

MEASURING WOMEN SELF-HELP GROUPS AND THEIR ENTERPRISES SUSTAINABILITY IN ODISHA

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Abstract

The SHG programme has successfully transformed the lives of rural and urban poor by providing financial and non-financial assistance. The effectiveness of the programme is evident from the gradually increasing enrolment. By targeting women as their major priority, the promoting agencies/government is trying to assure the recurrence of the programme. The SHG programme in India has widespread coverage with due effort from NABARD and specialised State agencies with the highest coverage in the southern region. Even the eastern region also holds a significant share with a major presence in West Bengal and Odisha. The present study attempts to examine the sustainability position of WSHGs of Odisha with the help of a multidimensional sustainability index. Two-way analysis was made to evaluate the actual status of SHGs and their enterprises. Initially, the evaluation was done at the SHG level and later enterprise-level analysis was made to conclude the overall sustainability status. Though many studies reported successful implementation and effectiveness of the programme, the actual scenario is quite different. Group-level analysis reveals that financial assistance alone will not break the multi-dimensional poverty. Therefore, the study suggests active participation of government and non-government agencies for developing the required skills.

Keywords: WSHGs, Mission Shakti, Nurturing, Managerial Sustainability Index.

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Introduction

Several studies have highlighted the overwhelming performance of SHG-based microfinance programmes in India for improving specified dimensions. The Nobel Committee (2006) has also expressed the potentiality of microfinance in breaking the vicious circle of poverty. Replication of the organisational and executional structures of Grameen Bank in Bangladesh, Banco Sol in Bolivia and Bank Rakyat in Indonesia had served the objectives of group lending to many underdeveloped countries. In India, the microfinance programme is successfully operating in all States and Union Territories under the guidelines of NABARD and the control of State authority. Further, NABARD has played a vital role in framing policies and facilitation of services from different sources (i.e. financial services through formal financial institutions and non-financial services via NGOs, specialised institutions and others). Today, the SHG-Bank linkage programme stands as a major global microfinance programme covering more than one crore SHGs, thereby serving 12 crore families with saving above Rs. 23,000 crore (SMFI, 2019).

As per the NABARD report (2018), more than 100 scheduled commercial banks, 300 DCCBs, 27 State missions and 5000 NGOs are engaged in providing financial/intermediation services to SHGs in India (Das & Guha, 2019). Further, compared to 2008-09, the saving linkage of SHGs has increased from Rs.50 lakh to Rs.1 crore with the highest share of southern region, i.e. 38 per cent in 2019 (as compared to 48 per cent in 2008-09). On the other hand, the credit linkage to SHGs has also increased by 12 per cent per annum (compared to growth in savings by 13 per cent) with the highest disbursement to southern region, i.e. 73 per cent (compared to 74 per cent in 2008-09). Over the years, only a handful of States, mostly from south India, account for nearly three-fourths of credit linkage with Andhra Pradesh in the lead (Chakrabarti, 2004) and the same pattern and outreach are observed till date. The efficacy of the programme is to reach the unreachable through the decentralised structure of community participation

and significant growth is observed in facilitating financial inclusion and its services to the marginalised. The financial needs of the poor vary from financing small entrepreneurial activities to meeting various social obligations. History shows the existence of several flexible institutions of financing such as ROSCA, Pawnshop and moneylenders (Sarkar & Singh, 2006). The major drawback of the above schemes is the existence of high-interest rates and/or physical mortgage. The programme attempts to cover various dimensions of social protection including social assistance, social insurance and social regulation (Priyadarshee, 2016). Based on the belief of upliftment and improvement in socio-economic status, massive enrolment is observed throughout India (Rajpal, 2016). The success of any programme depends on its accessibility to the targeted/vulnerable sections while its impact is classified on the basis of outreach of programme among sub-sections. The poor people are classified into three sub-heads, i.e. richest of poor, poorest of rich and poorest of poor (Navajas, Schreiner, Meyer, Gonzalez-Vega & Rodriguez, 2000) and due to administrative failure and corruption on the side of facilitators and promoters, the programme works better for the first two categories. Rajpal and Tamang (2017), in their study on the tribals of Odisha, found the exclusion of the poorest of poor from the group due to non-availability of collateral and repayment capacity.

The operational framework of microfinance depends on the premises of group formation, group linkage, equal access and sustainability, which indirectly rest upon the development of a profitable enterprise or alternative means of repayment. Even the nurturing of groups mostly depends on promoting agencies' interaction, intermediation and implementation, i.e. interaction with the group, intermediation between financial institutions and government/non-government agencies and implementation of schemes/policies/promotional measures. In recent years, the doors of other services under the microfinance gamut have been opened for SHGs of certain States through registered partners. Further, no formal reports

about its coverage and impact have been compiled so far. Even NABARD, which acts as an apex institution of microfinance services in India, has never reported on other services of microfinance except savings, credit and NPA.

