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**CERTIFICATE**

This is to certify that Sharmila Tamang has worked for M.Phil under my supervision and successfully completed her dissertation entitled “Role of Self Help Groups (SHGs) in the development of Entrepreneurship among Rural Women in Balasore District of Odisha”.

The present work is the outcome of the candidate’s own endeavor and investigation. To the best of my knowledge, the work as whole or part has not been submitted elsewhere to confer any degree. The study in my opinion has qualified for submission and consideration for the award of the Degree of Master of Philosophy in Economics of the Mizoram University.

Place: Aizawl

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Date: 27<sup>th</sup> June 2014

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## **Acknowledgement**

I would like to express my sincere gratitude to my supervisor Prof. A. K. Agarwal whose guidance and support has enabled me to carry out this piece of academic work. His unimaginable sagacity, unbelievable practical wisdom and incredible vision has played very significant role in energizing and guiding me throughout the study. It has been a marvelous experience working with him.

I am extremely grateful to Dr. Easwaran Kanagaraj, Head, Department of Social Work, Mizoram University for helping me in statistical data analysis and providing moral support and timely advice.

I am sincerely thankful to all the faculties and staffs of the Economics Department, Mizoram University for their kind help and guidance during my Course work. I am also grateful to staffs of DSWO, Balasore , Mission Shakti, Bhubanewar , Central Library Mizoram University, ICDS workers and WSHG respondents of the selected villages for their co-operation and support in collecting secondary and field data during the study period.

I am sincerely grateful to my family members for being by my side in all difficult times and motivating me every time. Lastly I would like to thanks Mr. Navin Kumar Rajpal, Assistant Professor (Adhoc) Department of Humanities, National Institute of Technology Tiruchirappalli, (TamilNadu) who has acted as supporting pillar and assisted me during the whole study period.

(SHARMILA TAMANG)

**ROLE OF SELF HELP GROUPS (SHGs) IN THE  
DEVELOPMENT OF ENTREPRENEURSHIP AMONG  
RURAL WOMEN IN BALASORE DISTRICT OF ODISHA**

**DISSERTATION SUBMITTED FOR THE AWARD OF THE DEGREE OF  
MASTER OF PHILOSOPHY**

**IN  
ECONOMICS**

**BY**

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**REG. No. MZU/M.Phil./127 of 21/05/2013**

**Under the Supervision of  
PROF. A. K. AGARWAL**

**TO**

**THE DEPARTMENT OF ECONOMICS  
SCHOOL OF ECONOMICS, MANAGEMENT AND INFORMATION  
SCIENCE**

**MIZORAM UNIVERSITY**

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**JUNE, 2014**

# CHAPTER ONE

## 1. INTRODUCTION

Entrepreneurship has gained greater significance at global level under changing economic scenario. It is one of the most important inputs in the economic development of a country. It is a purposeful activity indulged in initiating, promoting and maintaining economic activities for production and distribution of wealth. In case of developing country like India ,the problems of mass poverty and widespread unemployment has brought into focus the importance of small scale, agro and rural industries as well as development of entrepreneurship in the related fields. Entrepreneurship on small scale is the only solution to the problems of unemployment and proper utilization of both human and non-human resources and improving the living condition of the poor masses. In fact, an entrepreneur has been recognized as an essential postulate of economic development.

### 1.1. Entrepreneurship: Concepts

The origin of the basic word “entrepreneurship” is from a French word “Entree” ‘To enter’ and “Prendre” “to take” and in general sense applies to any person starting a new project or trying a new opportunity. The entrepreneur in the modern sense is the self starter and doer of a business, who has organized and built his own enterprise or enterprises. In common parlance almost anyone who starts an enterprise, an industry or even a shop is called an entrepreneur.

Generally an entrepreneur is a person who has the ability to take risk in the market and able to combine various factors of production for the production of goods and services and then make efforts for successful business ventures. He is a person who is capable of taking investment

decisions, calculated risks under condition of uncertainty and takes prompt and wise. According to J.C.Schumpeter, “a person who introduces innovative changes is an entrepreneur and he is an integral part of economic growth.

After defining entrepreneur, it is appropriate to focus on what is entrepreneurship. One who can face up to decision making can learn to be an entrepreneur and to behave entrepreneurially. Entrepreneurship is a behavior rather than personality trait. Further it is not confined to economic institutions. It extends to all institutions- economic and social and to ownership patterns: private, public and co operative sector enterprises.

## **1.2. Status of Women in India**

“Freedom depends on economic conditions even more than political. If a woman is not economically free and self earning she has to depend on her husband or someone else and dependents are never free.” These were the ideas of Pandit Jawaharlal Nehru, which highlights the importance of economic independence of women. In the analysis of historical development of women’s role in the Indian society, it has been observed that women enjoyed a higher status in the ancient India compared to contemporary Greek and Roman civilizations. But after the vedic period the status of women started to decline. She was characterized as more emotional and less rational by nature than man. She was regarded as intellectually less inferior to men. In the vedic period, the woman was allotted the domestic sphere of life and was subordinate to man in the patriarchal familial system.

Women are often described as the better half of man. But the actual condition of women in the world does not tally with the description. History has also recorded that women in vedic age have played an important part in religious and social functions. There have always been

outstanding women who have rise alone despite of the constraints of their time. Unfortunately, due to social , economical and political changes later on women lost their positions in education and other fields. Economically women became completely dependent on men. Women are making progress in economic field but still men enjoy the larger share of the cake. Women generally dominate the informal sector of the economy while in the formal economic sector, they are mostly disproportionately represented in low wage positions. Besides women's contribution to GDP is generally not acknowledged, quantitatively or qualitatively. In fact rural women produce more than 55 percent of all food grown in developing countries.

From the very beginning women have been managers of the kitchen and have dominated the area of household activities. As a result, the attitude of people about women entrepreneurs is that they are makers of pickles, papads, masalas and other household goods. Today non-traditional enterprises are easily managed by women. The hidden entrepreneurial potentials of women have been gradually changing with growing sensitivity to the role and economic status in the society.

### **1.3. Entrepreneurship Development among Women**

In the traditional Indian society, women are generally accorded in inferior social status. The potentials of women are hidden by the social, economical and political constraints. By the dawn of 20<sup>th</sup> century women become aware and started utilizing their potentials. Hence there is substantial rise in their development.

Entrepreneurship among women is recent concern. In good old days entrepreneurship was considered as the domain of men only and women's role was limited to raising children and managing family. But now the scenario is changing. Women are no longer confined to the four

walls of the house. They have come in forefront in different walks of life and competing successfully with men.

Moreover the increasing awareness on the part of various government has led to the adoption of national and international policies to facilitate a development process involving women in all spheres particularly in economic activities focusing especially on entrepreneurship development. With the development of education and business, the opportunities of women for employment have increased drastically. Self employed entrepreneur creates not only her employment but also creates employment opportunities to others. Entrepreneurship can help women to become economically independent, build confidence, self reliance and improve social status which automatically leads to women empowerment.

#### **1.4. Role of Women Entrepreneurs in Economic Development**

In recent years, the developing countries of the world have been focusing attention to the most disadvantaged group of the society-the women. They have realized that both men and women of the working age constitute the strength of the economic development of the nation. The economic role played by them cannot be neglected. The government has also started to focus on entrepreneurship development among women. Women have also accepted the challenges and emerged as a successful entrepreneur.

Women entrepreneurs today have their own opinion, are self assured, able to withstand all risks and are efficient managers. Women are becoming more productive and more effective income earners. Moreover, inspite of dual responsibilities many women skillfully plan their lives and succeed in filling these dual roles in a smooth way. Women entrepreneurship enables to pool the small capital resources and skill available with women. It paves the way for fuller

utilization of capital and mobilizes the female potential. With their skills and creativity women are contributing significantly to economic productivity of the nation. It has also been realized in the last few years that the widespread poverty and stunted economic growth can be overcome only by gainful and sustainable economic participation of women.

According to Pt. Jawaharlal Nehru, “when women moves forward, the family moves, the village moves and the nation moves.” This means women development is directly related to nation’s development.

### **1.5. Women Entrepreneurship in India**

Development of women has been a policy objective of the government of India since independence. Until the first four five year plans the concept of women’s development was mainly welfare oriented. In the fifth plan there was shift from welfare approach to developmental approach. In the seventh plan there was shift in approach to women’s development. It emphasized more on empowerment of women. However empowerment of women is not possible unless she becomes an equal partner to men in social and economic life.

In India, women constitute nearly 50 percent of the total population but the percentage of work force is only half of their population. In India, according to 1981 census, about 24.5 percent of rural women and 26 percent of urban women are engaged in marginal occupations to supplement the family income. According to the World Bank report 1991, “Gender and Poverty in India”, prepared by the World Bank in collaboration with government of India, women contribute heavily to the Indian economy, forming 1/3 of the total labour force in India, women head 1/3 of the rural families and women’s economic productivity is critical for the 60 million Indian households below poverty line. In 2001, female work participation rate was 25.7 percent. Thus



the need for women entrepreneurs in the nation development was felt and more emphasize was given to women empowerment since seventh five year plan.

The New Industrial Policy resolution of 1991 stressed the importance of entrepreneurship among women. NIP highlighted the necessity to provide special training programme to develop women entrepreneurship. This policy helps to develop the personality of women entrepreneurs and improve their social and economic conditions.

In India from the very beginning women have been managers of the kitchen and have dominated the area of household activities. As a result now they are makers of pickles, papads, masalas and other household goods. Indian women entrepreneurs have the ideal climate for exhibiting their talents. Government has also started to give first and foremost priority to women's skill, development and education.

In India several institutional arrangements have been made to protect and develop women entrepreneurship. The Nationalized banks and State Financial Corporations advances loan to women entrepreneurs on preferential basis. State Industrial Development Corporations (SIDC) and District Industries Centre (DIC) provide loans, subsidies and grants to small scale women entrepreneurs. Corporations have developed national and global marketing initiatives to meet in a better way the needs of women business owners and to provide them with the product and services needed to expand their business. There are several organizations in India like IMY, RMK, SEWA, SHGs, WDC, WIT etc. which help in promotion of women entrepreneurship.

## **1.6 Significance of the Study**

The present study focuses on understanding the socio-economic condition, major administrative and non-administrative problems faced during establishment, and operating enterprises by the women SHG members of Balasore district of Odisha. The district has huge rural population of 89.11 percent and about 3/4 of rural families are below poverty line. To eradicate such a high level of poverty, employment and income generation is necessary. Since, out of total population of the district, female population comprises of 48.89 percent, and moreover various studies shows that their participation in economic activities plays a vital role not only in upliftment of her but also her family and society as well. The concept of SHGs has helped women entrepreneurs to start their own venture through formal credit support through which they gained lot of confidence and now not only helping and supporting the family financially but also plays a major role in taking all important decisions of family. Therefore the study is proposed in order to find the major activities undertaken by SHGs promoted women entrepreneurs, their problems and prospects.

## **1.7. Objectives of the Study**

1. To examine the role of SHGs in promoting rural women entrepreneurship.
2. To study the major activities undertaken by the WSHG members and the problems encountered in operation of their micro enterprise.
3. To suggest policy measures to remove the major bottlenecks in operation and growth of rural women entrepreneurs

## **1.8. Hypotheses**

1. The monthly employment of women increases due to their membership in SHGs.
2. The daily personal income of the women increases due to their membership in SHGs.
3. Monthly household expenditures of the women increase due to their membership in SHGs

## **1.9. Profile of the Study Area**

### **1. Location**

Balasore district is one of the coastal districts of Orissa. It is bounded by the Mayurbhanj district in north, Bhadrak district in south, Bay of Bengal in the east and Keonjhar district in the West.

### **2. Climate**

The climate condition of the district is generally hot with high humidity during April and cold during December. The monsoon generally breaks during the month of June. Average annual rainfall of the district was 2185.9 mm in 2007 which is higher than the normal rainfall (1568.4mm).

### **3. Area and Population**

The district has an area of 3806 sq.kms. and 20.24 lakhs of population as per 2001 census. The district accounts for 2.44 percent of the states territory and shares 5.50 percent of the states population. The density of the population of the district is 532 person per sq.kms. as against 236 person per sq.km of the state. It has 2952 villages covering 12 blocks, 7 tahsils and 2 subdivisions. As per 2001 census the scheduled caste population is 381422 (18.84 percent) and

scheduled tribe population 228454 (11.28 percent). The literacy percentage of the district covers 70.56 against 63.08 of the state.

#### **4. Agriculture**

During the year 2006-07, the net area sown was 15185 thousand hectares against 229005 thousand hectares of the state. The production of paddy was 353105 quintals, 2985 quintals wheat, 132 quintals maize, 11676 quintals mung, 2191 quintals biri, 5205 quintals till, 46320 quintals groundnuts, 3595 quintals mustard , 22318 quintals potatoes and 159915 quintals sugarcane. During 2006-07, the total fertilizers used in the district is about 34.34 thousand MT with a breakage of 20.94 MT thousand nitrogenous, 8.90 thousand MT phosphatic and 4.50 thousand MT pottasic and the consumption of fertilizer per hectare is 101 kg.

#### **5. Education**

There were 1394 primary schools. 1093 middle schools and 56 general colleges in the district during 2005-06. Besides there were 1 engineering schools and 2 engineering colleges in the district during year 2006-07 to impart technical education.

#### **6. Health**

The medical facilities are provided by different agencies like Government Private Individuals and voluntary organizations in the district. There were 11 Allopathic medical institutions with 892 beds facilities 32 Homeopathic dispensaries and 25 Ayurvedic dispensaries in the district during the year 2006-07.

#### **7. Veterinary Services**

During the year 2006-07, 25 hospitals and dispensaries, 116 livestock aid centers were functioning in Balasore district to provide veterinary services to the people.

## **8. Industry**

During the year 2006-07, there were 232 small scale industries have established with total capital investment of about Rs. 608.31 lakhs with 1100 no.s of employment generated in the district.

## **9. Power**

Consumption of electricity in 6 no.s of electrical division of the Balasore district during the year covers 886.253 million units and revenue villages so far electrified as on 31.03.2006 is 2460 which constitute 95 percent of the total villages of the district.

## **10. Tourist**

There are 20 tourist center such as Chandipur, Remuna, Chandaneswar, Panchlingeswar, Talasari, Raibania, Bhusandeswar, Langaleswar, Balaramgadi, Laxmannati, Balasore, Sajangarh, Kasaphal, Ayodhya, Bardhanpur, Chasakhanda, Choumukh dagra, Tripisagadia, Kupari and Inchudi identified by department of Tourism and Culture, Odisha. During 2006, the numbers of domestic tourists were 3202742 and foreign tourists were 527 who visited tourists spots of the district.

## **11. Transport and Communication**

During 2006-07, there were 118 kms. of National Highways, 67 kms of State Highways, 105 kms major district roads, 326 kms. of other district roads, 787kms of P.S roads, 1682 kms of Gram Panchayat roads and 79kms of forest roads are operating in the district . Besides, 114.98 kms. of railway lines with 14 railway stations and 4 passenger haults are continuing in the district.

## **12. Banking**

As on March 2006, there were 118 scheduled commercial banks having 1067 crores rupees deposit and 1122 crores rupees credit in the district.

### **1.10. Methodology**

The sample population for the study was collected from all the blocks of Balasore district of Odisha through multi stage simple random sampling method.

#### **Stage 1**

At first with the help of secondary data collected from various offices of district headquarters, all the blocks of the district were ranked in terms of literacy, availability of banking services and number of WSHGs working. After the ranks has been assigned the aggregate scores has been calculated for each block and the average scores for the district has been derived by adding the blocks scores divided by total number of blocks.

The blocks which have higher literacy, higher number of bank branches and larger number of WSHGs below the district average are termed as developed blocks and the blocks which have low literacy, lower number of bank branches and less number of WSHGs ranking above the district average are termed as less developed blocks. Therefore, 7 blocks were categorized as developed blocks and 5 blocks were categorized as less developed blocks as shown in table .1.1.

**Figure. 1.1. Political Map of Odisha**



**Table 1.1**  
**Selection of Respondents on the basis of Literacy, Number of Banks Branches and Number of WSHGs in Different Blocks of Balasore District (2011)**

Sl.no .	Name of Blocks	No. of WSHGs (2011)	Ranking	No. of Bank Branches	Ranking	Literacy Rate (2001) In percentage	Ranking
1	Bahanaga*	1037	8	9	8.5	73.53	2
2	Balasore*	1755	2	49	1	67.11	8
3	Baliapal**	1413	4	10	6	51.90	11
4	Basta*	1335	7	14	5	68.49	6
5	Bhograi*	2373	1	15	4	76.75	1
6	Jaleswar*	1406	5	20	2	66.21	9
7	Khaira*	1363	6	9	8.5	72.96	4
8	Nilgiri**	1022	9	9	8.5	50.59	12
9	Oupada**	564	12	5	12	64.56	10
10	Remuna*	1643	3	18	3	68.06	7
11	Simulia**	980	10	7	11	71.45	5
12	Soro**	957	11	9	8.5	73.45	3

Source: Lead Bank Reports, District statistical report

\*Developed Blocks

\*\* Less Developed Blocks

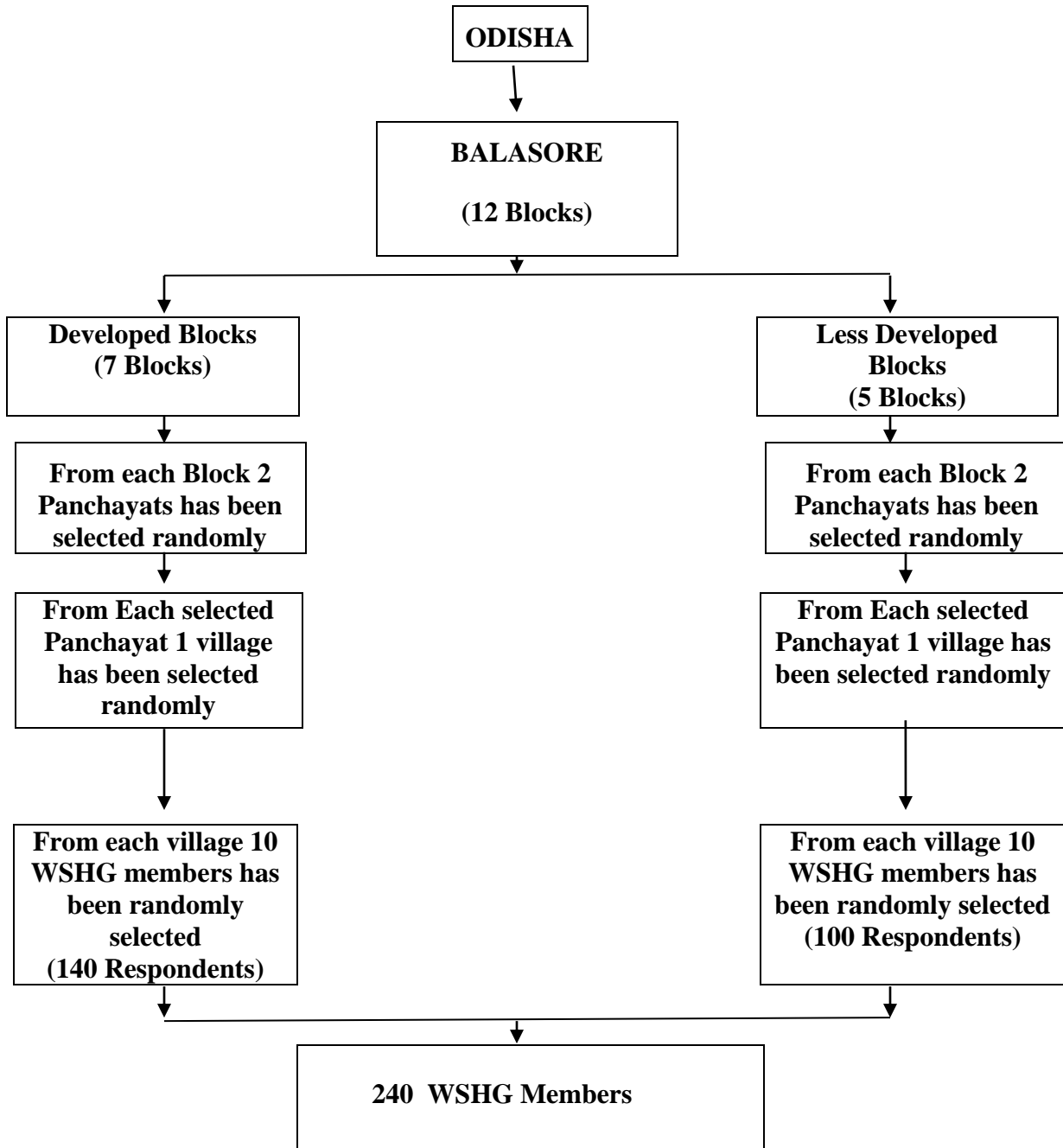
## Stage 2

In the second stage from each blocks 2 panchayats has been selected through simple random sampling. Therefore, total 24 panchayats has been selected, 14 panchayats from developed blocks and 10 panchayats from less developed blocks. fig.1.2.



