



## Self Help Group, Micro Entrepreneurship & Women Empowerment in Gajapati District of Odisha

Dr. Chintamani Prasad Patnaik

Senior Assistant Professor, Department of Business Management, Aditya Institute of Technology and Management, Tekkali, (A.P.)

**Abstract:** *Focus is on Performance of SHGs and Microfinance in promoting Micro entrepreneurship and women's empowerment in Gajapati District of Orissa. This paper provides the analyses of the operating system of SHGs for mobilization of saving, delivery of credit to the needy, management of group funds, repayment of loans, in building up leadership, establishing linkage with banks and examine the social benefits derived by the members. There are 481 SHGs working in Gajapati district. The study reveals that SHGs had set a new agenda for financial intermediation by banks in the form of micro-credit. By the formation of SHGs, credits are demanded for various purposes (domestic, health, festivals, repayment of old debts, investment, etc.). Similarly different economic activities (collection, processing and marketing of minor forest products, individual business, goater, dairy etc.) are undertaken by the SHG members after joining the group. Habits of savings, economic independence, self-confidence, social cohesion, asset ownership, freedom from debt, additional employment, etc. benefits are derived by the SHG members. The Study aims at the following major objectives, i.e. to improve the socio-economic status of the tribal and non-tribal women through various socio economic development programmes and to enhance the economic viability of women by habituating regular savings and frequent credit accessibility. The study is based on the role of Gajapati Women Self Help Cooperative Ltd, an NGO working in Paralakhemundi, Gajapati District of Odisha. The Gajapati Women Self Help Cooperative Ltd is active in 4 Blocks; namely Gumma, Gosani, Kasinagar and Rayagada, of Gajapati District, providing credit support to members for income generation activities in 200 villages consisting of 5000 families. The major thrust area of the study is Micro Finance, Rural Entrepreneurship and Women Empowerment.*

**Key Words:** *Gajapati District, Micro Finance, Rural Entrepreneurship and Women Empowerment.*

### Introduction

The biggest accomplishment in microfinance in the past 10 years has been that the poor and low income women have led the way, showing that they are the world's best bankers. They build their bank balance through tiny savings from their hard earned money and use financial services to build income, assets and raise the quality of life of their family. But we need to do far more to make an impact in the world of work and finance around them. The outreach of financial services to poor women has increased dramatically, but development is still uneven and limited. Leading Microfinance institutions (MFIs) and banks have demonstrated that providing financial services to the poor is 'good business'. The number of MFIs has grown, their services more efficient and diversified. There are many more key actor than in the earlier days, playing effective roles in policy interventions, creating regulations and legal structures to serve the

poor majority. Microcredit has moved to microfinance, which is an achievement in our sector. However, poverty still persists among the working poor. Amongst the poor, women are poorer. Their income is very crucial to the family's survival. As long as these women are powerless, poverty remains a permanent reality in our country. Like finance and work, knowledge is power. Let not the women in the microfinance movement be left behind or sidelined from the movement and remain 'just clients'. Building women's leadership and the capacity of the locals to scale up is the call of the day. Equipping our colleagues in the microfinance sector with the knowledge and skills to bring women into the mainstream is the role we perceive for the Indian School of Microfinance for Women. In the coming years, there will be three priority areas to work: women's financial literacy covering their life cycle needs, building women's leadership and women's asset ownership.

This paper makes an attempt to analyse the role and performance of SHGs and Microfinance and Micro entrepreneurship in promoting women's empowerment in Gajapati District of Orissa. The broad objective of the study is to analyse the operating system of SHGs for mobilization of saving, delivery of credit to the needy, management of group funds, repayment of loans, in building up leadership, establishing linkage with banks and examine the social benefits derived by the members. There are 281 SHGs working in Gajapati district. The study reveals that SHGs had set a new agenda for financial intermediation by banks in the form of micro-credit. By the formation of SHGs, credits are demanded for various purposes (domestic, health, festivals, repayment of old debts, investment, etc.). Similarly different economic activities (collection, processing and marketing of minor forest products, individual business, goatery, dairy etc.) are undertaken by the SHG members after joining the group. Habits of savings, economic independence, self-confidence, social cohesion, asset ownership, freedom from debt, additional employment, etc. benefits are derived by the SHG members.

