study in Odisha, India

Abstract

The past three decades have witnessed tremendous emphasis and policy support to the collectivization of women into self-help groups (SHG) for their socio-economic empowerment; consequently, there is a surge in the numbers of the SHGs in the country. The present study was undertaken in Khordha district of Odisha with 80 SHG women to reflect on the impact of being in SHG on incremental employment, income, expenditure, and savings. It also assessed how the decision-making ability of SHG members is influenced by different determinants. The constraints that challenge SHG were also evaluated. The majority of SHG members were able to get additional employment under different activities by SHG finance. All the members (100%) reported increased income after they join the SHGs. Gini ratio-a measurement of inequality has shown improvement from 0.489 to 0.154 after the women joined an SHG. An upward shift in expenditure has been observed as 85% of women after joining SHG expend more than INR 2000 compared to just 11.25% before they were part of the group. Before SHG inclusion, only 25% of women used to save INR 100 or more a month but post participation in SHG, 85.25% of members reported to have saved more than INR 100 every month. However even after joining SHG, both household and financial decision-making capacity is largely determined by education level of the women, age, the number is working days. Challenges in marketing products, competitive market environment, inadequate financial services, and lesser scope of business skilling opportunities are the major challenges, the SHGs face very often. A target-specific and well-directed supports from the government will act as an enabler for the sustainable growth of this SHG initiative.

Keywords: Collectivization, Gini ratio, **Inequality, financial decision-making**

Introduction

Women constitute half of the world's population and their participation plays a pivotal role in the sustainable development of society. Unfortunately, their access and control over key resources, the scope for decision making, workforce participation are restricted for ages compared to their male counterpart in the society. From a development perspective, women's development is recognized as an essential strategy to strengthen the well-being of individuals, families, and communities, government (Allahdadi, 2011). One of the major cited reasons for this dismal scenario is, women with poor resource endowment are scattered, marginalized; their capacities and potentialities are not appropriately nurtured and advanced for their wellbeing. Despite considerable progress in institutional credit expansion in past decades, Indian women, particularly from rural areas, owing to several socio-economic barriers have lesser ownership in the business, less access to formal financial services, have weak credit absorption capacity, and inadequate scope to participate in institutional interventions (Rangarajan Committee, 2008). Collectivization of women in the form of Self Help Group (SHGs¹) is a proven strategy to bring together the marginalized women and it provides greater economic opportunities and income (World Food Program, 2020). **Generally Self-Help Group consists of 10 to 20 women (M. Saravanan, 2016).** The socio-economic status of people improves with better financial access through SHG interventions (Atibudhi, H.N and Paul, S, 2013). **Today Self-help groups play a significant role in poverty alleviation in rural area (Mohanty and Sahu, 2020).** The SHG as a development idea was first mooted and

¹ Self-Help Group (SHG) is homogeneous affinity groups with common objective of enhancing their socio-economic conditions

practiced by MYRADA² (G K Basistha, 2018). It is scientifically established that women empowerment can be augmented through women involvement in SHG (Joshi, 2019). Moreover, women when in SHG are more likely to gain and practice health related advisories (Narasimha, 2016). Agarwal (2020) found out that women decision making power is greatly influenced but their participation in SHG. Therefore, National Bank for Agricultural and Rural Development (NABARD) started WSHGs (Women Self-help Groups) in 1986-87. But the real systemic effort was made after 1991-92 when Self-help Groups were linked to the banks. In 1993 Reserve Bank of India also allowed Self-help Groups to open saving accounts in the bank for expansion of credit services.

