

Microfinance in Tribal Odisha : Micro Impact Against Macro Scope

* *Navin Kumar Rajpal*

** *Sharmila Tamang*

Abstract

The microfinance programme has passed a long journey from micro savings to microcredit and microcredit to microenterprises with an effort of transforming the household self consumption activities into micro businesses. Initially, the programme had been introduced to make availability of credit via formal institutions at cheaper rate, meeting livelihood and business opportunities, but with globalization, the objective of the programme has also changed. Globally, the programme has transformed the lives of the poor and marginal, but as far as its objective in India is concerned, it covers various other dimensions in addition to economic upliftment. In Odisha, the self help groups (SHGs) concept had been introduced under the umbrella of Mission Shakti and Targeted Rural Initiatives for Poverty Termination and Infrastructure (TRIPTI), and recorded 'Success beyond Target' along many dimensions, but their performance and impact on rural households was not clear. This paper tried to highlight the status, performance, and impact of SHG programmes in a tribal dominated district of Odisha.

Keywords : common pool, micro credit, livelihood, microfinance

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Financial backwardness and greed of availing benefits of government policies and programmes have served as major factors for growth and operations of SHGs in Odisha. As visualized from various articles and case studies, people are encouraged by the promoting agencies to enroll and to avail benefits in the form of subsidy and allowances associated with government programmes (Rajpal, 2014a). The microfinance programme in Odisha has been executed through both the models as defined by National Bank for Agriculture and Rural Development (NABARD) in 2006, that is, SHG - bank linkage model and SHG - micro financing institutions (MFI) model. The major stakeholders including Government of Odisha, NABARD, Integrated Child Development Scheme, Department of Social Welfare, District Rural Development Agency, and various non government organizations have worked relentlessly to provide access and enrollment services to all woman from families of rural and urban Odisha.

The ratio of enrollment and access varies geographically as well as according to format of promoting institutions and policies. In order to have overall development, various promoting agencies have incorporated similar structure and pattern for evaluation of SHGs. The SHGs in the state have observed tremendous growth and sustainability only after the introduction of a specialized institution by the Government of Odisha known as Mission Shakti in 2001. The institution is named as such in order to define a mission of improving the status of women in the state keeping intact all the dimensions of development and empowerment. Moreover, in Odisha, 90% of SHG members are women, which clearly defines the pattern, structure, and direction of the programme in

* *Assistant Professor*, Department of Economics, Sidho Kanho Birs University, Purulia, West Bengal.

E-mail : navin300@yahoo.co.in

** *Research Scholar*, Department of Economics, Mizoram Central University, Aizawl, Mizoram.

the state. Further, the state government, through inclusion of ICDS staff within the SHG programme, has provided better scope and placement for overall nurturing of SHGs. The SHG programme has been implemented through a five tier structure keeping in view the geographical, administrative, and political divisions of the state. The objective of these classifications is to have effective delivery of the direct and indirect impact of the programme on rural and urban households.

Hierarchy is considered to have effective control, supervision, monitoring, and interaction among different stakeholders. The lower level of hierarchy comprises of ICDS workers who are basically in-charge of the Aanganbadi (pre-primary) schools along with one assistant usually known as a helper (in local language). The Aanganbadi workers or 'Madam,' as they are referred to, are women who have been appointed for educating children below 5 years of age under the Sarva Shiksha Abhiyan and the helper is also a woman appointed to provide support to the madam or incharge of an Aanganbadi. In addition, the major duties of a helper is to prepare mid-day meals, cleaning the school premises, acting as a guardian for students, acting as a messenger for students and their families, and transferring information to SHGs' members/president/secretary. The major benefits of involving the ICDS workers in the execution and monitoring of the SHG programme are cost efficiency, easy availability, accessibility, control, and information sharing (Tamang, 2014). ICDS workers and helpers are available in every village and the most distinctive feature is that they are usually local people who have a clear idea of the problems and barriers of their locality. The second tier of the administrative structure is panchayat level institutions (PRIs), especially the nominees of DSWO, that is, District Social Welfare Office. Each nominated officer from a block office conducts meetings twice in a month (i.e. every fortnight) with the village level ICDS staff to monitor growth, performance, and to assess the financial position of the SHGs at the grassroot level.