### **Self-Help Groups (SHGs)**

SHG is a small group of rural poor, who have voluntarily come forward to form a group for improvement of the social and economic status of the members. It can be formal (registered) or informal. Members of SHG agree to save regularly and contribute to a common fund. The members agree to use this common fund and such other funds (like grants and loans from banks), which they may receive as a group, to give small loans to needy members as per the decision of the group. The concept underlines the principle of Thrift, Credit and Self Help.

### **Need of SHGs:**

The rural poor are incapacitated due to various reasons, because most of them are socially backward, illiterate, with low motivation and poor economic base. Individually, a poor man is not only weak in socioeconomic term but also lacks access to the knowledge and information which are the most important components of today's development process. However, in a group, they are empowered to overcome many of these shortcomings. Hence, the role of SHGs is highly

essential which in specific terms covers the following as under:

- a) To mobilize the resources of the individual members for their collective economic development and uplifting the living conditions of the poor.
- b) To create a habit of savings and utilization of local resources in form of utilizing Individual skills for group interest.
- c) To create awareness about rights that help in financial assistance.
- d) To act as a media for socio-economic development of the village.
- e) To develop linkages with institutions of NGOs.
- f) To gain mutual understanding, develop trust and self-confidence.
- g) To use as an effective delivery channel for rural credit

### **Micro Enterprise**

Micro Enterprise development organizations provide comprehensive services to help entrepreneurs start and grow micro-businesses. These services include business planning, management training, market research, networking, business incubation, and loan packaging as well as financing of microloans.

### **Women Empowerment**

Empowerment is an active multidimensional process to enable women to realize their identity, position and power in all spheres of life. Empowerment provides a greater access to knowledge and resources, more autonomy in decision making, greater ability to plan lives, more control over the circumstances which influence lives, and freedom from customs, belief and practices. Empowerment demands a drastic and basic change in the system of marriage and family, husband and wife relationship and attitude towards socialization and remarriage.

Empowerment is a process that gives a person freedom in decision making. Women's empowerment is not a Northern concept. Women all over the world, including countries in the South, have been challenging and changing gender inequalities since the beginnings of history. These struggles have also been supported by many men who have been outraged at injustice against women and there upon the consequences for the society. It would be yet another instance of imperialism to say all these women and men did not have minds of their own.

### Objectives of the Study

1. To examine the demographic factors of the sample respondents
2. To analyze Women Empowerment through SHG'S and Micro entrepreneurship.
3. To examine the social benefits delivered by the members.
4. To analyze the operating system of SHG'S for the mobilization of saving, delivery of credit to the needy, repayment of loans and in empowering women.

### GEOGRAPHICAL AREA:

The Gajapati Women Self Help Cooperative Ltd is active in 4 Blocks; namely Gumma, Gosani, Kasinagar and Rayagada, of Gajapati District, providing credit support to members for income generation activities in 200 villages consisting of 5000 families.

### TARGET COMMUNITY:

The target community for GWSHC services are the tribal and Dalits and economically weaker communities, particularly women and persons with disabilities from these communities.

### Review of the Literature

There are numerous studies made both by Indians and Foreigners to examine the empowerment of women and their related issues. Some of the important studies in this regard are as follows.

Pattnaik (2003) in her study reveals that SHGs are continuously striving for a better future for tribal women as participants, decision-makers and beneficiaries in the domestic, economic, social and cultural spheres of life. But due to certain constraints like gender inequality, exploitation, women torture for which various SHGs are not organised properly and effectively. Manimekalai (2004) in his article commented that to run the income generating activities successfully the SHGs must get the help of NGOs. The bank officials should counsel and guide the women in selecting and implementing profitable income generating activities. He remarked that the formation of SHGs have boosted the self-image and confidence of rural women.

