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DYNAMICS OF RURAL POVERTY: ROLE OF WOMEN'S SELF-HELP GROUPS IN KALAHANDI DISTRICT (ODISHA)

GADADHARA MOHAPATRA

The article critically analyses the role of women self-help groups (WSHGs) in alleviating poverty and empowering the tribal women in Kalahandi district of Odisha based on the field findings, ground realities and observations. It also documents the best practices of the NGOs and other self-help promoting institutions (SHPIs) in social mobilisation and poverty alleviation. The study shows that intensity of social capital (in the form of trust relating to credit and savings activities) is more among the SHGs which are homogeneous in nature (i.e. SHGs comprising of all Kondh/ST women members); whereas social capital is on the decline among the mixed and/or diverse groups in the sample villages (for example SHGs consisting of both ST and SC and male and female members). The empirical findings of the study show that the group savings of the various WSHGs promoted by the NGOs and SHPIs (namely, Parivartan, Gram Vikas, Antodaya and Sahabhagi Vikas Abhiyan, ICDS and Watershed Department, Government of Odisha) in Thuamul Rampur block of Kalahandi have increased gradually; and also shows that after SHG intervention, dependency of the tribal villagers on the local money lenders for loan have declined significantly.

INTRODUCTION

WHILE MAKING his first visit to Odisha in 1921, Gandhiji described "Odisha as an epitome of India's poverty". He wrote on Odisha's poverty in the *Harijan* in March 1921. What Gandhiji said regarding Odisha's poverty in those days, is true today even after 65 years of India's independence. Post-independence scenario of Odisha is a total disappointing one. Ironically, fact to state that Odisha is a rich state in natural resources but it is today the poorest state in the Indian federal system (Rout, 2007:210). The phrase

'poverty amidst plenty' sounds appropriate here. According to the *Odisha Human Development Report*, 'poverty in Odisha is overwhelmingly a rural phenomenon (OHDR, 2004:21). There is wide regional, social and gender disparities which are the outcome of long-term neglect of depressed regions and 'entitlement failures' for the marginalised sections including Scheduled Tribes and Scheduled Castes (Odisha Annual Plan 2014-15:27). One of the primary objectives of the Government of Odisha is to "achieve all-round development, transforming Odisha into one of the most prosperous states along with complete development of women, children and under-developed classes" (Biju Janata Dal [BJD] Manifesto, 2009). The goal of inclusion is by no means peculiar to the state of Odisha (Soumya Kapoor, 2011:1). Over the years, though there is political stability in terms of the regional party of *Biju Janata Dal* holding its base in the state, the state has been witnessing left wing extremist activities in different parts of the districts. Realising that the extremist problem in the state could be tackled both on security and development fronts, the state has initiated three-pronged strategy such as security measures in terms of deploying security force in the affected areas; accelerating the development process and improving the accessibility to the affected areas in order to bring them to the mainstream of development process.

Kalahandi district in Odisha has been considered as one of the most backward regions of the country. Kalahandi has witnessed a large number of droughts and other natural calamities over centuries (DHDR, Kalahandi 2012:4). The economic and social impacts of these droughts on the people of Kalahandi have been very severe. The Directorate of Economics and Statistics, Odisha has analysed the rainfall of South Western Kalahandi and has reported that on an average there is a drought year in every three to four years. In recent years flash floods due to heavy rainfall have become a common occurrence. The district has been severely affected due to severe floods during the last ten years. Thirteen floods occurred in different parts of the district from 2000-2001, 2004, 2006 and 2007 (DHDR-Kalahandi, 2012:118-19). Kalahandi district has a very high incidence of poverty with 87.10 per cent living below the poverty line in 1999-2000 as per the 55th round of NSS estimations. As per the Ministry of Rural Development's methodology for identification of BPL households, Kalahandi reported 62.71 per cent families below the poverty line in the 1997 BPL census. Even though it is richly endowed with natural resources, Kalahandi has in the recent past attracted adverse publicity for alleged starvation deaths, heavy incidence of poverty and poor development (*ibid.*16). As per the estimates of DHDR (2011) about 76.59 per cent households of Kalahandi have monthly incomes of less than Rs.500. About 32.47 per cent households

have monthly income of less than Rs.250. These income levels are grossly inadequate to meet essential consumption, production and other needs of most of these households.