Further, the Aanganbadi workers submit the report on a monthly basis in a common format prescribed by Mission Shakti. The third tier in the system are the block level ICDS officers who collect the reports of different villages via nodal officers and analyze the challenges faced by SHGs and suggest possible measures for further improvement. They report these to higher authorities - the district headquarter officers of SHGs. These activities are done under the vigilance and guidance of block development officer of the particular block. The fourth tier is the District Social Welfare Office comprising of one district social welfare officer, additional officer, and 8-10 clerical staff. The major objective of this office is to analyze the reports of SHG operations and performance at each block, and to compare with previous year's performance. Further, this office takes special care to analyze financial viability of the SHGs in a particular block and makes necessary arrangements in consultation with the lead bank for availability of credit. Further, the DSW office sends the monthly progress report to the ultimate authority, that is, Mission Shakti located in the state capital Bhubaneswar. There exist several other government and non government organizations in the state which provide credit and subsidy to WSHGs to avail economic help and gain from the same. The major ones are the Watershed Department, DRDA, Department of Agriculture and Fisheries, NGOs, Indian Tobacco Company (ITC), and Liberal Association for Movement of People (LAMP).

Further, several other independent organizations such as banks, Integrated Tribal Development Agency, Panchayat Raj Institutions (PRIs), NGOs, and teachers of primary and secondary schools take utmost care of SHG members by providing proper guidance, support, and training at appropriate levels. This clearly specifies the robust preparation and execution made by suppliers of microfinance services. But the programme, policy, and product become successful only when there exist benefits, impact, and borrowers of the supply. The major stakeholder on the demand side is the poor and vulnerable section of the society that lacks opportunity for development and remains backward due to ineffective or restricted programmes and policies of the government (Rajpal, 2014b). As highlighted earlier, the majority of SHG members in Odisha are women. Therefore, keeping in view the restriction and taboos of the society, the programme has been designed to facilitate use of credit either individually or jointly depending on the protocols of the group.

Study Area

The study was conducted from July 2012 to February 2013 taking into consideration both intensive and extensive aspects. The initial comparison was done taking into account the disparity gap between the growth of SHGs at different levels, that is, tribal district, state, and national levels in order to have an in-depth understanding of the operation and performance of Women Self Help Groups (WSHGs) in a tribal dominated district, that is, Mayurbhanj of Odisha. The major reason for the selection of the Mayurbhanj block as the area of study is its high scheduled tribe (ST) population as well as differences in sub-castes. The Mayurbhanj district comprises of 26 community development blocks within the district headquarters at Baripada.

The district stands first in terms of ST composition in the state along with the occupational and sub-caste diversification. The major reasons for the higher concentration of STs in Mayurbhanj is its geographical location and administrative division as it comprises of one of the most dense tiger reserves, that is, Simlipal National Park and it shares boundaries with tribal districts of Jharkhand and West Bengal. Out of the 26 blocks, five blocks having higher ST population than the district average were randomly selected during the initial stage. From each selected block, three panchayats were selected randomly and from each panchayat, 10 WSHG members were selected at random. There is a notion among ICDS workers that in villages, almost all married women are members of SHGs and unmarried women are not included in order to have sustainability in a group. The ICDS workers further stated that inclusion of unmarried members creates fear of sustainability with respect to operational, financial, and recovery among groups. Therefore, the overall study was executed over five blocks covering 15 panchayats, 15 villages, and 150 sample SHG members.

Literature Review

Das and Panigrahi (2006) stated that SHGs have a positive impact on poverty, but their impact on the process of empowerment is poor. Lower empowerment of women groups may pose a threat to the sustainability of SHGs in the long run. Due to lack of accessibility of credit from formal agencies, rural poor have to take money from money lenders who provide loan at very high interest rates, which puts them in a poverty trap. The only way to solve this problem is to form SHGs and make them self sustaining in a backward state like Odisha. The requirement of basic inputs to make SHGs sustainable are education, training, group attitude, and awareness of all related matters of group functioning. In order to empower women in Odisha, "Mission Shakti" was launched in 2001, aiming at reduction of poverty through participation of women in the process of development. The mission has been trying to strengthen women by providing basic inputs for utilization of skill and labour in a productive way.