In Odisha, Mission Shakti acts as a nodal organisation for the implementation and promotion of the SHG programme along with Targeted Rural Initiative for Poverty Termination and Infrastructure (TRIPTI) and Odisha Livelihoods Mission (OLM) as their channel partners. Moharana (2006) reported the performance of Mission Shakti in the implementation of the programme as “successful beyond target.” The last publication of Mission Shakti accessed from the Department of Women and Child Development (WCD) reported that (till March 2013) 1.26 lakh WSHGs were available in Odisha providing coverage to 19.98 lakh households. Further, the credit facility was accessed by 2.33 lakh WSHGs (including repeated loans) during the said tenure. The present study is divided into two sections. The first one focuses on analysing the sustainability of SHGs at grassroots level through undertaking several dimensions such as programme knowledge, access, organisation and management at the SHG level. Secondly, for enterprises sustainability, broad indicators such as financial composition/investment, days of employment, monthly rate of return on investment

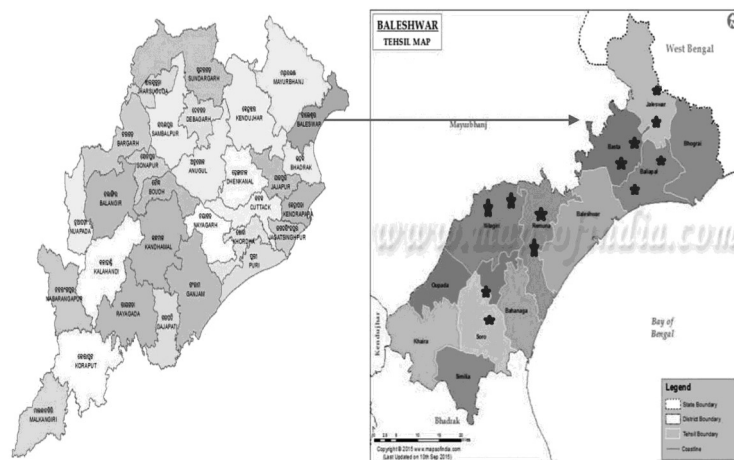
and contribution of enterprises income were analysed.

Methodology and Study Area

Since the study tries to reflect the performance of the programme in rural areas, the selection of the study area is done on the basis of development paradigm, including urbanisation, BPL status, availability of banking services, literacy, infrastructure and connectivity. Balasore district was identified purposively for the study. The selection of the sample for collection of primary data is carried out through a multi-stage stratified random sampling method. The blocks of the district are divided geographically into two regions/sections, i.e. blocks from the northern and southern regions. Three blocks were selected randomly from each region. Secondly, from each selected development block, two Panchayats were selected for identifying diversification in group, credit and activities management. In the third stage, from each selected Panchayat, one village was selected keeping in view the socio-economic variations, and lastly, from each selected village, 10 WSHG members were selected randomly. Therefore, the study is executed over 120 WSHG members/ households affiliated to 15 WSHGs (the researcher has confirmed the representation of single membership from each household during the time of survey).

Figure 1

Map Specifying the Selected Panchayat and Sample Households



Source: Google images accessed on 27.09.2019 at 22:50 hrs (Not to scale).

The description of selected blocks and Panchayats are as follows:

Block	Panchayat 1	Panchayat 2
Baliapal	Ghuntua	Shrirampur
Basta	Brahmanda	Mathuni
Jaleswar	Aruha	Laxmannath
Nilgiri	Jadida	Khalia Raj
Remuna	Kuruda	Seargarh
Soro	Natapada	Sabira

Objectives of the Study

The broad objective of the study is to highlight the sustainability position of WSHGs and their enterprises in Odisha by taking into consideration

- the socio-economic profile of WSHG members in the study area.
- the managerial performance of the SHGs and their enterprises.
- the financial, organisational and entrepreneurial status of WSHGs and their invested enterprise.
- the programme effectiveness in capacity building, decision-making and development of enterprises of WSHG members.

Analysis and Interpretation

The SHG programme in Balasore district is under the purview of both leading organisations of microfinance operation of the State, i.e. Mission Shakti and TRIPTI (Targeted Rural Initiatives for Poverty Termination and Infrastructure). Further, the District Social Welfare Office is rest with the responsibility for execution and database

maintenance of the programme. The programme is executed with the support of ICDS staff at the grassroots level. In addition, several supporting agencies (both government and non-government) are actively involved in providing financial and non-financial support. The study covers 15 women self-help groups (WSHGs).

Section I: WSHGs Organisation and Management Sustainability

The SHG programme in the district is similar to that in other districts of Odisha, i.e. covering majorly the women and no SHGs reported having male members throughout the district. The interaction with DRDA, ICDS and DSWO also confirms the non-availability of male self-help groups in Balasore and even in other districts of Odisha (Rajpal, 2016). Das and Guha (2019) have addressed the issues of sustainability by constructing organisational, managerial and financial indexes. This study has extended the sub-parameters and included wider dimensions, i.e. social, interventional and information/knowledge factors. The SHGs performance depends upon its membership composition, functioning including group meetings, group decision-making, leadership selection, record maintenance and financial linkage and resource management.

Working of Self-Help Groups in Odisha

The SHGs are formed with ICDS staff (minimum 10 and maximum 15 members) in the village and a remuneration of Rs. 500 is linked in lieu for successful formation and its linkage with bank. Initially, the group is provided saving linkage facility from the nearby commercial bank/RRB and a sum of designated amount (as decided during drafting of resolution during first group meeting) is collected and deposited in the name of group which is also termed as corpus fund. After making continuous deposit for the first semester, the group is directed to withdraw 90 per cent of deposited amount as loan and repay in equal instalments with interest in the upcoming semester along with regular saving deposits. After successful completion of repayment of availed loan, the credit linkage facility is extended to that particular group. The group is not allowed to withdraw from its corpus fund/savings during the initial semester of loan repayment.

The sustainability of SHGs broadly depends on several social, managerial, financial and interventional/decision-making factors. There exist certain guidelines to be followed by SHGs as specified by the nodal agency (i.e. Mission Shakti)

on the recommendation NABARD, the apex agency. These regulations (in Table 1) explain the dependency/importance of each component in developing the sustainability of SHGs.