It is recognised that large number of programmes for alleviating poverty in Odisha have had limited impact in transforming the lives of the poor. In view of the debates around impact of micro-credit on poverty, the study examined whether the SGSY/NRLM and NGO assisted Self Help Groups (SHGs) based micro-finance programmes really benefit the poor in the state. This study is based upon intensive field work in Thuamul Rampur block of Kalahandi district in Odisha and the article is an outcome of the author's doctoral research at Jawaharlal Nehru University. The study examined the micro-credit requirements particularly of the disadvantaged groups like the STs, SCs and women. The article highlights the impact of SHGs on income, asset creation, education and health and the role SHGs play in 'local polities' in terms of influencing decision making at the Gram Panchayat level. Further, the study documented the best practices of the NGOs and other self-help promoting institutions (SHPIs) in social mobilisation and poverty alleviation in the district.

MICROFINANCE-BASED SHGs, SOCIAL CAPITAL AND POVERTY ALLEVIATION: CONCEPTUAL FRAMEWORK

Microfinance programmes were started more than 20 years ago in developing countries, ostensibly to overcome the lack of financial services for the poor. The term 'microfinance' refers to all the financial services including loans and/or savings provided by programmes, Non-Governmental Organizations (NGOs), or even banks to assist low income people who are economically active, yet have no access to commercial banks (Laura Foschi in Castiglione *et al.* 2008:470). A similar definition of micro-credit was proposed by the Microcredit Summit for which microcredit refers to programmes that provide credit for self-employment and other financial and business services including savings and technical assistance to very poor people (Daley-Haris 2004; Foschi, 2008:484). The 2005 Report of the Microcredit Summit Campaign emphasizes both reach of micro finance and its poverty alleviation goals.

SHGs are small, informal and homogeneous groups with a membership of 10 to 15 members drawn from Below Poverty Line (BPL) households in India. The initial entry point for the formation of SHGs is either thrift or credit or education and health. The government or non-government agencies play a major role in undertaking economic activities and establishing linkages with formal credit institutions and markets. The external agencies (government and NGOs) have been taking several measures for the capacity

building of SHGs and supporting them with necessary managerial and trade related skills (India SDR, 2006:12).

SHGs as a mechanism for mobilising social capital and bringing about changes in lives of the poor have been widely recognised. These local forms of association, based on trust, norms of reciprocity and networks are a strategy of social capital approach for mainstream developmental agencies and the World Bank (Putnam 1993: 167; Rankin, 2002: 2; Sooryamoorthy, 2005). There exists a dual relationship between social capital and microfinance programmes, where the former is a resource for the latter, which can improve credit access by the poor. On the other hand, the microfinance can favour the creation of new social capital. Microfinance and social capital are linked in this causal relationship (Fisher and Sriram 2003) and should be taken into consideration in the design, implementation and monitoring, or rather in all the phases of the microfinance ((Foschi, 2008:482). SHGs generate 'social capital', i.e. the glue, which holds the society together (Meenai, 2003:20).

The field experience in the realm of administering poverty alleviation programmes in India during the last decades shows that a group approach has an edge over an individual-oriented one. The poor women who are homogeneous in terms of common occupation or socio-economic background could organise themselves as a cohesive group (India SDR, 2006:12). The SHG model was introduced as a core strategy to achieve empowerment in the Ninth Plan (1997-2002) with the objective to "organize the women into Self-help groups and thus mark the beginning of a major process of empowering women" (Planning Commission, 1997). This strategy was continued in the 10th Plan (2002-07) with the government committed "to encouraging SHG model to act as the agents of social change, development and empowerment of women" (*ibid*: 239). SHG bank linkage programme though started in India in the early 1990s it got acceleration only after 2000 (NABARD 2005). The SGSY was launched as an integrated programme for self-employment of the rural poor with effect from April 1, 1999. Ministry of Rural Development (MoRD), Government of India has launched the 'National Rural Livelihood Mission' (NRLM) by restructuring the SGSY Scheme, effective from April 1, 2013 (MoRD e-book 2014-15: 24-28).

SHG Movements in Odisha

Empowerment of women is one of the key development initiatives identified by the Government of Odisha. Economic empowerment of women significantly contributes to their social empowerment. As such helping women to achieve economic independence by enabling them to have independent employment and income has been accorded the highest priority.