Reji (2012) conducted a study in three districts of Odisha, that is, Puri, Ganjam, and Gajapati to find out whether the SHG movement has helped in mobilization of the poor in the state of Odisha and whether SHGs had facilitated access to financial services for the poor. He found that SHGs are instrumental in mobilizing women from poor families and bringing them under an organizational fold. He also found that majority of the SHG members belonged to Below Poverty Line families and more than one-third of the members belonged to ST and Scheduled Caste (SC) category. This showed that the programme focused on poor families, especially the backward castes for their upliftment and for improvement of their living standards. His study also revealed that SHGs were instrumental in developing saving habits of the members. Though most of the groups were linked with bank and availed credit facility, the credit available to them was low as compared to their requirements. Moreover, most of the SHGs were limited only to opening a bank account in the name of the group. The study found that though SHGs have overcome initial difficulties, they need further support to strengthen the internal system.

Savaraiah, Mamatha, and Gangulappa (2009) conducted a study in Nellore district of Andhra Pradesh. Their

objective was to assess the impact of SHGs on poverty reduction and employment generation among sample women members. They found that about 34% of the women were engaged in agricultural activities ; whereas, 55% of the women were engaged in manufacturing and small businesses, which means that a significant occupational change fetched them more income. More than 84% of the women members stated that SHGs had increased their income and standard of living. SHGs also improved the employment level of poor women, provided them training, credit, and other basic services like education, child care, nutrition, water, and sanitation. With an increase in income and employment level, SHGs had uplifted the rural women who were below the poverty line.

Ramachandran and Balakrishnan (2008) stated that emancipation of women is a pre-requisite for a nation's economic development and social upliftment. SHGs have not only benefitted individual women but also their families and communities as a whole through collective action for development. SHGs have encouraged women to participate in household matters and take up leadership positions. The study found that women also started to take up and manage their own productive activities which supplemented their household income, as a result of which, their living standards increased. Another benefit received from the SHG programme was development of saving habits, access to various promotional assistance, large quantum of resources, better technology, and skill upgradation. SHGs have created socioeconomic revolution in rural areas. They have not only improved the living conditions of the members, but have also helped in changing their social outlook and attitudes.

Kumar (2011) stated that entrepreneurship serves as a boon for poor women in India. Micro finance is a supportive tool for micro enterprise development. Different states in India are adopting their own modes for promotion of micro enterprises. Kudambashree, the state poverty eradication mission was launched by Government of Kerala in 1998 with the support of Government of India and NABARD. Kudambashree has considerably changed the lives of women of Kerala. About 36 lakh women of the state have been organized into 1,82,969 grass root level SHGs. The mission also gave birth to 29,436 micro enterprises, making around 54,949 women owners of these units. The major hindrances in operation of enterprises are high market competition, poor technology, improper management, scarcity of capital, and inter-personal problems. Synchronizing technology and cost reduction efforts may improve the situation of entrepreneurs.

Objectives of the Study

The present study aims at highlighting :

- (i) The comparative growth, structure, and performance of SHGs in the selected tribal dominated district of Odisha.
- (ii) The occupational composition, financial status, and benefits that accrued to SHG members after joining the programme.
- (iii) The major drawbacks hindering growth of SHGs arising from different stakeholder dimensions and deliberation (promotional, operational, and supportive arenas to be highlighted).

Research Questions

- (i) Is there no significant difference in impact of training programme, caste, literacy, and designation on employment and income of SHG members ?
- (ii) Is there no significant correlation between years of existence and amount of loan disbursed in case of SHGs?

Analysis and Interpretation

The WSHGs in Mayurbhanj are majorly formed by either ICDS workers or NGOs. Many of the members including the President and Secretary join the group without knowing the nature, scope, and objectives of the programme. Even the ICDS workers were unaware about the objectives of the programme during the initial phase. The government, through its deliberate policies and extensive network, has successfully achieved success beyond the target, but as far as viability and sustainability are concerned, doubts still exist as many members still don't understand the major reason of formation of SHGs. The overall study has highlighted the loopholes of the programme as the women in the district are mostly illiterate, or at the maximum, they are high school pass.

Over interaction with and questions from government authorities creates trouble for them either financially or socially. Further, the fear of not getting benefits and subsidy restricts them from questioning and raising voice against the ultimate authorities. Further, it was found that in many of the areas, activities selection and loan amount utilization was carried out with prior approval of either President/Secretary or banks and even in certain cases, ICDS workers. Further, there exist differences in loan amount disbursement among members. Poor members got only 40-50% of the amount allotted and enquiry revealed that this is because the other established members fear that the poor might not repay the loan. So, they keep 50-60% of the allotted amount with the group or allot it to other members, which means that the poor still lack credit even after massive intervention. The higher authority or the in-charge supports the action of the group due to some benefits or relationship with the group authority.