## Fig1.2. Sampling Design

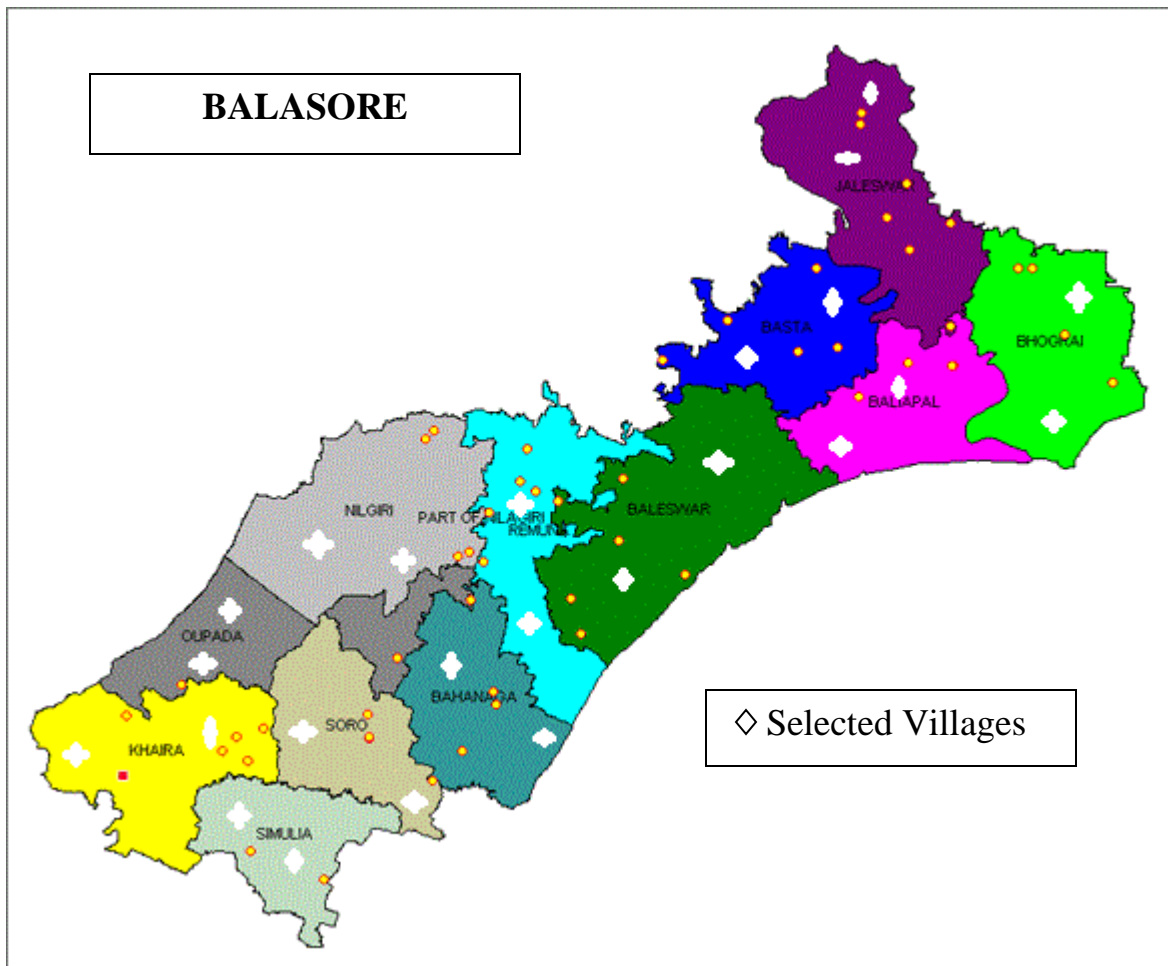
(Multi-stage simple random sampling Method)



### Stage 3

In the third stage from each selected panchayat 1 village has been selected randomly. Accordingly, 24 villages has been selected (14 from developed blocks and 10 from less developed blocks).

**Figure 1.3 Balasore District Map**



## **Stage 4**

At the last stage, from each selected village 10 WSHG members has been selected randomly. Therefore, the present study is spread over all the blocks of Balasore district comprising of **240** WSHG members (**140** WSHG members from developed blocks and **100** WSHG members from less developed blocks).

### **1.11. Sources of Data**

The present study is based on both primary and secondary data. The primary data were collected from the WSHG members of the study area through personal interview using an interview schedule. The required secondary data are obtained through Annual Economic Reports of Odisha, Annual Reports of NABARD, Review Report of DRDA and Mission Shakti.

### **1.12. Analytical Tools Used**

In the present study both tabular as well as statistical tools have been used for data analysis Primary data thus collected has been tabulated and interpreted with the help of tables. Further paired‘t’ test and multiple linear regression has been used to find out the improvement in personal employment, personal income and household expenditure after joining SHG.

### **1.13. Chapter Plans**

#### **Chapter 1: Introduction**

This chapter provides an overview of status of women, concepts and values of women entrepreneurship, women entrepreneurship in India. Further it includes brief profile of the study area, significance of the study, objective, hypothesis and methodology

## **Chapter 2: Literature Review**

This chapter is divided into three sections. The first section gives a brief overview of concepts and values of women entrepreneurs. In the second section, issues and challenges of women entrepreneur and SHGs has been discussed. The third section discuss about the impact of SHGs on rural women entrepreneur.

## **Chapter 3: Self Help Groups and Women Entrepreneurs**

This chapter focuses on origin, concept and working of SHGs. Role of SHGs in entrepreneurship development among rural women has been discussed. Further it highlights the problems faced by rural women entrepreneurs

## **Chapter 4: Analysis of Data**

This chapter deals with the analysis of survey data collected. It also highlights the growth of WSHG member in India and Odisha with the help of secondary data. Inferences from data are drawn using statistical tools. Hypotheses are tested through t-test and regression analysis

## **Chapter 5: Findings, Suggestions and Conclusions**

This chapter highlights the major findings made from the analysis of primary data collected from field survey. Further measures are suggested to solve the problems of WSHG members.

# CHAPTER TWO

## LITERATURE REVIEW

### 2.1. Women Entrepreneur: Concepts and Values

*Nagwani*<sup>1</sup> (2002) in his paper Entrepreneurship promotes creative abilities- dynamism stated that entrepreneurship is display of sense and sensibilities. Spirit of entrepreneurship demands result oriented attitudes, power of persuasion, constant skill up gradation and dynamic personality who has the capability and capacity to make things happen. Entrepreneur works in complete alignment where there is constant pressure on him to keep coming with innovative techniques to deal with changing market conditions, he has to forecast risks for better risk control. In India it is necessary to encourage and motivate people to subscribe to the philosophy and concept of entrepreneurship as the job opportunities are not available in plenty and numbers of educated persons are continuously increasing.

*Khanka*<sup>2</sup> (2009) stated women entrepreneur are those women who think of a business enterprise, initiate it , organize and combine the factor of production, operate the enterprise and undertake risk and handle economic uncertainty involved in running a business enterprise. The entry of women in business has helped a lot in the development of the nation. Nowadays, women are not confined to kitchen activities like making pickle, powder and papad but have started engrossing to modern activities like electronics, engineering and energy.

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<sup>1</sup>Nagwani A.(2002),“Entrepreneurship Promotes Creative Abilities-Dynamism” eds.D.D.Sharma and S.K.Dhameja in “*Women and Rural Entrepreneurship In India*” Abhishek Publications,Chandigarh, pp.186-191

<sup>2</sup> Khanka (2009), *Entrepreneurship in India, Perspective and Practice*, Akansha Publishing House, New Delhi, pp. 52-62.

According to *Chhabra and Syal*<sup>3</sup> (2002) women entrepreneurs are confronted with problems like poor self image, inadequate acknowledgement and motivation, lack of confidence etc. But the special schemes by the Government of India such as IRDP, DWCRA, and TRYSEM have enabled more women to become entrepreneurs. The Government has the responsibility to improve the lot of women in economic life and prepare them to participate in industrial estates as entrepreneur. The New Industrial Policy of the Government has stressed the need for conducting special entrepreneurship programmes which will enable women to start small scale industries which will up lift their status in social and economic fields. Banks and other financial institutions must provide credit to women entrepreneurs on both a priority basis and concessional terms. In the present day, global competitive business and industrial situation the women entrepreneurs in India can play a greater role. So, constant effort in this direction should be made for nation's economic development.

*Behera and Niranjana*<sup>4</sup> (2012) in their paper Rural Women Entrepreneurship in India stated that India is still male dominated country and women are dependent socially and economically on male members. Similarly, the entrepreneurial sphere is also male dominated. In recent years women entrepreneur has gained momentum but they face lots of problems at start up as well as operating stage. Women have got restricted mobility and freedom and have to perform dual roles which hinder the entrepreneurial growth. To promote women entrepreneur Government of India has introduced various policy measures but very few entrepreneur could approach for assistance which indicate that there is need to revitalize the whole system. The

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<sup>3</sup> Chhabra R. and Syal P. (2002), "Entrepreneurship Development Among Women: A Review" eds.D.D.Sharma and S.K.Dhameja in *Women and Rural Entrepreneurship in India* Abhishek Publications,Chandigarh, pp.82-87

<sup>4</sup> Behera S. and Niranjana K.(2012), "Rural Women Entrepreneurship in India", *International Journal of Computational Engineering and Management*", Vol. 15, Issue 6, November 2012.

technological advancement and information technology advancement has reduced the problems of women entrepreneur. Increasingly women entrepreneur are being considered as an important catalyst for economic development and Government is also providing training incentives and other facilities to succeed particularly in rural areas.

*Ali ,Qureshi and Amin*<sup>5</sup> (2007) stated that entrepreneurship development among women is the best approach to economic independence of women. Women as an entrepreneur will become more economically powerful as it will not only confer control over assets but also give her freedom to take decision which will uplift her social status. Entrepreneurship development of women will not only generate income for her but also for other women in the locality. As a result income will be generated and poverty in our economy will be eradicated.

*Talib and Murtaza*<sup>6</sup>(2002) in their paper have highlighted the personality factors like affected feelings, trusting, group dependent, commitment, self confidence and motivation are needed for development of entrepreneurship in rural areas .But there are certain weakness of entrepreneur personality like education, social interaction, innovations and willingness to assume risk hampers their entrepreneurship development. To overcome these weaknesses government and non- profit organizations provide proper education programmes, technical training and proper information of resources available in their region and their prospective. With the proper establishment of social, political and economic institutions there will be entrepreneurial development in the rural sector.

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<sup>5</sup> Ali M., Qureshi N. and Amin M.(2007), “ Development of Women Entrepreneurs in India” eds. Sinha S.in *Entrepreneurship in Rural Development*, Shree Publishers and Distributors, New Delhi, pp.193-203.

<sup>6</sup> Talib F. and Murtaza Q. (2002), “ Personality Aspects of Entrepreneur for Rural Areas in India”, eds.D.D.Sharma and S.K.Dhameja in *Women and Rural Entrepreneurship in India* Abhishek Publications,Chandigarh, pp. 211-217.

## 2.2 Issues and Challenges of Women Entrepreneurs and Self Help Groups

Gowda<sup>7</sup>(2005) stated that entrepreneurship is the single most important and effective way of empowering women. It will not only improve her economic status but also social status both within and outside the family. Entrepreneurship will develop cognitive abilities, managerial skills and leadership attributes which will encourage women to take independent decisions and give strength to take risk which is essential for successful entrepreneurship.

Sreenivasan<sup>8</sup>(2004) stated that rural women are sincere, committed and hardworking than the rural men, but still there is poor development of rural women entrepreneurs. The social constraints like gender bias, domination of men, lack of social mobility, freedom and liberation, lack of self-confidence and motivation acts as impediments for growth of women entrepreneurs. Apart from social factor, there are financial constraints like inadequate or non-availability of fund, fewer banks in rural areas, restrictive lending policies and lack of information about the schemes of finance available hinders their growth. For the growth of rural women entrepreneurs the perception and attitude of people should be changed with changing business scenarios and government should evolve with new policies and schemes for encouraging rural women.

Sinha<sup>9</sup>(2007) in his paper “Women Entrepreneurship in India: the prospect and challenges” has stated that nowadays women are not only confined to the house but they have proved that they are more capable of doing things more efficiently than men. Today’s women are engaged both in organized and unorganized sector such as readymade garments, poultry, soap,

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<sup>7</sup> Gowda M. (2005), “ Entrepreneurial Way of Empowering Rural Women”, eds. Samanta R. in *Empowering Rural Women- Issues, Opportunities and Approaches*, The Women Press, New Delhi, pp. 195-207.

<sup>8</sup> Sreenivasan S.(2004), “ Financial and Social Constraints of Rural Women Entrepreneurs” eds. John S., Jeyabalan R. and Krishnamurthy S in *Rural Women Entrepreneurship*, Discovery publishing house, New Delhi, pp.165-169.

<sup>9</sup> Sinha R.(2007), “ Women Entrepreneurship in India- The Prospect and Challenges”, eds. Sinha S. in *Entrepreneurship and Rural Development* , Shree Publishers and Distributors, New Delhi, pp. 59-63



pottery making, textile designing, fashion designing, jewellery designing, knitting etc. For the liberation and growth of women entrepreneurs a conducive environment must be created such as upgrading general socio-economic conditions, raising education, creating industrial awareness, unbiased social attitudes, financial assistance and formulating and promoting schemes and policies.

*Babu*<sup>10</sup>(2004) in his paper “ A Study on Women Entrepreneurship in India” have tried to study the qualities and potentialities among women for entrepreneurship and also the problem they faced at various stages. He stated that housewives have potentials of entrepreneurship as they have learnt the skill of management from households. The major problems they faced were household responsibilities, male dominated society, lack of information and skills, problem of finance, lack of raw materials and stiff competition and lack of education. The government of India has been giving importance for the development of women entrepreneurs. Seventh five year plan focused to treat women as specific target group, provide assistance for marketing and decision making process.

*Singh, Dhillon and Sidhu*<sup>11</sup>(2002) have made a study on “Women Entrepreneurs and their problems”. The study was executed in Ludhiana city of Punjab state where 45 women respondents were interviewed. The study highlights the problem faced by women entrepreneur at their own level and at the level of enterprise. At the own level performing dual role of enterprise and housewife was the major problem. Other problems were negative attitude of the people, lack

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<sup>10</sup> Babu R. (2004), “ A Study on Women Entrepreneurship” eds. John S., Jeyabalan R. and Krishnamurthy S. in *Rural Women Entrepreneurship*, Discovery Publishing House, New Delhi, pp. 12-15.

<sup>11</sup> Singh H. ,Dhillon K. and Sidhu M. (2002), “ Women Entrepreneurs and their Problems- An Overview eds.D.D.Sharma and S.K.Dhameja in “ *Women and Rural Entrepreneurship in India*” Abhishek Publications, Chandigarh, pp. 67-81

of resources and lack of command in the implementation of decisions. On the other hand at the level of enterprise lack of joint efforts by various organizations was the major problem followed by lack of market, economic resources, problem of availability of land and publicity problems. The author suggested that women entrepreneur should be made aware of the demand, needs and operation of enterprise they possess. Further, women have the capacity to change the attitude of the society and male members by attaining higher education, better control of resources and knowledge of the market.

*Ahirrao*<sup>12</sup>(2009) stated that through micro credits innovative and hard working micro entrepreneur can start small business. From these small businesses they can enjoy better life, food, shelter, health care and education for their families and better future. The experience of several SHGs reveals that rural women are actually efficient, they have proved wrong the conception that rural women need loan at subsidized rates of interest, they lack education, skills and capacity to save. Availability of timely and adequate credit is essential for them to undertake any activity rather than credit subsidy. In rural areas the women micro entrepreneurs are producing large varieties of essential products such as milk, food products, village crafts and homemade snack foods. Most of them are engaged in retail trading of groceries and textiles.

*Dhameja, Bhatia and Saini*<sup>13</sup>(2002) have made a study on “Problems and Constraints of Women Entrepreneur” they reveal that socio-personal factors like resistance from family or husband, dual duties of housewife and an entrepreneur, indifferent attitude of society, limited liberty to women was the major cause behind the failure of women entrepreneur. They also face

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<sup>12</sup> Ahirrao J. (2009), “Rural Women Empowerment through Microfinance”, *Kurukshetra*, Vol.57, No.4, February, pp.23-25.

<sup>13</sup> Dhameja S., Bhatia B. and Saini J. (2002), “Problems and Constraints of Women Entrepreneurs” eds.D.D.Sharma and S.K.Dhameja in *Women and Rural Entrepreneurship in India* Abhishek Publications, Chandigarh, pp. 9-47

marketing and financial problem. Rather they don't get proper assistance from the government. In order to overcome all these problems the author suggested proper planning, hard working, market information, training programme and adequate financial facility from bank should be emphasized.

*Gopalakrishnan*<sup>14</sup>(2004) have made a study on "Financial and Social constraints of rural women entrepreneurs." The objective was to highlight the major financial and social constraints in encountered by women entrepreneurs in Tiruchendur panchayat in Thoothukudi district of Tamil Nadu. Primary data was collected from 40 women entrepreneurs by simple random sampling technique. The study revealed that shortage of fixed capital was the vital financial constraint. The other financial problems they faced were negative attitude of banks, delay in sanctioning of loan, inadequate size of loan and rigid repayment schedule. Regarding social constraints dual role played by women entrepreneur was the major one and the other constraints were lack of confidence absence of family encouragement, male domination and lack of freedom. The existence of these constraints affects the emergence of women entrepreneur. If effective steps are taken to overcome the constraints, more women can be brought into the entrepreneur arenas which will employment opportunities and the poverty can be eradicated among rural masses.

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<sup>14</sup> Gopalakrishnan V.(2004), " Financial and Social Constraints of Rural Women Entrepreneurs" eds. John S., Jeyabalan R. and Krishnamurthy S. in *Rural Women Entrepreneurship*, Discovery publishing house, New Delhi, pp. 1-9.

*Palaniappan, Ramanigopal and Mani*<sup>15</sup>(2012) in their study have found that lack of strong leadership was the major problem faced by women entrepreneurs. Second was lack of finance followed by non awareness of government schemes, non repayment of loan by the members, leaders misusing the group's money, lack of education and training. The authors suggested that training should be made compulsory, government should provide interest free loans, women co-operative societies should be set up for selling their products, proper location and adequate infrastructure facilities should be provided. The development of women as entrepreneur will not only uplift the social and economic status of women but will generate multifaceted socio economic benefits for the country.

*Das and Panigrahi*<sup>16</sup>(2006) stated that SHG has positive impact on poverty but its impact on process of empowerment is poor. The lower empowerment of women groups may possess threat on 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 are providing loan at very high interest, which put them in poverty trap. The only way to solve this problem is to form SHGs and make them self sustain in backward state like Odisha. The requirement of basic inputs to make SHG sustainable rest with education, training, group attitude and awareness of all related matters of group functioning. In order to empower women in Odisha "Mission Shakti" has been launched since 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 productive way.

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<sup>15</sup> Palaniappan G., Ramanigopal C. and Mani A. (2012), "A Study on Problems and Prospects of Women Entrepreneurs with Special Reference to Erode District" International Journal of Physical and Social Sciences, Vol.2, Issue 3, March 2012, pp.219-230

<sup>16</sup> Das C. and Panigrahi P. (2006), "Some issues and aspects of SHG in formation of India" eds. Sahoo R and Tripathy S. in *Self Help Groups and Women Empowerment*, Anmol Publications Pvt.Ltd, New Delhi pp.129-149.

### 2.3. Impact of Self Help Groups on Rural Women Entrepreneurs

According to *Nagammai*<sup>17</sup>(2004) it is very difficult for rural women to venture into any micro enterprise individually due to gender bias and social status. The only way to get success is to form groups. So, government in association with NABARD started Women Self Help Group (WSHG) programme whose purpose was to save and lend credit to meet domestic as well as small business needs. In 1992 project for linking SHGs with banks was introduced to supplement the women entrepreneurs credit needs through banking system where NABARD provides 100 percent assistance to banks for this purpose. Moreover, NGOs also helps group members to develop saving habits and link them with the bank. They provide short term developmental courses and training programmes to rural women so that they develop self confidence and undertake activities which yield more revenue.

*Singh and Singh*<sup>18</sup>(2003) have stated that formation of SHGs is the best solution for improving the present pitiable position of women, making them economically self reliant and taking their own decisions independently. Government of India and other agencies are promoting the formation of SHGs and it is working successfully in many states of the country. The economic participation of women through SHG will enhance women's confidence and decision making ability, help them manage resources, develop leadership qualities, improve inter-personal relationships and quality of lives on several fronts.

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<sup>17</sup> Nagammai R.(2004), "Entrepreneurial Opportunities for Women in Rural India" eds. John S., Jeyabalan R. and Krishnamurthy S. in *Rural Women Entrepreneurship*, Discovery publishing house, New Delhi, pp79-87

<sup>18</sup> Singh G. and Singh A. (2003), "Economic Participation of Rural Women in Informal Sector through Self Help Groups (A Care for Empowerment of Women)", eds. Singh G., Bakshi R., et.al in *Economic Empowerment of Rural Women in India*, RBSA publishers, Jaipur, pp. 25-38

*Kumar*<sup>19</sup>(2009) stated women play an important role in social and economic transformation of country. Therefore, empowering of women ensure better justice, better living and stable society. Government of India has given importance to SHG as a tool for women empowerment. Micro credit has benefitted SHG by improving the income and living standard of rural poor. Though SHGs have created a positive impact on the society, they are facing many problems like illiteracy, lack of training, management and marketing facilities, lack of strong co-operatives structure, low nutrition and over burdened by performing dual role. To tackle these problems government should provide training, workshops and conference on SHGs, use information technology, provide adequate facilities, maternity benefit scheme should be enhanced etc.

*Reji*<sup>20</sup>(2012) conducted a study in three districts of Odisha i.e.Puri, Ganjam and Gajapati to find out whether SHG movement have helped in mobilization of the poor in the state of Odisha and whether SHG have facilitated access to financial services for the poor. His study found that SHGs are instrumental in mobilizing women from poor families and bringing them under an organizational fold. Majority of the SHG members belong to BPL families and more than one-third of the members belong to ST and SC category. This shows that the programme has focus poor families and especially backward caste people for their uplimftment and improving their standards. His study also revealed that SHGs were instrumental in developing

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<sup>19</sup> Kumar B. (2009), “ Empowering of Women Through Micro- Credit and SHG in India”. eds.Thakur A. and Sharma P in *Micro Credit And Rural Development*, Deep and Deep Publications Pvt. Ltd., New Delhi, pp.485-497

<sup>20</sup> Reji E.(2012), “ Social Mobilisation, Savings Habit and Access to Credit for the Poor through SHGs in Odisha”, *Journal of Rural Development*, Vol.31, No.4, October-December 2012, pp. 495-511

saving habits of the members. Though most of the groups were linked with bank and avail the credit facility, the credit available to them was low as compared to their requirements. Moreover most of the SHGs is limited only to the opening bank account in the name of the group. Though SHGs have overcome the initial difficulties, it needs some further support to strengthen the internal system.

