

# Women Self Help Groups in Orissa : Challenges and Opportunities

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## Introduction

The concept of Women Self Help Groups (WSHGs) was adopted by many agencies including the Government in the State with programmes such as TEWA, ICDS, DWCRA which operated through women collectives/groups. Banks and schemes such as Rashtriya Mahila Kosh gave financial assistance to women's groups. However since 2001 the Government of Orissa has embarked on a campaign named Mission Shakti to integrate all WSHGs in the State. It aims to provide uniform guidelines, training of personnel, training materials, disseminate best practices. Mission Shakti also aims on strengthening all WSHGs by giving them capacity building support, credit linkage and by federating them.

WSHGs are usually informal groups whose members i.e. the women have a common perception of the need and importance towards collective action. These groups promote savings among themselves and use the pooled resources to meet the urgent needs. They rotate this common pooled resource within the members with a very small rate of interest. The number of members in a WSHG normally ranges from 10 to 20.

The next step is that the bank is approached for a term loan to take up some income generating activities by the group. In this,



they are to be helped by Government and Non-Governmental organizations with detailed study of feasibility of the proposed activities as well as modern training in appropriate skills.

Thus self-help evolves through different phases - savings, internal lending, productive activities at subsistence level, credit linkage, surplus production, engagement with the markets whether through a supportive or an exploitative market chain and finally to an enhanced of empowerment beyond the realm of the economic into the social and perhaps the political. In the initial stage of the WSHG movement, these stages were assumed to be necessarily sequential in nature.

## History of Self Help Group<sup>1</sup>

**1974 :** SEWA owned by women of petty trade groups was established on cooperative principle in Gujarat.

**1986 – 87 :** first official interest in informal group lending – NABARD supported and funded an action research project on Savings and Credit Management of SHGs of Mysore Resettlement and Development Agency.

**1988 – 89 :** NABARD undertook a survey of 43 NGOs spread over 11 States to study the functioning of the SHGs and the possibilities of collaboration.

**1991 :** RBI issued a circular advising the Commercial Banks, later the Regional Rural Banks and the Cooperatives to extend credit to the SHGs under the pilot NABARD project of 500 SHGs.

In Orissa, PREM (A NGO based in Berhampur) promoted 829 groups, mobilised Rs. 1.9 million of thrift and disbursed credit of Rs. 1.9 million.

**1994 :** RBI Working Group review the functioning of the NGOs and SHGs and gave suggestions.

**1996 :** RBI revised the guidelines and advised that the Banks lending to the SHGs should be considered as an additional segment under priority sector advances and integrate with main steam credit operation. NABARD took up promoting WSHGs in full swing in Orissa.

**1996 :** onwards – SHG become a regular component of the Indian financial system.

### **Field Study**

A field study was undertaken to assess the expected outcomes of the campaign for WSHGs and arrive at the lessons. The aim was three-fold: one, to examine how the long chain of steps involved in taking benefits from the highest level of the State Government to the lowest i.e poor women in rural Orissa, was working out in practice. The other was to assess how far participating in this programme would actually be

empowering for women. Thirdly and most importantly the aim of the study was to look into the partnership of the various stakeholders involved in the campaign.

The study was conducted in 2 districts of Orissa - Khurda and Kandhamal. WSHG was taken as the study unit. In Kandhamal, two blocks were selected these being Daringibadi and G.Udaygiri and five in Khurda i.e. Khurda, Begunia, Bhubaneswar, Chilika and Baliana. As the unit of study is the WSHG, a total of 15 WSHGs have been taken. 6 WSHGs are in the 2 blocks of Kandhamal district, while in Khurda district, 9 WHGs have been spread over the 5 blocks under study.

### **Findings**

#### **WSHGs with Good Practices**

- Are aware about methods of product differentiation and exhibition.
- Know about when to switch to best alternatives.
- Have developed own marketing system.
- Cash Flow maintenance and Record Maintenance is good and strong. Banking support is developed and available.
- Women are crossing gender barriers to enter into what was men's zone such as construction of roads, handling building construction machinery etc.
- New WSHGs have emerged on account of the demonstration effect.
- WSHGs have been the training ground for adolescents girls so that when they get married, they will be able to start WSHGs in the new village (the village where they will go after getting married) and manage them well.
- The groups have linked rural economy to urban and so migration is controlled.