(1) WSHGs and Programme Impact : The SHGs in Mayurbhanj district are promoted by several government and non - government agencies among which ICDS acts as a major stakeholder. This study covered 20 WSHGs from five selected tribal dominated blocks. It focused on all hierarchies of SHGs, that is, President (12 %), Secretary (11.3%), and members (76.3%). Further, the groups under coverage had attained a minimum of 2 years of existence and maximum 13 years of existence, which clearly indicates a coverage of both mature and semi-mature groups. The average number of years of existence of WSHGs under the study are 7 years 4 months with a standard deviation of 2.48, median : 8, and mode : 8. These statistics represent adequate time for which the groups have existed for attainment of the programme objectives. Each group comprised of 10 to 17 members which shows strict implementation of the policy at the grassroot level, but a reality check revealed that the samples have reported non inclusion of more than 10 members (45%) to grab higher amount of subsidy from government and non-government agencies. It was further observed that 30% of the groups had 12 members, while 10% of the groups had 15 members and above.

One of the major reasons for SHG programme success beyond target in the state is the SGSY linked subsidy as observed during interaction with members and promoters. Out of the total sample, 55.3% of the total members of the groups belonged to the middle age group (35 - 60 years), followed by 42.7 % of young age group (less than 35 years), among which 83.3% were married, 9.3% were widows, and 6% were unmarried. The inclusion of unmarried members was done on compensatory ground, that is, unmarried daughters of previously existing members not able to continue due to health and other issues were included. The programme covered 85.3% of the households of BPL category and 14.7% from APL category. Even majority of the sample respondents from APL category were poor but due to non availability of BPL card, their inclusion in the aforesaid category was restricted. Further, majority of people under study were Scheduled Tribes (47.3%) followed by general (22.0%), Scheduled Caste (16%) and Other Backward Castes (OBC) (14.7%). Blocks such as Jashipur, Tiring, and Bisoi have more than 50% ST population. The programme covered 89.3% of Hindu households and 10.7 % of Muslim households of the tribal dominated district. There was groupism in formation, member selection, and allocation with various groups, as no group was observed having different religions, categories, or caste mix representation. The major criteria for enrollment of membership in SHGs is BPL card. Further, BPL category people did not want

Table 1. Group Linked Activities

Group Linked activities	% of samples
Animal Husbandry	29.3
Leaf Bowl and Plate Making	16.0
Sabai Grass rope making	5.3
Rice Business	13.3
Spices powder making	5.3
Others*	18.8
No Activities	4.0
Shops	8.0

*includes puffed rice business, mid - day meal, farming, tailoring, Bamboo work, potterer, incense stick making, fruit business, tal leaf fancy , and daily use items making.

to include non-BPL members even though they were poor to avoid sharing of their subsidy money.

The government, through its policy, made a massive intervention in growth and operation of SHGs in Odisha. As a major stakeholder, the government has made deliberate effort by linking the SHG programme with Sarva Siksha Abhiyan, public distribution system, forest conservation, integrated child development programme, etc. The people in samples under study have undertaken several economic activities to finance their daily livelihood, which is broadly classified under major activities, subsidiary activities, and group linked activities. Major activities stands for the activities which an individual member had carried out with support of family funds before joining the group. Subsidiary activities are those which an individual carries on for some extra benefits or economic activities to which time is devoted in addition to carrying out a major activity ; 38% of the sample under study are marginal farmers, 16.7% are small farmers, 11.3% are daily laborers, 5.3% are large farmers, 8% are service holders, whereas 5% are unemployed, which means that they have not undertaken any economic activity or they are housewives (samples of Bangiriposi, Jashipur, and Tiring). In case of subsidiary activities, 54% have not taken to any activity, 36% have taken to animal husbandry while the other 10% have taken to shop, rope making, and puffed rice making as their subsidy activity.