It has also been recognised that women will be better-placed to overcome the negative social pressures and gender biases operating against them and to unshackle themselves through group identity and activity. Promotion of Women's Self-Help Groups (WSHGs) has, therefore been adopted as a key strategy for achieving women's empowerment. A mission approach has been adopted for this purpose through launching 'Mission *Shakti*' aimed at promotion of Women's Self-Help Groups, strengthening and capacity building of the already existing groups and provide technical support, market linkages and credit linkages (<http://wcdodisha.gov.in>). 'Mission *Shakti*' is one among the women welfare-oriented programme which was launched by Government of Odisha in March 2001 to organise women into SHGs and empower them through thrift and credit. To empower the women in the state. Government of Odisha has recently launched the '*Shakti Varta*' Programme. It aims to find out local problems and their appropriate solution. The Programme specifically focuses on issues like malnutrition, health, safe drinking water and sanitation in the target areas. The pioneering Programme involves more than 10 lakh women in the State (Odisha Review 2013:5). *Shakti Varta* entails a high level of convergence on community process through collaboration between Mission *Shakti*, NRHM, the Departments of Health, Women & Child Development, Rural Development supported by DFID and TMST.

IMPACT OF WOMEN'S SELF-HELP GROUPS ON RURAL POVERTY IN KALAHANDI: EMPIRICAL RESULTS

This section critically analyses the role of WSHGs in poverty alleviation based on the field findings, ground realities and observations. The article highlights the impact of SHGs on income, asset creation, education and health and the role SHGs play in 'local politics' in terms of influencing decision making at the Gram Panchayat level. Further, the study documented the best practices of the NGOs and other self-help promoting institutions (SHPIs) in social mobilisation and poverty alleviation in the district.

METHODOLOGY

The study was conducted among the Kondhs (Parja/PTGs/STs) and other forest dwellers (Dombs/SCs) in Thuamul Rampur block in Kalahandi district. The FGDs were conducted with SHPA field staff, secretary of watershed department, social activist, local folklorist and nearly 50 key informants. The study employed a case study approach to observe successful and not-so-successful cases of SHGs in the sample villages. The study employed non-probability purposive sampling method

to select the sample SHGs. The study covers nine women self-help groups which have been formed by different self-help promoting institutions in six villages under three Gram panchayats of Thuamul Rampur. The total sample size from all the sample villages is 63. A combination of methods has been applied in analysing the data that was collected during the field visits. The study has estimated the average annual income of the households and Monthly Per Capita Expenditure (MPCE) analysis is employed to calculate the monthly expenditure of the household and the per capita expenditure of the household. Further, the empowerment index is prepared to capture the impact of microcredit on the programme participants in the study area.

Table 1 provides the profile of the SHGs promoted by different SHPIs, federation of these groups at the block level, etc.

TABLE 1: STUDY SAMPLE: SHGs IN SIX VILLAGES

<i>Name of SHGs</i>	<i>Name of the Village/Gram Panchayat</i>	<i>SHPA/NGO</i>	<i>Total Members in the Groups</i>	<i>No. of SHG Members drop out from the group</i>	<i>Federation/ Cluster association</i>	<i>No. of SHG Members Interviewed (Study Sample)</i>
Maa Bhagwati (MB)	-Kachalekha Kerpai	Sahabhagi Vikas Abhiyan	10	0	Banashree Mahila Sangh	9
Sarala (SA)	Kerpai	Sahabhagi Vikas Abhiyan	18	0		10
Budha Raja (BR)	Madangaguda - Gunpur	Gram Vikas	10	1	Banabasi Anchalika Mahila	8
Maa Dokri (MD)	-Rampur Gunpur	Parivartan	18	1	Samabaya	8
Khandual (KL), Dokri (DK), Thangigadi (TG)	Turibhejiguda -Nakrundi	Antodaya	41	0	Banashree Mahila	10
Brundabati (BNB) Sindhu Suta (SS)	Kirkicha-Gunpur	Antodaya, ICDS	18	0		18
Total			115	2		63

SOURCE: Compiled from field data.

SOCIAL-ECONOMIC BACKGROUND OF THE SHG MEMBERS

The social composition of SHG members shows that the major part of respondents belonged to Kondh/STs (66.7%), followed by Domb/SCs

(31.7%) and 1.6 per cent belong to Gouda /OBC. The age composition of the members shows that majority of women SHG members (44.4%) are in the age group of 31 to 45 years. SHGs like Sarala (SA), Maa Dokri (MD) and Brundabati (BNB) Sindhu Suta (SS) have maximum women members those belong to the age group of 31 to 45. But in Budha Raja (BR) SHG majority of the members belong to the age group of 46 and above. Thus, the age-wise classification of the SHG members shows that SHGs have concentrated more on the younger age groups.