In Odisha, the department of Mission Shakti is the nodal agency to form and promote WSHGs. To date, the department has supported close to 6 lakh WSHGs in the state and enabled them to access financial assistance, undertake capacity strengthening and market linkage to enhance their livelihoods and incomes. Since 2001 the state government is promoting Women's Self-Help Groups (WSHGs) under the aegis of 'Mission Shakti' program as a key strategy for achieving women's empowerment. It is amply evidenced that the women in the SHG initiative acquire entrepreneurship skills, form rational financial habits, become more informed to make choices and key decisions leading to their economic and social empowerment. Khordha—the most urbanized district has one of the highest concentrations of SHGs (24307) in the state. The district having 10 blocks with the Bhubaneswar Municipal Corporation (BMC) with a total of 26,332 Self-help Groups. Khordha block accounts for 2,248 Self-Help Groups, out of which 902 are existing SHGs and 1046 are new Self-help Groups. Begunia block has 2954 groups followed by Tangi and Chillika blocks with 2812 and 2610 respectively. These SHGs are engaged in several livelihood generating enterprises including government-run programs like mid-day meal management, tailoring, fisheries, poultry farming with the recent addition of electrical meter reading. Besides, these trained groups also supply pre-school uniforms and specified nutrition to AWCs (Anganwadi Centres). They also participate and exhibit their enterprise products at several fairs, periodically held at different locations in the district and state. As the SHG initiatives continue to overhaul and expand as a development tool for women's development, it is of paramount importance that we assess the contribution it has been making in the lives of SHG women. It should answer developmental questions like how women from SHGs are more empowered in respect of livelihood engagement, decision-making opportunities, access to affordable financial services (savings, credit, etc.). It is also imperative to comprehend how different constraints are posing as barriers to the progress of the SHG. Such diagnostic study when undertaken at ground level with actual beneficiaries becomes critically important to rationalize the SHG program and its advancement to realize the intended outcomes optimally.

Research objectives

In view of the aforesaid developmental context, the present research “A study on the Self-help Groups of Women and its Contribution to their Socio-economic development in Khordha district, Odisha” was undertaken with these specific objectives. The whole study sought to reflect on three broad areas (a) Profiling SHG members on various socio-economic parameters, (b) impact of SHGs on the creation of livelihood opportunities, income generations and accessing financial services, (c) how decision-making ability (household and

² MYRADA was originally the acronym of the Mysore Resettlement and Development Agency, but the official name is now MYRADA

financial decisions) of the SHG members is influenced by different determinants (d) lastly the study reflected on major constraints SHGs encounters for their further advancement.

Scope and importance of this study

The study focussed on the strength of SHGs in bringing out positive changes in the lives of the members. Since the SHG movement is considered a developmental tool and being propagated by the state government as a key approach for women empowerment; findings of this research will be useful for policy people to bolster this initiative appropriately. The analysis of constraints that undermine the progress of an SHG will also help the think-tank better design course correction measures in the system.

Selection and description of the study area

This study purposively selected Khordha district to understand the socio-economic impact realized through SHGs interventions. Odisha is the 8th largest state by area and the 11th largest by population. It has 30 administrative districts. Khordha is one of the new districts carved out of the former Puri District on 1st April 1993. It is the most urbanized of all the districts in Odisha. Khordha is the 6th smallest district in terms of size and 5th biggest in terms of population. The district is divided into two subdivisions, Bhubaneswar and Khordha which are further subdivided into 10 blocks-- Bhubaneswar, Jatni, Balipatna, Baliana, Khordha, Bolagarh, Begunia, Tangi, Banpur, and Chilika. The district headquarter is connected to all the block headquarters and important towns by all-weather roads. The Population of the district as per the 2011 census is 22,51,673. The male and female population of the district is 11,67,137 & 10,84,536 respectively with a density of 800 per sq. km. The decadal population growth rate between 2001 and 2011 was 19.65% with a sex ratio of 929. The total literacy rate was reported to be 86.9 percent. The literacy rate in the rural area is 83 percent whereas it is 91 percent in urban areas. Khordha comes under East Coast Plain & Hill Region (XI) with a 52610 ha net irrigated area. The district has a rice-based cropping pattern with an average annual rainfall of 1436.1 mm. Rice, maize, arhar, green gram, biri, groundnut, mustard, chili, and turmeric are the major crops grown in the district. The cropping intensity of the district is 155%.

