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# Assessment of Women Self- Help Groups and Women Smallholder Farmers in Odisha

Mission Shakti and WFP India Partnership



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June 2020

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## LIST OF ACRONYMS

<b>AWC</b>	Anganwadi Centre
<b>BF</b>	Block Federation
<b>CFM</b>	Complaints and Feedback Mechanism
<b>CRP</b>	Cluster Resource Person
<b>DEO</b>	Data Entry Operator
<b>DF</b>	District Federation
<b>FAQ</b>	Fair Average Quality
<b>FPO</b>	Farmer Produce Organisation
<b>GPLF</b>	Gram Panchayat Level Federation
<b>GrAM</b>	Gramin Agricultural Markets
<b>ICDS</b>	Integrated Child Development Services
<b>INR</b>	Indian Rupee
<b>LSP</b>	Livelihoods Support Person
<b>MBK</b>	Master Bookkeeper
<b>MFI</b>	Microfinance Institution
<b>MIS</b>	Management Information System
<b>MSME</b>	Micro, Small and Medium Enterprise
<b>MSP</b>	Minimum Support Price
<b>NABARD</b>	National Bank of Agriculture and Rural Development
<b>OLM</b>	Odisha Livelihoods Mission
<b>ORMAS</b>	Odisha Rural Development and Marketing Society
<b>OSCB</b>	Odisha State Cooperative Bank
<b>PG</b>	Producer Group
<b>P-PAS</b>	Paddy Procurement Automation System
<b>RMC</b>	Regulated Market Committee
<b>SHG</b>	Self-Help Group
<b>THR</b>	Take-Home Ration
<b>UGB</b>	Utkal Grameen Bank
<b>ULB</b>	Urban Local Body
<b>WFP</b>	UN World Food Programme
<b>WSHF</b>	Woman Smallholder Farmer
<b>WSHG</b>	Women's Self-Help Group

# EXECUTIVE SUMMARY

## Background

Formation of women's self-help groups (WSHGs) is a well-established strategy in India for empowering women and improving their livelihoods. The Directorate of Mission Shakti in Odisha has taken significant measures to support close to 7 lakh WSHGs in the state, by enabling them to access financial assistance, undertake capacity strengthening and market linkage to enhance their livelihoods and incomes. Economic activities through WSHGs significantly supplement incomes of women smallholder farmers, a critical vulnerable group, deprived of access to agricultural credit, inputs and markets, owing to gender-based discrimination. It is also true that income in the hands of women ensures food security and nutrition for the entire family. Therefore, empowering and equipping them with better incomes will bring greater benefits to community food and nutrition security.

The UN World Food Programme (WFP) India is partnering with Mission Shakti to further its commitment, towards the shared goal of enhancing the livelihoods and income of women and women smallholder farmers. In December 2019, WFP undertook an assessment of women's self-help groups in order to better define the needs and challenges of WSHGs and provide recommendations to mitigate them. The assessment aimed to provide a comprehensive profile of WSHGs in Odisha, their current linkages with markets and procurement systems and the gaps or hurdles faced by them. The assessment mission visited and interacted with WSHG members engaged in a variety of activities in six districts in Odisha. The Mission also interviewed officials involved with supporting these groups at all levels. This report presents the findings of the assessment and provides recommendations to strengthen the support to the WSHGs by Mission Shakti and WFP.

To capture and represent the results of the assessment, they are presented across six broad themes based on Mission Shakti's sequential engagement with WSHGs and in line with the overall objective.