Table 1

Standard Norms and Regulations for Self-Help Group Sustainability

Components	Indicators	Description	Classification	Scaling
Formation/ Organisational and Operational/ Managerial Component (OMI)	Group Membership	The group should be homogeneous and have a minimum of 10 and a maximum of 15 members. Priority should be given to local residents, who completed 18 years of age. Multiple memberships are not allowed and only one member from each household is allowed in SHG.	≤ 10	3
			11 – 12	2
			Above 12	1
	Group Composition	SHGs in Odisha majorly comprise women enrolment and participation. The promoting agencies are advised for enrolling married and widow members. Unmarried members are also allowed, subject to the non-availability of married/widow members or preference/ liability of the group.	Married	3
			Married and Widow	2
			Married + Widow + Unmarried	1
	Meeting schedule	The SHGs are required to arrange meetings regularly with scheduled agendas. The meeting is an essential element for discussion, understanding and prompt action for group operation and development. The meeting is usually done once a week, fortnightly or monthly.	Weekly	3
			Fortnightly	2
			Monthly	1
	Maintenance of Record	The knowledge of maintenance of records plays a crucial role in determining the sustainability of SHGs. Training related to the maintenance of records is provided by Anganwadi/ ICDS workers to newly formed groups. Entry related to receipt, expenditure, advance, etc., is required to be recorded on a daily/real-time basis.	Self/ Group Members	3
			Promoting Agency	2
			Others	1

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Components	Indicators	Description	Classification	Scaling
Formation/ Organisational and Operational/ Managerial Component (OMI)	Timing of Group meeting	The meeting timing plays a crucial role in the determination of members' contributions. Since women members are either household stuff or work in the field, evening hours are considered as the most favourable choice.	Evening	3
			Afternoon	2
			Morning	1
	Attendance in Meeting	Attendance in the meetings is mandatory for every member. Though the forum must consist above 50 per cent member's composition for passing group resolution, those who remain absent for three consecutive meetings have to pay a fine.	90 – 100 per cent	3
			75 – 90 per cent	2
			50 – 75 per cent	1
	Decision- Making	Individual decision in group management plays a crucial role as it provides a platform for discussion. Though enactment of decision is to be done by President and Secretary (leaders), individual member consensus is required.	Consensus	3
			Leaders	2
			Promoting agency	1
	Economic Activity	To undertake economic activities, autonomy is provided to go for business at group or individual level. The risk in individual business is reported to be higher as compared to group activities.	Group	3
			Jointly	2
			Individual	1
	Leader Selection Process	The SHG programme works on the principle of by the member, of the member and for the member. Therefore, individual member identity plays an important role in determination of empowerment. Democratic process is observed as a favourite method in the selection of the SHG leader.	Voting	3
			Promoting Agency	2
			Others	1
	Rotation in Leadership	Leadership with rotation provides a platform for self-development and gaining control of resources. It provides equal rights to each member to shape the identity of the group.	Yearly	3
			Two years	2
			No rotation/ fixed tenure	1
	Conflict resolving Process	Working with such a democratic mechanism creates disputes pertaining to differential/individual interests. Therefore, the internal conflict must be resolved within its framework. In case of exceptional situations, help is availed from the federation and promoting agencies.	Within Group	3
			Promoting Agency	2
			Others	1
	Record Auditing	For transparency and authentication, the groups are required to make internal/external auditing of their resolution and bookkeeping every year, and completion of every loan.	Auditor Promoting Agency	3
				2
			Self/No Audit	1
	Serving Government Projects	Many SHGs are found to be associated with government projects such as preparing food in MDM, PDS, serving as member of local vigilance committees, etc. Sometimes the role is entrusted to an individual group or two to three groups of the same village/ Panchayat.	Single	3
			Jointly	2
			No Engagement	1

Source: Compiled from Reports of Mission Shakti, OLM, NABARD, DWCD and TRIPTI

The above 13 indicators contribute significantly to group formation and functionalities. The sustainability of SHGs broadly depends on formation, operation, management, financial and

interventional factors. Das and Guha (2019) have addressed the issues of sustainability by constructing organisational, managerial and financial indexes.

Table 2

Sub-Component Classification and Final Component Score

Organisational Component	Group Member-ship	Meeting schedule	Rotation in Leadership	Group Composition	Leader Selection Process		Group meeting Time
Avg. Score	1.89	1.43	2.01	2.58	2.01		2.43
Operational Component	Maintenance of Record	Attendance in Meeting	Record Auditing	Decision Making	Economic Activity	Conflict resolving Process	Government Projects
Avg. Score	2.65	1.93	1.41	2.23	1.33	2.70	1.21
Components Score		1.00 – 1.40	1.41 – 1.80	1.81 - 2.20	2.21 – 2.60		Above 2.60
Category/Status		Very Poor	Poor	Average	Good		Very Good

Source: Compilation from various literature reviews

This study used the following formula for calculating the Organisational Managerial Index (OMI) which is the sum of an average

Organisational Component Index score and Operational Component Index score (components as classified in Table 2).

$$OMI = \frac{1}{2} (ORCI + OPCI)$$

Where, ORCI - Organisational Component Index, and

OPCI – Operational Component Index

Or summing up the average score of all indicators reflected in Table 1. Let Z_{ij} denote the value of j th indicators of organisational and operational sustainability index of WSHGs (OMI^{WSHG}) can be expressed as

$$OMI = \frac{1}{13} \sum_{i=1}^{13} Z_{ij}, 1 \leq OMI \leq 3$$

This study has extended the organisational and operational sub-parameters and included wider dimensions classified under two sub-components in Table 2. The composite result of the Organisational and Managerial Indicators (OMI) score shows the average position (1.98) of SHGs as per Table 2. The organisational components score is 2.05 while the operational component score is 1.92, both showing average performance of SHGs in OMI parameters. The sub-component analysis reveals that organisational components are significantly affected due to poor performance of meeting schedule (1.43) while group membership, rotation

in leadership and leader selection process shows average performance (1.89, 2.01 and 2.01 respectively).

