



ROLE OF MICRO-FINANCE IN DEVELOPMENT OF RURAL WOMEN: A CASE STUDY OF BOIPARIGUDA VILLAGE IN KORAPUT DISTRICT OF ODISHA

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ABSTRACT

Microfinance has proved very relevant and effective in India and offers the rural and urban poor the possibility of gradually breaking away from exploitation and isolation. Over the years, the provision of micro finance has brought significant increased productivity among the rural poor. Self reliance and sustainability of income generating and microenterprise development programmes of self help groups have been successfully achieved with effective linkage and networking. The inter play between the two sub systems of socio-economic development, i.e., micro enterprise development and the micro credit and saving mechanism has been quite smooth and effective in the case of SHGs linkage to main stream institutions. Through the micro finance revolution, rural villagers of Orissa, the most backward state of India, have undergone a remarkable social upliftment. The value and acceptance of women has also increased substantially and is analyzed through a series of case studies.

Key words: Microfinance, micro credit, SHGs, Development of Rural Women, Odisha, Self reliance, Sustainability, etc.

Introduction:

Self-Help Group or in-short SHG is now a well-known concept. It is now almost two decade old. It is reported that the SHGs have a role in hastening country's economic development. SHGs have now evolved as a movement.

Mainly, members of the SHGs are women. Consequently, participation of women in the country's economic development is increasing. They also play an important role in elevating the economic status of their families. This has led boost to the process of women's empowerment. SHGs was stated and formed in 1975. In India NABARD is initiated in 1986-92 from the linkage of SHGs with the banks. The concept of Self Help Group is



based on the idea of community participation as sustainable community development ensures that benefit of development are equitably distributed to decentralization of the authority. To ensure redistribution of wealth improved access to education and other social services. Consequently the faces of Self-help group is to develop the capacity of the disadvantagedly women, and to organize them, so that they can deals with socio-political and socio-economic issues that affect their lives.

The year 1975 was declared as the “year for women”. Also decade from 1975 to 1985 was declared as a “decade for women”. During this period, the movement for empowerment of women received a fillip the importance of role of women which consists 50% of the society was highlighted in this span of period. It was emphasised that women should get the same opportunities as that to men.

Concept of SHG:

The concept of SHG was not new concept. The origin of SHG is from the brain child of Grameen Bank of Bangladesh, which was founded by Mohammed Yunus. SHGs were stated and formed in 1975. India NABARD is initialed in 1986 to 1987 but the real effort was taken after 1991-1992 from the linkage of SHGS with the banks.

The primary forces of SHG are to provide emotional and provide emotional and practical support to the women’s. Generally, a self-help group consists of 10-20 women. The women save some amount that they can afford. It is small amount ranging from Rs 10 to 200 per month. A monthly meeting is organized, where apart from disbursal and repayment of loan formal and informal discussions are need. On many social issued also. Women share their experiences in these groups. The minutes of these meeting are documented and the account is written. The president, secretary and treasurer are three official posts in any SHG. If the SHGs are connecting with some NGOs they take part in other social activities of those NGOs.

Importance of the Study:

Women play an important role in all the fields of development. Socially, economically if she is strengthened then she will create wonders. Women contribute directly and indirectly for the economic development. Though the nature has given the genetic power of reproduction especially to the women, the socio-economic status of women is so poor and the incidence of poverty is more on women only. Empowering women is the only solution



for all questions. Hence, it is essential to study the past and present position of women and suggest measure for their upliftment.

Scope of the Study Area:

The study had conducted in the Boipariguda block in Koraput district of Odisha. The reference data is 31-03-2013 and all the information related to the financial year of 2012-13.

Review of Literature:

- Swain and Wallentin (2007), Observed that Orissa, Tamil Nadu, Andhra Pradesh, Uttar Pradesh and Maharashtra There is significant increase in the level of women empowerment over a period of time (2000-2003) and it does not mean that every woman has been empowered to the same degree, but on the average, the Self Help Group members were empowered over this period.
- Jyotirmayee (2008), Observed that Odisha experience of SHGs in Orissa reveals that most of the groups are not able to do so purposively or compulsively. This aspect of the linkage programme has received little attention.
- Makandar (2011), Observed that women have been actively participating in decision making process after becoming members of SHG in the areas consumption of house hold items, education of children and their marriage, number of children, family planning, purchase and sale of property.
- Surender, Kumari, and Sehrawat (2011), Observed that there is positive impact of SHGs on employment generation. Number of working days of beneficiaries in Live- Stock, Business and any others profession had increased after joining the SHGs. In this way, it is indicating that SHGs generate employment. Majority of beneficiaries accepted the improvement in economic condition after joining SHG.
- Barua, (2012), Observed the amount of loans provided to the members of SHGs were so small that it can't help the members to fight against poverty. There is the failure of SHGs, but not the failure of self-help.
- Das (2012), Observed that SHGs has a positive impact on women member and in many cases it is proved that SHG promotes empowerment, SHGs have positive impact on decision making pattern.