Data and Methodology

The study used both secondary and primary data to analyse the stated objectives. Secondary data regarding the number of SHGs were obtained from District Rural Development Agency (DRDA). A list of 902 SHGs from DRDA received was then randomly sampled to select eight for the study purpose. The study then collected primary data all the members of the 8 self-help groups through the administration of a pre-test questionnaire. A total number of 80 members constitutes the sample size.

Analytical tools

Impact of SHGs on household income

The paired sample *t*-test, sometimes called the dependent sample *t*-test, was employed to determine whether the mean difference between two sets of observations (income, expenditure, savings, etc.) is zero. In a paired sample *t*-test, each subject or entity is measured twice, resulting in pairs of observations. In the study the monthly income level of before and after joining the SHGs, the test was applied. The test statistic is given as:

$$\frac{\bar{x} - \bar{y}}{\sqrt{s^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

t =

Where,

x = Independent sample (before joining SHG), y = Independent sample (after joining SHG)

n and n = size of population. S^2 is standard deviation of the population.

SHG for income equality

Gini coefficient of concentration ratio was used to measure the extent of inequalities in the distribution of income in the households of SHG members before and after joining SHGs in the case of those engaged in different activities in the study area. The range of the Gini ratio would be from 0 to 1. Gini ratio of 0 would mean that every individual would reserve exactly that same income i.e., perfect equality in distribution. Gini ratio of 1 means that an individual would reserve the different income i.e., perfect inequality in income. Gini ratio was calculated by using the formula

$$G = 1 - \frac{\sum_{k=1}^n (P_k - P_{k-1})(Q_k - Q_{k-1})}{100}$$

Where,

G = Gini coefficient of concentration

P_k = Cumulative per cent of frequency of SHG member Q_k = Cumulative per cent of income

N = Number of classes used in the analysis

Subsequently, a Lorenz curve was drawn by plotting the cumulative percentage of the values of the variables (household income of the respondents) along the vertical axis and the cumulative percentage of the households along the horizontal axis. With the perfect equality in the distribution of the variables the Lorenz curve would coincide with the diagonal, while with perfect inequality of the distribution, the curve would coincide with the horizontal line and the right-hand side vertical line of the diagram. The nearer the curve was to the 45-degree line, the greater was the equality of the distribution.

Constraint analysis

Garrett's ranking technique was used to the preference indicated by the respondents on different factors. Garrett's Ranking Technique provides the change of orders of constraints and advantages into numerical scores. As against the simple frequency distribution, this tool arranges the constraints based on their severity as perceived by the respondents. As per this method, respondents have been asked to assign the rank for all factors and the outcomes of such ranking have been converted into score values with the help of the following formula

$$\text{Percent Position} = \frac{100(R_{ij} - 0.5)}{N_j}$$

Where,

R_{ij} = Rank given for the i th variable by j th respondents

N_j = Number of variable ranked by j th respondents

With the help of Garrett's Table, the present position estimated is converted into scores. Then for each factor, the scores of each of individual are added, and then the total value of scores and mean value of the score is calculated. The factors having highest mean value is considered to be a most important factor.

Decision making

To find the probability of SHG members being involved in decision making logit analysis was employed using a set of well-defined variables. The analysis was done separately for household decisions and financial decisions. The average number of decisions made by women was found out by using all the variables under household decisions. The dependent variable was assigned a value of 'one' when the household decision score was 20 or more and zero otherwise. In the case of a financial decision, a value of one was assigned if the financial decision score was 5 or more and zero otherwise.

Logit analysis described as

$$Y_i = A + B_i X_i + \epsilon_i$$

Let $Y_i = 1$ = 1st women taking part in decision or not $X_i =$ independent variable

Assuming $E(\epsilon_i) = 0$ we have

$$E(Y_i \text{ given } X_i) = A + B_i Y_i \dots\dots\dots(1)$$

If $P_i =$ probability that $Y_i = 1$ probability that women makes a decision, then $1 - P_i =$ probability that women does not make a decision

Now $E(Y_i \text{ given } X_i) = \sum Y_i$ (probability y)

$$= 0(1 - P_i) + 1(P_i)$$

$$= (P_i) \dots\dots\dots(2)$$

Comparing (1) and (2) we have

$$E(Y_i \text{ given } X_i) = A + B_i Y_i = P_i \dots\dots\dots(3)$$

Then the equation (3) is linear probability model (LPM) giving the conditional probability of women taking part in decision making at the existing level of independent variables.