Sahu and Tripathy (2005) in their edited book views that 70 per cent of world's poor are women. Access to poor to banking services is important not only for poverty alleviation but also for optimising their contribution to the growth of regional as well as the national economy. Self Help Groups have emerged as the most vital instrument in the process of participatory development and women empowerment. The rural women are the marginalized groups in the society because of socio-economic constraints. They remain backward and lower position of the social hierarchical ladder. They can lift themselves from the morass of poverty and stagnation through micro finance and formation of Self-Help Groups.

Satpathy and Khatua (2007) made an attempt to study the impact of Micro Finance in socio economic growth in KBK region of Odisha. Basing on the study of SHG Bank linkage programme made by NABARD, analysis was made to evaluate the success rate of the programme in the backward KBK region of Odisha. Nayak (2007) made an attempt to analyse the empowerment of the poor through SHG and micro finance in the Kalahandi district of Odisha. The questionnaires were prepared and presented to 997 members of sample 80 SHGs. The study found that 89194 families of Kalahandi district benefited from SHGs and bank linkage programme and suggested strengthening of cooperative sectors.

Anitha and Revenkar (2007) made an attempt to study rural development through micro credit, the growth of SHGs from 1992-93 to 2003-04, and agency wise SHGs linked on March 31, 2004. They

concluded that the success of SHGs not only improve the economic status of women, but also brought lot of changes in their social status.

Vinayamoorthy and Pithoda (2007) made an attempt to examine women empowerment through SHGs in three villages of Tamil Nadu. They selected a sample of 398 members of 20 SHGs from Vellore, Thiruvannamalla and Dharmapur districts of the state. The main objectives of the study were to examine the income, expenditure and the savings of the members after joining SHGs and the role of SHGs in providing credit. They concluded that economic activities of SHGs were quite successful.

Sobha (2008) made an attempt to evaluate the problem of self employed women. The study took 400 self-employed women as sample from Coimbatore Municipal Corporation limit to use scaling techniques. The study concluded that the problem faced by the beneficiaries of Prime Minister's RozgarYojana is less severe than non-beneficiaries. Murugan and Begum (2008) made an attempt to examine the predominant barriers to women entrepreneurs. The study was based on the primary data collected from the sample 100 entrepreneurs of Chennai City. The study reveals that social and cultural barriers are prominent formidable block for the development of women entrepreneurs. The study concluded that entrepreneurs with ability to plan and run a business to deliver quality products.

Gudaganavar and Gudaganavar (2008) made an attempt to examine the empowerment of rural women through SHG. They highlighted the process of SHGs in India from 1992-93 to 2006-07. They also highlighted the region-wise progress of SHGs and employment of women through SHGs. They concluded that no development was possible without empowerment of women. Vasanthakumari (2008) made an attempt to examine the role of micro enterprises in empowering women in Kerala. The author took a sample of 328 micro entrepreneurs. The study revealed that these enterprises helped in empowering rural women economically, socially and individually. The study suggested giving priority to commercial viability of enterprises.

Kumararaja (2009) made an attempt to evaluate the performance of SHGs in Tamil Nadu. The study

highlighted the progress of SHGs in India and in Tamil Nadu. It revealed that there has been a steady progress in the number of SHGs and amount of loan sanctioned. The study concluded that a timely and regular check of the micro credit through SHGs will contribute to a healthy progress and to the overall development of rural women. Sankaran (2009) made an attempt to analyse the trends and problems of rural women entrepreneurs in India. The study highlighted the conceptual aspects of trends and problems of rural women entrepreneurs in India. It concluded that women have creative ability, easy adaptability and ability to cope with setbacks.

### Data collection and Analysis

The present study is based on secondary data. Secondary data gathered from the records of SHGs and NGOs and government offices which were supplemented by the primary data collected from the group. Besides, different books, newspapers, articles, journals, magazines and web sites were also referred for the purpose.