- Mohapatra (2012), Observed that SHGs contributed to socioeconomic empowerment of women at household level in Odisha.
- Sarkar & Baishya (2012), Suggest that women's access to credit has a role in improving the household decision making capacity, workforce participation rate and control over resources and even political and legal awareness, thereby opening/opportunity for greater empowerment of women of Assam.

Objectives of the Study:

The main objective of the study is to analyze the role of SHG's in women empowerment particularly in boipariguda.

To make a study on these aspect women SHG members of Boipariguda Grama Panchayat under Koraput district of Odisha has been studied in detail. Koraput is one of the back ward district. About 50% of district population is tribals. But hear the women empowerment is very good. Following are the specific objectives of the study.

- I. To study the changing socio-economic and political status of women through SHG intervention.
- II. To find out the suitable economic activities that taken up by the SHG in the study area.
- III. The problem faced by the women SHG members in carrying out their activities.
- IV. To suggest certain measurement for successful functioning of the SHG's which would lead to further socio-economic empowerment of women.
- V. To examine the impact of SHG movement in promoting women employment in rural area.
- VI. To study the income-expenditure and saving of the members after joining SHG's
- VII. To give appropriate suggestion to improve the SHG movement.

Hypothesis:

SHG's have played an important role in the empowerment of women in decision-making process at the household society and political levels.



SHG's have also empowered them economically because of which the women are contributing substantially in the enhancement of family income.

The bank linkage to SHG's has changed the work schedules of many poor women who are now taking up many non-farm activities. Thus, the hypothesis is that the SHG movement in Odisha has a tremendous impact on women economic and socio activities.

Methodology of the Study:

The study had conducted in the Boipariguda village in Koraput district of Odisha. The study is basically descriptive and empirical in nature. Therefore, the data for the study were collected both from the primary and secondary data. First of all secondary data were collected from various sources. In this village best performing units are selected based on the following criteria:- year of establishment, capital investment for bank linkage programmes of the SHG's and number of workers employed. Secondly the collection of primary data we used a structured interview schedule for women who runs micro-enterprises.

In this village master list of micro-enterprises with a cumulative long from Bank-linkage of Rs 25,000 or more and employ two or more workers has been prepared. After arranging them in descending order, the top best performing women SHG have been selected. Thus, the study selected 25 members from different SHGs.

The reference data is 31-03-2013 and all the information relates to the financial year of 2012-13.

Conclusions Based on Primary Data

The following are some of the major findings of the study:

- Among the respondents *Backward Classes* constitute about 88 per cent while Scheduled Castes and Scheduled Tribes 36 per cent and others are Open Categories.
- Educational status of the respondents reveals that about 32 per cent of them are illiterate while 20 per cent are literates without any formal education, 24 per cent have primary education and 20 per cent having secondary level education. Higher education respondents constitute 4 per cent.



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- Among the respondents, 36 per cent of the respondents are living in Pucca houses and 52 per cent of the respondents are living in semi Pucca houses.
 - As regards the economic status of the respondents before the joining of SHG, 68 per cent of the respondents are poor, while 12 per cent belong to the poorest of the poor category and 20 per cent are non-poor. But after joining of SHG, 32 per cent of the respondents are poor, while only 2 per cent belong to the poorest of the poor category and 64 per cent are non-poor.
 - The highest motivation for joining SHG seems to be by the NGO's (40%) followed by friends (12%) and family members (20%). The influence of the government officials seem to be very little (12%).
 - About 80 per cent of the respondents are still using traditional methods of production and management in their enterprises while only 20 per cent use modern technology.
 - Almost 60 per cent of the respondents acquire the raw material from the nearest town while using auto for transport. Very few respondents have their own transport facility.
 - On an average 40 per cent of the enterprises have employed three workers. This shows that potentiality of Micro-enterprises in absorbing rural surplus labour.
 - As regards marketing their products, almost 68 per cent of the product is sold in local market alone and 32 per cent sell their product in nearby town.
 - The rural households give top priority for improving housing conditions and acquisition of economic assets. It is really surprising that the rural people are preferring mobiles and phones, TV, Radio, Gold and Silver and Scooter.