Group composition and group meeting timing shows good performance on a five-point scale (2.58 and 2.43). The poor score of meeting schedule is due to irregular meetings or organising meetings once or twice a month by 67 per cent of SHGs in the study area. Further, operational component analysis reveals very poor performance of SHGs in linkage with government projects (1.21) and economic activities (1.33) while on recording auditing, close to very poor performance is

observed (1.41). Majority of SHGs are allowing individual ownership business and only one SHG had taken ration supply while three had undertaken joint mode mid-day meal preparation work at schools. Only 13 per cent of SHGs make regular auditing from officials/CA while auditing of 27 per cent SHGs is carried out by their promoting agencies. Further, 60 per cent SHGs in the study area never carried out any external auditing. Attendance in meetings is average (1.93) and decision-making is observed as good (2.23) while maintenance of records and conflict-resolving process shows very good status.

The overall result reveals 13 per cent of selected SHGs fall in the good performer category. While 67 per cent of SHGs are average performers, 20 per cent are underperforming as per OMI Index. Paired sample t-test (Annexure I) shows a significant average difference between the organisational component score and operational component score across SHGs under consideration ($t_{119} = 2.923$, $p < 0.01$). Both components under consideration (annexure II) are weakly and negatively correlated ($r = -0.254$, $p < 0.01$). The operational score is found to be lower (1.92) as compared to the organisational score (2.05).

Lastly, the financial sustainability index (FSI) is developed to comment on the sustainability status of SHGs in Odisha. As per the available literature review and interaction with the lead bank, promoting agencies and NGOs, the financial sustainability index for SHGs have been developed taking into consideration the following broad parameters in Table 3. The UCO bank acts as the lead bank of the district with 23 branches and contributes to a total of 113 commercial bank branches. The highest number of bank branches was observed in Balasore Block (47 branches) while the lowest was in Oupada Block (only five commercial bank branches serving a population of 82,917 as per the 2011 census). Further, there exist Odisha Gramya Bank (RRB with 53 branches) and two cooperative banks, namely Balasore – Bhadrak Central Cooperative Bank and Balasore Cooperative Urban Bank. In our study, 47 per cent of WSHGs are linked with commercial banks, 33 per cent with RRBs and 20 per cent with cooperative banks.

For understanding the financial viability of WSHGs in Odisha, Table 3 and Annexure IV provides details of FSI indicators across WSHGs in Odisha.

Table 3

Indicators of the Financial Sustainability Index

S. No.	Indicators	Description	Category	Scores
1.	Corpus Fund (saving) INR	The corpus funds are internally deposited funds of members contributed on a weekly/monthly basis. For high corpus funds, the allocation of loans will be high.	More than 10000	3
			7500 - 10000	2
			5000 - 7500	1
2.	Number of Loans	The number of loans allocated depends on the corpus fund, previous loan repayment status and years of existence of SHG. This serves as regular fuel to run the engine of growth/SHG.	More than 3	3
			2 - 3	2
3.	Amount of Loan (INR)	The loan amount of SHG is the most important parameter of enterprises' sustainability. Increase in loan amount serves as a parameter of increasing business fixed and recurring expenses.	Only 1	1
			More than 200000	3
			100000 - 200000	2
4.	Subsidy/seed money availed	After completion of six months of formation, a one-time seeds/subsidy amount is deposited in the account of SHG. The amount is usually disbursed to SHGs registered under NRLM.	Less than 100000	1
			Both	3
			Only seed money/ subsidy	2
			None	1

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S. No.	Indicators	Description	Category	Scores		
5.	Regularity in repayment	The regularity in repayment as per EMI fixed by banks serves as a major indicator of financial as well as crisis management. The regular repayment of EMI after collection from individual members serves proxy for peer pressure and coordination.	More than 90 per cent	3		
			70 – 90 per cent	2		
			50 – 70 per cent	1		
6.	Loan from other sources	Loan from other sources serves as a proxy for insufficient funding/support for meeting productive and unproductive needs of members. The programme objective is to meet the desirables of members through formal lending.	None	3		
			Less than 20 per cent	2		
			More than 20 per cent	1		
7.	Utilisation/ withdrawal of revolving fund	The revolving fund serves as a guarantor/ mortgage for sanctioning the loan. The higher the revolving fund, the higher the amount of loan sanctioned. Thus, to increase the gamut, a part of the corpus fund is revolved among members with reasonable interest.	Regularly	3		
			Sometimes	2		
			never	1		
8.	Number of visits made to linked FI for availing loan	The support of linked financial institutions is analysed through the number of visits made by SHG for availing subsequent loan. The higher the visits, the lower the support of financial institutions for the sustainability of SHG and vice-versa.	1 – 2 times	3		
			3 – 5 times	2		
			Above 5 times	1		
9.	Repayment rate	The repayment rate of combined loans serves as a major indicator of financial sustainability. The higher the repayment rate, the higher the financial sustainability of SHG.	Above 60 per cent	3		
			40 – 60 per cent	2		
			Less than 40 per cent	1		
10.	Utilisation of funds for productive purposes	The utilisation of loan sanctioned serves as an indicator for analysing the capacity/efficiency of SHG. The higher the utilisation ratio, the higher the expenditure/investment in productive activities.	75 per cent and above	3		
			50 – 75 per cent	2		
			Less than 50 per cent	1		
Components Score		1.00 – 1.40	1.41 – 1.80	1.81 - 2.20	2.21 – 2.60	Above 2.60
Category/Status		Very Poor	Poor	Average	Good	Very Good

Source: Computation based on Primary data, literature review and interaction with local officials