### KEY SERVICE

1. Mobilization of various savings products, such as small savings, recurring deposits and fixed deposits from members and also to extend short term and long term loans to members.
2. To reinforce the habit of savings among members and to provide the necessary insurance arrangements.
3. To ensure secured and unsecured short, medium and long term loans, loans for consumption and productive purposes and to create durable assets for sustainable livelihood of the members.
4. To provide financial and technical assistance to members for the creation of self-employment and self-reliance.
5. To promote awareness on educational and healthcare services and support available to women.

6. Establishing of linkages with the line departments for the Government Socio Economic Development programmes.

**SUPPORT SERVICES** In addition to the above key services there are 24 ancillary services that are also offered to further support SHGs activities. These services include effectiveness in savings and loans, lobbying and negotiation support with Financial institutions of public, private and cooperative sectors, linkages with various line Departments of Govt. for enabling convergence services, Research and advocacy support for the promotion of the Self-Help Cooperative movement to disseminate cooperative education, strengthening voluntary and democratic leadership qualities and enhancing the income and savings of members. Other activities focus on developing reserve funds and entertaining other services to meet the needs of members to sustain the cooperative on surplus.

**THRUST AREAS:** The major thrust areas of the society are:

- Micro Finance and Rural Entrepreneurship
- Women Empowerment
- Vocational -Skill development

**GEOGRAPHICAL AREA:** The Gajapati Women Self Help Cooperative Ltd is active in 4 Blocks; namely Gumma, Gosani, Kasinagar and Rayagada, of Gajapati District, providing credit support to members for income generation activities in 200 villages consisting of 5000 families.

**TARGET COMMUNITY:** The target community for GWSHC services are the tribal and Dalits and economically weaker communities, particularly women and persons with disabilities from these communities.

**ACTIVITIES DURING THE YEAR:** At present the GWSHC has a total share holders of 7330 and 7539 members with the savings of SBD, RD and FD to total amount of Rs. 35,20,313/-. During the year, it has disbursed Rs. 20,38,400/- as loan to the members and non-members. The rate of recovery is 96%. Two new branches have been opened in Mandalasahi of Rayagada Block and Gumma of the same Block, to cater to the credit needs of the local women. Focusing on the empowerment of women

several activities have taken place this year, such as providing socio-economic opportunities to SHG members and promoting the establishment of new SHGs and other independent cooperatives. Efforts were also focused on enabling the community to participate in all development activities viz Palli Sabha/Gram Sabhas, decision making processes, microenterprises, livestock management and seasonal business. Also arranged financial support through bank linkages, developing leadership qualities, the concern on gender equity and empowerment. During the year, 931 women SHG meetings were held. The meetings were covered the discussions on on the concept of SHG, thrift and credit management, issues of the women, information on different social development sectors, social security schemes, awareness on mother and child health care, linkages with the ICDS and banks for income generation activities. Skill Development training conducted on broom making in 2 phases i.e., from 18th - 22nd June'07 and 29th Aug'07 - 2nd Sept'07 respectively supported by FVTF, Bangalore. Total 40 SHG members participated in the training program that was enabled them to prepare different varieties of Broom sticks. The marketing and liaisoning with various marketing agencies is being done by the cooperative with a view to facilitate the SHG members for income generation opportunities.

The SHG members have undergone trainings on value addition and processing of horticulture produces and NTFPs, technical supported by OUAT, OMFED and Horticulture department, Gajapati. The SHG members are preparing Pineapple juice, Orange juice, Lemon juice, Nector, Osmo-dehydrated produces like jackfruit titbits, pineapple slices, mango bar etc. Since last 2 years, the SHG members are supplying pineapple juice to OMFED and getting good profit. This year, they have supplied 10000 Kgs of Pineapple juice to OMFED and got a netprofit of Rs. 80,000/-. The cooperative has been facilitating for market linkages & bank linkages for the SHG members to establish a Food processing unit to create a sustainable income opportunities for them.