Policy Recommendations:

Entrepreneurship development among women may be looked from two angles. One is to create the environment needed for healthy and sound entrepreneurship and the other is to have more and more rational motivational campaigns. The emergence of entrepreneurs in a society depends to a great extent on the economic, social, religious, cultural and psychological factors prevailing in the society. Therefore, there is an urgent need to nurture and create an enabling entrepreneurial climate.



There is a need for designing appropriate strategies for bringing more and more women into the entrepreneurial arena and providing them with organisational support. The recommendations in this regard derived from the analysis of primary data are given under the following:

- Examine women's stereotypes for socially desirable traits in their cultures.
- Explore the qualities, women value in themselves and determine what type of personal support they want.
- Discuss various types of discrimination and constraints like psychological, socio-cultural and economic and others that might hamper their entrepreneurial aspirations and suggest measures to overcome them.
- Provide access to formal and non-formal course/training in skills, management of money and enterprise.
- Explore new avenues for self-enterprise, upgrade their knowledge, skills and provide them with suitable technical guidance, financial and marketing support and infrastructural facilities.
- Identify training institutions, which impart vocational training programmes to develop entrepreneurial skills and make women aware of the support they could expect from developmental agencies.
- Give greater priority to development and provision of infrastructure in rural areas such as access to water, fuel, housing, primary health care and child care centers. Better facilities help them to change in life style and subsequently in their attitudes towards their family, society and the Nation.
- Undertake research studies to examine individual and cultural barriers, to understand the psychology of rural women. Such findings would help make the promotional programmes more realistic.
- Private micro-financial institutes are charging very high rate of interest i.e. 24 per cent which affects the financial sustainability of the micro units. Hence necessary steps are to be taken to assure the micro units to avail the sufficient finance at a marginal rate for a certain period (gestation period). The implementer should monitor not only the disbursal of money, but also the end-use of money for productive income generating activities/ micro-enterprises.



- Due to variation in the price of different quality animal, the loan amount should be as per members' actual requirement. The recommendations of the group members should also taken in to account which fixing the cost of the dairy unit.
- The government should give necessary instructions to the developmental agencies to co-operate with the financial institutions in conducting recovery drives.
- It is necessary to further reduce the influence of the private money lenders by taking measures such as further branch expansion, motivating the staff to be more receptive and responsible and by giving promotional and financial incentives linked with their loan recovery performance.
- Strong marketing network is required for effective and proper marketing of products and services of micro-enterprises linked SHGs. They need marketing support and institutional capacity to handle marketing activates independently. Multiple Enterprise Development Programmes are to be organised so that awareness for setting up of micro-enterprises could be attained.
- The availability of natural resources, skills and potentiality is to be thoroughly analysed while initiating the micro-enterprise. Concerned government official should counsel, advice and support the SHG members in this regard.

The study clearly brings out the fact that the policies and programmes for promoting women entrepreneurship have not been fully grounded. This is more so among rural women. The good work done by SHGs has some impact on motivating women for social, political and economic development. Women Empowerment can be sustainable only if earning capacities of women improve substantially through non-farm activities. There is a lot of scope for women entrepreneurship even in the context of rural poor and low literate women, who have hidden potential. These women have to be identified, motivated, oriented and trained for becoming potential entrepreneurship. This requires financial, technological and managerial expertise in preparing and implementing the entrepreneurship programme in the context of rural areas. The IKP has taken roots deep into the hearts of the rural women through certain institutional mechanism. These institutions can be strengthened and reoriented towards encouraging women to take up innovative non-farm activities.



Conclusions:

The study was undertaken the women empowerment through SHGs in the Boipariguda. It is found that the income of the women has been increased after joining the SHGs. So that the monthly household expenditure also has been raised considerable level. But the savings is increasing at slow rate, because the incremental expenditure is higher. Mostly they are spending for present consumption. The members should change it. The good practice of the women SHGs in the study area is repayment of the loan in time. Nearly 64% of the debtor paid their monthly due within the time, even some members 19% paid their due in advance. A few members do not pay in time but this is not affecting the further credit of SHGs. Since the repayment of loan is regular and within the time, we may conclude that the economic activities of SHGs are quite success. In this way SHGs in Boipariguda is very successful to develop women empowerment and rural areas.

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