An in-depth analysis shows the engagement of different commercial banks such as SBI, UCO, Indian Overseas Bank, UBI, Bank of Baroda and Central Bank in microfinance businesses. The average contribution made by each WSHG member range from Rs. 30 to Rs. 100 per month with a membership duration of 6.2 years (mean) and a median of 6 years. This low average saving is due to their socio-economic status (82 per cent of BPL members) and dependency upon the family. As the savings made by WSHGs determines the amount of loan to be allocated, the promoting agencies and bankers in the selected study area forces the beneficiaries not to withdraw their fund (even during an emergency). The study found 60 per cent of WSHGs with savings of more

than Rs. 10,000, while 40 per cent had savings between Rs. 7,500 – 10,000. On the other hand, as per the NABARD report “Status of Microfinance in India 2013 – 14”, the average saving of WSHGs in Odisha is Rs. 8,839 which clearly shows the better position of WSHGs of Balasore district (Rs. 20,619).

The average number of loans availed by WSHGs in the study area is three with the highest and lowest number of loans at five and one, respectively. Further, 33 per cent of the WSHGs have availed loans more than three times while 40 per cent (2 – 3 times) and 27 per cent have only once. A significant correlation is observed between the duration of existence and the number of loans ($r = .522 < 0.01$) to WSHGs in the study area.

The average loan made to WSHG in the study area since inception is Rs. 2,19,891 with the highest loan of Rs. 6,00,000 and the lowest of Rs. 16,000. The number of WSHGs availed loans more than Rs. 2,00,000 is 47 per cent, and Rs. 1,00,000 – Rs. 2,00,000 is 20 per cent and less than Rs. 1,00,000 is 33 per cent. Further, the WSHGs in the study area have availed loans in multiple of the limit as prescribed in guidelines due to pressure from the government and apex agencies. The agency-wise disbursement shows the highest average loan disbursement by Cooperative Banks (Rs. 4,29,700) followed by Commercial Banks (Rs. 2,22,982) and RRBs (Rs. 1,18,209). The interaction about seed money and subsidy reveals corruption and cheating with poor households as none of the WSHGs have received seed money while only 33 per cent of groups have been provided subsidy under SGSY with a common allocation of Rs. 10,000 for each BPL member in the group with a ceiling of Rs. 1 lakh per group. On average, all WSHG members have visited 3-4 times for availing single loan with all linked financial institutions.

$$FSI = \frac{1}{10} \sum_{i=1}^{10} Z_{ij}, 1 \leq FSI \leq 3$$

The assessment of various financial indicators shows the average performance of SHGs in Balasore district with an FSI score of 1.89. None of the WSHGs made it to very good or good FSI^{WSHG} score categories. Further, 43 per cent of SHGs are average performer category and 57 per cent SHGs are in the poor performance category (though two SHGs' average score is 1.80 each which is very near to the average performance category). The major sub-indicators for the backlog of FSI^{WSHG} score are utilisation of loan for productive activities

There exists regularity in repayment by WSHG members which may be defined by force or will. The average amount of loan repaid by WSHGs in the study area is Rs. 1,77,508 thereby showing a repayment ratio of 81 per cent. The study found that 40 per cent of WSHGs have a repayment ratio of more than 90 per cent, 27 per cent range between 70 – 90 per cent while 33 per cent have a repayment ratio of less than 70 per cent. Further, a strong dependence on SHG is observed as only one WSHG member has taken a loan from other sources while 33 per cent are dependent on corpus funds for their requirements.

The study has further evaluated the last loan details to show the current position of WSHGs. New loans are provided only upon the complete repayment of previous loans. The data shows that 13 per cent of WSHGs have completed 60 per cent of their repayment (including projected interest), 50-60 per cent repayment (47 per cent) and less than 50 per cent (40 per cent).

Based upon the above parameters the financial sustainability index (FSI) has been developed as follows:

(1.00), utilisation/withdrawal of revolving fund for inter-lending (1.375), seed money and subsidy (1.30), repayment rate (1.725) and the number of visits to banks to avail loan (1.86). The major reason for this backlog is the non-dissemination of required information from both promoting agencies and financial institutions. Further, none of the SHGs has availed any incentives in the form of seed money and only 33 per cent have availed subsidy. Even the SHG members are reported of utilising the minimum share of loan sanctioned.

Table 4*Multidimensional Sustainability Index of SHGs*

Name of SHG	Organisational Score (ORCI)	Operational Score (OPCI)	Financial Score (FSI)	Overall / SHG Sustainability Score
Baba Khajureshwar SHG	2.67	2.00	1.70	2.12
Baghdevi Shakti SHG	2.00	2.28	1.70	2.00
Gopal Jew SHG	2.33	2.14	1.70	2.06
Jagaddhatri SHG	1.83	2.14	1.90	1.96
Jay Hanuman SHG	1.67	1.86	2.00	1.84
Maa Basauli SHG	2.33	2.00	2.10	2.14
Maa Basauli Shakti SHG	1.50	2.28	1.80	1.86
Maa Binapani SHG	2.17	1.71	2.10	1.99
Maa Bislakshi SHG	2.83	1.48	1.70	2.00
Maa Kalika SHG	1.83	2.00	2.00	1.94
Maa Kusumi SHG	1.83	1.71	1.70	1.75
Maa Mangala SHG	1.67	1.71	2.10	1.83
Maa Singhabahini SHG	1.83	1.86	2.20	1.96
Shakti Group Sarkarnath SHG	2.17	2.00	2.00	2.06
Sri Ram SHG	1.67	2.14	1.80	1.87
Overall Score	2.06	1.92	1.90	1.96

Source: Author's Own Calculation

Overall results in Table 4 show that 93 per cent of SHGs fall in the below-average performer category in the multi-dimensional sustainability index while 7 per cent are showing poor sustainability status. None of the SHGs are in very good, good and very poor sustainability categories. The correlation matrix in Annexure V reveals a negative significant correlation though low organisational indicators (OI) with Managerial Indicators (-.255) and Financial Indicators (-.377) at a 1 per cent level. Similarly, Managerial Index shows a negative significant correlation with the Organisational Index (-.255) while a negative but low insignificant correlation with the Financial index (-.155).