In order to find out the probability of decision makers and non-decision makers the mean of all the variables was considered separately decision makers and non-decision makers and multiplied with their respective coefficient to given Z_i this was then applied to the formula.

The variables chosen to run the logistical regression for household decision were as follows-

$Y_i =$ ith women take part in household and financial decision or does not take part. X_1 : Age of women, X_2 : Education of the women, X_3 : Education of Husband, X_4 : Husband as Head of the Family, X_5 : Number of Adult males in the Family, X_6 : Alcoholic Husband, X_7 : Number of days of working

To assess the impact of participation in SHG's on employment the statements are given a weight of 2 if women agree for the statement, a score of 1 for somewhat agree, and 0 for disagreement. These scores are then summated.

The women were categorized as having high medium and low empowerment based on the magnitude of the score. Women who scored greater than the mean plus half of the standard deviation were categorized as having a high level of empowerment, those who had score lesser than the mean minus half standard deviation is having a low level of empowerment, and those who had a score between these two ranges were categorized as having medium level empowerment.

Results and Discussion

1. Socio-economic profile of the SHG members

The majority (46.25%) of the SHG members belonged to the OBC category in the caste system. Most (57.5%) of them were in the age bracket of 25-45 years. Education-wise, 42.5% of members attended primary level, whereas 23.75% have completed matriculation. None of the members was found to be illiterate and this can be attributed to a high level of urbanization and vicinity of the study area to the capital city Bhubaneswar. All most all the members (86.25%) reported to be married and a few of

them are either widows (11.25%) or divorced (2.5%). In respect of family size and earning members, 78.75% of respondents reported having less than four members in the family while 88.75% of them said they have at least two or more earning members. Even though 60% of members are primarily engaged in household chores, 35% of them earn from small business and tailoring. Merely, 5% are into government jobs and that too is contractual. The following table (Table No: 1) further details out the profile of the surveyed members.

Table No 1: Socio-economic status of the respondents

Age Group	Number of Respondent	Percentage
Below 25	2	2.50
25-45	46	57.50
45-55	27	33.75
Above 55	5	6.25
Total	80	100.00
Caste	Number of Respondents	Percentage
SC	10	12.50
ST	9	11.25
OBC	37	46.25
General	24	30.00
Total	80	100.00
Educational Status	Number of Respondents	Percentage
Primary	34	42.50
Middle	30	37.50
Matriculate(10 th)	19	23.75
College	3	3.50
Total	80	100.00
Marital Status	Number of Respondents	Percentage
Single	0	0.00
Married	69	86.25
Widow	9	11.25
Divorced	2	2.50
Total	80	100.00
Family Size	Number of Respondents	Percentage
Less than 4	63	78.75
4-8	8	10.00
Above 8	9	11.25
Total	80	100.00
Number. of Earner	Number of Respondents	Percentage
1	9	11.25
2	57	71.25
3	4	5.00
Above 3	10	12.50
Total	80	100.00

Occupational Status	Number of Respondents	Percentage
Housewife	48	60.00
Small Business	16	20.00
Tailoring	12	15.00
Govt. job (contractual)	4	5.00
Total	80	100.00

UNDER PEER REVIEW

2. Contribution of SHGs in generating additional household income

One of the major reasons for poverty in rural India is unemployment. Women are engaged in household work and lack suitable earning opportunities. Employment provides purchasing power to the person and when more family members are employed economic-wellbeing of the family will be secured. In the present study, the sampled respondents of SHG are getting additional employment opportunities by involving different production activities. Employment generated through group action/ intervention of Self-help Groups is shown in the following table.