**MICROCREDIT/ LOAN:** Members of GWSHC are individually and as a group are supported by loans. The focus is on those whose income is low and middle and who's unable to receive a loan from banks and other cooperative societies. These loans are intended to provide financial support for



various business and non-business activities and other production oriented ventures. All identified and selected ventures are rural based where the best local sources of goods are available and marketable in nearby growth centers. Thus promoting the concept of market-based business among the rural and tribal women. The microcredit variables differ from area to area depending upon the interest and skills of members. This financial year, GWSHC has supported members with a total credit of worth Rs. 20,38,400/- for various income generation activities. The members of the cooperative have also availed loan from State Bank of India, Paralakhemundi branch worth of Rs. 1,15,20,500/- and repayment was made during the year of Rs. 61,61,621.

### **LOAN PRODUCTS**

### **TRADE / VENDING / PRODUCTIVE ACTIVITIES**

- Fish vending,
- Vegetable vending,
- Floriculture
- Rice business
- Broom work
- Stone chips crushing
- NTFP marketing
- Seasonal business
- Food processing
- Paddy business
- Candle making
- Tailoring and Garment making
- Flower business
- Bamboo basket making
- Coconut vending
- Cycle Sops

- Grocery Shop
- Potter

### **LIVESTOCK**

- Sheep
- Goat
- Cows
- Buffaloes

### **AGRICULTURE**

- Vegetable cultivation
- Plantation

### **CASE STUDIES - 1**

#### **VALUE ADDITION OF MINOR FOREST PRODUCES**

Namanagada is a remote village in Gumma Block of Gajapati District, surrounded by plenty of natural resources amidst the Devagiri Forest. Yet, such a village area has a number of families living below poverty line, unable to benefit from the minor forest products. During the season, the financially sound outside merchants visit the village to fetch the products from Tribals for a marginal amount. The local petty traders traditionally purchase and sell their products for a small rate of margin. In that village, 20 women came forward and organized themselves as Self-Help Group (SHG) titled as Shanti and Dipti Mahila Sanghams. The Sangha has taken two loans for a total of Rs.1, 87,000/-. The purpose of the loan was for procuring and processing the available broom sticks and Siali leaves to make bundles for sweeping and using the leaves to create leaf plates and cups. The women were also training in marketing to help them profit from the finished products and so they could more effectively sell their products in the towns of Orissa and Andhra Pradesh for a good remunerative price. In this processes of trade, all the women have shared equitably not only the net profit at par but also the work under the activity. Every member in the group has repaid their loan installments with interest and their annual income through this business has

ranged between Rs. 36,000/- to 40,000/- only. The greatest result has been the economic empowerment of all these scheduled caste women who are now earning their own profits. Also, these women have become more socially empowered as they are now able to bargain with the middle men and merchants, thus yielding more power in their business decisions.

## CASE STUDY - 2

### PROMOTION OF TRADITIONAL PRACTICE AND INCOME GENERATION

A group of 14 women, belonging to a fishing community, have formed a SHG named DIMMILAMMA MAHILA SANGHAM. Usually all these families catch fish from ponds to sell or, if quantity was low, they would take loans and purchase fish from middle men to sell in the market and streets. These practice put the community in a position of exploitation as both the money lenders and middle men would take advantage of the desperate situation. The women took simple interest loans for a total of Rs. 1 lakh. During the year the women retained a profit of Rs. 40 000/-, but also began regular savings with their Pass Books. Now, the women feel proud to say and share their experiences with us as entrepreneurs. The traditional fishermen and the group members have leased Ramsagar, Sita sagar, and Pattnaik Bandh ponds and are now nurturing fish seedlings. In addition, they are supplying the seedlings to others. Now, the entire village is engaged in the project. During the rainy season the men knit the fishing nets and both the men and women participate in the fishing and marketing.

**CONCLUSION** For the Gajapati Women Self Help Cooperative Ltd. (GWSHC), it has been a busy year with remarkable progress in member expansion and an increase in the self-reliance of SHGs, enhancing Micro Entrepreneurship and Women Empowerment in Gajapati District.

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