The SHG programme was started with a view of making funds available to people in need for carrying out economic activities. Rural women usually directly or indirectly carry on certain types of economic activities. The WSHG programme of Mission Shakti and Government of Odisha has provided them wings to fly as now women are carrying out the same activities with greater capital investment and dedication. It is seen in Table 1 that 29.3 % of the sample had undertaken animal husbandry as its group linked activity as there is limited scope and future of availing other kinds of activities in the interior areas. According to them, animal husbandry is a self developing business which requires less effort and gives good profit. The next major activity financed by group corpus is leaf plate and bowl making. This business is very famous among the areas located near Simlipal National Forest Reserve and almost every family carries out this activity either as a producer of the final product or of intermediate products for other industries. Earlier, the members were involved in the manufacture of semi-finished products. With the support of the SHGs, these entrepreneurs installed heating and beating machines to improve the flatness of plates and curves of the bowls. Further, with assistance from NGOs and federations, these finished products have been marketed in various states such as Uttar Pradesh, Bihar, Bengal, and Rajasthan.

The consumption of these products is higher in Odisha. The next business is rice production, sales, and accumulation. Many of the respondents reported that in addition to their own production, they purchase rice from other farmers and sell it at different local and district level markets. This not only provides a better scope of earning for the local rice producers, but also gives freedom from problems of storage, transportation of products to the market, fear of competition, and disaster sales. Eight percent of the sample under study had a variety of

shops such as grocery, evening and morning snacks, chicken shop, tea stall, stationary shop etc., which provided them additional scope for earning and learning business strategy, policies, and ethics. There were people (4%) who had not carried out any economic activity even after years of existence of the SHG programmes. Such members reported that there were problems such as health issues of family members, crop failure, social occasions and education of children which restricted them from successful investment in their planned businesses. Intensive analysis revealed that there are people in all the selected blocks of Mayurbhanj district who had not undertaken any activity even after getting support from SHGs, but the larger share was occupied by the Bangiriposi block. Further, 18.8% of the people had undertaken diversified activities which have been classified as 'others activities' such as puffed rice business, mid-day meal, farming, tailoring, bamboo work, potterer, incense stick making, fruit business, tal leaf fancy, and daily use items.

(2) Employment and Income Contribution Due to SHG Programme : The major objective of the programme is to create self employment opportunities by financing the poor living in rural and urban areas through a formal financial system. It got massive attention and success due to its distinctive feature of autonomy in availing loans and flexibility in repayment schedule. Intensive analysis of monthly employment of WSHG members (Table 2) reveals that on an average, the members were engaged for 19.7 man days per month, over which the contribution of group activity was 59.9%, whereas the employment in major activity was only 40.1%. Within blocks, the employment rate was higher in Betnoti, Bisoi, and Tiring, whereas, the group contribution was higher in Betnoti, Bangiriposi, and Jashipur.

One way ANOVA was used (Table 3) to analyze the mean differences in employment days via group activities between and within the blocks of the area under study. The F value of one way ANOVA is 5.636, which is statistically significant at 0.00 significance level, which clearly represents that there exist differences in mean employment days across five blocks under study.

In order to find out the differences in impact of SHG programme in providing employment opportunities over different blocks, post hoc test by assuming equal variances LSD, Bonferroni, and Turkey was applied. The results of these tests show that there exist significant difference (at the 0.05 significance level) in employment between Betnoti block and all other blocks under study.

As the income of the respondents is concerned, the study found that the average income of the respondents in the study area was ₹ 1321 with an average income of ₹ 804 from group activities and the average income of ₹ 518 from major activities (as shown in the Table 4). It has been observed that the group income on an average

Table 2. Employment Classification

Blocks						
Days of Employment	Bangiriposi	Betnoti	Bisoi	Jashipur	Tiring	Average days of employment
Employment in Major Occupation	6.5	7.8	8.2	6.8	9.6	7.9
Group Employment	10.9	15.6	11.6	11.3	9.7	11.8
Total days of Employment	17.4	23.4	19.8	18.1	19.3	19.7

Table 3. One Way ANOVA for Employment Via Group Activities

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	600.627	4	150.157	5.636	.000
Within Groups	3862.867	145	26.240		
Total	4463.493	149			

Table 4. Income Classification (Monthly)

Blocks						
Average Monthly Income (In INR)	Bangiriposi	Betnoti	Bisoi	Jashipur	Tiring	Average Income
Income through Major Occupation	447	461	493	536	650	518
Group Income	760	1160	626	781	691	804
Total Income	1207	1621	1119	1317	1341	1321

contributes to 60.8% of the total income. Further, the share of group income in total income of the group members was higher in Betnoti Block (71.5%) followed by Bangiriposi (62.9%), Jashipur (59.3%), Bisoi (55.9%), and Tiring (52.3%). In order to have a clear view of impact on income, an attempt has been made to find out whether higher employment results in higher income. Correlation analysis was applied for this. Pearson bivariate correlation between the days of employment and monthly income of respondents under study shows positive correlation of 68.9%, which is statistically significant at one percent level.

