

# COVID-19 AND SELF HELP GROUPS – A STUDY OF BALASORE DISTRICT OF ODISHA

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## ABSTRACT

*The Covid-19 pandemic and subsequent announcement of nationwide lockdown on 24<sup>th</sup> march 2020 has devastating effects on millions of people. Pandemic affected the nation at its all aspects i.e., economically, health wise, socially. Large number of people lost their job and sources of income. And women's are the worst affected by this pandemic. The present study "Impact of Covid-19 on Self help groups- a Case Study of Balasore District, Odisha" aims to explain the impact of Covid-19 on functioning of Self help groups and special impact on income and employment of Self help group women. A total of 180 Self help group women were surveyed in the district of Balasore, Odisha. The respondent includes both leaders and members of SHGs. Multistage sample method has been used for collecting data. The collection of data was done with the help of questioners keeping in the view the objective of the study. The result of the study has found that the Self help group has faced various problems and challenges for smooth functioning of group activities. They wear unable to save their monthly due and also prefer to access emergency loans. About half of the respondent reported that a deeply negative impact on their personal income. It was also found that the lockdown had an impact on women's household work with over 50 percent. overall the study demonstrate that rural women in Balasore district of Odisha have had to connected with rising stress, loss of income and increased load of household work.*

**Keyword:** - covid-19 pandemic, self help groups, economic impact

## 1. INTRODUCTION

The government of India announced its first lockdown on 24<sup>th</sup> march 2020 to contain the spread of Covid-19 viruses and that continue till 31<sup>st</sup> may 2020. This has been changed the economic scenario of country. This pandemic drastically affect the Indian economy in various ground like reduced in Gross Domestic Product, rise in unemployment, stress on supply chain collapse of the hospitality industry and many more. The Covid-19 pandemic has had a differential impact on men and women. Women are worst suffering during pandemic due to their roles as caregiver and front line worker. It is seen that women are negatively affected on their income, livelihood and wellbeing during pandemic. Women have faced several economic and health impacts shouldered the disproportionate burden of unpaid worker and remain more vulnerable to gender-based violence (UN 2020). According to the Centre for Monitoring Indian Economy (CMIE)'s Consuming Pyramids Household Survey (CPHS) data, an estimated 17 million women were left jobless, in both the formal and informal sectors between March and April 2020.

### 1.1 Self Help Groups (SHGs)

For the economic and social development and specially to remove the poverty among the rural people National Bank for Agriculture and Rural Development (NABARD) has originated a linkage project on Self help group in 1992. Self help groups play a very important role in reducing poverty in rural areas by generating employment and income.

Self help groups are a small group of individuals' member who voluntarily come together and form an association for achieving a common objective. Self help group are small in size with membership ranging from 10 to 20 of the same locality in the same village area and are homogenous. These groups start with saving and then use its savings to extent loans to SELF HELP GROUP members to meet their emergency and other attendant needs. It is a viable organized set up to disburse micro credit to the rural people for the purpose of making them enterprising and encouraging them to enter in to entrepreneurial activities. The self help groups gives benefits not only to individual members but also for the family and community as a whole through collective action. But during the Covid-19 pandemic the Self help groups has faced several challenges regarding their smooth functioning of groups and group activities. The members have faced several economic problems like creation of savings and disbursement of fund, repaying interest as well as loans etc. the economic activities they engaged fully shuttered during pandemic.