*Savaraiah, Mamatha and Gangulappa*<sup>21</sup> (2009) have made a study on “self help is the best help in the eradication of rural poverty-an empirical study in Nellore district of A.P” their objective was to assess the impact of SHGs on poverty reduction and employment generation among sample women members. They found that about 34 percent of women are engaged in agricultural activities whereas 55 percent of women are engaged in manufacturing and small business, which means a significant occupational change which fetch them more income. More than 84 percent of women members stated that SHG has increase their income and standard of living. SHG has also improve the employment level of poor women, provided them training, credit and other basic services like education, children care, nutrition, water and sanitation. With the increase in income and employment level, SHGs have uplifted the rural women who were below the poverty line.

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<sup>21</sup> Savaraiah G., Manatha K. and Gangulappa C. (2009), “ Self Help is the Best Help in the Eradication of Rural Poverty- An empirical study in Nellore district in A.P” eds.Thakur A. and Sharma P. in *Micro Credit And Rural Development*, Deep and Deep publications pvt. Ltd., New Delhi, pp.390-404.

*Mishra*<sup>22</sup> (2006) has conducted a study upon the Blocks of Salipur and Mahanaga in the district of Cuttack, Odisha. His study found that more and more women members are participating in SHGs programme. Women have become financially independent which has given them social status. Women are no longer considered as unproductive. They are engaged in productive work and have gain self confidence. They are contributing financial help to their family. Under Mission Shakti programme, due to direct loan system and revolving funds, group are working more sincerely and effectively. But there were some drawbacks. WSHG members were not getting proper training and guidance. SHGs are encouraging the attitude of smooth saving habit among women, but lack in vision and procedure for working and maintaining records.

*Lakshmi*<sup>23</sup>(2004) stated that people's participation in the development process is a major factor in determining the destiny of rural people. However rich are getting benefits and poor are deprived, especially the women are exploited. Rural women are dynamic in nature and their participation in rural employment is significant but still their economic status has not improved. They cannot access credit from banks and financial institutions due to procedure tangle, illiteracy, extraction of high rate of interest by money lenders. But with the formation of SHG they are easily getting financial assistance.

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<sup>22</sup> Mishra B. (2006), "Women Self Help Groups in Odisha" eds. Sahoo R and Tripathy S. in *Self Help Groups and Women Empowerment*, Anmol Publications Pvt.Ltd, New Delhi pp.129-149

<sup>23</sup> Lakshmi A.(2004), "Self Help Groups in Rural Women Entrepreneurism" eds. John S., Jeyabalan R. and Krishnamurthy S. in *Rural Women Entrepreneurship*, Discovery Publishing House, New Delhi, pp. 77-78.



*Pandian and Eswaran*<sup>24</sup>(2004) have made a study on Micro Enterprise and Rural Women. The study was executed on Madurai district of Tamil Nadu where samples of 350 women from ten sample blocks were chosen at random. The study revealed that 52 percent of women were engaged in petty business units and remaining among processing, production and service units. Majority of women entrepreneurs those who are doing petty business have borrowed below Rs2500, on the other hand those who are engaged in production and service units have borrowed above Rs2500. They also found that high percentages of illiterate women are engaged in petty business compared to the literate women. The authors stated that micro entrepreneurs help to solve the problem of poverty. Creation of self employment and earning a livelihood make them venture into micro enterprises.

*Ramachandran and Balakrishnan*<sup>25</sup>(2008) stated that emancipation of women is pre-requisite for nation's economic development and social upliftment. SHGs have not only benefitted individual women but also her family and community as a whole through the collective action for development. SHGs have encouraged women to participate in household matters and take up leadership position. Women have also started to take up and manage their own productive activities which supplement their household income as a result of which their living standards has increased. Another benefit received through SHG programme was development of saving habits, access to various promotional assistance, large quantum of resources, better technology and skill up gradation. SHGs have created socio-economic

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<sup>24</sup> Pandian P. and Eswaran R.(2004), " Micro Enterprises and Rural Women", eds. John S., Jeyabalan R. and Krishnamurthy S. in *Rural Women Entrepreneurship*, Discovery Publishing House, New Delhi, pp. 68-73

<sup>25</sup>Ramachandran T. and Balmakrishnan S. (2008), " Impact of Self Help Groups on Women's Empowerment- A Study in Kanyakumari District" *Kurukshetra*, Vol. 57, No.2, December 2008, pp. 31-38.

revolution in the rural areas. It has not only improved the living conditions of the members but also helped in changing their social outlook and attitude.

*Chandramani* <sup>26</sup>(2005) stated that women's development is directly related to national development. It could be well ascertained that women's development could be achieved by empowerment which enable women to be the agents of social change. At present, SHG is widely used as an instrument to empower women socially and economically. Organizing women in SHGs enhances the status of women as participants, decision makers and beneficiaries in the democratic, economic, social and cultural spheres of life. Thus SHGs have inculcated a great confidence in the minds of rural women to succeed in their day to day life.

*Sahoo* <sup>27</sup>(2006) have made a study on "Women Self Help Groups-Innovations in Financing the Poor". The study was executed on Dhurusia gram panchayat in Athagarh block of Cuttack district, Odisha. His study revealed that the rural credit provided to SHGs improved the economic position of the members, helped in utilization of local resources, increased saving habits of member and empowered women. In spite of these significance of SHGs the member faced lot of problems as the credit advanced by banks were inadequate and moreover the members were not getting proper training and guidance for mobilizing the thrift maintaining register and following official procedures which hampered a lot in the smooth functioning of SHGs. The author suggested that there should be strong co-operation and understanding among the SHG members, official governments and the public general which will make the programme more innovating in the field of rural finance generating more thrift.

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<sup>26</sup> Chandramani M. (2005), " Self Help Groups for Empowerment of Women",eds. Samanta R. in *Empowering Rural Women- Issues, Opportunities and Approaches*, The Women Press, New Delhi, pp.131-149.

<sup>27</sup> Sahoo R. (2006), "Women Self Help Groups-Innovations in Financing the Poor" eds. Sahoo R and Tripathy S. in *Self Help Groups and Women Empowerment*, Anmol Publications Pvt.Ltd, New Delhi, pp.13-25.

*Kumar*<sup>28</sup> (2011) stated that entrepreneurship serves as a boom 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. Kudambshree, the state poverty eradication mission was launched by Government of Kerala in 1998 with the support of Government of India and NABARD. Kudambshree has considerably changed the lives of women of Kerala. About 36 lakhs women of the state have been organized into 182,969 grass root level Self Help Groups. The mission has also given birth to 29,436 micro enterprises making around 54,949 women owners of these units. The major hindrances in conduct 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.

According to *Gundluri*<sup>29</sup>(2011) SHGs that had linked to banks has resulted in increasing access to financial institutions, thereby access to credit, increasing income levels and saving habits of women in society. Before joining SHGs they have not even seen banks and turn to money lenders. But after joining SHG situation has changed and careful repayment plans are made so that SHG members do not feel pressured to go to money lenders. SHGs have helped women to plan and execute their ideas and manage their funds. It has also developed women's relationship with Government department and banking sector which has develop self confidence and self reliance among women. After joining SHGs women are able to contribute in household income and other activities which are the key factor of their empowerment.

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<sup>28</sup> Kumar S. (2011), " SHG Linked Micro- Enterprises- The Kerala Experience", Journal of Rural Development, Vol.30, No.3, pp. 331-339.

<sup>29</sup> Gundluri N. (2011), " Empowerment of Dalit Women through Self Help Groups : A Case from Andhra Pradesh", Social Action- A Quarterly Review of Social Trends, Vol.61, No.1, January- March 2011.

According to *Pandit*<sup>30</sup>(2006) despite of several developmental efforts launched by the government of Odisha as well as non- government agencies for the welfare of the rural people and women in particular, they could not achieve the goal and the tribal areas of the state and the women folk especially in rural areas of neglected. Thus SHGs have emerged to provide a ray of hope to disadvantaged groups. Micro credit programme provides small loans to women for self employment projects that generate income and help them to take care of themselves and their families. Micro finance has been proved as the most powerful weapon to fight against poverty. The organizations like Rasthriya Mahila Kosh and Indira Mahila Yojna strongly supports the formation of SHGs at the grass root level for women empowerment.

*Muthuraj and Thilagavathi*<sup>31</sup>(2008) stated that delivery of micro credit to the poor can be made more effective if they are organized into SHGs. In 1992, NABARD launched scheme on micro finance by linking SHG with banks which gave boost in reaching the formal credit to the poor. SHG bank linkage programme is more in southern region with share of 62 percent as on March 2003. The share of north and north-eastern region is very low. As on March 2003, there were 8877 SHGs linked with banks in southern region as against 1492 in the western region, 1620 in central region and 1807 in eastern region. Among the states, Andhra Pradesh, Karnataka, Tamil Nadu, Kerala, Uttar Pradesh, Maharashtra and Odisha have fared well. The success of micro entrepreneurs depends on the identification of enterprises with local talents and native capabilities of poor rural women, training to develop self confidence in them, self reliance and

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<sup>30</sup> Pandit R. (2006), "Women Self Help Groups in Orissa: A Crusade for Women Empowerment", eds. Sahoo R and Tripathy S. in *Self Help Groups and Women Empowerment*, Anmol Publications Pvt.Ltd, New Delhi, pp. 40-46.

<sup>31</sup> Muthuraj K. and Thilagavathi P. (2008), " Role of Self Help Groups in Promoting Micro Enterprise through Micro- Credit", eds. Jerinabi U. in *Micro- Enterprise for Women- Competitiveness, Challenges and Prospects for New Global Environment* , Discovery Publishing House, New Delhi, pp. 32-44.

motivation of small savings through micro finance, supply of raw materials, facilities of marketing and technology up gradation.

## **CHAPTER THREE**

### **WOMEN ENTREPRENEURSHIP AND SELF HELP GROUPS**

#### **3.1. Women Entrepreneurship- Concepts and Values**

Women constitute around half of the total population in India. Hence they are regarded as better half of the society. But in the male dominated social set up, women get very poor recognition. In addition their resources and potentials are not fully utilized. The process of economic development would be incomplete, unless women are fully involved in it. Women should play an equal part in the country's development, which is a very important pre condition for the advancement not only of women but the country as a whole.

Women entrepreneurs are those women, who think of business enterprise, initiate it, organize and combine factors of production, operate the enterprise and under take the risks and handle economic uncertainty involved in running a business enterprise. According to Government of India, "According to Government of India, "A woman entrepreneur is defined as an enterprise owned and controlled by a woman having a minimum financial interest of 51 percent of the capital and giving at least 51 percent of the employment generated in the enterprise to women". According to Schumpeter, "women who are innovative, initiative or adopt a business activity are women entrepreneurs.

Women's participation in the economic activities has increased all over the world. With the growing awareness about business and spread of education among women over the period, women have shifted from 3 Ps viz., Pickles, Powders and Papad to 3 modern Es viz. Engineering, Electronics and Energy. There are three types of activities i.e manufacturing,

trading and servicing. In the manufacturing sector women are involved in preparation of soap, pickles, masala powder and furniture. The women who are involved in trading are involved in saree business, grocery shop, fancy shop, rice business etc. Under servicing sector women are involved in beauty parlour, tailoring, book binding, photo copying etc.

### **3.2. Need for Women Entrepreneurship**

Human resources, both men and women of working age constitute the main strength of economic development of a nation. Women form an important segment of the labour force and the economic role played by them cannot be isolated from the framework of the development. Some of the social scientists are of the opinion that lack of recognition and appreciation of women has led to the prejudice against their role and contribution in the society. To change the social and economic structure of our country and to uplift the disadvantaged section of the society like women, greater emphasis is needed on entrepreneurial development.

Entrepreneurship helps women realize their self worth by making use of their innate potential. Employment gives economic independence to women. When women become economically independent she is able to take her own decisions and have control over assets and liabilities. This will uplift her social status significantly and lead to women empowerment.

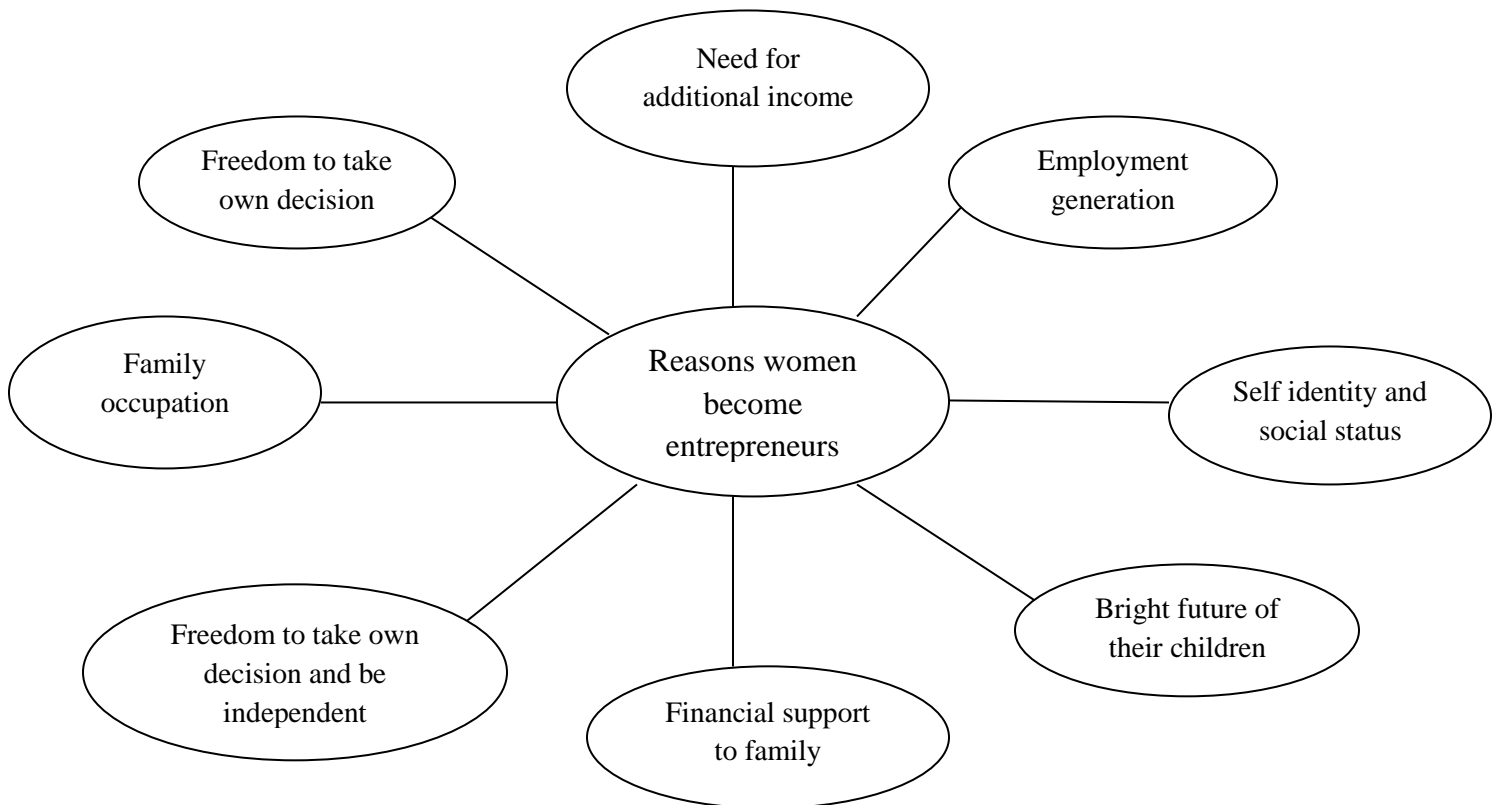
The noble scholar and Indian economist Mr. Amartya Sen expressed in his words, “unless women are empowered issues like literacy, health, population explosion will remain unresolved problems of developing countries”. Hence there is need for women entrepreneurship not only for the economic empowerment but also for the well being of the whole country.

### 3.3. Factors Influencing Women Entrepreneurship

In India women entry into business is a new phenomenon. Women entrepreneurs are not only a product of their ambitions, but also the aspirants of their family members, friends and relatives. Sometimes certain compulsion also leads them to entrepreneurial positions. Lack of suitable employment opportunities, non flexibility of working hours and a desire for economic and social independence forced women to look for newer avenues of income generation and self expression through career in business and industry.

**Fig.3.1**

#### **Reasons women become entrepreneurs**





Some recent researches indicate that several women are becoming entrepreneurs due to pull and push factors. Under pull factors, women are encouraged to start an occupation or venture with an urge to do something new and become financially independent. They belong to educated women who generally take up small and medium enterprise where risk is low. Under push factors women take up business enterprises to get over economic difficulties and responsibilities like death of husband who was in business, to supplement income at home, for better lifestyle and children's future. Fig. 3.1 shows some reasons women become entrepreneurs.

In India, women entrepreneurship can be considered as “necessity entrepreneurship” rather than “opportunity entrepreneurship”. As women usually face the problems of less mobility and networks, they use their skill and available local resources to start their own enterprise. Most of the women do not have idea to start business. The factors like bank loan, assistance by government, financial support given by family members induce them to start their own enterprise.

### **3.4. Rural Women Entrepreneurship**

India is a country of villages and so the development of the country mainly depends upon all round progress of rural areas. In rural areas, rural women constitute nearly 50 percent of the country's population. So, they play a major role in the development of the economy. The role of rural women in economic activities was brought in limelight by the world conference on “An Agrarian Reforms and Rural Development” in 1979. The conference pledged equal participation for women along with men in social, economical and political process of rural development. Over the years the phenomenon of women entrepreneurs are largely confined only to metropolitan cities and big towns in India. But for the development of nation it is necessary to develop rural women. Rural women are renowned segment of our society with high degree of

sincerity, commitment and hard work. If this section of society are recognized and motivated to take up entrepreneurship, it is certain that our country's economy can be strengthened financially and socially. A rural women entrepreneur is a woman or a group of women who undertake to organize and run an entrepreneur in a rural area (Ramamorthy and Kumar)<sup>1</sup>. Any rural woman or group of women which innovates, imitates or adapt an economic activity may be referred as rural women entrepreneur.

In rural areas, women do not aspire for independence through entrepreneurial development neither they want to gain social prestige and self- accomplishment. It is the factors like unemployment, low income and other family conditions which motivate them to start an micro enterprise. .

Rural women owned micro enterprise have some basic characteristics which are:

- They need small amount of credit/ loan to start business.
- They are mostly located at home and nearby areas.
- They have traditional skills and crafts.
- They use local raw materials or natural resources.
- They produce simple outputs either consumer goods or intermediate goods.
- They are assisted by one or more family members.

Rural women apply their hidden talents in every sphere of activity like agricultural operation, poultry, sheep rearing, firewood cutting, sale of agricultural produce etc. Depending on demographic background, education level, family occupation, availability of financial and raw materials, women in rural areas can opt for manufacturing, trading or service activities. They

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<sup>1</sup> Ramamoorthy K. and Ramesh S. (2004), " Socio-Economic Constraints of Rural Women Entrepreneurs" eds. John S., Jeyabalan R. and Krishnamurthy S in *Rural Women Entrepreneurship*, Discovery Publishing House, New Delhi, pp.60-66

can undertake manufacturing activities like bangles making, pot making, toys making, weaving, rope making, herbal productions etc. Some of trades they can enter into are cloth trade, firewood selling, selling curd and ghee, fruit stall and the like. Some of the service areas they can enter into are fast food, printing, tailoring, tea shop and the like.

### **3.5. Advantages of Entrepreneurship to Rural Women**

Empowering women especially rural women is a challenge. Entrepreneurship in rural areas can help to meet these challenges. Entrepreneurship not only enhances national productivity and generates employment but also helps to develop economic independence, personal and social capabilities among rural women.

Some of the personal and social capabilities which are developed as a result of taking up enterprise among rural women are:

- Increase in level of self confidence, social status, social interaction
- Improvement in standard of living
- Enhance awareness
- Improvement in leadership qualities
- Decision making capacity in family and community
- Involvement in solving the problems related to women and community
- Engage in political activities

Economic empowerment of women leads to development of family, community and finally the development of nation.

### **3.6 Role of the Institutions in the Promotion of Rural Women Entrepreneurs**

Government recognized rural women as a source of potential entrepreneurs and initiated many programmes to give financial, managerial, technical and marketing assistance. From 1981 onwards, the government has started Skill Development Programme (SDP) in interior villages for women living below poverty line. Government brought various schemes which aimed at generating employment. They were Integrated Rural Development Programme (IRDP), Training of Rural Youth for Self Employment (TRYSEM), Development Of Women and Children in Rural Areas (DWCRA), Swarnajayanti Gram Swarajgar Yojna (SGSY), Jawahar Rojgar Yojna (JRY) and so on. The objectives of these programmes were to provide employment opportunities, impart skills needed for self employment and employment through asset creation.

**Rural and Women Entrepreneurship Development (RWED)** programme aims at promoting a conducive business environment and building institutional and human capacities that will encourage and support the entrepreneurial initiatives of rural people and women. Commercial Banks in collaboration with

**District Rural Development Agency (DRDA)** also played a vital role in advancing loans to the rural women groups.

**NABARD** was setup in 1982 to promote integrated rural development. Since then, it has been adopting strategy for the promotion of rural business enterprises in the country.

**SIDBI** also provide direct/ indirect financial assistance under different schemes to meet credit needs of small business organizations. SIDBI has introduced two special schemes for women;

(i) Mahila Udyam Nidhi to provide equity to women entrepreneurs and (ii) Mahila Vikas Nidhi to provide development assistance for pursuit of income generating activities to women.

**THE RURAL SMALL BUSINESS DEVELOPMENT CENTRE (RSBDC)** aims at providing management and technical support to current and prospective micro and small entrepreneurs in rural areas. Since its inception, RSBDC has organised several programmes on rural entrepreneurship.