## 1. Coverage

- WSHGs have a greater coverage in rural areas, and their bank linkage in both rural and urban areas is almost universal.
- WSHGs are involved in an array of activities, mostly private (such as vegetable cultivation, pisciculture, terra cotta craft, etc) and a few linked to government schemes (such as production of take-home rations, management of paddy procurement centres, electricity meter reading, etc).
- *A single de-duplicated database of WSHGs needs to be maintained for better tracking of WSHG support activities by Mission Shakti.*

## 2. Capacity building

- WSHGs received training related to the operations of the group and bookkeeping from Anganwadi Workers, and on skill building from various public and private sources.
- Areas identified for further training or refreshers included SHG operations and bookkeeping, and training in latest designs and market trends. There is scope for cross-learning between SHGs, where SHGs could learn from the experience of better performing ones.
- *WSHG capacities need to be strengthened by more frequent trainings, updated training content and peer-to-peer learning among SHGs.*

## 3. Financial assistance and management

- All WSHGs have bank accounts with steady member contributions, and most have received the seed money of INR 15,000 provided by Mission Shakti.
- All WSHGs utilized subsidized loan facilities offered by banks. Loans were also taken from Gram Panchayat Level Federation (GPLF) at 12% interest and private microfinancing institutions at 20-25 percent interest.
- Utilization of loans emerged as a concern, as loan amounts did not necessarily equate with improved incomes, mostly being utilized to meet household expenses such as children's education, husband's business, etc. Some loan amounts were used to purchase raw materials and equipment.
- Profits and income could not be clearly demarcated by the members.
- *There is scope to diversify activities of WSHGs, particularly in areas where dependence on males was high, such as transportation and marketing services.*
- *Training in financial management is important to enable better financial planning and utilization of funds by SHGs.*

## 4. Market linkage and profits

- Mission Shakti promotes market access for the WSHGs by organizing 'melas' or fairs at district and state level and supporting WSHGs in participating in these fairs. WSHGs also make their own efforts to reach local markets for their produce, and explore other external markets, including online platforms.
- Efforts by SHGs to expand marketing of their products or identify demand are mostly ad hoc. Moreover, gender roles influence marketing activities significantly, as WSHGs depend on men to handle marketing and sales.
- Other marketing related challenges include the need to match supply with demand, which warranted aggregation across multiple producers, and the absence of insurance or safety mechanism to compensate losses.

## 5. Governance and support

- *Support to WSHGs by Mission Shakti and other stakeholders needs to be built towards a common vision and should include an exit strategy for self-sustainability of the WSHGs.*
- *There is a need to manage parallel structures like Gram Panchayat and Block level Federations effectively, so that they restrict themselves to a convening role and don't compete with WSHGs in conducting activities.*

- *Vested interests and exploitative systems on the ground need to be checked, such as a predominantly male support cadre utilizing WSHG members like wage labour, paying them at fixed rates and not sharing the income or profits adequately with them.*
- *A complaints and feedback mechanism for WSHGs is conspicuously absent and needs to be established.*

## 6. Empowerment

- The WSHG model is indeed working as a means of women empowerment. Women have shown remarkable progress as SHG members, growing significantly in confidence and skills, displaying pride in their work and strong motivation to accelerate their progress.
- Women have been able to effectively negotiate their space in families and balance their domestic responsibilities with those of the SHG with the strength of their financial contribution.
- *Empowerment can be prioritized by enabling mechanisms in the WSHG charter, tracking empowerment outputs through MIS, periodic refresher trainings and using well-performing WSHGs for peer support and motivation.*

## Conclusion and recommendations

Moving forward, there is still a lot of scope for Mission Shakti as it transitions into an independent department, to maximise the quality and reach of its support to WSHGs. These include establishing a long-term vision and charter, clearly defining all stakeholder roles and responsibilities, and aligning all processes to the vision or outcomes. Below are the key recommendations based on the assessment, which would also be supported by WFP:

1. **Collective action:** Long-term, quantifiable vision and Mission Shakti charter needs to be established, with clear alignment of structures, and stakeholder roles and responsibilities towards the common outcome.
2. **Remove systemic issues** and utilize data for decision making, including creation of an MIS and transparency portal and a complaints and feedback mechanism.
3. **Awareness and training** to be improved in content and periodicity.
4. **Build capacity** through peer learning from well-performing WSHGs, more intensive training on finance and accounts, training women as nutrition educators and expanded options for services such as transportation, sales and sourcing.
5. **Identify** market demand and conduct careful market planning with diversification of products to ensure adequate market space for all WSHGs.
6. **Empowerment:** Enhance female ownership and steering of processes, preventing domination of males as that could turn exploitative.