- Increase in turnover has resulted in upscaling.
- There has been an improvement in life style of the women members and have created assets in form of land, buildings, furniture etc.
- WSHGs have saving deposits in the form of corpus funds for future expansion or emergency use in case of economic decline.
- Many women are members of the Village Forest Protection Committees and take part in other Government Programmes. They all know about Government programmes and MPLAD funds.
- The WSHGs have developed strong links with local governance structures.
- Group dynamics is developed.
- They sanction interest free emergency loans to members when needed.
- They solve local conflicts.
- WSHGs have been able to create change in patriarchal structures and build zones of social change.

### **Weak SHGs**

- Best practice not visible.
- No group dynamics noticed.
- One member of family leaving leads to others (Though the reverse is also true).
- Social evils such as liquor consumption exist and impact them adversely.
- Sustainability of some groups not possible due to lack of understanding, distrust and suspicion due to caste/ class differences among the various segments of population.
- Too much male interference.
- Do not know the basics of WSHG, so don't utilize the money.

- Cannot read bank balance statements as it is in English.
- Default in payment because of low economic success.
- Slow process of capital formation which keeps the groups below the poverty line for a longer time.
- Remote village and illiterate members with little or no awareness of their rights.

### **CSO- Government Partnership to strengthen the WSHGs – suggestions from the field study**

- Training in scientific bases of looking after animals & insurance of animals.
- Compensation for damaged goods and other losses to be built in the loans.
- Marginalized women's groups who have been excluded to be included. The disabled, single, especially widows and in Adivasi areas unmarried women who are in large numbers and old age women can be a source of experience.
- Select Groups/ Leaders with potential to grow, train further, send on exchange trips to learn.
- When a WSHG is graded and found not in the growth trajectory, a partnership with a CSO/ NGO is needed so that the WSHG can be strengthened.
- When women continue to use thumb impression, provide extra literacy support.
- Oversee that group activities do not suppress individual entrepreneurship which is important for creating and maintaining dynamic WSHGs.
- Develop broader leadership as a group – dependency on a few members is unstable.

- Strengthen ICDS linkage and efficiency so they can partner WSHGs effectively.
- Early government withdrawal will result in majority of the groups closing down.

### Recommendations

- Groups should be informed about its various benefits and structure, working procedure.
- Emphasis should be on sustainability of WSHGs rather than in forming groups achieving or reaching the target. Qualitative assessment should be made.
- The Banks should give their time, technical know-how and resources. They cannot focus only on avoiding risks. Bankers should not only do their work to achieve the prescribed target set by NABARD.
- WSHG members should be provided with adequate vocational/income generating training for the sustainability of the WSHGs and to achieve the most important goal of the campaign. Regular monitoring of the income-generating activities and follow up training should be provided to the groups on modern technology.
- Saving habits be encouraged rather than only credit linkage of the WSHGs.
- It is crucially important that the activities that the beneficiaries are encouraged to undertake are more productive and remunerative than what they have traditionally been doing.
- The economic activities must be selected after careful feasibility report based on market studies and local resources.
- WSHGs producing artistic products with aesthetic value should be given scope to attend exhibitions to promote their products among the urban population.
- The aim should be that women's quality of life after joining the WSHGs significantly improves and they are not overburdened with poorly remunerated extra government programme work.
- For empowerment of women it is essential that the attitudes and perception of the stakeholders be radically changed. Women must be seen not just as reproducers and home makers and supplementary earners but as productive members of the economy and society.
- The stakeholders should create an enabling environment to enhance self-confidence and autonomy of women before the formation of WSHG so that it can boost their morale.
- It is important to orient and sensitise the elected representatives, policy planners, administrators, members of the judiciary, police, bankers etc towards gender issues.
- The institutional capacity of concerned Government Departments should be strengthened.
- Gender perspectives in policies, planning, implementation and monitoring in selected sectors is needed including gender budgeting.
- The sheer expansion in the number of WSHGs necessitates that decentralization takes place. It is necessary that intermediate levels are created and supported to carry out such a task. Such levels can be at the Govt. level - each district could have a trained and designated officer to look at the WSHG activities.
- Convergence of the WSHGs and elected PRI members in the village level has to be worked out for mutually benefiting situation.

### Reference :

Evaluation study of SHG – Bank Linkage Programme in KBK region in Orissa, Evaluation Study series : Orissa RO No 10, NABARD, Bhubaneswar, 2004 - 05