**RURAL AND WOMEN ENTREPRENEURSHIP DEVELOPMENT (RWED)** The Rural and Women Entrepreneurship Development programme aims at promoting a conducive business environment and at building institutional and human capacities that will encourage and support the entrepreneurial initiatives of rural people and women.

### **3.7 Problems of Rural Women Entrepreneurs**

The role of rural women in productive activities has been increasing over the years, but the total number of enterprise run by them is insignificantly small. Rural women are vulnerable in comparison to urban women, as the urban women are educated and have wide scope of activities around them to explore but rural women do not get enough opportunity to make use of their potential. Rural women entrepreneurs are confronted with various problems which can be classified as follows:-

#### **1. Socio-personal problems**

The furthestmost prevention to women entrepreneurs is that they are women. Male dominant social order is building block to them in their way towards success. Women are not much supported to undertake entrepreneurship by family members. They lack self confidence and feel that they are less efficient than men and hesitate to take risks. Some

women also face the problem of dual role which she has to play on the domestic front and work place, which causes great mental and physical strains.

## **2. Marketing problems**

Marketing is another serious problem encountered by women entrepreneurs in rural areas. Since, rural women have small scale business they have to strive hard to sell their products in the modern competitive world. Lack of sufficient orders and permanent market for their products is the major problem faced by rural women entrepreneurs. They are most often dependent on intermediaries, who pocket a major part of the profits. They also lack information regarding changing market.

## **3. Financial problems**

Women entrepreneurs always suffer from inadequate financial resources and working capital. Rural women entrepreneurs face problem at the time of starting as well as during the operation of the enterprise. They lack access to external funds due to their inability to provide tangible security. The financial assistance provided to them by the agencies concerned is not adequate to meet their actual requirements. Banks also have negative attitude while providing finance for women entrepreneurs. The result is women entrepreneurs are forced to rely on their own saving and loans from family and friends.

## **4. Managerial problems**

Another vital problem encountered by women entrepreneurs is lack of management skills. Most of the women have potential, but lack adequate training to manage the enterprise. Women in India have led protected lives which have reduced their ability to take economic and other risks of business. Women lack necessary initiative, suffer from inferiority complex and are easily disheartened by failure.

## **5. Production problems**

Many rural women are unaware of the latest technological developments and market trends due to lack of education. This creates problem in setting up and running business enterprise. Women are not able to keep pace with technological advancement which put down their initiative to become entrepreneurs. Moreover, high cost of production, shortage of raw materials and other necessary inputs prevent them from running the enterprise smoothly which ultimately leads to the failure of enterprise.

Rural women entrepreneurs are taking up challenging entrepreneurial activities. But still women potentials are untapped due to lack of supportive means and management. Proper entrepreneurial skill and marketing talent should be given to the rural women entrepreneurs for carrying their entrepreneurial activities. If the women are given proper education and training about entrepreneurial activities they will become an important source for the economic development of the nation.

## **3.8 Self Help Groups and Rural Women Entrepreneurship**

Women in India still perform only their traditional roles in their houses and agriculture. They are not engaged in any of the economic activities. The number of enterprise initiated and being run by women in formal sector is small. Rural women are more vulnerable in comparison to urban women. Rural women do not get opportunity to make use of their economic potential. Their potentials are hidden by the social, economical and political constraints.

After independence, several efforts were made by the government of India to increase the role and to improve the status of women, but no perceptible change is visible. The scheme to transform the present position of women will have less impact on them, unless and until it is

started by themselves. The initiative for betterment should come from within the group of women based on the philosophy that “Self help is the best help”. Self help is on continuing basis and everlasting whereas outside help is temporary and for time being. In this way it will not only develop confidence among women but will create awareness in them that their fate and fortunes are in their own hand and they will be no more dependent on others. Due to gender bias and social status, it is difficult for any women to venture into micro enterprise individually. Thus, the only best way to improve the pitiable position of women is the formation of Self Help Groups (SHGs).

### **3.9 Origin and Concept of Self Help Groups (SHGs)**

The origin of Self Help Groups (SHGs) is from the brain child of Grameen Bank of Bangladesh, which was found by economist, Prof. Mohammad Yunus of Chittagong University in the year 1975. In India, the first effort was taken by NABARD in 1986-87. But the real effort was taken in 1991-92 when NABARD launched a pilot project for linking about 500 SHGs with banks in consultation with RBI.

All for all is the principle behind the concept of SHGs. It is mainly concerned with the poor and it is for the people, by the people, of the people. SHG is a small body formed by the people for meeting their specific objectives particularly credit. In India there are usually fifteen to twenty members hailing from a certain locality with similar socio-economic backgrounds. The members of SHGs collect savings and relend among the members of the group on rotational or need basis. The main objective of SHGs is to inculcate the habit of thrift, savings and banking culture. These groups generate a common fund out of small savings ranging from Rs 10 to Rs 100 regularly by curtailing the unproductive expenditures. Apart from this, the internal fund of



the SHGs is supplemented by the Commercial banks, Regional Rural Banks, Co-operatives and NGOs due to the NABARDs effort.

Self Help Groups broadly go through three stages of evolution comprising of:

1. Group Formation ( formation, development and strengthening of groups )
2. Capital formation through revolving fund, skill development
3. Taking up economic activity for income generation.

### **3.10 Working Pattern of Self Help Groups**

SHGs works in a democratic manner. In India, the number of members in one SHG does not exceed twenty and these members are usually from the same village community or neighbourhood. Among them a member is selected as a leader who provides guidance, assistance, resolve conflicts and solve problems of the group. The members create a common fund through their regular savings ranging from Rs 10 to Rs 100. The group then uses its savings to give loans to members to meet their emergency and other needs. The interest rate charged varies from purpose to purpose and also depends upon the collective decision of the group. Regular meetings are conducted where members discuss regarding the activities of the group, savings are collected, loans are lent and group decisions are taken for future actions. All the transactions are recorded in their account books. The groups open a saving bank account with a nearby branch to deposit surplus cash if any and can get loan from bank after six months of savings and credit operation.

### **3.11 Objectives of Self Help Groups**

SHG is a group of rural poor who have volunteered to organize themselves into a group for eradication of poverty of the members. These poor people do not have access to formal financial institutions and depends on money lenders for meeting their consumption needs and social obligations. SHGs provide saving mechanism which suit the need of the members. Rather there are many objectives of SHGs which are as follows:

- To raise the per capita income of rural poor by providing income generating assets.
- To build capacity of women and enable them to participate in the mainstream of activities.
- To inculcate the habit of saving and banking among the rural poor and to save them from the clutches of village money lenders.
- To promote entrepreneurship among women.
- To develop skills and build confidence for the economic empowerment of women.
- To develop leadership qualities of women.

### **3.12. Entrepreneurship Development of Women through SHGs**

Women Self Help Groups are small and economically homogeneous, voluntarily formed groups to save and mutually agree to contribute to a common fund to be lent to its members. Formation of women into SHGs paved a way to develop their economic standards and build self confidence. Women in SHGs have been encouraged by the government and NGOs to undertake self employment ventures with locally available resources.

With easy access to credit rural women can undertake entrepreneurial activities which help them in sustaining their family economically and meet their financial crisis. As women are

found technologically less empowered, they can access to large quantum of resources and use better technology with the help of smooth credit facilities through SHGs. NGOs help rural women to identify the activity which will yield more revenue as most of the activities taken up by them are traditional and have less profit. Women in SHGs produce a large variety of essential products such as milk, food products, village crafts and homemade snack foods. Many of them are also engaged in retail trading of groceries and textiles. These enterprises represent substantial supply resources for semi-urban and urban areas.

Several promoting agencies like NGOs and Governments provides various need based short term courses like Entrepreneurship Development courses and Technical Training Programme. These trainings and courses develop self confidence and entrepreneurial skills and capacities in rural women to take up self employment and income generating activities.

Moreover, literacy programme run by the government help the SHG members to overcome cognitive constraints. They can now easily understand government policies and procedures. SHGs have generated huge employment opportunities among rural women entrepreneurs and eradicate poverty among the rural masses. Thus, SHGs would lead to benefit not only to the individual woman and women groups but also the families and community as a whole through collective action of development.



## **CHAPTER FOUR**

### **ANALYSIS OF DATA**

This chapter is divided into two sections. First section is based on analysis of secondary data collected through different sources. In secondary data analysis we discuss about growth of WSHGs in India, Odisha and Balasore district (study area). Second section is based on an analysis of primary data collected through interview schedule.

#### **SECTION ONE**

##### **Secondary Data Analysis**

In this section we discuss about growth of WSHGs, saving and credit linkage at all India level. Further we discuss about growth of WSHGs, saving linkage and credit linkage in Odisha and Balasore district.

#### **4.1. Growth of WSHGs in India**

Since independence India is suffering from severe socio-economic problems. Poverty has become a major threat to the economic development of the country. India being a developing country, a vast section of its population suffers from malnutrition, unemployment, illiteracy and poor living standard. WSHG has been observed as an effective means of ensuring easy access of credit to the poor and vulnerable women folk of the state. The easy access to credit will bring economic benefits in the form of increased incomes, higher employment, and better living conditions.

#### **4.1.1 SHG Bank linkage programme**

The Self Help Group – Bank linkage programme which was initiated by NABARD since 1992 as a pilot project for promoting 500 SHGs, experienced significant growth over time in terms of coverage and amount of credit to poor people in rural areas. Under the SHG bank linkage programme, three models have emerged:

- Model 1 – Under this model, SHGs are formed, financed and promoted by banks, the bank itself acts as Self- Help Group promoting institutions (SHPI)
- Model 2 – Under this model SHGs are formed by formal agencies other than banks, like NGOs and others, but directly financed by banks.
- Model 3- Under this model SHGs are promoted by NGOs, but financed by banks through NGOs and other agencies as financial intermediaries.

The objective of linkage programme is to evolve supplementary strategy for meeting the credit needs of the poor women and disadvantaged groups, to build up mutual trust and confidence between the banker and the rural women, to encourage banking activity both on thrift as well as credit side in a segment of the population that the formal financial institutions usually finds it difficult to cover.

The all India growth of WSHGs has been explained in terms of saving linkage and credit linkage.

#### **4.1.2 Saving linkage:**

Table 4.1.1 represents the number of WSHGs provided saving linkage facility and saving amount at all India level. During 2006-07, the number of WSHGs getting saving linkage facility

was 39.86 lakhs and total saving amount was Rs 3108.65 Crores and the average saving per WSHG was Rs 7798.92. During the year 2008-09, the number of WSHGs provided saving linkage facility has increased to 48.63 lakh registering 22.02 percent growth. The total saving amount as well as saving per WSHG has also shown growth of 42.63 percent and 16.89 percent respectively. The data shows that there has been continuous increase in number of WSHGs provided saving linkage facility but during 2009 – 10 to 2011 – 12 the growth rate was lower as compared to growth rate during 2008-09. The saving amount has also increased but in the year 2011-12 growth rate decline by 3.66 percent.

**Table 4.1.1**  
**Growth of WSHG – Saving Linkage at All India Level**

<b>Year</b>	<b>No. of women SHGs (in '000)</b>	<b>Saving amount (In crore)</b>	<b>Saving per SHG (In Rs.)</b>
2007 – 08	3986	3108.65	7,798.92
	-	-	-
2008 – 09	4863	4434.03	9,116.20
	(22.02)	(42.63)	(16.89)
2009 – 10	5310	4498.65	8,471.39
	(9.17)	(1.45)	(-7.07)
2010 – 11	6098	5298.64	8,689.14
	(14.83)	(17.78)	(2.57)
2011 – 12	6298	5104.32	8,103.89
	(3.28)	(-3.66)	(-6.73)

**Source:** Status of microfinance in India 2006-07, 08, 09,10,11,12 (NABARD)  
(Fig. in parentheses represents percentage growth compared to previous year)

### 4.1.3 Credit linkage

Table 4.1.2 shows the number of WSHGs provided credit linkage facility and credit amount and average loan per group over different years at all India level. During 2007-08, the number of WSHGs provided credit facility was 10.41 lakhs and credit amount was Rs 7474.25 crores with average loan per group of Rs 71799.02 crores. With the moving years both the number of WSHGs availing credit facility and credit amount has declined but the average loan per WSHG have shown increasing trend. The number of WSHGs provided credit facility has increased in the year 2008-09 but it has started declining after 2008-09. The growth rate of credit amount has also decline over the years. The number of WSHG providing credit facility has been declined by 21.41 percent compared in 2010 – 11 to 2009-10 whereas the credit amount and average loan per WSHG has increased by 1.55 percent and 29.23 percent. During the year 2011-12 again there is decline in financing WSHGs by 9.24 percent while the credit amount to WSHGs have again increased by 11.96 percent and 23.35 percent respectively

**Table 4.1.2**  
**WSHG Credit Linkage**

<b>Year</b>	<b>No. of women SHGs (in '000)</b>	<b>Credit amount (in Rs. Crore)</b>	<b>Average loan per group</b>
2007 – 08	1041 -	7474.25 -	71799.02 -
2008 – 09	1374 (31.98)	10527.37 (40.84)	76586.14 (6.66)
2009 – 10	1294 (-5.82)	12429.36 (18.06)	96018.46 (25.37)
2010 – 11	1017 (-21.41)	12622.33 (1.55)	124086.77 (29.23)



	923	14132.02	153071.16
2011 – 12	(-9.24)	(11.96)	(23.35)

Source: Status of Microfinance in India 2007-08, 09,10,11,12  
 Figures in bracket represent percentage growth

#### 4.1.4. Region- wise distribution of SHGs in India

SHG- Bank linkage programme grew at tremendous pace during the last decades at the national level. However, there is no uniformity with regard to its progress across regions. The NABARD in consultation with RBI and Government of India has divided the whole country into six regions depending upon their location i.e. Northern, North-Eastern, Eastern, Central, Western and Southern. From its very inception, the programme had a major success in the southern region, while its performance has been very poor in the other regions, particularly in the northern and north-eastern region.

Table no.4.1.3 shows region wise growth of SHG-Bank linkage programme in India. Till March 2001 out of existing 2,63,825 SHGs, southern region constitute major share (71.20 percent) followed by Central (10.93 percent), Eastern (8.44 percent), Western (5.89 percent), Northern (5.41 percent) and North-Eastern (0.18 percent). During March 2012, the number of SHGs providing Bank linkage facility has increased to 95,84,012. The share of southern and central region has declined to 49.95 percent and 9.44 percent respectively. The share of all other regions has increased, eastern (19.61 percent), western (12.29 percent), northern( 4.59 percent), north-eastern (4.12).

**Table: 4.1.3.**  
**Share of SHGs in Different Regions of the Country**

Regions	SHGs till March 2001		SHGs till March 2012		Average Annual growth (In %)
	Number	Share (in %)	Number	Share (in %)	
Northern	9,012	3.41	4,39,588	4.59	398.15
North – Eastern	477	0.18	3,94,390	4.12	6881.77
Eastern	22,252	8.44	18,79,449	19.61	695.52
Central	28,851	10.93	9,05,042	9.44	253.07
Western	15,543	5.89	11,77,638	12.29	623.05
Southern	1,87,690	71.20	47,87,905	49.95	204.24
All India	2,63,825	100.0	95,84,012	100.0	294.39

Source: NABARD

**Northern Region:** Chandigarh, Haryana, Himachal Pradesh, Punjab, Rajasthan, New Delhi, Jammu & Kashmir.

**North-Eastern Region:** Assam, Meghalaya, Tripura, Nagaland, Manipur, Mizoram, Arunachal Pradesh and Sikkim.

**Eastern Region:** Bihar, West Bengal, Union territories of Andaman & Nicobar Islands, Odisha, Jharkhand.

**Central region:** Chhattisgarh, Madhya Pradesh, Uttar Pradesh, Uttarakhand.

**Western Region:** Goa, Gujarat, Maharashtra.

**Southern Region:** Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Lakshadweep, Pondicherry.

#### **4.1.5. Growth of WSHGs in Odisha**

Odisha is one of the most backward states in our country with population of 3,67,06,920 and out of which female population is 1,80,94,580 as per 2001 census. Hence, women population comprises almost half of the total labour force of the state. Despite various developmental efforts launched by the Government of Odisha over the years for the welfare of the rural people and women in particular have failed to achieve the goal and women especially in rural areas were neglected a lot.

Realizing their backwardness, the Government of India on the basis of “Hasim Committee Report” introduced a new self employment programme in the name of Swarna Jayanti Gramm Swarojgar Yojna (SGSY) for their upliftment. SGSY has been introduced to establish and develop large number of micro enterprises in rural areas to develop the socio-economic standards of the poor through SHGs.

In Odisha, the organization of SHGs, especially for micro finance and microenterprise development programmes constitutes a widely accepted development strategy for poverty reduction. SHG in Odisha started in early 90’s with the initiative of NGOs and refinance facility provided by NABARD. However, its growth was marginal in the early stages. However , SHG programme gained momentum when in 2001, a new programme in the name of “ MISSION SHAKTI”, was announced by Mr. Naveen Pattnaik, the C.M of Odisha.

Mission Shakti programme has been a campaign for holistic empowerment of women. The programme was initiated with an aim of strengthening WSHGs at Panchayat, Block and District levels through capacity building. Through Mission Shakti there was expansion of credit linkage

to as many SHGs as possible so that SHGs have capital to start economic activities. The programme focuses on capacity building, livelihood promotion, micro credit support, convergence with other department and government programmes, addressing social issues and communication.

#### 4.1.5.1 Saving linkage

Table no. 4.1.5.1 represents the number of WSHGs provided saving linkage facility and saving amount in Odisha. The data reveals that in the year 2001-02, the number of WSHGs provided saving linkage facility was 42540 which have increased to 44663 in the year 2002-03 with growth of 4.99 percent. Since 2003-04 the number of WSHG provided saving linkage facility has shown negative trend except the period of 2004-05 and 2007-08 which shows positive growth of 8.01 percent and 15.43 percent respectively. The amount saved by WSHG members was Rs 1390.37 lakhs in 2001-02 which increased to Rs 2294.09 lakhs in 2002-03 and the growth percentage was 64.99. It has been found in the 2005-06, the saving of WSHG has shown highest growth of 94.50 percent compared to previous year.

**Table 4.1.5.1  
Growth of WSHG-Saving Linkage in Odisha**

<b>Year</b>	<b>Number of WSHGs</b>	<b>Saving Amount (Amount in lakhs)</b>	<b>Average saving per WSHG (Amount in Rs.)</b>
2001-02	42540	1390.37	3268.38
	-	-	-
2002-03	44663	2294.09	5136.44
	(4.99)	(64.99)	(57.15)

2003-04	32791 (-26.58)	3417.66 (48.97)	10422.55 (102.91)
2004-05	35418 (8.01)	3382.03 (-1.04)	9548.90 (-8.38)
2005-06	35373 (-0.12)	6578.06 (94.50)	18596.27 (94.74)
2006-07	25792 (-27.08)	7245.65 (10.14)	28092.62 (51.06)
2007-08	29774 (15.43)	8329.21 (14.95)	27974.77 (-0.41)
2008-09	26961 (-9.44)	11449.16 (37.45)	42465.63 (51.80)
2009-10	22821 (-15.35)	10427.76 (-8.92)	45693.70 (7.60)
2010-11	9091 (-60.16)	9856.06 (-5.48)	108415.57 (137.26)

Source: Mission Shakti reports of 2002, 03, 04, 05, 06, 07, 08, 09, 10, 11  
Fig. in parentheses represents percentage growth over previous year

#### 4.1.5.2 Credit linkage

Table no.4.1.5.2 shows the number of WSHGs provided credit linkage facility and credit amount over the period of 2001 – 02 to 2010 – 11. In the year 2001-02, the number of WSHG provided credit facility was 7075 with the average loan per WSHG of Rs 15918.86. The data also reveals that there has been uneven growth in different years in terms of both the number of WSHGs provided credit facility as well as credit amount. The average loan per

WSHG has increased every year except for the year 2006-07, 2007-08 and 2009-10 which has shown

**Table 4.1.5.2**  
**Growth of WSHGs – Credit linkage in Odisha**

<b>Year</b>	<b>No. of WSHG</b>	<b>Loan amount (Amount in Lakhs)</b>	<b>Average loan per WSHG</b>
2001-02	7075 -	1126.26 -	15918.86 -
2002-03	18751 (165.03)	3272.82 (190.59)	17454.10 (9.64)
2003-04	25826 (37.73)	8260.41 (152.39)	31984.86 (83.25)
2004-05	37006 (43.28)	15018.88 (81.81)	40584.98 (26.88)
2005-06	24705 (-33.24)	15278.43 (1.72)	61843.47 (52.38)
2006-07	23273 (-5.79)	13630.62 (-10.78)	58568.38 (-5.29)
2007-08	46578 (100.13)	22839.50 (67.56)	49034.95 (-16.27)
2008-09	21871 (-53.04)	23466.39 (2.74)	107294.54 (118.81)
2009-10	28094 (28.45)	26966.39 (14.91)	95986.29 (-10.53)
2010-11	9470 (-66.29)	19004.72 (-29.52)	200683.42 (109.07)

Source: Mission Shakti reports of 2002, 03, 04, 05, 06, 07, 08, 09, 10, 11

Fig. in parentheses represents percentage growth over previous year

negative growth of 5.29 percent, 16.27 percent and 10.53 percent respectively. In the year 2010-11, 9470 WSHGs has been provided credit facility with an average loan per WSHG of Rs. 200683.42.

#### 4.1.5.3 District wise distribution of WSHG-Bank linkage programme in Odisha:

Table 4.1.5.3 shows the growth of WSHG- saving bank linkage in different districts of Odisha. During the year 2001-02, the number of WSHGs provided saving linkage facility was high in Puri district (3691) and lowest in Phulbani/Khandmal (162). In Balasore district (study area) the number of WSHGs provided saving linkage facility was 1844 in 2001-02. In the year 2010-11, the district showing higher saving linkage facility to WSHGs was Koraput (1250) while the districts showing lowest saving linkage facility to WSHGs was Bhadrak (no single WSHGs were provided saving linkage facility). Moreover, in Balasore district 278 WSHG has been provided saving linkage facility in 2010-11.