Educational level of the members of SHGs shows that 42.9 per cent of the study samples are illiterate. On the other hand, about 49.2 per cent of the study samples are those who can read and write and 7.9 per cent SHG members have passed primary school education. Thus, it is clear that all the SHGs are heterogeneous groups in respect of their education which has differential impact on income generation, loan disbursement among and others.

QUANTITATIVE IMPACT OF SHG-BASED INTERVENTION

Estimated average annual income of the household is Rs. 2412.54 and the per capita income is Rs.533.99. As the livelihood of Kondh (STs) and Domb (SCs) is based upon subsistence agriculture; income from agriculture is very low, i.e. Rs.448.62 per annum for all villages across various categories. Among the social groups, average annual income of STs from cultivation is Rs. 537.03 per household; among SCs it is Rs.266.26 and Rs.383.00 per annum among the OBC households. Thus, the annual income of STs from cultivation is higher than the other categories (See Table 2).

TABLE 2: AVERAGE ANNUAL INCOME PER HOUSEHOLD BY SOCIAL GROUPS

(in Rs.)

Category	Cultivation	Wage Labour	Forest	Others	Average Annual Income (All Sources]	
					Per HH	Per capita
OBC	383.00	2250.00	50.00	350.00	3033.00	433.29
SC	266.26	1517.25	64.05	877.40	2725.10	605.54
ST	537.03	1538.57	91.74	81.55	2248.93	502.32
All	448.62	1543.10	82.29	338.46	2412.54	533.99

As per the Monthly Per Capita Expenditure (MPCE) analysis, 54 per cent households are non-poor, whereas 19 per cent belong to the category of moderate poor, about 14 per cent belong to severe poor category and rest 13 per cent of the sample households belong to the medium poor. Thus, the

distribution of poverty level among the sample households shows that the percentage of non-poor households under the study sample are higher to all categories of poor. (See Table 3).

TABLE 3: INCIDENCE OF POVERTY AMONG THE VARIOUS CATEGORIES OF POOR

<i>Poverty level</i>	<i>Frequency</i>	<i>Per cent</i>
Severe Poor	9	14.28
Medium Poor	8	12.69
Moderate Poor	12	19.04
Non Poor	34	53.96
Total	63	100

Period of Food Insecurity

Food insecurity is directly linked to the unequal land holding structure and the *Gountia culture* in the region. Landlessness, marginal and small land holdings and lack of irrigation facility in the sample villages are the major cause of food insecurity. During the course of primary survey it was observed that the tribal households ensure food security for 4-12 months depending on the asset base. The food deficit is met with the targeted PDS, special schemes under food safety net and rural development schemes like SGRY, NREGS, and OTELP, etc.

Food Security through Community Grain Bank in Thuamul Rampur: A Few Best Practice Cases

Apart from saving and group lending activities, under the active guidance of NGOs like Antodaya, Gram Vikas, Parivartan and Sahabhagi Vikas Abhiyan, SHG members have collectively established grain banks in their villages. Grain bank serves as a hedge against starvation deaths in most tribal villages of Thuamul Rampur block. Women self-help groups are managing this, members and the village women lend grain from the grain bank during the agricultural lean periods. Members, who borrow grain to meet food deficit, generally return grain during harvesting season with the interest rate charged by the SHG members. Under the NABARD's innovative scheme in the 90's, three central godowns were established in Kerpai Gram Panchayat in 17 villages consisting of 310 tribal families. Earlier, bankers were not taking into account the grains as saving, but seeing the SHG savings in terms of grain deposits, the bank began to provide loan to them. Thus, through this project grain has been monetized, by calculating the total savings of the SHGs in terms of cash and grain, the bank provides loan to the groups. Through this innovative project, there is a major breakthrough of illegal money lending of the moneylenders (*Sahukars*) in the region. Three

Grain Banks were constructed in Silet, Sikerguda and Maltipadar. All the three are in active operation in 17 tribal villages of Kerpai and Nakarundi GPs of Thuamul Rampur block of Kalahandi district. Three Grain Bank Committees were constituted with members from different SHGs. 29 SHGs were promoted by the NGO, Antodaya. SHGs started savings in cash and grain. Savings mobilised by the SHGs from members was Rs 1,59,025 and grain of 5,330 kg (approximately).