It is evident from Table 2 that 32.50 percent of members are employed between 5-10 days, 37.50 percent got employment between 10-15 days, 21.25 percent have employment opportunities between 15-20 days and 8.75 percent got employment above 20 days.

It is inferred from the table that the majority of the SHG members (37.50%) could manage to get additional employment between 10-15 days per month because of their participation in SHG. The additional employment increases the individual's income as well as family income thereby enhances the standard of living of the family. A woman is said to be economically empowered when she gains power as a result of increased access to economic resources. The means of achieving economic empowerment are to increase income, access to finance, ability to make decision regarding the utilization of money / credit in the family and SHG is one such developmental tool in that direction.

Table No 2: Contribution of SHG on employment generation (income is in INR, 1 INR=0.013 USD)

#	Employment generation	Number and percentage of respondents	Monthly Household income	Number and percentage of respondents	
				Before joining SHG	After joining SHG
1	5-10Days	26 (32.50)	Less than Rs 2000	64(80.00)	0
2	10-15Days	30 (37.50)	Rs 2001-4000	10(12.50)	34(42.50)
3	15-20 Days	17 (21.25)	Rs 4001-5000	2(2.50)	25(31.25)
4	Above 20 Days	7 (8.75)	Above Rs5000	4(5.00)	21(26.25)
Total		80 (100)		80 (100)	80 (100)

Note: Figures in brackets represent percentage to total.

2.1 Income

Income is the major determinant of the standard of living of the people. The SHG members' income has increased after joining SHGs. Hence, they are in a position to meet independently their personal expenditure, and they contribute more to their household income and expenditure.

Table No 3 also reveals the monthly income of the respondents before and after joining SHG. Before joining SHG 80.00 percent of the respondents had a monthly family income of less than Rs.2000 and 12.50 percent, 2.5 percent, and 5 percent of the respondents had earned monthly income between Rs.2001-4000, Rs.4001-5000, and above Rs.5001 respectively. Interestingly, after joining SHG none of the respondents had a monthly family income of less than Rs.2000.

42.50 percent have now income in the range of Rs 2001-4000. As against just 2.5% before the entry to the group, 31.25 percent of members now earn between Rs 4001-5000. A whopping 26.25% of respondents after joining the group earn above Rs 5000. The t statistic value obtained from paired t test for equality of income before and after joining SHG was found to be significant at a 1% level of significance, validating the notion that income augmentation is possible through SHG initiatives.

The income share of the SHG members constitutes an important role in the family budget regarding expenditure, savings, loan agreements, etc. An increase in the women's share of the total family income

allows the women to participate more in the decisions making in the family.

Table No 3: Income from activities (income is in INR or Rs, 1 INR=0.013 USD)

Sl. No.	Activity	Avg. Income (Rs.)
1	Badi and Masala Badi Making	8,680
2	Fish Cultivation	2500
3	Badi, Pampad and Arisha Pitha Making and Tailoring	1620
4	Pampad, Badi making and School bag	1120
5	Chatua	2350
6	Badi, Arisha Pitha making and Tailoring	1527
7	Sanitation Work and School MDM	1700
8	Badi making and Tailoring	2640

From the above Table No 4 it is evident that the highest average income is Rs.8,680 from making of Badi and Masala Badi, the 2nd highest income is Rs.2,640 and it is reported from making of Badi and Tailoring work, this is followed by Rs.2,500 from Fish cultivation, Rs.2,350 from making of Chatua, Rs.1,700 from Sanitation work and School MDM, Rs.1,620 from Making of Badi, Pampad, Arisha pitha and Tailoring work, Rs.1,527 from making of Badi, Arisha pitha and Tailoring work, and Rs.1,120 from Pampad, Badi making and School bag selling work.