Section II: Social Status and Enterprises Sustainability of SHG Members/Entrepreneurs

The impact of the SHG programme on developing entrepreneurship and enterprises are needed to be explored to make our study more comprehensive. The selected 120 members/ households from the above-mentioned affiliated SHGs (Table 4) are from the Hindu community (99 per cent) and exhibit homogeneity, i.e. either from the same caste, locality or relationship.

Table 5*Basic Demographic Profile of Sample Respondent*

Parameters	Mean	Median	S.D
Age of the Respondents	39.4	38.0	10.75
Years of Joining Group	6.2	6.0	3.1
Land Holding in Guntha (for decimal x 2.5)	16.5	15.0	11.3
Percentage			
Marital Status	Married		94
	Unmarried		3
	Divorced/Separated		3
Caste	General		53
	SC		8
	ST		7
	OBC		32
Educational Status	Illiterate		23
	Up to standard 6		35
	7 – 10 standard		34
	11 – 12 standard		3
	Graduation and above		5
Economic Status	BPL		82
	APL		18

Source: Primary data

Moreover, the programme has included people belonging to different castes, thereby reflecting inclusion as per district composition. Maximum respondents are from general (53 per cent) and other backward castes (32 per cent) with 77 per cent literate members. The average female literacy of the district is 72 per cent with a sex ratio of 957 females per thousand males. The average landholding of selected WSHG members' families is 16.5 guntha with a standard deviation of 11.3. Their major/family occupation is farming (leased/occupied/owned) majorly cultivating paddy, groundnut, mustard, mung, bidi dal, and vegetables. Many SHG members have invested loan amount in farming on both leased and occupied land. The programme has covered all sections of women, irrespective of social and economic classes (as per literature review and

secondary data of Mission Shakti) and a similar pattern is observed as 82 per cent of selected samples are from the BPL category. The educational status of SHG members is poor as 23 per cent are illiterate. While 35 per cent members have studied up to class 6, 34 per cent studied up to class 10. Only 3 per cent of respondents had higher secondary education and 5 per cent went for higher education (graduation and above).

WSHG Enterprises and Entrepreneurship Development

The undertaking of entrepreneurial activities for supporting livelihood is among the major objectives of the SHG programme in India. For sustainability analysis, evaluation is done for enterprises as well as extended support for entrepreneurship development.

Table 6*WSHG Members Enterprises Details*

Indicators	Details	Classification	Score
Number of Activity Financed	The funding through SHGs allotted is mandatory to be invested in approved projects. Some members make investments in diversified activities so as to mitigate risk and uncertainties.	Multiple	3
		Single	2
		No Activity	1
Group days of Employment created out of total days of employment	The days of employment created due to engagement in entrepreneurial activities financed through SHG determines the contribution and future of current businesses in supporting livelihood.	More than 60 per cent	3
		40 – 60 per cent	2
		Less than 40 per cent	1
Percentage of Loan Utilised as Investment	The percentage of loans utilised for investment (fixed and variable) reflects the capacity of members to repay the loan and restricts leakages like expenditure in consumption, social obligations, etc.	More than 75 per cent	3
		51 – 75 per cent	2
		Less than 50 per cent	1
Income from Enterprise (% of total Income)	The percentage of total income earned from investment in enterprises serves proxy for measuring their dependence and contribution to the programme.	Above 50 per cent	3
		35 – 50 per cent	2
		Less than 35 per cent	1
Income – Investment Ratio (monthly return)	Income – Investment ratio is the amount of profit earned by the entrepreneur out of the investment. The higher the IRR, the higher the incentive for investment and sustainability.	Above 10 per cent	3
		6 – 10 per cent	2
		0 – 5 per cent	1
Engagement of HHs members in financed Business	Each member operates her business by engaging herself or family members. Higher dependency on family members reduces income from other sources and increases dependency on the enterprise.	Self	3
		Self and Husband	2
		All family members	1
Availability of Infrastructure for production/storage	The availability of infrastructure support in the form of production or storage facility facilitates holding capacity for better prices and market access.	Individual	3
		Group/community	2
		Self-House	1
Assistance / Support for Developing Entrepreneurship			
Training for Entrepreneurship and Enterprises	Regular training for capacity development serves as a distinctive element of the SHG programme. Skill enhancement for enterprise management and social development is essential for the sustainability of the enterprise.	Regular	3
		Occasionally	2
		Never	1
Marketing Assistance	The SHGs provide marketing assistance in the form of information, price determination and market access to SHG member enterprises.	Satisfactory	3
		Average	2
		Low	1
Interaction with promoting agencies/ govt. officials	The interaction of members for the development of enterprise, customised training, linkage with cooperatives, problems discussion, etc., are evaluated for sustainability analysis.	Good	3
		Average	2
		Low	1

Source: Compiled from various literature review and primary data survey.

The financial, managerial and supportive components were combined in Table 6 to derive enterprise sustainability for enterprises for SHGs in Balasore district. The analysis reveals activities financed through group loan varies with desirability and opportunities. Only 21 per cent of WSHG members have undertaken multiple activities while others are dependent on a single business (mostly traditional, i.e. either farming or animal husbandry). The average score is 2.20 with all engaged in entrepreneurial activities. Majority of WSHG members have undertaken animal husbandry (rearing of cow, goat, hen, duck and bull) and farming (owned and leased) as their major business followed by fish farming, leaf plates and bowl making, rice business (including puffed and flatten rice) and papad/badi (soya nuggets) making.