(3) Financial Institutions - Credit and Repayment : Support from formal financial institutions to the poor is a major objective of SHG programme throughout the world. This phenomenon has been supported and promoted in India with a slight change in delivery technique making it compatible with the needs of the poor. Keeping in view the mechanism of Indian banking system and the failure observed in cooperatives and Regional Rural Banks, the SHG programme has been designed with flexibility, desirability, and affordability along with regular monitoring by specialized agencies. The lead bank in Mayurbhanj is Bank of India, closely associated in effective implementation and progress with other stakeholders throughout the district. The SHGs in Odisha as per policy are formed by registered agencies - either government or non government which are also defined as promoting agencies. These agencies have the responsibility of training, maintenance, linkage, and promotion activities. The study found that 86% of the sample under study are promoted by government agencies among which the major stakeholders are ICDS workers, followed by DRDA and school teachers, while the rest were promoted by NGOs named as LAMPS in Bangiriposi and CREFTDA in Jashipur.

The bank linkage support to SHGs has covered the twin objectives of the government, that is, initial lending via formal institutions and covering financial inclusion goal. In the study area the support in operation and promotion of SHGs was carried out by all three major financial institutions i.e. commercial banks (66.7%), cooperative banks (6.7%) and RRBs (26.6%). Further, it has been observed that in all blocks, majority of SHGs have been promoted by commercial banks, while existence of RRBs has been observed in three blocks and that of cooperative banks in only one block i.e. Jashipur. Block wise distribution states that the SHGs of Betnoti block have longer duration of existence i.e. 7.1 years followed by SHGs of Jashipur (6.6 years), Bangiriposi (6.2 years) and Bisoi (6.2 years), while groups covered under Tiring blocks have less experience i.e. 4.7 years.

Each of the group in every block suffers a lot while obtaining loan from formal financial institutions even after massive intervention and support from various agencies. The group of Mayurbhanj in forms that for each loan on an average, all the members have to visit bank four times leaving behind all their important work and household assignments. In addition, the financing agencies create problem by not disbursing the loan on time, restricting subsidy disbursement (keeping it as security for loan), absence of approving authority, and several documentary processes. The average visit to banks for each loan was higher in Bangiriposi and Tiring Block while it was lower in Jashipur block (as shown in Table 5).

Bank loan is directly related to years of duration and the savings made by SHG members under common pool. The block wise distribution on the basis of average loan per group since inception shows that the average loan amount per group is higher in Betnoti block (₹ 2,98,750) followed by Jashipur (₹ 2,24,666) while it is lowest in

Table 5. Financial Status and Aid

Blocks	Average Years of Existence	Average Number of Visit before each Loan*	Average Bank Loan (In INR)	Last loan Detail	Rate of Interest charged (In %)	Average Amount Paid	Repayment Ratio (in %)
Bangiriposi	6.2	5	1,37,000	7,309	12.3	4,650	63.6
Betnoti	7.1	4	2,98,750	14,605	18.1	7,914	54.1
Bisoi	6.2	4	45,000	3,333	12.0	2,383	71.5
Jashipur	6.6	3	2,24,666	12,622	11.3	9,732	77.1
Tiring	4.7	5	1,73,750	15,666	13.2	5,314	33.9
Total	6.1	4	2,02,833	10,707	13.4	5,998	56.0

*Rounded off

Bisoi (₹ 45,000). Various policies of NABARD and Mission Shakti state that there is positive correlation between years of existence and loan amount. The SHGs of Mayurbhanj have shown only 37.4% correlation between the two variables which is not significant at 0.05 level. This means that our second hypotheses of no significant correlation between years of existence and amount of loan has been accepted. Further, the last loan details show that the average available loan per member in the study area was ₹ 10,707 among which blocks like Tiring, Betnoti, and Jashipur enjoy higher amount of loan per member as compared to the other two blocks under study. The interest rate charged varies from group to group as the promoting authorities in the study area have given autonomy to every group in deciding the interest to be charged from members.