**Table 4.1.5.3**  
**Growth of WSHG-Saving linkage in different districts of Odisha**

Sl. No.	Name of Districts	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
1.	Anugul	681	1503	1680	2001	2185	1452	1490	1503	1079	723
2.	Balasore	1844	1783	2240	1909	1765	1959	2772	595	633	278
3.	Bargarh	1488	1606	536	1792	806	556	203	583	155	18
4.	Bhadrak	1412	3104	-920	1454	3249	-2083	616	1679	1001	0
5.	Bolangir	1593	590	1788	2341	977	739	487	1431	228	51
6.	Boudh	755	1556	-577	313	-3	398	6	27	158	43
7.	Cuttack	1584	2758	1178	848	1528	1943	1726	3836	2307	683

8.	Deogarh	408	184	301	118	445	167	242	291	140	119
9.	Dhenkanal	2494	167	745	2380	2284	1009	462	377	1573	143
10.	Gajapati	637	577	586	865	271	293	1144	469	160	115
11.	Ganjam	2585	3587	3129	1319	1458	1166	868	1010	5659	758
12.	Jagatsinghpur	1239	1872	640	377	466	288	201	520	234	742
13.	Jajpur	2505	1129	1164	772	709	427	524	811	1295	497
14.	Jharsuguda	485	301	584	540	487	644	284	566	223	144
15.	Kalahandi	2200	2490	2895	2208	-2060	1978	382	750	205	76
16.	Phulbani/ khandmal	162	1227	848	272	1538	699	316	430	322	127
17.	Kendrapara	1437	749	808	1254	1108	1837	1106	808	530	280
18.	Keonjhar	1583	1933	533	737	1239	1099	482	1105	1276	742
19.	Khurda	978	1851	1227	1595	938	863	5916	431	220	13
20.	Koraput	983	2189	896	318	3443	980	648	208	300	1250
21.	Malkangiri	394	294	2549	251	1750	1468	606	170	19	130
22.	Mayurbhanj	2564	3442	3222	2589	1736	1688	2145	1632	1664	391
23.	Nawarangpur	1895	1264	2884	2182	-1147	597	1250	65	169	39
24.	Nayagarh	1754	411	226	312	560	1005	1065	393	341	66
25.	Nuapada	203	2524	121	535	1205	104	138	628	739	224
26.	Puri	3691	949	20	1749	2124	879	343	2107	582	403
27.	Rayagada	1195	1085	1958	174	1015	172	396	657	194	200



28.	Sambalpur	1083	884	429	707	2624	915	1063	683	275	119
29.	Sonepur	1045	1445	-500	426	1030	735	675	480	38	61
30.	Sundergarh	1663	1209	1601	2680	1643	1815	2218	2896	1102	656

Source: Mission Shakti reports of 2002, 03, 04, 05, 06, 07, 08, 09, 10, 11

The data also reveals that there has been positive trend of growth in distribution of WSHGs in almost all districts of the state except Bhadrak, Boudh, Kalahandi, Nawarangpur and Sonepur which has shown negative trend.

#### **4.1.5.4. Growth of WSHG-Saving linkage (Amount) in different Districts of Odisha**

Table 4.1.5.4 highlights the year-wise growth of WSHG-Saving linkage (amount) in different districts of Odisha. The data reveals that in 2001-02 the amount of saving made by the WSHGs was highest in Ganjam district (Rs. 2.44 crores) whereas it was lowest in Phulbani/Khandmal district (0.01 crores only) . In Balasore district the amount of saving made by the WSHGs was (Rs 0.73 crores) in 2001-02 which increased to Rs 9.0 crores in 2010-11. Moreover in the year 2010-11, the amount of saving made by the WSHGs was highest in Cuttack (Rs. 22.45 Crores) while it was lowest in Nuapada and Bhadrak (Rs. 0.00 Crores). In many districts the growth of WSHG saving amount has shown negative trend such as Bhadrak, Boudh, Phulbani/Khandmal, Kalahandi, Keonjhar, Koraput, Malkangiri, Nawarangpur, Nayagarh, Nuapada, Puri, Rayagada and Sonepur. The reason in decline may be either due to withdrawal of saving amount or discontinuation of regular saving made by the WSHG members.

**Table 4.1.5.4**  
**Growth of WSHG-Saving linkage (Amount) in different Districts of Odisha**  
**(Amount in Crores)**

Sl.No.	Name of District	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
1.	Anugul	0.07	0.43	1.07	1.70	3.93	4.30	5.33	6.70	8.56	7.35
2.	Balasore	0.73	0.13	2.04	1.52	3.90	4.58	6.38	4.11	10.28	9.00
3.	Bargarh	0.24	0.62	1.09	1.81	2.18	2.19	1.58	2.34	9.65	0.14
4.	Bhadrak	0.32	1.12	0.24	0.40	0.23	0.28	0.41	-0.39	0.00	0.00
5.	Bolangir	0.28	0.24	0.91	1.66	2.01	2.14	1.79	2.23	2.62	2.77
6.	Boudh	0.59	0.54	-0.29	0.29	0.53	-0.51	0.61	11.27	-10.05	0.40
7.	Cuttack	0.41	1.68	2.17	1.12	2.79	2.85	3.36	4.04	2.70	22.45
8.	Deogarh	0.16	0.006	2.61	-2.21	0.18	0.23	0.67	1.11	2.01	0.86
9.	Dhenkanal	0.80	0.86	1.26	0.91	2.69	2.36	2.36	2.48	1.99	1.34
10.	Gajapati	0.11	0.38	0.53	0.73	0.56	0.52	1.07	0.79	0.83	0.41
11.	Ganjam	2.44	3.50	5.24	5.75	6.35	6.76	7.15	8.05	9.76	6.39
12.	Jagatsinghpur	0.95	0.78	1.37	1.25	1.46	1.24	1.78	19.39	0.00	3.14
13.	Jajpur	0.23	0.90	0.46	0.87	1.27	1.67	1.65	2.04	1.61	1.20
14.	Jharsuguda	0.06	0.13	0.23	0.40	0.50	0.90	0.69	1.11	1.12	0.91
15.	Kalahandi	0.31	0.27	0.60	-0.07	4.30	3.88	2.79	3.82	2.90	2.26
16.	Phulbani/ khandmal	0.01	0.35	0.40	0.87	2.59	-1.77	1.51	1.39	-0.43	0.69
17.	Kendrapara	0.61	0.25	0.56	1.38	1.43	3.34	4.53	4.85	4.42	2.25
18.	Keonjhar	0.09	0.35	0.49	0.66	2.14	-0.31	0.51	6.06	4.72	0.00
19.	Khurda	0.36	0.92	2.17	4.56	6.44	7.97	13.01	8.12	13.58	1.87
20.	Koraput	0.33	1.10	0.58	1.72	1.33	11.24	-9.88	3.89	4.02	0.67

21.	Malkangiri	0.06	0.15	1.08	-1.05	3.12	1.37	1.22	1.06	0.25	1.11
22.	Mayurbhanj	0.34	2.89	1.90	1.82	2.10	2.14	2.95	2.88	5.20	8.71
23.	Nawarangpur	1.03	0.71	2.54	0.98	-0.07	1.72	4.71	0.60	0.16	0.59
24.	Nayagarh	0.80	0.65	0.58	0.40	0.32	3.14	-3.16	1.59	6.02	1.72
25.	Nuapada	0.07	0.89	0.52	0.61	2.37	-1.03	6.27	15.24	0.00	0.00
26.	Puri	1.71	1.08	1.00	1.94	3.59	4.32	15.20	-5.21	8.29	5.59
27.	Rayagada	0.24	1.02	1.35	1.32	2.45	0.84	0.88	1.92	4.69	-5.26
28.	Sambalpur	0.12	0.23	0.30	0.62	1.97	1.72	1.44	1.84	2.24	1.19
29.	Sonepur	0.08	0.26	0.27	0.81	1.08	1.59	3.90	-2.63	-0.39	0.52
30.	Sundergarh	0.21	0.38	0.93	1.03	2.06	2.76	2.61	3.79	7.49	20.3

Source: Mission Shakti reports of 2002, 03, 04, 05, 06, 07, 08, 09, 10, 11

#### 4.1.5.5 District wise Growth of WSHGs-Credit linkage (In Numbers)

Table no 4.1.5.5 shows the growth of WSHGs provided credit linkage facility in different districts over different years. The data revealed that during the year 2001-02, the number of WSHGs provided credit linkage facility was highest in Kalahandi district(1522) and lowest in Deogarh district (1) whereas Khurda and Raygada district were not provided any credit linkage facility. During the year 2001-02 ,in Balasore district the number of WSHGs provided credit linkage facility was 352 in which increased to 741 in the year 2010-11. Further in year 2010-11, the number of WSHGs provided credit linkage facility was highest in Cuttack (1130) and lowest in Bhadrak and Kendrapada (no linkage). There has been negative growth of credit linkage of WSHGs over different years in several districts of Odisha such as Balasore, Boudh, Kalahandi, Dhenkanal, Nawarangpur, Nuapada, Puri and Sonepur.

**Table 4.1.5.5**  
**District wise Growth of WSHGs-Credit linkage (In Numbers)**

Sl.No.	Name of District	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
1.	Anugul	112	712	1511	1573	1468	1336	1197	1224	1053	643
2.	Balasore	352	1170	1893	3294	-77	1575	1631	1114	1302	741
3.	Bargarh	21	372	766	1765	945	596	212	192	149	13
4.	Bhadrak	30	621	608	1218	1309	430	326	695	964	0
5.	Bolangir	68	316	1425	1112	985	1012	375	1360	959	475
6.	Boudh	234	794	-82	233	44	256	40	443	39	54
7.	Cuttack	30	87	940	748	1031	1040	1406	1360	2109	1130
8.	Deogarh	1	142	193	209	260	113	307	131	84	56
9.	Dhenkanal	61	801	-673	3316	2621	1289	744	451	967	147
10.	Gajapati	36	235	887	482	182	831	199	206	225	127
11.	Ganjam	1144	854	5236	1816	1762	1555	1142	1132	2463	621
12.	Jagatsinghpur	753	673	810	710	534	430	228	312	360	375
13.	Jajpur	33	565	548	820	703	207	177	237	675	18
14.	Jharsuguda	12	205	234	391	8497	660	363	320	341	223
15.	Kalahandi	1522	2429	2668	4412	-5473	2206	857	679	383	90
16.	Phulbani/ khandmal	48	204	243	441	772	513	385	317	318	421
17.	Kendrapara	130	79	887	1125	1247	1266	1055	249	1173	0
18.	Keonjhar	11	419	860	833	602	653	567	1037	974	783
19.	Khurda	-	288	876	1153	1018	1092	2652	1595	502	186
20	Koraput	195	883	763	460	1932	375	609	499	7481	149

21.	Malkangiri	25	223	908	768	668	460	571	413	13	354
22.	Mayurbhanj	16	1276	2817	4083	1965	1747	1475	1014	1805	866
23.	Nawarangpur	520	308	-467	180	2916	211	658	31	1339	115
24.	Nayagarh	201	754	470	355	253	392	675	795	415	111
25.	Nuapada	35	866	61	384	681	-53	239	956	0	183
26.	Puri	102	1318	1721	2418	1366	73	1048	2517	-453	496
27.	Rayagada	-	213	2432	550	1000	388	319	254	380	298
28.	Sambalpur	41	243	392	568	1562	848	670	655	749	168
29.	Sonepur	677	882	-36	257	655	592	299	211	609	165
30.	Sundergarh	665	819	556	1332	1277	1270	1062	1472	796	462

Source: Mission Shakti reports of 2002, 03, 04, 05, 06, 07, 08, 09, 10, 11

#### 4.1.5.6 District wise growth of WSHG- Credit linkage (Amount)

Table no. 4.1.5.6 highlights the growth of WSHGs –Credit linkage (Amount) in different districts of Odisha. The data shows that in the year 2001-02, the credit linkage amount was highest in Ganjam district ( 2.70 crores) whereas lowest in Jharsugda district. Further in the year 2010-11, the highest credit linkage (amount) has been observed in Cuttack district (Rs. 39.61 Crores) while lowest credit linkage amount was in Bhadrak and Nawarangpur district (Rs. 0.00 Crores). In Balasore district the credit linkage amount was Rs0.24 crores in the year 2001-02 which increased to Rs 4.81 crores in 2010-11. Further, in many districts like Boudh, Deogarh, Jajpur, Keonjhar, Malkangiri and Nawarangpur the credit linkage amount have shown negative trend in different years of the study period of 2001 – 02 to 2010 - 11.

**Table 4.1.5.6****District wise growth of WSHG- Credit linkage (Amount)**

(Amount in Crores)

Sl.No..	Name of District	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
1.	Anugul	0.41	1.72	3.5	8.69	8.83	9.86	9.95	11.26	12.42	8.22
2.	Balasore	0.24	1.19	3.26	6.77	9.33	13.75	11.86	13.7	27.35	4.81
3.	Bargarh	0.07	1.11	6.74	9.58	13.44	15.15	14.93	15.93	62.71	0.05
4.	Bhadrak	0.02	0.24	1.17	2.53	3.58	2.29	0.87	1.96	0.00	0.00
5.	Bolangir	0.08	0.36	0.84	3.53	3.59	3.23	2.06	9.69	6.19	3.16
6.	Boudh	0.09	0.62	0.48	0.78	3.26	1.49	-0.42	0.23	0.32	0.53
7.	Cuttack	0.46	1.03	6.10	5.72	7.77	5.85	11.17	10.13	12.31	39.61
8.	Deogarh	0.04	0.45	0.92	0.80	0.82	-0.28	4.47	3.51	1.98	0.34
9.	Dhenkanal	0.11	2.12	3.73	9.23	10.31	8.46	7.64	5.20	3.40	1.64
10	Gajapati	0.09	0.32	5.37	2.82	-4.76	2.28	0.46	0.53	0.62	0.29
11	Ganjam	2.70	2.10	14.81	9.38	16.46	20.45	23.53	28.26	37.03	25.02
12	Jagatsinghpur	2.12	4.85	2.30	2.73	2.32	0.81	1.02	13.16	0.00	2.42
13	Jajpur	0.01	0.49	0.86	1.29	33.44	-30.86	0.70	0.92	3.59	0.52
14	Jharsuguda	0.00	0.35	0.27	1.22	2.07	4.78	2.91	3.68	4.36	4.50
15	Kalahandi	1.16	3.03	3.30	7.50	4.50	12.88	6.71	4.66	13.00	4.13
16	Phulbani/ khandmal	0.01	0.19	0.83	0.48	3.66	0.97	2.75	2.61	1.52	1.09
17	Kendrapara	0.29	0.12	4.32	5.54	7.84	8.12	7.71	3.86	10.71	0.00
18	Keonjhar	0.06	1.03	2.13	2.22	6.41	-0.27	1.90	6.15	3.49	1.36
19	Khurda	N.A	0.38	2.39	4.94	5.69	15.95	14.18	15.78	7.75	3.22
20	Koraput	0.56	3.90	2.71	3.50	5.60	4.54	11.82	11.41	3.93	38.74

21	Malkangiri	0.06	0.55	1.30	36.19	-32.84	1.92	1.67	3.16	0.04	1.60
22	Mayurbhanj	0.01	1.67	3.87	7.14	10.75	10.82	12.27	11.74	17.23	15.20
23	Nawarangpur	1.22	0.92	2.17	2.52	-0.24	-2.37	6.74	39.44	-6.73	0.00
24	Nayagarh	0.59	0.65	0.98	1.81	1.83	0.54	9.44	1.98	2.98	0.69
25	Nuapada	0.06	0.48	0.64	2.00	2.65	0.84	20.4	0.48	0.00	0.00
26	Puri	0.08	1.46	2.26	4.84	3.51	7.31	11.21	1.47	6.29	5.28
27	Rayagada	N.A	0.11	4.49	2.29	7.48	7.68	1.85	3.67	9.85	5.52
28	Sambalpur	0.08	0.49	0.34	1.68	12.47	6.08	8.05	8.16	10.50	3.54
29	Sonepur	0.27	0.28	0.15	1.15	1.73	3.64	1.56	0.87	0.58	1.34
30	Sundergarh	0.24	0.39	0.33	1.38	1.24	0.95	19.01	1.06	15.52	17.23

Source: Mission Shakti reports of 2002, 03, 04, 05, 06, 07, 08, 09, 10, 11

#### 4.1.6. WSHG in Balasore District

##### 4.1.6.1 Block wise growth of WSHG in Balasore District

Table no 4.1.6.1 shows the year wise growth of WSHG in Balasore district. Data reveals that in year 2005-06 growth of WSHG was highest in Bhograi block (265) followed by Jaleswar (234), Balasore (188), Khaira (180), Nilgiri (179), Bahanaga(127), Basta (124), Soro(110), Remuna (105), Simulia (90), Baliapal(86),and Oupada (77). In 2007-08, there has been significant increase in growth in each block except Nilgiri block. In Nilgiri block WSHG growth was 113 WSHG in 2006-07 which declined to 70 WSHG in 2007-08. After 2007-08, growth of WSHG started to decline. In year 2009-10, there was no growth of WSHG in Balasore, Baliapal, Nilgiri, Simulia blocks and in other blocks the growth was too low, Bhograi (16), Remuna(12),

Basta(10), Khaira(8), Bahanaga (6), Soro(5), Jaleswar( 3). In year 2012-13, there was no growth of WSHG in Khaira, Oupada and Jaleswar Blocks whereas in other blocks the growth is very less Balasore (64), Bhograi (28),Remuna and Nilgiri (14), Simulia (11),Bahanaga (8), Soro and Baliapal(3).

**Table 4.1.6.1  
Block wise growth of WSHG in Balasore District**

Sl.No.	Name of the blocks	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
1	Balasore	188	191	520	24	0	32	18	64
2	Baliapal	86	168	203	25	0	56	6	3
3	Remuna	105	218	220	135	12	156	4	14
4	Nilgiri	179	113	70	24	0	10	37	14
5	Bahanaga	127	190	142	55	6	25	23	8
6	Soro	110	73	186	13	5	41	2	3
7	Simulia	90	107	163	79	0	148	10	11
8	Khaira	180	227	246	33	8	85	0	0
9	Oupada	77	35	113	29	6	26	8	0
10	Jaleswar	234	122	133	61	3	108	218	0
11	Bhograi	265	391	388	85	16	158	41	28
12	Basta	124	124	388	32	10	70	8	-1

Source: Mission Shakti Report

#### **4.1.6.2 Block wise growth of SHG- Saving Linkage amount in Balasore District**

Table no. 4.1.6.2 highlights the status of WSHG- Saving linkage amount in Balasore district. Data reveals that in the year 2005-06, savings made by WSHG members was highest in Jaleswar block (Rs. 78.21 lakhs) followed by Baliapal( Rs 66.21 lakhs), Balasore (Rs 56.79 lakhs),Nilgiri ( Rs 54.65 lakhs), Basta (Rs 36.72 lakhs), Remuna (Rs 35.91 lakhs), Khaira



(Rs25.63 lakhs) while lowest in Simulia (Rs 8.84 lakhs), followed by Oupada (Rs 10.10 lakhs) and Bhograi (Rs 10.84 lakhs). In the year 2012-13, there has been several changes. The savings made by WSHG members was highest in Balasore block (Rs 249.65 lakhs), followed by Oupada (Rs187.83 lakhs) and Bhograi (Rs 84.75 lakhs). Jaleswar block which had highest savings in 2005-06, showed negative trend in terms of year wise growth of WSHG-Saving linkage amount of Rs 1.26 in the year 2012-13.

**Table 4.1.6.2**  
**Block wise growth of SHG- Saving Linkage amount in Balasore District**

Sl.No	Name of the blocks	Amount (in lakhs)							
		2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
1	Balasore	56.79	24.12	41.28	88.85	19.35	898.77	59.84	249.65
2	Baliapal	66.21	159.16	197.42	98.66	15.74	154.04	57.00	52.14
3	Remuna	35.91	73.02	95.15	27.26	1.17	25.10	17.58	32.26
4	Nilgiri	54.65	4.38	5.84	0.68	3.99	51.78	24.63	16.66
5	Bahanaga	15.05	14.38	6.73	9.49	484.93	- 314.43	35.02	38.38
6	Soro	18.25	17.37	10.20	8.08	0.05	75.64	40.47	36.66
7	Simulia	8.84	23.16	25.97	28.36	5.14	94.46	61.82	83.50
8	Khaira	25.63	41.78	35.94	41.55	0.26	85.77	27.68	30.70
9	Oupada	10.10	19.16	48.74	4.50	0.70	14.34	8.21	187.83
10	Jaleswar	78.21	29.31	63.58	59.21	6.24	46.49	3.04	-1.26
11	Bhograi	10.84	11.24	45.53	18.36	25.58	156.09	22.81	84.75
12	Basta	36.72	40.39	61.23	25.90	21.56	426.78	48.06	12.74

Source : Mission Shakti Report

#### 4.1.6.3 Block wise WSHG-Credit Linkage in terms of Amount in Balasore District

Table 4.1.6.3 shows the year-wise growth of WSHG- Credit linkage amount in Balasore district. The data reveals all the blocks have been provided credit linkage facility. In the year 2005-06, the WSHG- Credit linkage amount was highest in Baliapal ( Rs 318.83 lakhs), followed by Bhanaga ( Rs 214.64 lakhs), Remuna ( Rs 71.14 lakhs) and Balasore (Rs 56.57 lakhs) and lowest in Bhograi( Rs 19.5 lakhs), followed by Jaleswar ( Rs 21.4 lakhs), Oupada ( Rs 25.43 lakhs) and Nilgiri ( Rs 25.92 lakhs).