Table No 4 Paired t-test for significance difference in income generation before and after joining SHG

Joining SHG	Mean	SD	df	t-value
Before	2393	4725	158	25.83
After	4753			

SD- Standard Deviation, df- degree of freedom

2.2 Expenditure and Saving habit

The increased expenditure following SHG members' income improvement has also been noticed. The increased income generated through the interventions of SHG, enables members to spend on essential items for the family judiciously and freely. The impact of SHGs on family expenditure is analyzed by studying the respondents' monthly family expenditure before and after joining SHGs.

It can be elaborated from the Table No 5 that before joining the SHG 88.75 percent of the respondents had monthly household expenditure less than Rs.2000 but their post participation in SHG, it has decreased to 15.00 percent which indicates that their monthly household expenditure has increased due to rise in income. There is only 6.25 per cent of the respondents' where monthly expenditure was Rs.2000- 4000/- however, it increased to 57.5 percent. Before joining the SHG only 5.00 percent were spending from Rs.4000-6000 per month now 27.5 per cent are spending the same amount. These findings established the strong linkages between income enhancement and family expenditure and this can possibly be achieved by encouraging women to form group and engage in livelihood activities.

One of the major objectives of a self-help group is inculcating the saving habit of the members. Savings practice enables women to mobilize their resources and reduce their dependency on external assistance. Savings may be utilized for further creation of assets or the purchase of properties and

consumables. The study revealed that SHGs have turned out to be an effective agency for mobilizing savings. The disciplined saving habit has ensured credit facilities to the members.

In the accompanying table below (Table No 5), it is noted that before joining SHGs, 60 respondents (75%) were saving less than Rs.100 a month, 20 respondents (25%) were saving Rs.100-300 but after joining only 15 respondents (18.75%) were saving less than Rs.100, but 55 respondents (68.75%) saved Rs.100-300 per month and 10 respondents (12.5%) reported to be saving more than Rs.300/- per month. This improvement in credit behavior is largely due to the involvement in SHG activities.

Table No 5: Saving amount per month by individual member (saving is in INR, 1 INR=0.013 USD)

#	Monthly household expenditure (Rs)	Number and percentage of respondents		Monthly saving amount (Rs)	Number and percentage of respondents	
		Before Joining SHGs	After Joining SHGs		Before Joining SHGs	After Joining SHGs
1	Less than 2000	71(88.75)	12(15.00)	Less than Rs.100	60(75.00)	15(18.75)
2	2000-4000	5(6.25)	46(57.50)	Rs.100 - 300	20(25.00)	55(68.75)
3	4000-6000	4(5.00)	22(27.50)	More than Rs.300	0	10(12.50)
Total		80(100.00)	80(100.00)		80(100.00)	80(100.00)

Note: Figures in brackets represent percentage to total

3. Effect of SHG on income inequality

The pre-post income inequality as measured through this Gini ratio, revealed the level of inequality has considerably declined after women joined and worked in SHG. Before joining the SHG, Gini ratio was 0.489 but this has fallen considerably to 0.154 after they collectivized through SHGs. Their collectivization into a strong-affinity group has possibly empowered them to earn and own more uniformly. When a woman utilizes livelihood opportunities, generates more income with the increased ownership of her earnings, income equality tends to decline. Therefore, the empowerment of women in terms of better income equality can be attributed to their participation in SHG.

To further explain this incidence of inequality, the Lorenz curve was constructed to graphically represent the income equality of members before and after they became part of the SHGs (Fig 1). Before joining SHG, the equality curve (red-colored) was farthest from the diagonal line (perfect equality line). This divulges inequality was higher when women were not collectivized through SHG. The same graph when drawn after women joined SHG, became closer to the perfect equality line. The upward shift in the Lorenz curve towards the diagonal line clearly shows that there is an improvement in income equality among the SHG members after joining SHGs (Fig 1).