The groups (with coordination of their members) decide the interest rate i.e. lending among members either through flat rate or additional rate. The flat rate of interest is same as the interest rate charged by financial institutions which means groups advance loan to members at the same rate at which the group has been charged, whereas the additional rate is the rate over and above the bank interest rate. Several groups charge additional rate in order to reduce the burden of monthly/weekly saving and cover the common pool saving amount through charges over and above bank charge. The bank charges a uniform rate from 10 to 13% depending upon the type of institution, whereas Betnoti block SHGs usually give more interest as compared to other blocks under study.

(4) WSHG Training and Development : Training and opportunity development serve as the major components of SHG programme. The SHG programme had been initiated keeping in view the need and regular support required for successful implementation, sustainability, and livelihood coverage of poor. Table 6 shows that only 43.3% of the sample covered have attended training from various government and non government agencies. The blocks having higher share of samples attended training are Bangiriposi (60%), Betnoti (56.7%), Jashipur (43.3%) while lowest are in Bisoi (23.3%), and Tiring (33.3%).

Table 7 shows that maximum number of members have attended training pertaining to mushroom farming as it has great demand in Odisha and adjunct regions followed by incense stick making in collaboration with ITC and state level trained staff. Few of the members have attended training for making sabai grass fancy, traditional, and items of daily use. Further, in order to have overall growth of business and market development, SHG members

Table 6. Training Attended

Blocks						
Training Attended	Bangiriposi	Betnoti	Bisoi	Jashipur	Tiring	Total
Yes	18	17	7	13	10	65
No	12	13	23	17	20	85

Table 7. Training Classification (Members)

Training	Bangiriposi	Betnoti	Bisoi	Jashipur	Tiring	Total
Fancy items making	5	10	0	0	0	15
Incense Stick making	11	13	0	2	0	26
Detergent Soap Making	0	0	6	2	0	8
Mushroom Farming	2	3	6	11	10	32
Poultry	0	0	0	10	0	10
Mat making	0	2	0	0	0	2
Pickle Making	5	1	1	10	0	17
Animal Husbandry	0	0	0	0	10	10

have been provided training pertaining to poultry and animal husbandry, pickle making, modern mat making, and detergent soap making. The major problem of the products of SHG samples is stiff competition from developed and high class products, packaging, and marketing.

Further, training for members was provided either by government agencies having tie ups as observed in various blocks, for example, detergent soap making and incense stick making are due to the efforts of DRDA and panchayat samiti. The training for poultry, animal husbandry, and other tribal related activities were provided under development programme of ITDA.

(5) Impact of Education, Training, Designation, and Caste : The performance of SHG programme is evaluated via economic, political, and social indicators. Economic upliftment is possible only when sufficient loan amount, low interest rate, and training for attainment of supernormal profit is made available. It has been observed that the maximum people have taken activities other than training. Moreover, maximum number of members have not attended training of any kind. So, in order to clear the picture, multiple regression analysis was applied to evaluate the impact of four variables training, designation, literacy, and caste on income and employment of samples under study. In order to elaborate the picture, change in employment and income over pre and post period has been derived (pre means factor affect before joining group and post means factor affect after joining group). The Table 8 states that 11.5% of the total variation of change in income is caused by the four variables.

Even the gap between *R* square and adjusted *R* square is also less which is a good indicator. The ANOVA states *F* value as 4.732 which is significant at 0.01 level which means these factors significantly affect the employment of samples under study (refer Table 9).

It can be seen from Table 9 that caste of the respondent and educational qualification have significant affect on change in employment in the study area while training programme and change in designation do not make any significant affect on change in employment pre and post joining the programme.

Table 8. Model Summary^b

Model	<i>R</i>	<i>R</i> Square	Adjusted <i>R</i> Square	Std. Error of the Estimate
1	.340 ^a	.115	.091	6.33871

a. Predictors: (Constant) - Any training programme attended by member, caste of the respondent, educational qualification of respondent, designation

b. Dependent variable: Change in employment

Table 9. ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	760.461	4	190.115	4.732	.001b
Residual	5825.999	145	40.179		
Total	6586.460	149			

a. Dependent variable: Change in employment

b. Predictors: (Constant), Any training programme attended by member, caste of the respondent, educational qualification of respondent, designation

*significant at the 0.01 level

(6) Impact on Income : In order to find whether there is any impact of four major factors like education, caste, designation, and training programme on income of the respondents multiple regression analysis was used. The result shows that *R* square is 5% which means that the model is not fit. Further, it can be seen from Table 11 that the model is not significant at 0.05 level, which means not the four factors mentioned but there are other factors which affect income. Further, the relationship between the variables is also not significantly strong (Table 10). The Model coefficient analysis states that the only factor that makes significant contribution to change in income of respondents is educational qualification where the *t* value is 2.069 and it is significant at the 0.05 level.