Group Savings

The highest group savings are observed to be among the Maa Dokri (MD) women self-help groups in Ranpur village as promoted by Parivartan NGO, whereas the second highest group savings is with the Budha Raja (BR) promoted by Gram Vikas NGO in Madangguda village. (See Table 4).

TABLE 4: SHGs SAVINGS

Village	SHGs	SHG Group Saving (Rs.)
Kachalekha	MB	13,417
Kerpai	SA	8,300
Madang guda	BR	35,000
Ranapur	MD	50,085
Turivejiguda	KL, DK & TG	19,000
Kirkicha	BNB & S S	40,155
Total (Rs.)		1,65,957

SOURCE: Compiled from the Primary Data (SHG Registers).

Microcredit requirements of the STs, SCs and Women

Group lending activities among the SHGs shows that majority of respondents (79.4%) of the study sample have taken loan from various sources. However, 13 respondents (20.6%) of the study sample are non-borrowers. Out of the 50 loanee respondents, 17 respondents, (34.0%) have taken loan for purchasing livestock and poultry for income generating activities through livestock raising activities; 10 respondents, i.e., 20 per cent of the study sample have taken loan during the *Tokmimara parab* and *Pausa parab* and during marriage for consumption purpose; nine respondents (18.0%) each have taken loan for agricultural activity and for purchasing agricultural equipments and petty business respectively. Other four members (8.0%) have taken loan for medical treatment and hardly one member has taken loan for providing education to children (See Fig. 1). Thus, majority of the respondents have taken loan for productive purpose such as livestock raising, agricultural activity and petty business. Secondly, a number of households have taken consumption loans and for marriage.

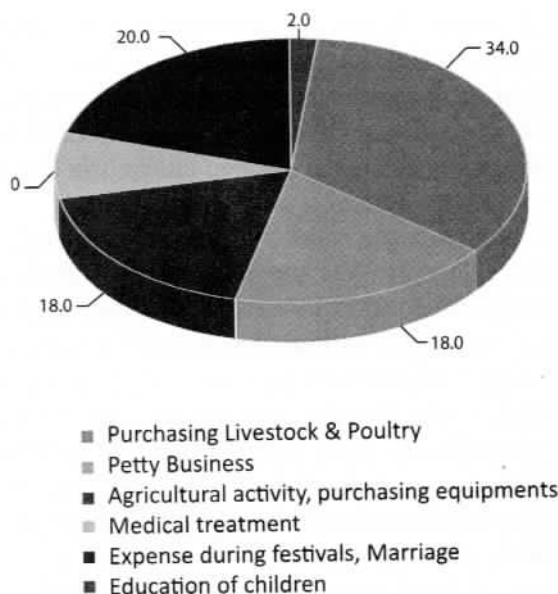


FIG. 1: PURPOSE OF LOAN

Interest Rate Paid by Members to the Group

SHGs lend to members within their groups at an average rate of interest of around 24 per cent a year (2% a month). Fifty-four per cent of the sample lends at this rate, or less; sixteen per cent lend at 36 per cent (3% a month). Ten per cent of the sample lends at 12 per cent a year (1% a month). The pattern is to charge higher rates in the early stages of group formation, with an emphasis on growing the group fund; with rates sometimes reducing over time. In case of individual members lending from the Gramya bank is at an interest rate of 12 per cent in a year. Six per cent of the sample lends from the moneylender at 60 per cent a year. Thus, the study shows that after the SHG intervention, dependency of villagers on moneylenders has declined who not only charges about 60 per cent interest for providing loan to the villagers but also exploits them in various ways.

Activities Undertaken After Getting Loan

The Maa Bhagwati SHG members in Kachalekha under Kerpai GP have undergone training for making hill brooms, leaf plates, processing *Kandul dal* with the machine provided to them and sell them in the nearest market at Saisuruni and presently SHGs are also running PDS outlets. In Kerpai Gram Panchayat, the members from Sarala SHG have taken land on lease and undertaken various income generating activities such as vegetable and oilseed cultivation and purchased livestock and poultry farm.

Sahabhagi Vikas Abhiyan and the DRDA's have provided training to the members of Sarala SHG in Kerpai for preparing hill brooms and sell

these in the local market, Machine is provided to the SHG members to process *Kandul* (pulse) which is supplied to the schools for mid-day meals. Utkal Gramya Bank has provided loans to purchase livestock and to build cattle sheds for keeping goats. Other SHG members have taken land in lease and engaged in vegetable and oil seed cultivation like cabbage and sun flower, etc.