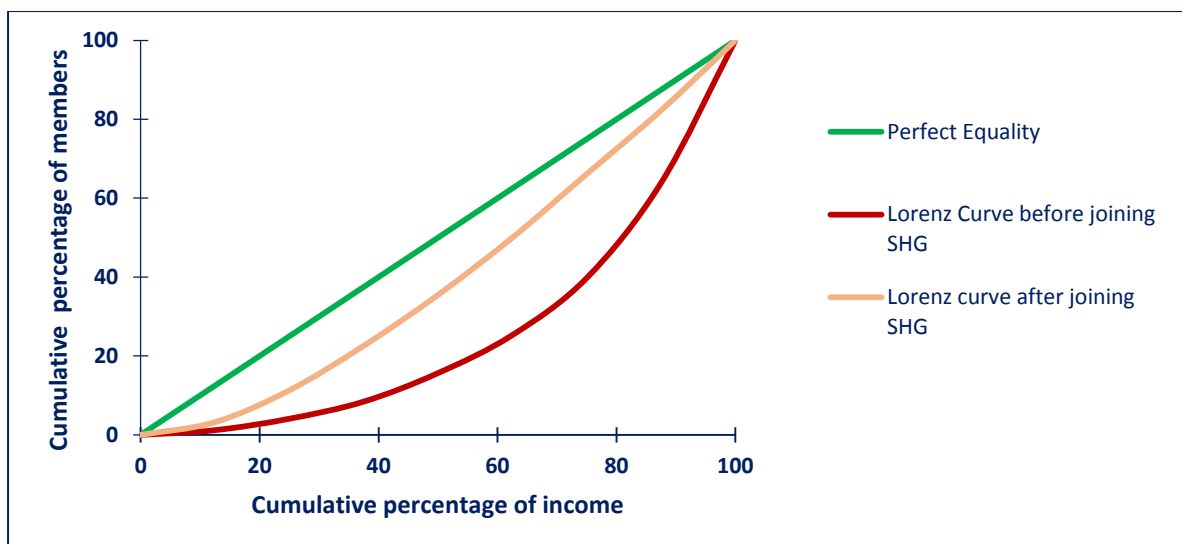


Fig 1: Lorenz curve for income distribution

4. Decision making role of SHG members

4.1 Household decision

The different factors affecting SHG members to make household decision is presented in Table 6. The Women opinion is generally considered in health and hygiene, participation in social events, education of the children, food preparation, family planning, participation in ceremony etc. Following is the estimated logit model to determine how different factors influencing household decision making scope of SHG women.

$$L^* = -21.47 + 0.28 X_1 + 0.62 X_2 + 0.24 X_3 - 0.42 X_4 + 0.84 X_5 - 1.62 X_6 + 0.48 X_{17}$$

The results of the Logit model indicate that the variables such as education of the women, age of the women, education of the husband and number of working days of SHG members were positive and significant. On the other hand, variables like number of adult male members in the family, husband being alcoholic had a negative influence on decision making. The variables like education of the women of the SHG members was positive and significant indicating that educated members play a very important and significant role in family decision making.

The percentage of right prediction for $Y=0$ was 84 per cent and it was 87 per cent when $Y=1$. For the model as a whole, the percentage of right prediction was 85 per cent. The exponential gives the increase in probability of involvement in decision making per unit increase in particular variable and it was high for education of the women, age of the women and education of the husband. The details are tabulated in Table No 6 below.

Table No 6: Response estimates of the probability of women participation in household financial decision making by Self-help group members

#	Variables	Household Decision			Financial Decision		
		Logit Coefficient	t-value	Exponential	Logit Coefficient	t-value	Exponential
1	Age of the Women	0.28	2.24**	1.36	0.32	3.21**	1.46
2	Education of the Women	0.62	4.26*	1.42	0.42	4.64*	2.75
3	Education of the Husband	0.24	2.24**	1.32	0.082	1.85	2.06

4	Number of Adult Males in the Family	-0.42	0.92	0.64	-0.41	1.64	0.92
5	Husband as Head of the Family	0.84	1.02	0.29	0.92	0.85	0.76
6	Alcoholic Husband	-1.62	-1.44	0.32	-0.96	0.72	0.98
7	Number of Days of Working	0.48	2.32**	1.04	0.37	3.1**	1.25
8	Constant	-21.47	-	-	-16.27	-	-
9	Predicted percentage correct	84	-	-	84	-	-
10	Predicted Y=0, Y=1	87	-	-	89	-	-
11	Overall	85	-	-	86	-	-
11	Probability of non-decision	0.48	-	-			
12	Probability of decision makers	0.94	-	-			