## 1. Introduction

In India, women's Self-help groups (WSHGs) are a critical tool for women's empowerment as the process of collectivization provides greater economic opportunities, incomes. The Government of India supports WSHGs to enhance women's livelihoods and incomes to bring them out of poverty. As per latest statistics, 5.9 crore women in India have been mobilized into 54 lakhs WSHGs.<sup>1</sup> This strategy aligns with the commitment of the Government of India improve rural incomes, as WSHGs offer women farmers, especially smallholders, a means to pool in their resources, develop their skills and start an activity to augment their incomes. It has been well established that increasing the resources available to women in a household yields improvement in the food security and nutritional situation of families, particularly children.<sup>2</sup>

WSHGs typically hold monthly meetings, generate group savings and obtain generally subsidized credit. Based on their skills or following specialized training, WSHGs undertake different activities privately or linked to government schemes that could include production of goods or provision of services. Activities include vegetable cultivation, processing of spices and condiments and production of local handicrafts, which they often sell in local farmer's markets termed "*Gramin Haats*", or through specialized marketing platforms (fairs, exhibitions, permanent outlets or *haats*) provided by the Government. Service provision could include electricity meter reading, running shops or catering services, managing community kitchens or canteens, and supply of mid-day meals to schools.

Smallholder farmers constitute more than 80 percent of the farming community in India.<sup>3</sup> They are also among the poorest as they are in a vicious cycle of low investment, poor productivity, low value addition, weak market orientation and eventually unviable margins. Women farmers constitute nearly 40 percent of small-holders but are more likely to be deprived of access to agricultural credit, inputs and markets including the government procurement system. Agricultural support systems were designed with the perspective of an exclusive male profession and are therefore heavily staffed by men. However, over the years farming has become increasingly 'feminized', with more and more women having to manage farming while men migrate to urban areas in search of jobs. This leads to a gender bias in reaching women farmers thereby impacting their ability to access the various resources and improve their incomes.

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<sup>1</sup> Press Information Bureau (2019). *Self help groups*. <https://pib.gov.in/newsite/PrintRelease.aspx?relid=191635>

<sup>2</sup> Kurz, K.M. and C. Johnson-Welch (2001). Enhancing women's contributions to improving family food consumption and nutrition. *Food and Nutrition Bulletin*, 22(4):443-453.

<sup>3</sup> Mahendra Dev, S. (2012). *Small farmers in India: challenges and opportunities*. Mumbai: Indira Gandhi Institute for Development Research.

The Government of Odisha has taken pioneering steps to empower women and ensure their equal participation in the development process through WSHGs. To make a meaningful and time bound impact, the



Government of Odisha has earmarked funds for activities that support women in all flagship development schemes and, through Mission Shakti, has developed a strategy to integrate and undertake a broad-spectrum approach for empowering women. Mission Shakti, Odisha's Directorate for Women Empowerment, aims for socio-economic empowerment of women through the formation of WSHGs, providing them with access to credit and providing avenues for skill development and livelihood promotion in order to alleviate poverty by increasing employment opportunities, accelerating economic growth and promoting income generating activities under a strong leadership.

Schemes across various state departments such as fisheries, horticulture and industries, plus financial incentives, target nearly 70 lakh Odia women through 6.02 lakh WSHGs. To ensure effective implementation of ongoing activities on the ground, Mission Shakti has established widespread presence and deployed staff from the state level down to sub-district/block level. Under the guidance of Mission Shakti, the interventions undertaken by the large network of WSHGs in Odisha, coupled with the facility to avail hassle-free credit, has increased their financial viability, thereby improving the economic mobility of its members and their families.



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