The average employment contribution of SHG programme score is 2.13 with almost 55 per cent contribution in total days of employment. The average days of employment created through entrepreneurial activities is 12 man-days with a standard deviation of 3.35. Intensive analysis reveals 70 per cent of respondents generated 40 – 60 per cent of total employment days monthly while 22 per cent of members have created employment more than 60 per cent of total employment days. Moreover, as the utilisation of loan amount is a concern, the average amount of loan allocated is Rs. 18,481 with a standard deviation of 15,906 while the utilisation amount is Rs. 14,938 with a standard deviation of Rs.12,641. The loan utilisation score is very good (2.79) with a standard deviation of 0.427. Intensive analysis shows 80 per

cent of respondents have utilised more than 75 per cent of the loan allocated while 19 per cent have utilised 51-75 per cent and only one per cent utilised less than 50 per cent of the loan sanctioned. A significant positive correlation is observed between loans availed and loans utilised by the respondent in the study area.

The income from the enterprise of SHG member score is 2.38 with a standard deviation of 0.700. The percentage of respondents obtaining more than 50 per cent of total income from group activities is 51 per cent followed by respondents obtaining 35-50 per cent (37 per cent) and less than 35 per cent 12 per cent. The other parameter of measuring profit, i.e. Internal rate of Return (IRR) score, is 2.25 with a standard deviation of 0.900. The intensive analysis reveals 56 per cent of respondents' IRR from enterprise is higher than 10 per cent, 13 per cent of respondents' IRR is between 6-10 per cent and 31 per cent of respondents' enterprise return is less than 5 per cent from enterprise per month. The household members' engagement in enterprise score is 2.30 with 45 per cent of members engaged themselves while 41 per cent of enterprises are operated by respondents and their husbands. Only 14 per cent of enterprises are found to be operated by all family members. Lastly, the infrastructure for production and storage is very poor in the study area as the score is 1.37. Majority of the members carry out their production or storage at the house (64 per cent), and group/community facility access (34 per cent), while only 2 per cent have individual storage/production dedicated houses (refer Annexure VIII).

Table 7*The SHGs and Their Various Sustainability Scores*

Name of SHG	Enterprise Sustainability Score (A)	Enterprise Assistance Score (B)	Combined Enterprise Sustainability Score (A + B)	Group (SHG) Sustainability Score (C)	Overall Sustainability Score (A+B+C)
Baba Khajureshwar SHG	2.44	1.43	1.93	2.12	2.02
Baghdevi Shakti SHG	2.31	1.53	1.92	2.00	1.96
Gopal Jew SHG	2.41	1.60	2.00	2.06	2.03
Jagaddhatri SHG	2.28	1.55	1.92	1.96	1.94
Jay Hanuman SHG	2.01	1.37	1.69	1.84	1.76
Maa Basauli SHG	2.39	1.49	1.94	2.14	2.04
Maa Basauli Shakti SHG	2.05	1.53	1.79	1.86	1.82
Maa Binapani SHG	2.04	1.94	1.99	1.99	1.99
Maa Bislakshi SHG	2.27	1.80	2.03	2.00	2.02
Maa Kalika SHG	2.00	1.83	1.92	1.94	1.92
Maa Kusumi SHG	2.11	1.40	1.75	1.75	1.75
Maa Mangala SHG	2.29	1.56	1.93	1.83	1.88
Maa Singhabahini SHG	2.22	1.63	1.93	1.96	1.94
Shakti Group Sarkarnath SHG	1.87	1.76	1.81	2.06	1.94
Sri Ram SHG	2.08	1.46	1.77	1.87	1.82
Overall Score	2.20	1.57	1.89	1.96	1.92
Components Score	1.00 – 1.40	1.41 – 1.80	1.81 - 2.20	2.21 – 2.60	Above 2.60
Category/Status	Very Poor	Poor	Average	Good	Very Good

Source: Self-Computation.

The overall assistance from SHG for developing individual enterprise score is 1.25 (very poor) as 74 per cent of respondents have not availed any training for production/enterprise-related training, while only 26 per cent have attended occasional training. None of the members have attended regular training for the development of their enterprises. The marketing assistance score is 1.31 (very poor) while the interaction with promoting agency score is observed to be average/satisfactory (2.15). WSHG members' Enterprise

Sustainability score is observed to be satisfactory or average but near to good (2.20) while the assistance for enterprise development score is poor (1.57).

The overall SHG programme sustainability index reveals that 87 per cent of SHGs show average performance while 13 per cent SHGs have poor status under 3-point scaling. Annexure VI reveals a gap between SHG sustainability score (1.96) and the enterprise sustainability score (1.89) which is significant at 0.01 per cent level ($t_{119} = -$

3.670 < 0.01 per cent). There exists potentiality in individual enterprises organised and managed by SHG members individually (as reflected by enterprise sustainability score) with an average score of 2.20, which is very near to a higher level, i.e. good performance category. The problem is observed with an enterprise assistance score of 1.57, which is poor.

Conclusion

Balasore district stands among the good performers in terms of micro-savings of WSHGs. Standard procedures were not observed to be strictly followed by promoting agencies while framing the rules and regulations of the group. The ORCI and OPCI show an average status/position of SHGs under consideration. Moreover, the financial sustainability of SHGs is severely affected due to deviation of funds for unproductive purposes, subsidy and utilisation of corpus fund score. Even

these SHGs show average position in terms of the number of loans, loan amount, regularity in repayment, repayment rate and the number of visits to linked FIs. In the case of the individual enterprise operated by SHG members, average to good performer enterprises were observed. The monthly IRR is more than 27 per cent while the problem lies with the organisation and assistance for enterprise development components. Training for productive and enterprise-related development, marketing assistance and infrastructure support is the need of the hour. The study recommends strict implementation of rules and policies of the SHG programme by promoting agencies and grassroots facilitators, thereby enlarging the gamut and providing market-oriented productive business training, channelising marketing through federation interference and skill enhancement through regular training of productive activities.