**Table 4.1.6.3**  
**Block wise WSHG-Credit Linkage in terms of Amount in Balasore District**  
**Amount (in Lakhs)**

Sl.No	Name of the blocks	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
1	Balasore	56.57	56.25	106.12	31.09	12.83	189.12	27.96	19.75
2	Baliapal	318.83	415.89	370.85	197.30	15.85	438.79	101.27	25.40
3	Remuna	71.14	85.31	125.84	213.16	5.93	1584.52	0.49	0.02
4	Nilgiri	25.92	52.83	30.44	8.61	2.40	51.29	17.57	55.40
5	Bahanaga	214.64	-26.96	34.94	37.89	17.55	-56.17	18.69	7.04
6	Soro	50.01	44.46	29.49	13.81	1.18	22.23	245.04	-79.76
7	Simulia	51.57	84.15	162.86	260.78	34.04	535.89	48.83	53.88
8	Khaira	41.33	61.56	51.75	69.10	10.48	167.6	9.20	23.41
9	Oupada	25.43	23.20	12.90	12.33	0	19.41	5.30	0
10	Jaleswar	21.40	60.25	19.71	12.28	-2.51	253.5	1.66	0
11	Bhograi	19.50	286.09	245.86	219.63	17.00	381.84	119.47	36.19
12	Basta	38.64	230.69	-5.32	213.05	5.95	55.2	57.77	23.65

Source: Mission Shakti Report

During the year 2008-09, the WSHG- Credit linkage amount was highest in Simulia (Rs 260.78 lakhs), followed by Bhograi (Rs 219.63 lakhs), Remuna (Rs213.16 lakhs), Basta(

Rs213.05 lakhs) and Baliapal ( Rs 197.3 lakhs) while it was lowest in Nilgiri ( Rs 8.61 lakhs), followed by Jaleswar (Rs12.28 lakhs), Oupada ( Rs 12.33 lakhs) and Soro ( Rs 13.81 lakhs).

## **SECTION TWO**

### **4.2. Results and Discussion of Primary Data Analysis**

This section deals with primary data analysis. It comprises of three sections. In section one there is a review of the socio-economic profile of the WSHG members in the study area. Section two deals with working and bank linkage of WSHG members. Section three deals with economic activities undertaken by SHG entrepreneurs in the study area and the problems encountered. The sample under study include 240 respondents from 29 SHGs (18 WSHGs from developed blocks and 11 SHGs from less developed blocks) spread over 12 blocks of Balasore district of Odisha.

## **SECTION ONE**

### **4.2.1. Socio –Economic Profile of the WSHG Members**

Rural poverty and unemployment have forced rural women to take up various enterprises so as to get over financial difficulties. Many studies have emphasized the vital role of the socio-economic background of women entrepreneurs because socio-economic background is related to the success or failure of the entrepreneurs. Hence, an attempt has been made to analyze the socio-economic profile of the WSHG members in study area.

#### **4.2.1.1. Marital status of WSHG members**

In the case of Indian women marriage has acted as a social barrier to those who wish to pursue higher education and go for jobs. Early marriage which is widely prevalent in rural areas has acted as a great disincentive in this direction. But in the recent years with the spread of

education the trend is fast changing in rural areas. Many women are coming forward to work and thereby supplement their family income. In this regard the study has been made to highlight the marital status of WSHG members of the study area.

**Table 4.2.1.1**  
**Marital status of WSHG members**

<b>Sl.No.</b>	<b>Marital Status</b>	<b>Developed Blocks</b>	<b>Less Developed Blocks</b>	<b>Total</b>
1	Married	129 (92.91)	92 (92.0)	221 (92.1)
2	Unmarried	2 (1.4)	3 (3.0)	5 (2.1)
3	Widow	8 (5.7)	4 (4.0)	12 (5.0)
4	Divorced	1 (0.7)	0 (0.0)	1 (0.4)
5	Separated	0 (0.0)	1 (1.0)	1 (0.4)
	<b>Total</b>	<b>140</b> <b>(100)</b>	<b>100</b> <b>(100)</b>	<b>240</b> <b>(100)</b>

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

The table no. 4.2.1.1 reveals that 92.1 percent of total WSHG members are married followed by widow (5.0 percent) , unmarried ( 2.1 percent), and 0.4 percent of members are divorced and separated. As compare between the blocks same pattern has been observed.

#### **4.2.1.2 Age of the WSHG members**

A study of the age wise distribution of sample women of both the blocks is essential to know the extent to which women who are in the threshold of life have dared to break away with the bondage and act independently.

The age wise distribution of the members has been made in table 4.2.1.2. The study found that 58.75 percentage of the WSHG members belongs to age group (21-40 years), followed by (41-60 years) which is 37.91 percent, only 2.07 percent of the members belongs to age group upto 20 years and 1.25 percent of the members above 60 age. As the block wise distribution concerned in developed blocks 62.14 percent of the members belong to age group (21-40 years) and in less developed 54 percent. Age determines individual's physical growth, mental maturity and capacity to make decisions in life. the higher percentage of the members in the age 21-40 signifies that this is the age which is best suited to take up entrepreneurial responsibilities.

**Table 4.2.1.2**  
**Age of the WSHG members**

Sl.No.	Age	Developed Blocks	Less Developed Blocks	Total
1	Upto 20	5 (3.57)	0 (0.0)	5 (2.09)
2	21-40	87 (62.14)	54 (54.0)	141 (58.75)
3	41-60	47 (35.57)	44 (44.0)	91 (37.91)
4	Above 60	1 (0.71)	2 (2.0)	3 (1.25)
	Total	140 (100)	100 (100)	240 (100)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

#### **4.2.1.3 Community – wise distribution of WSHG members**

Table no. 4.2.1.3 highlights the caste wise distribution in both the developed and less developed blocks. It was found that 48.8 percent of the total WSHG members belong to General

category, followed by Other Backward Caste (OBC) 28.8 percent, Scheduled Caste(SC) 15 percent, Scheduled Tribe (ST) 7.1 percent, and minority(0.4 percent). As the block wise distribution concerned in developed blocks 39.3 percent of members belong to General category, followed by OBC (35.7 percent), SC (17.1 percent), ST (7.1 percent), Minority (0.7 percent). In case of less developed blocks 62 percent of members belong to General category, followed by OBC (19 percent), SC (12 percent), ST (7 percent), no minority members were found.

**Table 4.2.1.3**  
**Community- wise Distribution of WSHG Members**

Sl.No.	Community	Developed Blocks	Less Developed Blocks	Total
1	SC	24 (17.1)	12 (12.0)	36 (15.0)
2	ST	10 (7.1)	7 (7.0)	17 (7.1)
3	OBC	50 (35.7)	19 (19.0)	69 (28.8)
4	General	55 (39.3)	62 (62.0)	117 (48.8)
5	Minority	1 (0.7)	0 (0.0)	1 (0.4)
	Total	140 (100)	100 (100)	240 (100)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

#### **4.2.1.4 Religion –wise Distribution of WSHG Members**

Table no. 4.2.1.4 shows the religion- wise distribution of WSHG members. It was found from the study that 99.6 percent of the members were Hindu and only 0.4 percent of the members were Muslims. Hinduism being the predominant religion in India, it is not surprising that majority of the respondents are Hindus. It may be due to social constraints Islamic

entrepreneurs are very less in number. In developed blocks 0.7 percent of Muslims was found and 99.3 percent of members were Hindus. In less developed blocks all the respondents were Hindus.

**Table 4.2.1.4**  
**Religion – wise Distribution of WSHG Members**

Sl.No	Religion	Developed Blocks	Less Developed Blocks	Total
1.	Hindu	139 (99.3)	100 (100)	239 (99.6)
2.	Muslim	1 (0.7)	0 (0.0)	1 (0.4)
	Total	140 (100)	100 (100)	240 (100)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

#### **4.2.1.5 Educational Status of WSHG Members**

Education is one of the major factor which have enabled the emancipation of women in recent time and that have provided them the sustenance to work for their economic independence. As entrepreneur has to deal with officials, functionaries, customers, etc. This requires a minimum level of education. Attempts have been made to identify the educational status of WSHG members in the study area. Table no 4.2.1.5 shows that 36.7 percent of the WSHG members have studied 6<sup>th</sup> -10<sup>th</sup> standard, followed by upto 6<sup>th</sup> standard (30.8 percent), illiterate (23.8 percent), 11<sup>th</sup>-12<sup>th</sup> (5 percent), graduation and above (3.8 percent). Similar pattern has been observed in both the blocks. The educational profile indicate that the majorities of the members are not able to go for higher education but still are able to become entrepreneurs.

**Table 4.2.1.5**  
**Educational Status of WSHG Members**

Sl.No.	Educational Qualification	Developed Blocks	Less Developed Blocks	Total
1	Illiterate	34 (24.3)	23 (23.0)	57 (23.8)
2	Upto 6 <sup>th</sup>	42 (30.0)	32 (32.0)	74 (30.8)
3	6 <sup>th</sup> -10 <sup>th</sup>	52 (37.1)	36 (36.0)	88 (36.7)
4	11 <sup>th</sup> -12 <sup>th</sup>	7 (5.0)	5 (5.0)	12 (5.0)
5	Graduation and above	5 (3.6)	4 (4.0)	9 (3.8)
	Total	140 (100)	100 (100)	240 (100)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

#### **4.2.1.6. Economic Status of Sample Households**

SHG programme is designed especially for the rural poor for their upliftment and to meet the basic necessities of life. Table no.4.2.1.6 reveals that 79.6 percent of total sample households belong to Below Poverty Line (BPL) category while only 20.4 percent of sample households belong to Above Poverty Line (APL) category. Similar pattern has been observed in both the blocks.

The fact to be appreciated is that the policies of the government and the encouragement by the NGOs have helped Below Poverty Line SHG members to become managers of micro enterprises which is really a breakthrough.



**Table 4.2.1.6**  
**Economic status of sample households**

<b>Sl. No.</b>	<b>Economic Status</b>	<b>Developed Blocks</b>	<b>Less Developed Blocks</b>	<b>Total</b>
1	BPL	111 (79.3)	80 (80.0)	191 (79.6)
2	APL	29 (20.7)	20 (20.0)	49 (20.4)
	Total	140 (100)	100 (100)	240 (100)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

#### **4.2.1.7 Main Occupation of WSHG members**

Attempt has been made to highlight the main occupation of WSHG members in the study area. Table no. 4.2.1.7 shows that 80.4 percent of total WSHG members are engaged in agriculture, followed by daily labour (6.3 percent), others (5 percent), landless labour (4.6 percent), no work (2.9 percent), service holders and artisans(0.4 percent). In developed blocks 73.6 percent of members are engaged in farming, followed by landless labour (7.9 percent), daily labour( 5.7 percent), others (4.3 percent), no work (2.9 percent), service holders (0.7 percent). In case of less developed blocks 83.0 percent of members are engaged in farming followed by daily labour (7.0 percent), others (6.0percent), no work (3.0 percent), and artisans (1 percent).

**Table 4.2.1.7  
Main Occupation of WSHG Members**

Sl.No	Main occupation	Developed Blocks	Less Developed Blocks	Total
1	Farmers	110 (73.6)	83 (83.0)	93 (80.4)
2	Landless labour	11 (7.9)	0 (0.0)	11 (4.6)
3	Daily labour	8 (5.7)	7 (7.0)	15 (6.3)
4	Others*	6 (4.3)	6 (6.0)	12 (5.0)
5	No work	4 (2.9)	3 (3.0)	7 (2.9)
6	Service holders	1 (0.7)	0 (0.0)	1 (0.4)
7	Artisans	0 (0.0)	1 (1.0)	1 (0.4)
	Total	140 (100)	100 (100)	240 (100)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

\*Animal Husbandry, Mid Day Meal, Anganwadi Worker

#### **4.2.1.8 Subsidiary occupation of WSHG members**

Table no. 4.2.1.8 shows the subsidiary occupation of the WSHG members in the study area. The study found that 52.5 percent of total WSHG members have not undertaken any subsidiary activities. 45 percent of members were engaged in animal husbandry, followed by farming and leased farming( 0.8 percent), poultry and tailoring (0.4 percent). At the block level same pattern has been observed.

**Table 4.2.1.8**  
**Subsidiary Occupation of WSHG members**

<b>Sl.No.</b>	<b>Subsidiary Occupation</b>	<b>Developed Blocks</b>	<b>Less Developed Blocks</b>	<b>Total</b>
1	Nil	77 (55.0)	49 (49.0)	126 (52.5)
2	Animal husbandry	61 (43.6)	47 (47.0)	108 (45.0)
3	Leased farming	1 (0.7)	1 (1.0)	2 (0.8)
4	Farming	1 (0.7)	1 (1.0)	2 (0.8)
5	Poultry	0 (0.0)	1 (1.0)	1 (0.4)
6	Tailoring	0 (0.0)	1 (1.0)	1 (0.4)
	<b>Total</b>	<b>140</b> <b>(100)</b>	<b>100</b> <b>(100)</b>	<b>240</b> <b>(100)</b>

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

Majority of the members in both the blocks have undertaken animal husbandry as their subsidiary occupation. The study also found that in less developed blocks majority of WSHG members have undertaken subsidiary occupation as compared to developed blocks.

## SECTION TWO

### 4.2.2. WORKING AND BANK LINKAGE OF WSHG MEMBERS

Easier credit to the poor is identified as an instrument to fight against poverty. So, SHG-Bank linkage programme was launched by NABARD in 1992 to provide credit to the vulnerable section of the society in India. This section highlights the working of SHGs and the linkage of SHGs with formal financial institutions.

#### 4.2.2.1. Duration of Membership

Table no. 4.2.2.1 highlights the duration of membership. 34.1 percent of the total WSHG members have joined SHG since 7-10 years back, followed by 4-6 years (32.0 percent), 1-3 years (22.08 percent), above 10 years (7.5 percent) and less than 1 year ( 4.1 percent). In developed blocks 33.5 percent of members have joined SHG last 4-6 years back followed by 7-10 years(30 percent), 1-3 years (21.4 percent), above 10 years (7.8 percent) and less than 1 year ( 7.1 percent). In case of less developed blocks 40 percent of the members have joined SHG 7-10 years back, followed by 4-6 years ( 30 percent), 1-3 years (23 percent) and above 10 years( 7 percent).

**Table 4.2.2.1**  
**Duration of Membership**

Sl.No.	Year of Formation	Developed Blocks	Less Developed Blocks	Total
1	Less than 1year	10 (7.1)	0 (0.0)	10 (4.1)
2	1-3 years	30 (21.4)	23 (23.0)	53 (22.08)

3	4-6 years	47 (33.5)	30 (30.0)	77 (32.0)
4	7 – 10 years	42 (30)	40 (40.0)	82 (34.1)
5	Above 10 years	11 (7.8)	7 (7.0)	18 (7.5)
	Total	140 (100)	100 (100)	240 (100)

*Source: Primary data collected*  
*Figures in parentheses are percentage of total*

#### **4.2.2.2 Number of visits made by WSHG members to banks before getting loan**

Table no. 4.2.2.2 highlights the visits made by WSHG members to financial institutions before getting loan. The data reveals that 33.3 percent of the total WSHG members in the study area have visited 4-5 times to banks before getting loan followed by more than 7 times (28.3 percent), 2-3 times (23.8 percent), 6-7 times (10.4 percent), and only once (4.2 percent). As the block wise distribution concerned, in case of developed blocks majority of the members (37.9 percent) visited 4-5 times to banks before getting loan whereas in case of less developed blocks majority of the members (30 percent) visited more than 7 times before getting loan. This means that in developed blocks the financial institutions are giving more attention towards the credit availability to members as compared to less developed blocks.

**Table 4.2.2.2**  
**Number of visits made by WSHG members to banks before getting loan**

<b>Sl. No.</b>	<b>Number of Visits</b>	<b>Developed Blocks</b>	<b>Less Developed Blocks</b>	<b>Total</b>
1	Only 1 time	0 (0.0)	10 (10.0)	10 (4.2)

2	2-3 times	34 (24.3)	23 (23.0)	57 (23.8)
3	4-5 times	53 (37.9)	27 (27.0)	80 (33.3)
4	6-7 times	15 (10.7)	10 (10.0)	25 (10.4)
5	More than 7 times	38 (27.1)	30 (30.0)	68 (28.3)
	Total	140 (100)	100 (100)	240 (100)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

#### **4.2.2.3 Meeting schedule of WSHG members**

Table no. 4.2.2.3 shows the group meetings of WSHG members. Conduct of group meetings is most important in SHGs. According to the data, 41.3 percent of total WSHG members attend the meeting monthly, followed by fortnightly meeting (33.8 percent) and weekly meeting (25 percent). As the block wise distribution concerned in case of developed blocks 42.9 percent of members attend the meeting once in a week, on the other hand in case of less developed blocks no members attend the meeting weekly. In less developed block 53 percent of members attend the meeting once in a month, whereas in developed blocks only 32.9 percent of members attend the meeting monthly.

**Table 4.2.2.3  
Meeting Schedule of WSHGs**

<b>Sl. No.</b>	<b>Meeting Schedule</b>	<b>Developed Blocks</b>	<b>Less Developed Blocks</b>	<b>Total</b>
1	Weekly	60 (42.9)	0 (0.0)	60 (25.0)

2	Fortnightly	34 (24.3)	47 (47.0)	81 (33.8)
3	Monthly	46 (32.9)	53 (53.0)	99 (41.3)
	Total	140 (100)	100 (100)	240 (100)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

#### **4.2.2.4 Selection of Group Leader**

Table no 4.2.2.4 shows the procedure used by the WSHG members in selection of group leader in the study area. According to the data, 63.8 percent of the total WSHG members stated that the selection of their group leader is done through voting without rotation followed by voting with rotation (20.8 percent) and 15.4 percent of the members select their group leader based on educational qualification of the member. In case of less developed blocks 60 percent of the members stated that they select their group leader through voting without rotation and 40 percent voting with rotation. But in case of developed blocks, 66.4 percent of the members stated that they select their group leader through voting without rotation, 26.4 percent stated on the basis of educational qualification and only 7.1 percent of members stated voting with rotation.

**Table 4.2.2.4  
Selection of Group Leader**

<b>Sl. No.</b>	<b>Selection of Group Leader</b>	<b>Developed Blocks</b>	<b>Less Developed Blocks</b>	<b>Total</b>
1	Voting without rotation	93 (66.4)	60 (60.0)	153 (63.8)

2	Voting with rotation	10 (7.1)	40 (40.0)	50 (20.8)
3	Educational status of member	37 (26.4)	0 (0.0)	37 (15.4)
	Total	140 (100)	100 (100)	240 (100)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

#### **4.2.2.5 Suggestion to Join SHG programme**

Table no. 4.2.2.5 shows the suggestion given by agencies, family members, relatives and self to join the SHG programme. It was found that 55 percent of the total WSHG members were encouraged by Anganwadi workers. 17 percent of members joined by themselves, followed by friends/ relatives (13.8 percent), family members (11.3percent) and others (2.9 percent). As the block wise distribution concerned in developed blocks 51.4 percent of members have been given suggestion by Anganwadi workers followed by self (18.6 percent), family members (12.9 percent), friends and relatives (12.1 percent) and others (5.0 percent). But in case of less developed blocks 60 percent of the members have give suggestion to join SHG programme, followed by friends/ relatives (16 percent), self (15 percent) and family members (9 percent).

**Table 4.2.2.5  
Suggestion to Join SHG Programme**

<b>Sl. No.</b>	<b>Suggestion to Join Group</b>	<b>Developed Blocks</b>	<b>Less Developed Blocks</b>	<b>Total</b>
1	Anganwadi workers	72 (51.4)	60 (60.0)	132 (55.0)
2	Self	26	15	41



		(18.6)	(15.0)	(17.1)
3	Family members	18 (12.9)	9 (9.0)	27 (11.3)
4	Friends/relatives	17 (12.1)	16 (16.0)	33 (13.8)
5	Others*	7 (5.0)	0 (0.0)	7 (2.9)
	Total	140 (100)	100 (100)	240 (100)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

\*Panchayat Members, President of the Group

#### **4.2.2.6 Reasons for joining SHG**

Attempt has been made to highlight the reason behind joining SHG (table 4.2.2.6 ). The study found that 44.6 percent of total WSHG members have joined SHG to give financial support to the family. Another major reason was to get self empowerment and economic upliftment (37.1 percent), followed by starting business(13.3 percent), for getting loan and children's education and future (11.7 percent). In case of developed blocks 50 percent members joined SHGs to give financial support to family, followed by self empowerment and economic upliftment (33.6 percent), for starting business (13.6 percent), for getting loan (12.9 percent), for children's education and future. In case of less developed blocks 42 percent of members have joined SHG for self empowerment and economic

**Table 4.2.2.6**  
**Reasons for joining SHG programme**

<b>Sl. No.</b>	<b>Reasons for joining SHG</b>	<b>Developed Blocks</b>	<b>Less Developed Blocks</b>	<b>Total</b>
1	For giving financial support to family	70 (50.0)	37 (37.0)	107 (44.6)
2	For self empowerment and economic upliftment	47 (33.6)	42 (42.0)	89 (37.1)
3	For starting business	19 (13.6)	13 (13.0)	32 (13.3)
4	For getting loan	18 (12.9)	10 (10.0)	28 (11.7)
5	For children's education and future	15 (10.7)	13 (13.0)	28 (11.7)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

upliftment, followed by giving financial support to the family (37 percent), for starting business and children's education and future (13 percent), for getting loan (10 percent). It can be seen that majority of WSHG members in less developed blocks joined SHG programme for self empowerment and economic upliftment as compared to developed blocks.

#### **4.2.2.7 WSHG Members availed Training**

Rural women entrepreneurs are in need of training so as to manage the micro enterprises. The training must be an intensive, field-based and product specific. Table 4.2.2.7 shows the WSHG members who have been provided training facility. The study found that 59.6 percent of the total WSHG members have not been provided training facility. In less developed blocks the situation

is worst as 72 percent of the members have not been provided any training facility while in developed blocks only 50 percent of the members have not avail any training facility.