## 2. REVIEW OF LITERATURE

B Seeta Devi Balakrishnan And V. Kalyani (Jan 2021), in their paper "Impact Of Covid-19 Pandemic On The Self Help Groups", stated that Self help group faces various problem and challenges during lockdown. The Covid-19 pandemic has totally shuttered the activities of the Self help groups. They also found that all the members of the Self help groups are following the direction of the government sincerely to stop spread of Covid-19. Pandemic change the Self help group bank linkage programme. Charan Teja (August 2021) in his paper, "Covid-19 And Women In Telengana's Self Help Groups" stated that several Self help group members in rural area from different district says that their financial condition was affected by the pandemic , pushing them further in to debt. IWWAGE (2021), "Impact Of Covid-19 On Rural Self Help Group Women In Odisha", the study found that Covid-19 has deeply negative effect on personal income of the Self help group members. They did not have sufficient food, women with BPL and senior citizen cards were particularly vulnerable to food insecurity. Also found that many of the members of self help group reported that they would not be able to economically recover from this shock. The World Bank report (2020) on "Women's Self Help Groups Combat The Covid-19 Pandemic" states that women self help group in India have risen to the extraordinary challenges of Covid-19 pandemic. They are meeting shortfalls in masks, sanitizers and protecting equipment running community kitchens, fighting misinformation's and even poverty banking and financial solutions to far flung committees. Deepak Kumar (2020), "Mitigation Socio-Economic Impact Of Covid-19: A Collaborative Approach Of Self Help Group and MSMEs" conclude that to mitigate this pandemic impact, small and medium enterprises in collaboration with Self help group can play an important role in the economic development of the country. This can foster in chance development as microfinance institution provide the financial assistance for small business projects through formation of Self help groups. S. Bhowmik (2020), in her article ,"Covid-19 and Women Self Help Groups" concluded that women contributed most during the difficult time of pandemic. Women play bigger role on the healthcare sector in India by providing mask, sanitizer and protective gear to meet the demand of the health sector. R. Tankha (2020), "Women's Leadership in Covid-19 Responses: Self Help Group of the NRLM Show the Way" states that during Covid-19, it was recognize that women Self help groups could be leveraged to ensure prevention and containment of the virus in rural areas. Women Self help groups and their federated structures harbor tremendous potential because of the social capital and solidarity networks they possess.

## 3. OBJECTIVE OF THE STUDY

The main objective of present study is to study the overall impact of covid-19 pandemic on self help groups.

## 4. METHODOLOGY

### 4.1. Research Design

The Balasore district of Odisha has been selected for the present study. Two blocks are randomly selected for the study out of 12 blocks in this district. The study is based on primary data. 180 women respondent have been selected including both group leader and members of Self help groups. A structured questionnaire has been used to elicit information from the leaders and members of the Self help groups to determine the impact of Covid-19.

### 4.2. Data Analysis

Collected data was arranged in terms of their frequencies. Simple statistical tools like percentage, average, ratios are used to analyze the collected data. Tables bar diagrams and charts are used for data presentation. Collected data are compared for all relevant way by the cross –tabulated method.

## 5. IMPACT OF COVID-19 ON FUNCTIONING OF SELF HELP GROUPS

The Covid-19 pandemic has changed the complete scenario of Self help groups. They have faced a lots of problems and challenges regarding their group functioning. Weekly meeting of the group were not taking place due to strict imposition of lockdown, the group unable to collect their regular fixed amount of saving, unable to collect their interest income and also they are unable to repay their loans in time and many more problems were faced by the Self help groups during pandemic.

Impacts of pandemic	Percentage of respondents
Weekly meeting	78
Collection of savings	65
Circulation of information	46
Repayment of loans in time	90
Collection of interest income	75
Shutdown of group activity	55

Table 1: Impact of Covid-19 on Functioning of Self Help Groups, Source- primary data

The impact of Covid-19 on functioning of Self help groups is shown in the table-1. The respondents were asked about their group functioning during pandemic. It was found that 90 percent of respondent says that they are unable to pay the loan in time and 75 percent of respondent says that they are unable to collect their interest income. It is also shown that 78 percent of respondent reported that they missed their weekly meeting and 65 percentage of respondent reported they unable to collect their monthly fixed amount of group savings. Due to these reasons the bank-linkage of Self help groups was breaking down during pandemic.

## 6. IMPACT OF COVID-19 ON LIVELIHOOD AND INCOME OF SELF HELP GROUPS WOMEN

The Covid-19 pandemic and consequent lockdown drastically affect the livelihood and income of the people. Particularly Women- led activities were hit hard during the lockdown. The following diagram revealed the impact of Covid-19 on income and livelihood of Self help group women. In the present study not all women respondent have their personal income but a large percentage about 65 percent sample women has personal source of income.