Madangguda which is the model village and the chief minister of Odisha visited the village in 2002 and declared this village as a 'habitat village'. Under the guidance of Gram Vikas NGO and through Rural Health & Environment Programme, various development activities have been initiated in this village. Villagers are provided with drinking water facility through tape water, proper drainage system, and internal road has been constructed for the villagers. Semi-pucca houses are constructed for the villagers through the cooperation of Gram Vikas NGO and supporting the villagers to avail housing loan from HDFC bank. Villagers are engaged in vegetable and paddy cultivation through stream water.

The members of Budharaja SHG have established a grain bank in this village and save grain collectively and lend among themselves during summer. The SHG members of Maa Dokri in Ranpur village are engaged in raising livestock, banana cultivation, making hill brooms, selling bangles, etc. for earning. SHG members of Khandwal, Dokri and Thangigadi in Turivejiguda have started some petty business in poultry and raising livestock, selling dry fish, chilli and minor forest products and hill brooms in the nearest market. In Kirkicha village members of two SHGs named as Brundabati and Sindhusuta have started petty business such as purchasing dry fish and selling it in the neighbouring villages; others sell the bangles, etc. after getting loan from Utkal Gramya Bank, Gunpur Branch. Other members are engaged in cultivation of crops and infrastructure for cultivation. Training and guidance is provided to these SHGs by Antodaya NGO for starting the income generating activities. The details of income generating activities undertaken by different WSHGs is shown in Table 5.

QUALITATIVE IMPACT OF THE SHG INTERVENTION

Self Help Groups and Women's Empowerment

Taking the qualitative impact of the SHG-based intervention among the programme participants into account, the study depicts that 25 per cent SC women are highly empowered compared to STs where it is 19 per cent of the study sample. In the second category, 52.4 per cent ST women are medium empowered than the SC women (44%). In the third category, 30 per cent SC women are low empowered compared to ST women where it is about 29 per cent (See Table 6). The changes in the skills and abilities

TABLE 5: ACTIVITIES UNDERTAKEN AFTER GETTING LOAN

Name of WSHGs	Activities	
	Cultivation	Micro-enterprise
1	2	3
Maa Bhagwati	--	Making hill brooms, leaf plates, processing Kandul dal, running PDS outlets
Sarala	Vegetable, oilseed and paddy cultivation	Poultry, raising livestock
Budha Raja	Paddy cultivation, infrastructure for cultivation	Raising livestock, petty shop
Maa Dokri	Paddy & banana cultivation	Making hill brooms, selling bangles, raising livestock
Khandual, Dokri & Thangigadi	Paddy cultivation, infrastructure for cultivation	Purchase & sell of dry fish, chilli and minor forest products & making hill brooms, poultry & raising livestock
Brundabati, Sindhusuta	Paddy cultivation, infrastructure for cultivation	Purchase & sell of dry fish, petty shop

SOURCE: Compiled from the Primary Data from the field.

in terms of speaking during public meetings, taking leadership positions in the SHG, performing the bank transactions, going to government office/ police station protesting at the collectorate against the liquor vending in the villages and talking to government officials/police if it is required—are some of the instances of women empowerment. Thus, it is clear that though there is positive impact of SHGs on rural poverty, the process of empowerment is poor.

TABLE 6: CATEGORY-WISE EMPOWERMENT INDEX

			Category			Total
			OBC	SC	ST	
Empowerment Index	Low Empowered	Count	0	6	12	18
		% within category	.0%	30.0%	28.6%	28.6%
	Medium Empowered	Count	1	9	22	32
		% within category	100.0%	45.0%	52.4%	50.8%
	Highly Empowered	Count	0	5	8	13
		% within category	.0%	25.0%	19.0%	20.6%
Total	Count	1	20	42	63	
	100.0% within category	100.0%	100.0%	100.0%	100.0%	

SOURCE: Index prepared from Primary Data.

Impact of SHGs in Local Politics

The participation of SHG members in the Gram Sabha meeting was very low before SHGs formation. But in recent years village women are going to attend Gram Sabha and are raising issues for the development of the village. The participation of WSHG members has increased after SHGs formation. Two women members from BR and Dokri WSHG were elected as Sarpanch from 1997 to 2005 in Gunpur and Nakrundi Gram panchayat and played a vital role in bringing the issues, challenges the village community to the front and with the Gram Panchayat and NGO intervention they have initiated various development activities in the respective gram panchayats. Similarly, the SHG members from these villages are engaged to run PDS outlets and have also been appointed as GRAM SATHI to oversee the status of implementation of the work under MGNREGA and for encouraging social audits in every village. Thus, the SHG intervention shows that by creating a conducive environment and by giving an opportunity, village women have the capability to emerge as true leaders of the village community to promote development. Here, Amartya Sen's work on capabilities is applicable where he emphasizes on "what counts is not what poor people possess, but what it enables them to do".