**Table 4.2.2.7**  
**WSHG Members availed Training**

<b>Sl.No.</b>	<b>Training programme attended</b>	<b>Developed Blocks</b>	<b>Less Developed Blocks</b>	<b>Total</b>
1	No	71 (50.7)	72 (72.0)	143 (59.6)
2	Yes	69 (49.3)	28 (28.0)	97 (40.4)
	Total	140 (100)	100 (100)	240 (100)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

#### **4.2.2.8 Agency provided Training**

A strong and cohesive SHG can be formed only by giving systematic training, adopting a participatory method. Banks, Government agencies and NGOs are important agencies that impart training to the members. Table 4.2.2.8 highlights the agencies that provided training to the WSHG members in the study area. The study found that 36.3 percent of the total WSHG members have been provided training by government agencies and only 2.5 percent by NGOs and 61 percent of the members have not yet received any training facility. As the block wise distribution concerned in less developed blocks 18 percent of the members been provided training by government agencies and only 6 percent by NGOs and 76 percent of the members have not yet received any training facility. In case of developed blocks 49.3 percent of the members have been provided training by government agencies and 50.7 percent have not yet received any training facility.

**Table 4.2.2.8**  
**Agency provided training**

<b>Sl. No.</b>	<b>Agency provided Training</b>	<b>Developed Blocks</b>	<b>Less Developed Blocks</b>	<b>Total</b>
1	Nil	71 (50.7)	76 (76.0)	147 (61.3)
2	Government	69 (49.3)	18 (18.0)	87 (36.3)
3	NGOs	0 (0.0)	6 (6.0)	6 (2.5)
	Total	140 (100)	100 (100)	240 (100)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

#### **4.2.2.9 Types of training provided to the SHG members**

Table 4.2.2.9 highlights the type of training imparted to WSHG members in the study area. The study found that 27.1 percent of the total WSHG members have attended group related training followed by training in mushroom production (16.7 percent), animal husbandry (7.9 percent), incense stick making (5.8 percent), fishery (4.6 percent), group insurance training and badi making (4.2 percent) and papad making(2.9 percent). As the block wise distribution concerned in developed blocks 46.4 percent of the members have attended group related training, followed by mushroom production(17.1 percent), animal husbandry, incense stick making, fishery, group insurance training and badi making (7.1 percent). In less developed blocks most of the members have not avail any training facility. Out of the existing training facilities 16 percent of the members attended training in mushroom production, followed by animal

husbandry (9 percent), papad making (7 percent), incense stick making (4 percent) and fishery (1 percent).

**Table 4.2.2.9**  
**Types of training provided to the SHG members**

<b>Sl. No.</b>	<b>Trainings</b>	<b>Developed Blocks</b>	<b>Less Developed Blocks</b>	<b>Total</b>
1	Group related training	65 (46.4)	0 (0.0)	65 (27.1)
2	Mushroom production	24 (17.1)	16 (16.0)	40 (16.7)
3	Animal husbandry	10 (7.1)	9 (9.0)	19 (7.9)
4	Incense stick making	10 (7.1)	4 (4.0)	14 (5.8)
5	Fishery	10 (7.1)	1 (1.0)	11 (4.6)
6	Group insurance training	10 (7.1)	0 (0.0)	10 (4.2)
7	Badi making	10 (7.1)	0 (0.0)	10 (4.2)
8	Papad making	0 (0.0)	7 (7.0)	7 (2.9)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

Multi responses were received

#### **4.2.2.10 Monthly savings made by WSHG members in common pool (internal saving)**

The SHGs voluntarily formed by women save whatever amount they can save every month and mutually agree to contribute to a common fund to be lent to the members for meeting their productive and emergent credit needs .SHG members have to contribute a certain amount of

money weekly, fortnightly or monthly as decide by the group members and leader. The rationale behind converting individual savings into group funds is not just to facilitate group formation but for the utilization of poor women’s resources for women entrepreneurs own progress.

**Table 4.2.2.10**  
**Monthly Savings made by WSHG Members in Common Pool**

<b>Sl. No</b>	<b>Saving in common pool per month (in rupees)</b>	<b>Developed Blocks</b>	<b>Less Developed Blocks</b>	<b>Total</b>
1	30	12 (8.6)	10 (10)	22 (9.2)
2	50	65 (46.4)	70 (70.0)	135 (56.3)
3	60	10 (7.1)	0 (0.0)	10 (4.2)
4	70	7 (5.0)	0 (0.0)	7 (2.9)
5	100	46 (32.9)	20 (20.0)	66 (27.5)
	Total	140 (100)	100 (100)	240 (100)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

Table 4.2.2.10 shows the monthly saving made by members in common pool or common fund. The study found that 56.3 percent of the total WSHG members saves Rs 50 per month, followed by Rs 100 per month (27.5 percent), Rs 30 per month (9.2 percent), Rs 60 per month (4.2percent), Rs 70 per month ( 2.9 percent). In case of less developed blocks, 70 percent of the members save Rs 50 per month, followed by Rs 100 per month (20 percent) and Rs 30 per month (10 percent). in developed blocks majority of the members saves Rs 50 per month (46.4 percent),

followed by Rs 100 per month(32.9 percent), Rs 30 per month (8.6 percent), Rs 60 per month (7.1 percent), and Rs 70 per month ( 5 percent).

#### 4.2.2.11 Purpose for taking loan

Table 4.2.2.11 shows the purpose for taking loan by the WSHG members. The study found that majority of the total WSHG members (69.6percent) has taken loan without reason, followed by productive activities (18.8 percent), others ( 5.8 percent), consumptive and social occasions (2.9 percent). Regarding productive activities most of the WSHG members have taken loan for business purpose, followed by farming, animal husbandry, poultry and petty shop. Loan taken for other activities includes construction of house, children’s education, health problem. Most of the WSHG members have taken loan for household expenditure. Regarding social occasions majority of the respondent stated that they have taken loan for marriage ceremony followed by husband’s funeral.

**Table 4.2.2.11  
Purpose for taking loan**

Sl. No.	Purpose for taking loan	Developed Blocks	Less Developed Blocks	Total
1	No reason	94 (67.1)	73 (73.0)	167 (69.6)
2	Productive	28 (20.0)	17 (17.0)	45 (18.8)
3	Consumptive	6 (4.3)	1 (1.0)	7 (2.9)
4	Social occasions	4 (2.9)	3 (3.0)	7 (2.9)

5	Others	8 (5.7)	6 (6.0)	14 (5.8)
	Total	140 (100)	100 (100)	240 (100)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

#### **4.2.2.12 WSHG and Bank Linkage**

SHG is observed as an effective means of ensuring easy access of credit to the poor through formal financial institutions. In this regard attempt has been made to highlight the bank linkage facility provided by various financial institutions to SHGs in the study area.

Table 4.2.2.12 shows that 57.9 percent of the total WSHG members have been provided credit and saving linkage facility through Commercial Banks followed by Co-operative Banks (20 percent), and RRBs (17.9 percent). 4.2 percent of the members have not been provided any credit facility. As the blockwise distribution concerned in developed blocks 65.7 WSHG have been provided credit and saving linkage facility through Commercial Banks followed by Co-operative Banks (20 percent) and RRBs (7.1 percent). 7.1 percent of the members have not been provided any credit facility. The situation is better in developed blocks as all the WSHG have been provided credit facility. Out of which 47 percent has been provided credit and saving linkage facility through Commercial Banks, followed by RRBs (33 percent) and Co-operative Banks (20 percent).



**Table 4.2.2.12**  
**WSHG and Bank Linkage**

<b>Sl. No.</b>	<b>Bank Linked</b>	<b>Developed Blocks</b>	<b>Less Developed Blocks</b>	<b>Total</b>
1	Nil	10 (7.1)	0 (0.0)	10 (4.2)
2	Commercial	92 (65.7)	47 (47.0)	139 (57.9)
3	Co-operative	28 (20.0)	20 (20.0)	48 (20.0)
4	RRBs	10 (7.1)	33 (33.0)	43 (17.9)
	Total	140 (100)	100 (100)	240 (100)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

#### **4.2.2.13 Commercial Bank linked with SHGs**

Table 4.2.2.13 shows saving and credit facility provided to WSHGs by different commercial banks. The study found that 37.9 percent of total WSHG members have not been provided saving and credit linkage facility by commercial banks. 16.7 percent of WSHG members have been provided saving and credit facility by SBI, followed by UCO bank (15.4 percent), Bank of India (8.3percent), Bank of Baroda, United Bank of India and Union Bank of India, Central Bank, IOB (4.2 percent) and Canara bank (0.8 percent). In developed blocks 14.3 percent of SHG members have been provided saving and

**Table 4.2.2.13**  
**Commercial Bank linked with SHGS**

<b>Sl.No</b>	<b>Commercial Banks linked</b>	<b>Developed Blocks</b>	<b>Less Developed Blocks</b>	<b>Total</b>
1	Nil	48 (34.3)	43 (43.0)	91 (37.9)
2	SBI	10 (7.1)	30 (30.0)	40 (16.7)
3	UCO	20 (14.3)	17 (17.0)	37 (15.4)
4	Bank of India	20 (14.3)	0 (0.0)	20 (8.3)
5	Bank of Baroda	10 (7.1)	0 (0.0)	10 (4.2)
6	Union Bank of India	10 (7.1)	0 (0.0)	10 (4.2)
7	United Bank of India	10 (7.1)	0 (0.0)	10 (4.2)
8	Central Bank	0 (0.0)	10 (10.0)	10 (4.2)
9	Indian Overseas Bank	10 (7.1)	0 (0.0)	10 (4.2)
10	Canara Bank	2 (1.4)	0 (0.0)	2 (0.8)
	<b>Total</b>	<b>140</b> <b>(100)</b>	<b>100</b> <b>(100)</b>	<b>240</b> <b>(100)</b>

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

credit facility by UCO and Bank of India, followed by SBI, Bank of Baroda, United Bank of India and Union bank of India and IOB (7.1 percent) and Canara Bank ( 1.4 percent). In case of less developed blocks 30 percent of the WSHG members have been provided saving and credit facility by SBI, followed by UCO bank (17 percent) and Central banks (10 percent).

#### 4.2.2.14 Co-operative Banks Linked with SHGs

Table 4.2.2.14 shows saving and credit facility provided to WSHGs by different co-operative banks. The data found that 11.7 percent of total WSHG members have been provided saving and credit facility by Mini-co-operative banks, Balasore- Bhadrak co-operative bank (8.3percent). In case of developed blocks 12.9 percent of WSHG members have been provided saving and credit facility by Mini-co-operative banks, Balasore- Bhadrak co-operative bank ( 7.1 percent). On the other hand in less developed blocks 10 percent of WSHG members have been provided saving and credit facility by Mini-co-operative banks, Balasore- Bhadrak co-operative bank (10 percent).

**Table 4.2.2.14**  
**Co-operative Banks Linked with SHGs**

<b>Sl. No</b>	<b>Co-operative Banks linked</b>	<b>Developed Blocks</b>	<b>Less Developed Blocks</b>	<b>Total</b>
1	Nil	112 (80.0)	80 (80.0)	192 (80.0)
2	Mini co-operative	18 (12.9)	10 (10.0)	28 (11.7)
3	Balasore – Bhadrak co-operative bank	10 (7.1)	10 (10.0)	20 (8.3)
	Total	140 (100)	100 (100)	240 (100)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

#### 4.2.2.15 Regional Rural Banks linked with SHGs

Table 4.2.2.15 shows saving and credit facility provided to WSHGs by different Regional rural banks. The study found that only 13.8 percent of total WSHG have been provided saving and credit facility by Kailnga Gramya Bank.

**Table 4.2.2.15**  
**Regional Rural Banks linked with SHGs**

Sl.No.	RRBs linked	Developed Blocks	Less Developed Blocks	Total
1	Nil	130 (92.9)	77 (77.0)	207 (86.3)
2	Kalinga Gramya Bank	10 (7.1)	23 (23.0)	33 (13.8)
	Total	140 (100)	100 (100)	240 (100)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

In developed blocks (7.1 percent) and less developed blocks(23 percent) of WSHG members have been provided saving and credit facility by Kailnga Gramya Bank. Only Kailnga Gramya Bank provided saving and credit facility to SHG members, no other RRBs were found in the study area.

## SECTION THREE

### 4.2.3 Activities Undertaken and Problems Encountered

One of the major objectives of initiating SHGs for women, especially the poor women is to help them take up productive activities. These income generating activities could bring about economic awareness and empowerment among the women members. However, WSHG members face several problems which create a barrier in their enterprise. This section highlights the major activities undertaken by WSHG members after joining SHG and major problems they faced in operation of their micro-enterprise.

#### 4.2.3.1 Activities performed by WSHG members before joining SHG

Table 4.2.3.1 shows the activities performed by the members before joining SHG. It can be seen that 70.8 percent of the total WSHG members were engaged in farming before joining SHG, followed by landless agricultural labour (12.9 percent), daily labour (6.3 percent), animal husbandry (4.2 percent), unemployed (3.8 percent), anganwadi worker (1.3 percent), others which include mid day meal, rural artisan (0.8 percent). As the block wise distribution concerned similar pattern has been observed. In developed blocks (67.9 percent) of members were engaged in farming followed by landless agricultural labour (17.1 percent), daily labour (5.7 percent), unemployed (4.3 percent), animal husbandry (3.6 percent), anganwadi workers and others (0.7 percent) whereas in less developed blocks (75 percent) of members were engaged in farming followed by landless agricultural labour and daily labour (7 percent), animal husbandry (5 percent), unemployed (3 percent), anganwadi workers (2 percent) and others (1 percent).

**Table 4.2.3.1**  
**Activities Performed by WSHG Members before Joining SHG**

<b>Sl.No.</b>	<b>Activities undertaken before joining SHG</b>	<b>Developed Blocks</b>	<b>Less Developed Blocks</b>	<b>Total</b>
1	Farming	95 (67.9)	75 (75.0)	170 (70.8)
2	Landless agricultural labour	24 (17.1)	7 (7.0)	31 (12.9)
3	Daily labour	8 (5.7)	7 (7.0)	15 (6.3)
4	Unemployed	6 (4.3)	3 (3.0)	9 (3.8)
5	Animal husbandry	5 (3.6)	5 (5.0)	10 (4.2)
6	Anganwadi worker	1 (0.7)	2 (2.0)	3 (1.3)
7	Others*	1 (0.7)	1 (1.0)	2 (0.8)
	Total	140 (100)	100 (100)	240 (100)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

\*Mid Day Meal, Rural Artisan

#### **4.2.3.2 Activities undertaken by WSHG members after joining group**

Table 4.2.3.2 shows the WSHG member's undertaken activities after joining group in the study area. The study found that 90.8 percent of members have undertaken activities after joining group whereas 9.2 percent of members have not undertaken any activity. It may be due to non-availability or delay in loan. Data reveals that in less developed blocks 98 percent of the members have undertaken activity whereas in case of developed blocks it is 85.7 percent.

**Table 4.2.3.2**

**Activities undertaken by WSHG members after joining group**

<b>Sl. No.</b>	<b>Activity undertaken</b>	<b>Developed Blocks</b>	<b>Less Developed Blocks</b>	<b>Total</b>
1	Yes	120 (85.7)	98 (98.0)	218 (90.8)
2	No	20 (14.3)	2 (2.0)	22 (9.2)
	Total	140 (100)	100 (100)	240 (100)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

**4.2.3.3 Entrepreneurial Activities undertaken by WSHG members after joining group**

Table 4.2.3.3 shows the WSHG members engaged in various activities. The data shows that majority of the women are engaged in animal husbandry (26.7 percent), followed by farming (26.7 percent), fishery (13.8 percent), vegetable farming and rice business (8.8 percent), leaf plate making (7.5 percent), others which include mid day meal, snacks making, tailoring, fish selling (6.7 percent), badi/papad making (4.2 percent), shop (3.8 percent), poultry (1.7 percent), puffed rice business (0.8 percent). The table reveals that the majority of the women entrepreneurs among SHG units were engaged in farm-based activities, indicating thereby the traditional nature of the enterprises that are continuously followed by rural women entrepreneurs. As the block wise distribution concerned in developed blocks 35 percent of members are engaged in farming whereas in less developed blocks only 15 percent of the members are engaged in farming. In case of less developed blocks majority of women are engaged in fishery (29 percent). This is because fishery training was provided especially in less developed blocks.

**Table 4.2.3.3**  
**Activities undertaken by WSHG members after joining SHG**

<b>Sl.No.</b>	<b>Activities undertaken</b>	<b>Developed Blocks</b>	<b>Less Developed Blocks</b>	<b>Total</b>
1	Farming	49 (35.0)	15 (15.0)	64 (26.7)
2	Animal husbandry	41 (29.3)	26 (26.0)	67 (27.9)
3	Vegetable farming	11 (7.9)	10 (10.0)	21 (8.8)
4	Leaf plate making	11 (7.9)	7 (7.0)	18 (7.5)
5	Rice business	10 (7.1)	11 (11.0)	21 (8.8)
6	Others*	6 (4.3)	10 (10.0)	16 (6.7)
7	Fishery	4 (2.9)	29 (29.0)	33 (13.8)
8	Shop	4 (2.9)	5 (5.0)	9 (3.8)
9	Badi/ papad making	2 (1.4)	8 (8.0)	10 (4.2)
10	Poultry	2 (1.4)	2 (2.0)	4 (1.7)
11	Puffed rice business	1 (0.7)	1 (1.0)	2 (0.8)

*Source: Primary data collected*

*Figures in parentheses are percentage of total*

\*Snacks making, fish selling, tailoring, seasonal business, mid day meal

#### **4.2.3.4 Problems of WSHG members**

An attempt has been made to highlight the difficulties faced by the sample SHG entrepreneurs in playing the new role as entrepreneurs of micro enterprises. Women entrepreneurs have to face many difficulties. New entrepreneurs face a variety of problems during the production, expansion, financing and regular operation of the units. Such problems have to be taken care in time for the sustainability of the enterprise. The problems in the study



are classified as financial problems, production problems, infrastructure problems, marketing problems, social problems and other problems.

Table 4.2.3.4 shows the problems faced by the WSHG members. The study found that majority of the WSHG members faced financial problems (49.2 percent), followed by production and infrastructure problems (22.9 percent), marketing problems (12.1 percent), socio-personal problems (4.6 percent), and other problems (2.1percent). As the block wise distribution concerned in developed blocks 55.7 percent of the members faced financial problems, followed by production problems (25.7 percent), infrastructure problems (12.9 percent), marketing problems (7.1 percent), socio-personal problems (4.3 percent), and other problems (3.6 percent). in case of less developed blocks 40 percent of the members faced financial problem, followed by infrastructure problems (37 percent), production and marketing problem (19 percent) and socio-personal problem (5 percent).

**Table 4.2.3.4**  
**Problems faced by WSHG members**

<b>Sl.No</b>	<b>Problems</b>	<b>Developed Blocks</b>	<b>Less Developed Blocks</b>	<b>Total</b>
1	Financial	78 (55.7)	40 (40.0)	118 (49.2)
2	Production	36 (25.7)	19 (19.0)	55 (22.9)
3	Infrastructure	18 (12.9)	37 (37.0)	55 (22.9)
4	Marketing	10 (7.1)	19 (19.0)	29 (12.1)
5	Socio-personal	6 (4.3)	5 (5.0)	11 (4.6)

6	Other	5 (3.6)	0 (0.0)	5 (2.1)
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*Source: Primary data collected*

*Figures in parentheses are percentage of total*

Further the major financial problems WSHG members faced were inadequate size of loan and delay in sanctioning of loan. Regarding production problem, most of the WSHG members stated that they still use backward technique of production and lack raw materials for their production purpose. The major marketing problems the respondents faced were lack of travelling mobility, cut throat competition and lack of information and inadequate publicity. The WSHG members also faced socio-personal problems like dual responsibility and lack of education. The other problems the members faced were lack of transportation and storage facilities.

### **4.3. TESTING OF HYPOTHESES**

In this section testing of hypotheses is attempted. The focus of the present study is actually to test the, following hypotheses:

- 1: The monthly employment of women increases due to their membership in SHGs
- 2: The daily personal income of the women increases due to their membership in SHGs.
- 3: Monthly household expenditures of the women increase due to their membership in SHGs.

The following discussion presents the results of empirical testing of these hypotheses one by one.

#### **4.3.1. Self Help Group Membership and Employment**

The first hypothesis read that the monthly employment of women increases due to their membership in SHGs. This hypothesis was tested with paired t test. Paired ‘t’ test was used to examine whether there is any significant variations in man days of employment of women before

and after joining SHGs. The results are presented in Table 4.3. It shows that SHGs had a significant impact on the employment of women. The calculated 't' value (31.77) is found to be significant at 1 percent level of significance. The mean days of women employment was 14 days per month before joining SHGs which has increased to 22 days per month after joining SHGs. There was 60.7 percent increase in the total days of monthly employment. Therefore, the first hypothesis that monthly employment of women increases due to their membership in SHGs is accepted.

Similar trend could be noticed in both the developed and less developed blocks. The calculated paired t values for developed (20.38) and less developed blocks (28.73) were significant at 1 percent level. However, the increase in employment due to joining SHGs was greater in less developed blocks (71 percent) as compared to developed blocks (54 percent).