Table 10. Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.234 ^a	.055	.029	538.08280

a. Predictors: (Constant), Any training programme attended by member, caste of the respondent, educational qualification of respondent, designation

b. Dependent variable: Change in income

Table 11. ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2424088.167	4	606022.042	2.093	.085b
	Residual	41982299.166	145	289533.098		
	Total	44406387.333	149			

a. Dependent Variable: Change in income

b. Predictors: (Constant), Any training programme attended by member, Caste of the respondent, Educational qualification of respondent, designation

The model coefficient analysis states that the only factor that makes a significant contribution to change in income of respondents is educational qualification where the *t* value is 2.069 and it is significant at the 0.05 level.

Challenges and Issues

The SHG members in the study area face lots of challenges broadly classified under two dimensions, that is, support and access. The first deals with issues and challenges on part of suppliers and promoting agencies, which includes bribe asked by bankers during inspection visit, promoting agency inspector, mediators in granting loan, disbursement in subsidy, training benefits, and other supportive activities. Further, the government agencies that market produce conduct state and national level exhibitions. The promoting agencies and several other

authorities seek benefits from SHG members either in cash or in kind for arranging their enrollment. Further, the advancing agencies create problems in documentation, ask for several visits to banks without any outcome and impose unnecessary restrictions on withdrawal of loan amount. Even the ICDS workers who are incharge of development of SHGs in villages create problems in the growth of SHGs by providing wrong information to higher authorities about sustainability, working, performance, and co-ordination environment.

In addition to external problems the borrower of loans usually struggle with internal problems such as delay in monthly/weekly saving, non-payment of loan from common pool, disputes among members pertaining to loan capacity and distribution, problem in member and group leader selection. Further, there are several issues with respect to subsidy distribution, repayment schedule and regularity, and improper training for record maintenance.

Policy Implications

The SHG programme had been initiated in Odisha with the aim of developing livelihood opportunities for rural and urban poor through entrepreneurship. The programme has been implemented intensively and exists in almost all villages of Odisha (Mission Shakti, 2012). The study in Mayurbhanj found that even after 12 years of implementation and massive intervention of different stake holders the SHG members are involved in traditional economic activities, that is, sabai grass rope making, leaf plates and bowl making, animal husbandry, pickle making, and fancy items making while only few samples have undertaken upgraded commercial activities such as incense stick making, mushroom farming and shops. Further, the business training and development activities have not reached SHG members in several blocks. The stakeholders should now focus on sustainability of SHGs by providing training for commercial activities, skill development, and marketing of their produce.

Conclusion

The SHG programme in India has been introduced with a view of overall development without any possibilities of imbalances in social and economic arenas. It has been observed that the programme in tribal district of Odisha makes a significant change in employment and income of group members but as far as loan amount and training for attainment of livelihood promotion are concerned, as per a NABARD report in the year 2011-12, the average loan per group on the national level was ₹ 1,53,071 and that on the state level was ₹ 2,00,683, while in major tribal dominated districts it is lower. Further, the members have not been provided any competitive product training as many of them are still managing with local resources and traditional businesses. Even the contribution of group income in total income is not significant. The improvement in the impact of SHGs programme can only be done in an efficient way when different stakeholders can make dedicated effort to overcome the issue of training, marketing of produce, and removing the loopholes in delivery of services at a different end. Through the programme under leadership of Mission Shakti, Government of Odisha has achieved 'success beyond target' but with regards to the sustainability and quality, it is still underprivileged and is represented by 'target without success'.

Limitations of the Study and Scope for Further Research

The study has been executed by covering only 150 samples over 5 blocks which stands as a small sample size against the extensive area and coverage of SHG programme in the district (over 26 blocks). Further, due to lack of expertise and command over banking transactions, calculation of interest and loan repayment, majority of samples failed to maintain these records. The study provides a scope for further research to academicians to make comparative study over all 26 blocks taking into consideration different promoting agencies and the benefits SHG members achieved in association with SHGs.

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