Status of Women in the Households

Status of women in the households both before and after SHGs formation shows that women members have control over the expenditure of their own income and they keep the expenditure of their husband's income with themselves. SHG members now alone take decision to purchase jewelry out of their own income rather depending upon the family members. After joining the SHG, the women members play a major role in taking decision for health care of the family members. Women members expressed that they don't need to take permission from their family members to go to market for petty business, shopping, etc. after the SHG intervention. However, marginal change or no change has been observed among the SHG members in taking decision about the number of children for the family, still they need to take permission to go to stay at their parental houses and to visit friends' or relatives house. Women members in the family are found to be involved in domestic works including cooking and household chores, hence there is no change in this sphere. (See Table 7).

Role of SHGs in Resolving Social Issues and Community Problems

In the monthly SHG meeting, the SHG members discuss the major problems in their locality such as alcoholism, child labour, insufficient infrastructure facilities and scarcity of drinking water, etc. Though thrift collection and SHG activities is the core topic of discussion in every meeting,

TABLE 7: STATUS OF WOMEN IN THE HOUSEHOLDS
BOTH BEFORE AND AFTER SHGs FORMATION

Sl No.	Status of Women in the Households	Unit	Before (%)	After (%)	Change (%)
1	Decision to cook	% members	95	97	2
2	Decision in maintaining health care	% members	24	71	47
3	Taking decision about the number of children	% members	91	91	0
4	To purchase jewellery	% members	81	92	11
5	Permission required to go to stay in parental house	% members	75	75	0
6	Whether permission needed to go to market	% members	91	3	88
7	Whether permission needed to visit relatives/friends	% members	97	97	0
8	Whether the respondent keeps the expenditure of husbands income	% members	79	100	21
9	Whether the respondent is entrusted with the safe keeping of her own income	% members	79	100	21
10	Whether the respondent controls expenditure of her own income	% members	78	100	22

73 per cent members viewed that they also discuss about the problems in their villages and their neighbouring villages. It was reported that all women members in their groups from Turivejiguda and nearest villages have collectively protested against alcoholism and the wine shop (*mada bhati*) and against child labour problems in their locality. There were three wine shops (*mada bhati*) nearby the road side at Kermanji, Gunpur, and Amthaguda which is the main source of all kinds of exploitation, tribal people spend the major portion of their income for consuming alcohol and very often they mortgage their assets to do so. With active support from the social workers from different NGOs working in the region and Sarpanch, the Women SHGs have protested against wine shops (*mada bhati*) at the collectorate, Bhawanipatna. After the public objection, the collector asked the shop owners to take away the shops to distant places. (See Table 8).

Child labour was a major issue before the SHG members. SHG members along with women members from neighbouring villages demanded to free the children who were working as domestic workers. NGOs like Antodaya and Parivartan are running child labour schools through National Child Labour project at Mohangiri village in Kaniguma and at Balisara. School children are provided with slates and books at free of cost. Apart from this, girls are imparted vocational training such as tailoring. Thus, it confirms to the existing studies that SHGs not only generate economic and social capital

TABLE 8: ROLE OF WSHGs IN RESOLVING SOCIAL ISSUES AND COMMUNITY PROBLEMS

Statement	Yes (%)	No (%)
Scarcity of safe drinking water	51	49
Insufficient basic infrastructure facilities	65	35
Unequal wages	13	87
Drop outs from school	24	76
Atrocity against women	24	76
Eve teasing	11	89
Child abuse	6	94
Child labour	71	29
Alcoholism	92	8
Domestic violence	43	57

but also contribute to collective consciousness against forms of oppression that prevails in rural societies (Rankin 2002).

IMPACT OF SHG BASED MICROFINANCE ON THE PROGRAMME PARTICIPANTS

Figure 2 shows that SHG based microfinance programmes have brought high change in the indicators like improvement in the interest of women and children towards education; increase in income and in terms of regular savings of SHG members. Level of participation in the group meetings and training programmes and health awareness aspects shows that these have brought moderate change among the programme participants. Though the level of income of the beneficiaries has increased, it has not led to asset creation to a significant level even after joining SHGs.