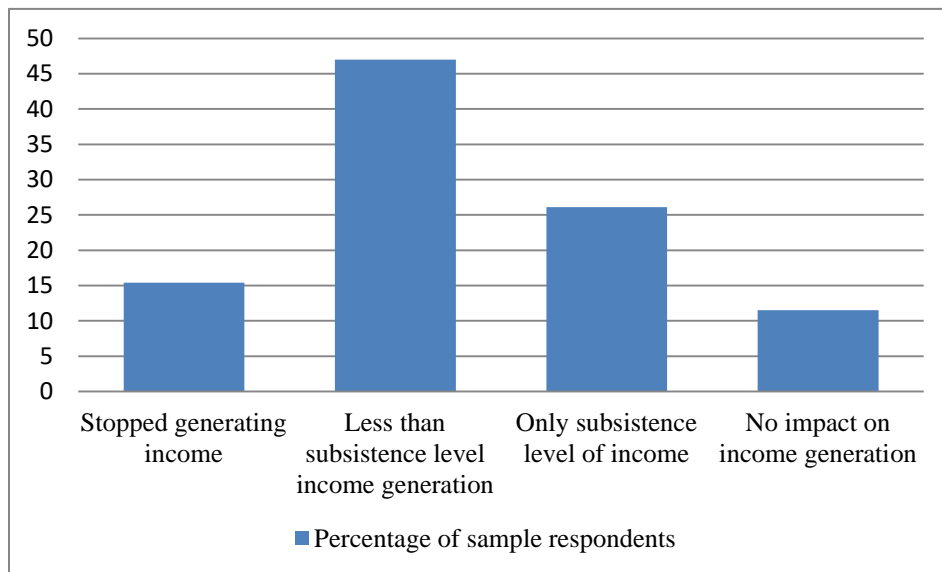


Figure-1: Impact of covid-19 on livelihood and income of SHGs women.

Source – primary data.

It is shown from the above figure-1 that 47 percent of women reported that they were earning less than subsistence level income, while 15.4 percent reported that their livelihood activities has completely stopped during lockdown. It is also shown that 11.5 percent of respondent reported that the Covid-19 pandemic not affect their income generating activities.

## 7. COVID-19 AND WOMEN'S HOUSEHOLD WORK

The lockdown had a significant impact on women's household works. Over 60 percent of the sample reported that their household work has increased during the lockdown. The main reason for the increase in workload was family members spending more time at home and school closer. Most of the women about 85 percent of sample reported that the increase in work was due to family members spending more time at home, while the second most about 57 percent women prevalent cause of increase in household work was the closer of schools and children being at home. This is shown in the following figure.