**Table 4.3**  
**Self Help Group Membership Employment, Income and Household Expenditure Change**

Sl.No	Indicators of Women Empowerment	Block Status					
		Developed		Less developed		Total	
		Mean	S.D	Mean	S.D	Mean	S. D
<b>I</b>	<b>Total days of Monthly Employment</b>						
	Before joining SHG	14.1	4.7	13.6	3.6	13.9	4.3
	After joining SHG	21.7	3.8	23.1	2.2	22.3	3.3
	Change	7.6		9.6		8.4	
	Percent change	53.9		70.6		60.7	
	Paired t	20.38**		28.73**		31.77**	
<b>II</b>	<b>Average Daily Income</b>						
	Before joining SHG	42.1	17.3	55.7	20.1	47.8	19.7
	After joining SHG	69.1	20.2	93.4	20.4	79.2	23.6
	Change	27.0		37.8		31.5	
	Percent change	64.0		67.8		65.9	
	Paired t	18.43**		23.04**		27.51**	
<b>III</b>	<b>Monthly Household Expenditure</b>						
	Before joining SHG	2277.0	887.6	1748.4	824.4	2056.7	898.9

	After joining SHG	3219.3	1120.3	2801.9	1228.3	3045.4	1182.1
	Change	942.3		1053.6		988.7	
	Percent Change	41.4		60.3		48.1	
	Paired t	32.06**		22.198**		37.52**	

Source: Field survey

\*\* P< 0.01

\* P<0.05

#### 4.3.2. Self Help Group Membership and Daily Income of Women

The second hypothesis read that the daily income of women increases due to their membership in SHGs. This hypothesis was tested with paired t test. Paired 't' test was used to examine whether there is any significant variations in daily income of women before and after joining SHGs. The results are presented in Table 4.3. It shows that SHGs had a significant impact on the daily income of women. The calculated 't' value (27.51) is found to be significant at 1 percent level of significance. The average daily income of the respondents before joining SHGs was Rs.48 which has increased to Rs 79 after joining SHG. Therefore, the second hypothesis that daily income of women increases due to their membership in SHGs is accepted.

The calculated paired t values for developed (18.43) and less developed blocks (23.04) were significant at 1 percent level. In developed blocks the average daily income has increased from Rs 42 before joining SHG to Rs 69 after joining SHG. The percentage change in average daily income was 64. On the other hand in less developed blocks the average daily income increased from Rs 56 before joining SHGs to Rs 93 after joining SHGs and the percentage change were 68. Therefore, less developed blocks have benefitted more than the developed blocks.

#### 4.3.3. Self Help Group Membership and Monthly Household Expenditure

The third hypothesis read that the monthly household expenditure of women increases due to their membership in SHGs. This hypothesis was tested with paired t test. Paired 't' test was used to examine whether there is any significant variations in monthly household expenditure of women before and after joining SHGs. The results are presented in Table 4.3. It shows that

SHGs had a significant impact on the monthly household expenditure of women. The calculated 't' value (37.52) was significant at 1 percent level of significance. The monthly household expenditure before joining SHGs was Rs 2057 which has significantly increased to Rs 3045 after joining SHGs. Therefore, the third hypothesis that the monthly household expenditure of women increases due to their membership in SHGs is accepted.

The calculated paired t values for developed (32.06) and less developed blocks (22.19) were significant at 1 percent level. In less developed blocks the percentage change in monthly household expenditure is 60.3 and developed blocks the percentage change in monthly household expenditure is 41.4. Therefore, less developed block has been benefitted more as compared to developed blocks.

To assess the inter block variation and to find the effect of independent variable( age, community, duration of membership, educational status, socio-economic status) on dependent variables( monthly man days employment, daily income and monthly household expenditure) multiple linear regression has been used.

#### 4.3.4. Determinants of Employment Change due to Self Help Groups

Earlier in table 4.3 it was seen that the monthly personal employment of women increases due their joining in SHGS. One pertinent question that arises here is that who in terms of their socio economic characteristics from such employment benefited most due their membership in SHGs

**Table 4.4**  
**Determinants of Employment Change due to Self Help Groups: Regression Estimates**  
**N = 240**

Sl. No	Independent variable	Monthly Employment After joining group	Change in Employment due to SHG
1	Constant	17.59** (13.7)	5.39** (3.5)

2	Block Status	1.21** (2.8)	1.51** (3.0)
3	Duration of Membership	0.17** (2.5)	0.37** (4.6)
4	Age	0.02 (1.1)	-0.02 (0.7)
5	Community	-0.19 (0.9)	0.28 (1.2)
6	Educational Status	0.17 (0.7)	0.17 (0.6)
7	Socio Economic Status	1.17* (2.1)	1.35* (2.1)
8	Adjusted R Square	0.07**	0.14**
	F	3.9	7.7

Source: Field Survey

Figures in parentheses are percentages

\*\* P< 0.01

\* P<0.05

To answer this question two multiple linear regression models were fitted. The dependant variables were monthly employment of the respondent after joining and change in employment due to SHG membership. The independent variables were block status (Less Developed Blocks = 1; otherwise 0), duration of membership (no of years of membership), age of the respondent, community (SC = 1; ST = 2; OBC = 3; General = 4), education status (illiterate = 0, 1 -6 = 1, 7 - 10 = 2, 11-12 = 3, Graduation and above = 4), socio economic status (APL = 1, BPL =0). The results of the multiple linear regression analysis are presented in the table 4.4

Though both the models were fitted successfully they show poor fit. The F ratios worked out for monthly personal employment (3.9) as well as change in monthly employment due to membership SHG (7.7) was significant at 1 percent level. However the adjusted R square values were less than 0.2. The independent variables together explain about 7 per cent variation in Monthly Employment After joining group and about 14 percent variation in change in monthly employment due to membership SHG.

Interestingly, the membership in self help groups has contributed significantly to monthly employment after joining SHGs. Further, it has increased their monthly employment significantly. In other words as the duration of membership increase the respondent's monthly employment has increased significantly.

It was found that the employment increase due to participation in activities of SHGs benefitted more to those in less developed blocks as compared to developed blocks. The regression coefficients show that the monthly employment of the respondents after their joining was greater in the less developed blocks as compared to those in developed blocks. Further, the increase in monthly employment was greater for those respondents from the less developed blocks as compared to those from the developed blocks.

The finding that is not in the expected direction was that the SHGs benefit more in terms of employment to those from the socio economically advanced non-poor (APL) category as compared to those belonged to the poor(BPL) category.

However interestingly there were no variations in respondents monthly employment after joining SHG or increase in monthly man days of employment due to SHG membership because of their, age, community, and educational status. It means that the membership and participation in Self help Groups had resulted in enhancement of women's monthly employment irrespective their age, community and educational status.

#### **4.3.5. Determinants of Daily Income Change due to Self Help Groups**

Table no 4.3 earlier showed that the change in average daily income of women due to their involvement in income generating activities through SHGs. Here, an attempt has been made to identify that who in terms of their socio-economic characteristics from such income benefitted most due to their membership in SHGs.

The dependant variables were monthly employment of the respondent after joining and change in employment due to SHG membership. The independent variables were block status (Less Developed Blocks = 1; otherwise 0), duration of membership (no of years of membership), age of the respondent, community (SC = 1; ST = 2; OBC = 3; General = 4), education status (illiterate = 0, 1 -6 = 1, 7 -10 = 2, 11-12 = 3, Graduation and above = 4), socio economic status (APL = 1, BPL =0). The results of the multiple linear regression analysis are presented in the table 4.5.

The F ratio worked out for average daily income (15.9) as well as change in daily average income due to their membership in SHG (7.1) was significant at 1 percent level. However, the adjusted R square value is less than 0.3. The independent variable together explained about 27 percent variation in daily average income after joining group and about 13 percent variation in change in daily average income due to their membership in SHG.

**Table 4.5**  
**Determinants of Daily Income Change due to Self Help Groups: Regression Estimates**  
**N = 240**

Sl. No	Independent variable	Average Daily Income after joining SHG	Change in Daily Income
1	Constant	29.90** (3.7)	13.46** (2.0)
2	Block status	24.07** (8.9)	9.31** (4.2)
3	Duration of Membership	0.41 (1.0)	1.30** (3.7)
4	Age	0.18 (1.2)	-0.01 (0.1)
5	Community	-1.79 (1.4)	0.26 (0.2)
6	Educational	1.26	0.60



		(0.8)	(0.5)
7	Socio Economic Status	8.01* (2.3)	-3.41 (1.2)
8	Adjusted R Square	0.27**	0.13**
	F	15.9	7.1

Source: Field Survey Figures in parentheses are percentages

\*\* P< 0.01

\* P<0.05

Interestingly, the SHG membership is having positive contribution to average daily income after joining SHG. Further, it was found that average daily income due to participation in activities of SHG benefitted more to those belonging to developed blocks as compared to less developed blocks. Further, the increase in average daily income was greater for those respondents from developed blocks as compared to less developed blocks.

Another major finding of the study was that SHGs benefitted more in terms of average daily income to those from BPL category as compared to the respondent from APL category. However, there is no significant variation in respondent's daily average income after joining SHG because of their age, community and educational status. It means the membership and participation in SHGs has resulted in enhancement of daily average income irrespective of their age, community and educational status.

#### **4.3.6. Pattern of Household Consumption Expenditure**

Expenditure on consumption reflects the standard of living of the people. For the purpose of the study, consumption expenditure was divided into seven heads viz. food, housing, social and cultural, education, health, clothing and other items.

**Table 4.6**  
**Pattern of Household Consumption Expenditure**

Sl.No	Items	Before joining SHG		After joining SHG	
		Mean	S.D	Mean	S.D
1	Food	1180.42 (57.4)	584.65	1631.04 (53.6)	721.87
2	Housing	275.40 (13.4)	159.74	440.50 (14.5)	227.00
3	Social and Cultural	99.33 (4.8)	56.80	164.38 (5.4)	89.19
4	Education	77.06 (3.7)	80.89	143.10 (4.7)	149.45
5	Health	51.94 (2.5)	27.27	78.65 (2.6)	44.15
6	Clothing	48.71 (2.4)	32.28	73.44 (2.4)	48.50
7	Others	323.85 (15.7)	156.83	514.27 (16.9)	199.08
8	Monthly Household Expenditure	2056.71 (100)	898.87	3045.38 (100)	1182.13

Source: Field Survey

Figures in parentheses are percentages

Analysis depicts increase in each of the seven components of consumption expenditure after joining SHG (Table 4.6). It reveals that among the components of consumption expenditure the highest proportion (57.4 percent) was spent on food followed by other items (15.7percent), housing (13.4percent), social and cultural (4.8percent), education (3.7 percent), health (2.5 percent), clothing (2.4 percent).

It was also noticed that, though there was change in percentage spent on each component after joining SHG, the rank or the priority assigned for each component remains the same. After joining SHGs, the proportion of consumption expenditure on food showed a slight decrease, clothing showed no change and rest other 5 component showed slight increase.



## **CHAPTER FIVE**

### **5. FINDINGS, SUGGESTIONS AND CONCLUSIONS**

In India Self Help Groups has become a tool for women empowerment. Micro-credit has benefitted SHG by improving the income and living standard of the poor. Various studies showed that economic participation of women through SHG enhanced women's confidence and decision making ability, help them manage resources and develop leadership qualities. Through SHGs women gain economic as well as social status.

This chapter highlights the major findings of the study. Various suggestions have been given to solve the problems of WSHG members and conclusions.

#### **5.1. Major Findings of the Study**

##### **5.1.1. Socio-Economic Profile of Respondents**

- Majority of the WSHG members in the study area are between the age 21 to 40 years, followed by the age between 41 to 60 years. As the block wise distribution concerned same situation has been observed in both developed blocks and less developed blocks.
- The marital status of WSHG member shows 92.1 percent of the respondents are married, 5 percent respondents are widow, 2.1 percent are unmarried and 0.4 percent are divorced/separated. As the block wise distribution concerned in developed blocks 92 percent of women are married, 5.7 percent are widows, 1.4 percent are unmarried and only 1 percent women are divorced / separated. In less developed blocks 92 percent of women are married, 4 percent are widow, 3 percent are unmarried and 1 percent are divorced/separated.

- The educational status of WSHG members shows that 36.7 percent of respondents studied till 6<sup>th</sup> -10<sup>th</sup> standard, 30.8 percent studied upto 6<sup>th</sup> standard. 23.8 percent of members are illiterate, 11<sup>th</sup> – 12<sup>th</sup> standard (5 percent) and graduation and above (3.8 percent). The situation is somehow same in both less developed and developed blocks.
- Hinduism being the predominant religion in India, it is not surprising to note that majority (99.6 percent) of the respondents are Hindus. Only a small percent (0.4 percent) Muslims are found in the study area. As the block wise distribution concerned in less developed blocks all the respondents were Hindus, while in developed blocks 99.3 percent were Hindus and 0.7 percent were Muslims.
- It was found that 48.8 percent of the respondent belongs to General category, followed by Other Backward Castes (28.8 percent), Scheduled Castes (15 percent), Scheduled Tribes (7.1 percent), minority (0.4 percent). In the block wise distribution, percentage of SC and ST in both the blocks is same. In developed blocks 39.3 percent of respondent are General and 35.7 percent belongs to OBC category whereas in less developed blocks 62 percent of respondent are general and 19 percent of respondent belongs to OBC category.
- As the economic status of WSHG members are concerned, 79.6 percent of WSHG members belong to Below Poverty Line (BPL) category and only 20.4 percent of members belong to Above Poverty Line (APL) category. Similar pattern has been observed in the block wise distribution. This implies that SHG programme especially focuses on poor families.

### 5.1.2. Working of WSHG Members

- The study found that 41.3 percent of total WSHG member attend the meetings monthly, 33.8 percent attend fortnightly and 25 percent attend the meetings weekly. In case of developed blocks 42.9 percent of members attend meetings weekly, followed by monthly meeting (32.9 percent) and fortnightly meeting (24.3 percent). On the other hand in less developed blocks 53 percent of WSHG member attend meeting monthly followed by fortnightly meeting (47 percent). No members attend the meeting weekly.
- According to the data 63.8 percent of members stated that they select group leader through voting without rotation, 20.8 percent select group leader through voting with rotation and 15.4 percent select leader based on educational qualification. The situation is different in developed and less developed blocks. In developed blocks 66.4 percent select their leader through voting without rotation, 26.4 percent select leader based on educational qualification and only 7.1 percent select through voting with rotation. In case of less developed blocks 60 percent select through voting without rotation and 40 percent through voting with rotation.
- 55 percent of members are motivated by Anganwadi workers to join SHG programme, 17 percent joined by themselves, 13.8 percent of members joined in persuasion of friends/relatives, 11.3 percent by family members and others 2.9 percent. Same pattern has been found in both the blocks. Majority of members are motivated by Anganwadi workers.
- As the matter of number of visits made by WSHG member to various institutions before getting loan. The study found that 33.3 percent of members had to visit 4-5

times, followed by members visited more than 7 times(28.3 percent), 2-3 times (23.8 percent), 6-7 times(10.4 percent) and only once (4.2 times). Similar pattern is observed in both the developed and less developed blocks.

- According to the data, 59.6 percent of WSHG members have not attended any training programme. In case of less developed blocks (72 percent) and developed blocks (50.7 percent) have not attended any training programme. The 40.4 percent of members have attended training relating to productive and group related matters.
- The bank linkage to WSHG members shows 57.9 percent of WSHG members have been provided bank linkage facility through commercial banks, co-operative banks(20 percent), followed by RRBs(17.9 percent). 4.2 percent of members are not linked with any bank. In developed blocks commercial banks (65.7 percent), co-operative ( 20 percent) and RRBs( 7.1 percent) provide bank linkage facility. In less developed blocks 47 percent of members have been provided bank linkage facility through commercial banks, followed by RRBs (33 percent) and Co-operative Banks (20 percent).
- The loan details state that the average loan taken by the WSHG members is Rs 19446.01 along with the average interest of 12.1 percent per annum. The average subsidy available to WSHG in the study area is Rs7957.27 and the average repayment is Rs 15340.42 registering repayment ratio of 78.9 percent. In developed blocks the average loan taken by WSHG members is Rs 17020.98 with average interest of 11.1 percent annum. The average subsidy available to developed blocks is Rs 8366.23 and the average repayment is Rs 11012.12 registering repayment ratio of 64.6 percent. On the other hand in less developed blocks the average loan taken by the WSHG

members is Rs 22385.45 with the average interest of 12 percent per annum. The average subsidy available to the members is Rs 7321.1 and the average repayment is Rs 18333.7 registering repayment ratio of 81.9 percent. In matter of repayment of loan less developed blocks are better as compared to developed blocks.

- All the respondents have developed the saving habits. 56.3 percent of total WSHG member saves Rs 50 per month in common pool, 27.5 percent saves Rs 100 per month.
- The study found that 44.6 percent of total WSHG members have joined SHG to give financial support to the family. Another major reason was to get self empowerment and economic upliftment (37.1 percent), followed by starting business(13.3 percent), for getting loan and children's education and future (11.7 percent).

### **5.1.3. Entrepreneurial Activities Undertaken and Problems Encountered**

- 27.9 percent of the WSHG members are engaged in animal husbandry, followed by farming (26.7 percent), fishery (13.8 percent), rice business and vegetable farming (8.8 percent), leaf plate making (7.5 percent), others (6.7 percent), badi/papad making (4.2 percent), shop(3.8 percent), poultry(1.7 percent) and puffed rice business(0.8percent). In developed blocks 35 percent of members are engaged in farming, animal husbandry (29.3 percent), leaf plate making, rice business and vegetable farming(7.1 percent), others(4.3 percent), shop and fishery(2.9 percent), papad making and poultry(1.4 percent). In case of less developed blocks majority of the members are engaged in fishery (29 percent), followed by animal husbandry (26 percent), farming (15 percent), rice business(11 percent), vegetable faming and others (10 percent).



- 90.4 percent of total WSHG members stated that they face problems in operation of the micro enterprise. 49.2 percent of members faced financial problems, 22.9 percent of members faced production and infrastructure problems, marketing problems (12.1 percent), socio-personal problems (4.6 percent) and only 2.1 percent of members faced other problems. Majority of the members in developed blocks (55.7 percent) and less developed blocks (40 percent) faced financial problems.

## **5.2. Suggested Measures**

- It has been observed that majority of the WSHGs faced financial problems. They had to visit financial institutions many times for getting loan. Moreover, the average loans sanctioned to the members are not adequate. Therefore the financial institutions should not only advance adequate credit but also avoid delay in sanctioning of credit which will help in smooth functioning of their micro enterprise.
- Training programme is very necessary for capacity building of the SHG members. But most of the members have not yet received any training facilities. Government and NGOs should provide training at least once in a month to develop their skills and build self confidence. Further training should be provided of those activities which yield higher returns.
- Most of the SHG members have undertaken farming as their major activity. They face lot of problems in their production as they still use backward techniques and methods of production which require more labour and yield is very low. Government and NGOs should give information to the members regarding the new techniques of production and try to provide modern agricultural equipments at low prices. Rather, SHG members have

to face stiff competition in the open market. The government should fix support prices to their products.

- It has been observed the majority of the SHG members have undertaken animal husbandry and it was found that most of their animals died due to diseases. As a result of which they have to incur losses. In order to overcome this problem the local government should arrange visit of veterinary doctor regularly in each and every village and provide proper treatment.
- Most of the SHG members faced marketing problems, especially lack of travelling mobility and inadequate publicity. To solve the problem of travelling ,the WSHG members can take help of their family members. The problem of inadequate publicity can be tackle by looking for cheaper alternatives like cable TV, pamphlets/ leaflets, putting up banners at strategic loans etc. Further, Government and NGOs should take necessary steps for marketing the goods produced by SHG members.
- Common meetings and seminars may be organized where the members will get a chance to exchange their views and be able to correct their plannings by interactions.
- Basic accounting knowledge and guidance should be given to the WSHG members by which they can maintain records and can run their day to day transactions and business effectively.

### **5.3. Conclusions**

As a developing country, India faces constraints of resources for rapid socio-economic development. There may be limitation of financial resources, but there are huge availability of human resources and yet to be fully exploit. Thus the major challenge before the nation today is to evolve appropriate strategy for mobilizing the human resources for optimizing use of the

available financial resources. Thus Self Help Groups have gain importance as a potentially useful channel for generation of employment and income.

SHGs have become a vital weapon for the rural poor to fight against poverty. Moreover, it has changed the mindset of the very conservative and tradition bound illiterate women in rural areas. With appropriate market support strategies the members could effectively build enterprises as a source of their employment and income.

SHGs has not only improve the employment level of the poor women but also provided them training, credit and other basic services like education, child care, nutrition , water and sanitation. Now women have become financially independent which give them social status and reduce gender inequality in rural area. But if proper care is not taken SHGs may not yield good results. A number of developmental programme have been implemented from time to time but they were not able to fulfill their goal to marked extent due to number of factors like poor follow up action, lack of training, dedication and sincere efforts of officials, inadequate credit, improper management and participation from the government as well as the people. So there must be proper co-operation and co-ordination among the various departments of the Government agencies involved in formation and development of WSHGs and the beneficiaries in order to make the programme a grand success.

# CHAPTERISATION

Certificate

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**2014**

**DECLARATION**

I Sharmila Tamang do hereby declare that the dissertation entitled “ Role of Self Help Groups (SHGs) in the development of Entrepreneurship among Rural Women in Balasore District of Odisha” being submitted to the Mizoram University for the degree of **Master of Philosophy in Economics** is a record of research work carried out by me and the contents of this dissertation do not form basis of the award of any previous degree to me or to the best of my knowledge, to anybody else, and that the dissertation has not been submitted by me for any research degree in any other University or Institute.

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## LIST OF ABBREVIATIONS

APL	Above Poverty Line
BPL	Below Poverty Line
DIC	District Industries Centre
DRDA	District Rural Development Agency
DWCRA	Development of Women and Children's In Rural Areas
GDP	Gross Domestic Product
IMY	Indira Mahila Yojna
IOB	Indian Overseas Bank
IRDP	Integrated Rural Development Programme
JRY	Jawahar Rojgar Yojna
NABARD	National Bank for Agriculture and Rural Development
NGO	Non Government Organisations
NIP	New Industrial Policy
OBC	Other Backward Castes
RBI	Reserve Bank of India
RMK	Rashtriya Mahila Kosh
RRB	Regional Rural Banks
RSBDC	Rural Small Business Development Centre
SBI	State Bank of India
SC	Scheduled Caste

SDP	Skill Development Programme
SEWA	Self Employment Women Association
SGSY	Swarna Jayanti Gram Swarozgar Yojana
SHG	Self Help Group
SHPI	Self Help Promoting Institutions
SIDBI	Small Industries Development Bank of India
SIDC	State Industrial Development Corporations
ST	Scheduled Tribe
TRYSEM	Training For Rural Youth For Self Employment
WDC	Women's Development Corporations
WIT	Women's India Trust
WSHG	Women Self Help Group



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