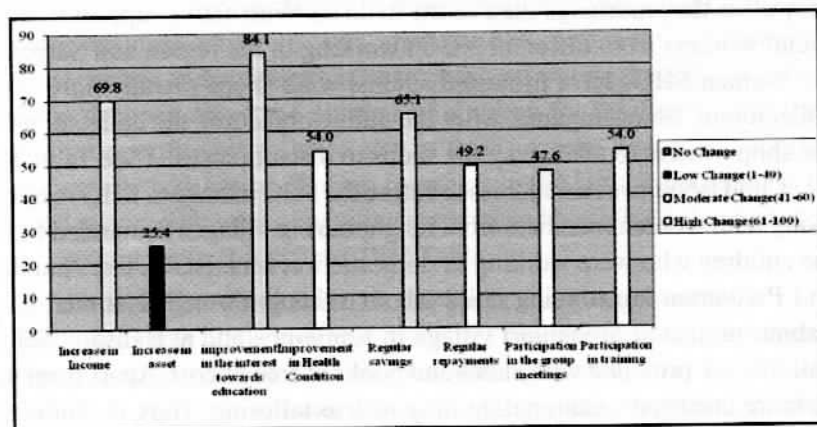


FIG. 2: IMPACT OF SHG-BASED MICRO-FINANCE ON THE PROGRAMME PARTICIPANTS

Sustainability of the Self-Help Groups

The long-run sustainability of the SHGs is primarily based upon the strength or quality and capacity building of the groups. The sustainability of the SHGs is ensured through regular meetings, maintaining the records, creation of common assets, collective mechanism to deal with the pattern of loan repayment and default borrowers, stabilise the defunct and broken groups and finally, NGO contribution and training and sustainability of promoting institutions.

CONCLUSION

It is, however, pertinent to mention here that self-help group-based microfinance is certainly a tool for alleviating poverty and empowering the rural and tribal women. Saving habit is generated among the rural poor and they are now considered bankable. However, the study reveals that microfinance activities in the district is only limited to credit. Micro-finance does not merely refer to credit, rather it includes a wide range of activities such as saving, credit, insurance, micro-enterprise and the emerging needs of the target groups. The study also finds that the hard core poor who are supposed to be given higher priority in the process of financial inclusion, find it harder to move out of poverty through SHGs. Those who have access to the market are getting the benefit out of such income generating activities. It is in this context, as Muhammad Yunus of Grameen Bank of Bangladesh rightly pointed out, "if the poor and non-poor are combined within a single programme, the non-poor will always drive out of the poor". Women self-help group members, especially the scheduled caste women, are advanced in using the credit for petty business and they have better access to market as compared to the tribal (*adivasi*) women. It is also noted that personal variables such as marriage, and occupation, health aspects have an influence in their decision to make loans available for others. In most of the cases, the credit is used for consumption purpose for which the members of the SHG find it difficult to repay the loan. Alternative micro-credit institutions especially the NGOs plays a vital role in the process of linking the SHGs to bank and availing credit to the SHGs in the region. Several NGOs are operating in the district, working in the field of education, health, livelihood promotion and generating awareness among the tribal villagers. The NABARD-assisted NGO's like Antodaya and Gram Vikas have worked towards providing marketing support for NTFPs like hill brooms, *Kandul*, oilseeds which is collected by the tribals in the region; earlier they were exploited by middlemen by selling the NTFPs at a distress sale. Credit provided by Utkal Gramya Bank, through the NGOs/SHGs is very satisfactory, and there is high recovery of the loans disbursed to SHGs.

The formation of SHGs is vital in a remote location like Thuamul Rampur; earlier villagers in the region had no access to institutional credit. They were under debt trap by the moneylender and they had to pay high interest rates at 60 per cent in a year. The SHG approach ensures 100 per cent recovery, fulfills the real credit need of the poor, ensures proper utilisation of loans, operational flexibility, and allows the maximum freedom to the groups and their members. For banks too, the SHG approach is a cost-effective credit delivery channel offering a high degree of safety, less risk, and prompt recovery. Finally, the study finds that effectiveness of SHGs would be considerably enhanced if there is a symbiosis between the SHGs and the PRIs. It suggests that there should be convergence of programmes by empowering the SHGs and PRIs to enhance the effectiveness of these programmes in the study area.

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