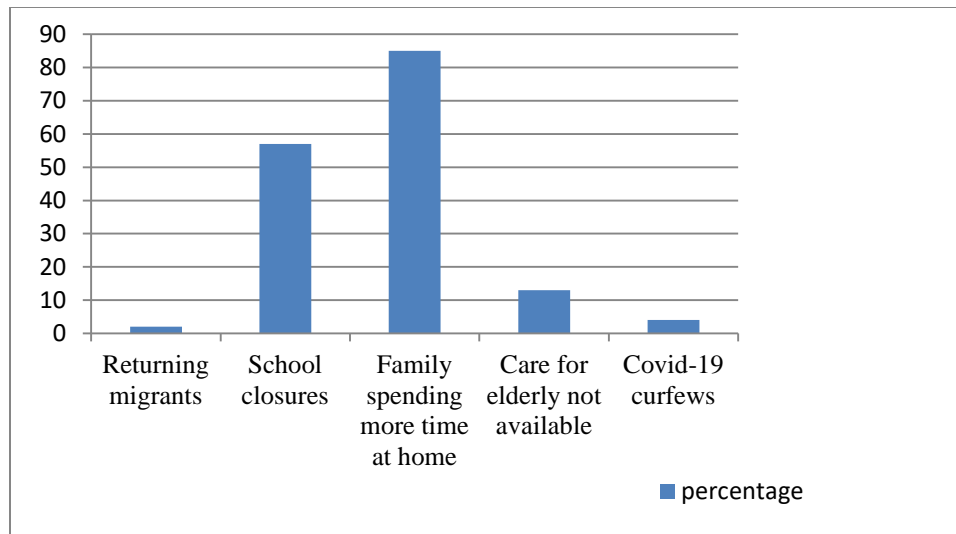


Figure -2: Reason for increase in household work  
 Source: primary data

### 8. COVID-19 AND STRESS AMONG WOMEN.

The pandemic had increased level of stress among women. The sample respondent reported that they going through high level of stress during lockdown. The survey reveals that about 50 percent of women respondent had high stress level. The major reasons cited for the stress were loss of family income (82 percent), health (78 percent) and loss of social connection (33 percent). 25 percent of respondent also reported that the reason for their stress was food insecurity. This is shown in the following figure.

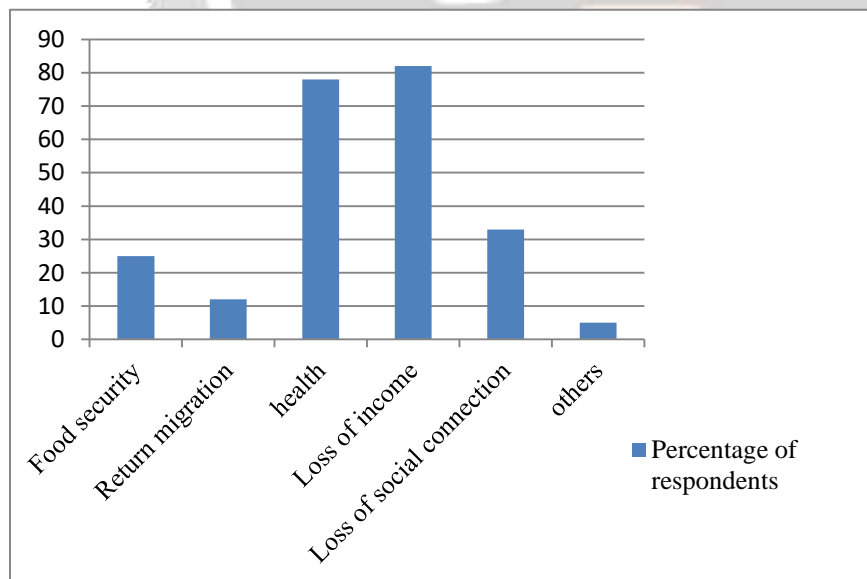


Figure -3: Reason for Women’s Stress.

Source-Primary Data



## 9. FINDINGS OF THE STUDY

From the above analysis it is observed that self help groups have faced economic shocks which reduce income and savings of the group. The linkage between banks and groups had broken due to lockdown. They also faced various problems and challenges for proper functioning of groups. It was found that 55 percent of respondent reported that their group activities had totally shuttered during the lockdown. The study found that women respondents missed the socialization, space and the financial opportunities provided by Self help groups during the lockdown period when all Self help group activities had come to a halt. About half of the respondent reported that a deeply negative impact on their personal income. It was also found that the lockdown had an impact on women's household work with over 50 percent. overall the study demonstrate that rural women in Balasore district of Odisha have had to connected with rising stress, loss of income and increased load of household work.

## 10. CONCLUSION

Self help groups not only change the outer form of a community or a society but also the social institutional as well as ideas of the people living in the society. But due to the sudden outbreak of corona virus pandemic the whole situation for the members of Self help groups changed. This pandemic totally shuttered their group activity. The nation- wide lockdown triggered a social and economic emergency. It had a far- reaching impact on the livelihood and income of the rural Self help groups' women. The study informs us that women take on the bulk of household unpaid duties, their personal livelihoods have been massively impacted, and their level of stress is rising. Digital or IT penetration in rural areas has had a far-reaching impact on women's ability to connect with others during lockdown. Hence, IT supported channels should be explored further for effective social mobilization and message dissemination.

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