Note: ** indicates significance as 5 per cent* indicates significance at 1 per cent level

4.2 Financial decision

The table 6 also illustrated that financial decision by members are determined by different variables. The women opinions are generally considered in borrowing and repayment of loan, savings, expenditure on household articles, expenditure on ceremonies and expenditure on ornaments and clothes etc. The estimated logit equation was as follows

$$L^* = -16.27 + 0.32 X_1 + 0.42 X_2 + 0.082 X_3 - 0.41 X_4 + 0.92 X_5 - 0.96 X_6 + 0.37 X_7$$

The model shows that the variables such as age, education of women and number of days of working have positive and significant influence on household financial decision making. The variables like number of adult male members in the family and alcoholic husband have negatively affected the space for members to make financial decisions.

The percentage of right prediction for Y=0 was 84 per cent It was 89 per cent for Y=1. For the model as whole, the percentage of right prediction was 86 per cent. The exponentials are high for variables like education of the women (2.75), education of the husband (2.06) and age of the women (1.46).

5. Constraints of SHGs

Constraints refer to the factors that are working as barriers to SHGs for progressive functioning. There are many hindrances appear to undermine the overall efforts of the SHG. Data analyzed through Garrett ranking technique ordered different such constraints on the basis of severity.

The analysis exposed the problem of product marketing is highest ranked obstacle for the SHGs. The second most important barrier is fierce market competition. Problem of finance arise due to insufficient financial assistance is third ranked constraint. The other problems these SHG often face are inadequate training facility (4th), lack of infrastructure (5th), loan is not received in time (6th), lack of storage facility (7th), lack of coordination (8th), problems in procuring raw materials (9th) and unattractive packaging (10th).

6. Conclusion and recommendations

As evident from the study, the Self Help Group in Khordha has made a significant contribution to the wellbeing of women. The current study not only showcased the positive development of women through SHGs but also reinforces the general notion about the positive effect of SHG on its members. The majority of SHG members were able to get additional employment under different activities by SHG and it boosted their income considerably. The income is also better distributed among all the members after they participated in SHGs. The formation of SHG by women was also contributory in improving the standard of living as observed through their enhanced expenditure on household activities including child's education. Additionally, it promoted the habit of savings which is vitally important for a good financial discipline. One of the major contributions of SHGs made is to strengthen

the ability of women to decide on the matters of household activities and financial choices. In both cases, the education level of the women, age, the number of working days are found to be significant determinants. SHG membership also created awareness and access for institutional sources for credit. SHG emerged as a powerful instrument for poverty eradication and empowerment of disadvantaged sections of society. Considering the vulnerability of women on several counts, and the evidence-based contribution, SHGs need more policy support.

The effectiveness of SHGs on the economic empowerment of women has been examined and established in terms of increase in income, better employment scope, and access to saving in the after-SHG situation as compared to before-SHG situation. However, the SHGs are confronted with some typical constraints which warrant urgent redressal. The difficulties in the marketing of their products, stiff market competition, inadequate financing, limited provision of training facilities are some of the major constraints to be addressed appropriately and promptly to make the SHG more impactful. It is also suggested that suitable provisions be made to stimulate entrepreneurial spirit among women especially socially weaker sections of the society. Since product marketing is one of the major hindrances, members should be imparted periodic marketing training with a focus on backward and forward linkages, identification of wholesalers of the products, brand development. These SHG can also be financially and operationally assisted so that their products are promoted and sold at different fairs and exhibitions. This will eventually lead to the sustainability of the group and its business activities. A focused and target-specific facilitating strategy needs to be devised to render necessary supports to each of these SHGs for their advancement. It is more so as the progress of these SHGs will ultimately contribute to the overall empowerment of women.

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