Author's Contribution:

Navin Kumar Rajpal: Literature review, methodology, primary data collection and scaling, data analysis, and interpretation

Sharmila Tamang: Literature review, secondary data analysis, primary data collection and uploading, and interpretation

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Annexures

Annexure I

Paired Sample T-test for Organisational Component Score (ORCI) and Operational Component Score (OPCI)

Organisational component final score – Operational component final score	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
	.13494	.50372	.04598	.04389	.22600	2.935	119	.004

Annexure II

Correlation Coefficient for ORCI and OPCI Scores

Correlations			
		Operational component final score	Organizational component final score
Operational component final score	Pearson Correlation	1	-.254**
	Sig. (2-tailed)		.005
	N	120	120
Organizational component final score	Pearson Correlation	-.254**	1
	Sig. (2-tailed)	.005	
	N	120	120

** . Correlation is significant at the 0.01 level (2-tailed).

Annexure III*ORCI Score, OPCI Score and OMI Score Calculation*

ORCI Indicators	Group Membership		Meeting schedule	Rotation in Leadership	Group Composition	Leader Selection Process	Group meeting Time	ORCI Score			
Average Score	1.89		1.43	2.01	2.58	2.01	2.43	2.05			
OPCI Indicators	Maintenance of Record		Attendance in Meeting	Record Auditing	Decision Making	Economic Activity	Conflict resolving Process	Government Projects	OPCI Score		
Average Score	2.65		1.93	1.41	2.23	1.33	2.70	1.21	1.92		
FSI Indicators	Corpus Fund	No. of Loans	Amount of Loan	Subsidy/ seed money received	Regularity in Repayment	Loan from Other Sources	Utilisation of Revolving fund	No. of the visit to FI for Loan	Repayment t Rate	Productive Utilisation of Fund	FSI average Score
Average Score	2.63	2.04	2.05	1.30	2.03	2.95	1.37	1.85	1.72	1.00	1.89

Annexure IV*Respondents' Position on Various Indicators of FSI*

FSI Components	Mean	Standard Deviation	Median
Corpus Fund (saving) INR	20,619	10,567	20,900
Number of Loans	2.79	1.44	3.00
Amount of Loan (INR)	2,19,891	1,89,089	1,85,000
Subsidy/seed money availed	31,958	48,543	n.a.
Regularity in repayment/ Average loan repaid	1,77,508	1,59,900	1,08,287
Loan from other sources	2,500	n.a.	n.a.
Utilisation/withdrawal of revolving fund Score	1.37	.486	1.00
Number of visits made to linked FI for availing loan	3.50	0.98	3.00
Utilisation of funds for productive purposes (%)	86.89	15.79	92.4

Annexure V*Correlation Matrix of ORCI, OPCI and FSI*

Correlations				
		Organisational score	Operational score	FSI score
Organisational score	Pearson Correlation	1	-.255**	-.377**
	Sig. (2-tailed)		.005	.000
	N	120	120	120
Operational score	Pearson Correlation	-.255**	1	-.155
	Sig. (2-tailed)	.005		.092
	N	120	120	120
FSI score	Pearson Correlation	-.377**	-.155	1
	Sig. (2-tailed)	.000	.092	
	N	120	120	120

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary Data

Annexure VI*Paired Sample T-Test for SHG and Enterprise Sustainability Score*

SHG sustainability score and Enterprise sustainability score	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
	-.06833	.20396	.01862	-.10520	-.03147	-3.670	119	.000

Annexure VII*OMI Score Calculation*

OPCI Indicators	Maintenance of Record (MR)	Attendance in Meeting (AM)	Record Auditing (RA)	Decision Making (DM)	Economic Activity (EA)	Conflict resolving Process (CRP)	Government Projects (GP)	OPCI Score
Average Score	2.65	1.93	1.41	2.23	1.33	2.70	1.21	1.92
ORCI Indicators	Group Membership (GM)	Meeting Schedule (MS)	Rotation in Leadership (RL)	Group Composition (GC)	Leader Selection Process (LP)	Group meeting Time (GT)		ORCI Score
Average Score	1.89	1.43	2.01	2.58	2.01	2.43		2.05

$$OMI^{WSHG} = \frac{1}{2} \sum \text{ORCI} + \text{OPCI} \quad (1 < OMI < 3)$$

or

$$OMI^{WSHG} = \frac{1}{13} \sum \text{MR} + \text{AM} + \text{RA} + \text{DM} + \text{EA} + \text{CRP} + \text{GP} + \text{GM} + \text{MS} + \text{RL} + \text{GC} + \text{LP} + \text{GT} \quad (1 < OMI < 3) \quad 1.98$$

Annexure VIII*SHG Enterprise Performance and Assistance Score*

SHG Enterprise Organisation Performance	Score
Number of Activity Financed	2.21
Group days of Employment created out of total days of employment	2.13
Percentage of Loan Utilised as Investment	2.79
Income from Enterprise (% of total Income)	2.38
Income – Investment Ratio (monthly return)	2.25
Engagement of HHs members in financed Business	2.30
Availability of Infrastructure for production/storage	1.37
SHG Enterprise Assistance	Score
Training for Entrepreneurship and Enterprises	1.26
Marketing Assistance	1.31
Interaction with promoting agencies/ govt. officials	2.15