



PRODUCER GROUPS IN ODISHA: AN ENTREPRENEURIAL APPROACH TOWARDS WOMEN EMPOWERMENT IN ODISHA.

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Abstract

Self help groups in Odisha have turned into entrepreneurial groups by becoming groups of Producers who have come together to find solutions for their own needs rather than a part of any developmental strategy. In this way they are more effective and highly motivated for optimal production with proper planning and implementation. The organisational and functional deficits of self-help groups were taken care of and Individual members and communities benefit and the economy locally get strengthen and sooner or later these groups can upgrade themselves to a Producer company changing life of the rural women and rural Odisha. This article deliberates on the gradual shift of self help group to potential entrepreneurial groups or producer group by citing case study of such groups in Balasore District of Odisha.

Keywords: *Self Help Group, Producer group, Women empowerment, Entrepreneurship*

Introduction

Formation of human groups defines any civilisation. Similarly, progression of society is because of social change. This change is brought by changes in both the elements i.e.society and individuals that comprises the society. The institutions, structure and realities some times change on their own and sometimes done deliberately with an external effort and agent to empower people to achieve their innate as well as nurtured potential. After independence, development policies were planned for an integrated approach with inclusion of both rural and urban developmental strategies.

Rural India is often characterised as agriculture based primary occupation and hence the primary source of income from crop production which is seasonal and vulnerable to various risk. To provide a constant income to the rural citizen, the central and the state government has come up with many developmental strategies to provide opportunities for regular income possibilities and to bring about a planned economic growth that will accelerate a desirable social change. One of such attempts is to increase the scope of income generation for rural women. An initiative undertaken by every country with a progressive approach is empowering women. India has too taken steps in this direction. Women pro programmes has been the discussion of many policies and academic deliberation with a serious concern on the potentialities and necessity of empowering the half population for overall growth and development of the country. The development policies of countries are constantly being reviewed and modified to realize women's empowerment which is set as the human development goal of the respective countries. In the 90s one of the strategic plans for women development was through micro financial support through bank linkage in undertaking economic venture to realise fruitful benefits in social, economic and political life thus achieving gender equality.

Self Help Groups for women empowerment

Self help movement has been one of the development paradigms for poor women since the late 90s with emphasis on accessibility to microcredit with simple lending procedure so as to create an enabling condition for the enhancement of their economic empowerment. Self help encouraged them as a team for entrepreneurial activities. Collectively working as a team, socio-economic homogeneity, and strength of sisterhood, community support and easy credit with no mortgage, minimum rate of interest, small



scale production with minimum investment, empowerment in socio economic aspect etc has been the mission and vision of the groups. But due to various structural, organisational and institutional factors, the desired result could not be attained as much it was anticipated. In many districts of Odisha, it did not grow remarkably rather just enough for its sustenance. Problems such as limited market opportunities, less production, too much dependence on external agents for assistance and support throughout, faulty organisational practices, lack of adequate and timely support and undermining individual effort has somehow narrowed down the potential and benefits of these groups. They remain an end in itself with no growth and just enough to maintain itself.

Challenges faced by SHG

A study conducted to understand empowerment of women SHG members in Erasama block of Jagatsingpur district, Odisha revealed that as majority of the groups were formed by NGOs, they felt directionless once the concerned NGOs started dissociating themselves gradually so as to make them work independently. It can be said that simply making them work by spoon feeding can bear no growth in the long run. This happened with these groups too as it resulted in failure of the purpose for its establishment. The money taken as loan went unutilised and only got distributed amongst themselves for personal consumption. There was neglect of group work as they were already burdened with household work and with minimum income generation which did not give them a strong ground to go out of the house, side lining their household duty which they, their families and patriarchal society gave priority to. It was observed that there was less investment on new productive venture and irrespective of loss of the old activity it is still continued because they are clueless about other alternative options. There were instances when they were forced to deny bank offer as they were indecisive about what next economic venture they would pursue. The other accompanied problems such as marketing, storage of raw materials, absence of proper meeting place etc. made Self Help Groups unproductive. In some cases even they had to distribute the perishable unsold products amongst themselves. Lack of trust, suspicion, boredom were some of the opinion the members had and all these resulted in existence of these group as part of development formalities without any actual progress towards the goal of women empowerment through these groups.

Potentiality of producer groups as small-scale industry

Small Scale Industries occupies an important contributor to the total production of goods and services in India and are important contributors to the growth and strengthening of the Indian economy. These industries are generally labour-intensive production houses using simple machines by using locally available resources. They play a financial and social role by creation of employment and financial security. The members are actively involved in the day-to-day activities of the business. They are flexible in their working but cater to the requirements of local and regional demand thus maintain their scale of production effectively.

Government of Odisha has come up with a unique strategy for women empowerment through Producer group. The facilitating agency is Orissa Rural Development and Marketing Society (ORMAS) established on 14th January 1991 under Societies Registration Act-1860 by Panchayati Raj and Drinking Water Department of Government of Odisha, to help rural producers to develop sustainable livelihood and work for its promotion, to help in their product marketing by adopting appropriate rural technology, product development & diversification.

Individual producers in various Self Help Group of a particular geographical area (within a village/grampanchayat) have been recognised and formed Producer Group. Other individual potential



producer can be a member provided she should be an existing member of any group or has to form her own group with other such members within 6 months. Producer groups can play a key role in shaping the rural economy and financial empowerment by overcoming the challenges faced by self help groups in the process of their entrepreneurship. These groups help the members who are the producers themselves to achieve more than they could do individually. They help in individual and collective production and also in the marketing of the products by getting a good price in exhibition or directly from established markets or dealers. The group may be a formal or informal group.

ORMAS in Balasore district, Odisha have come up with a very innovative strategy for this transformation and now the strength of SHGs turned into producer groups stands at 50 and in the process of some becoming a registered producer company with their own structure and management.

A shift from SHG to producer group

Group of individual Producer come together to attain the same goal and, in this case, to meet their common requirements to produce a common good is more likely to be effective than groups that are brought together to suit the needs of an external agency which was the reason for the establishment of SHGs and ultimately the cause of their slow demise. The groups functioned systematically as long as there was a direct supervision of the concerned official of NGOs or Government. Their cohesion and motivation collapsed once the external agents withdrew their support. In Balasore district of Odisha, an attempt was made to convert some these SHG with potential producer for an identified product into producer group which have all female membership. Here the focus drastically shifted from individual member as it was in case of SHG to a potential product which has a market value or is in demand or can be value-added.

Producer groups are group of 20 to 50 members in each group who share the same skill and resources to produce the particular product improved upon by training, technology, working capital, and infrastructure and so on by ORMAS in collaboration with the concern department. Based on group model concept with providing opportunities to maximum number of members, it is a purely business group with members in the production of the same product. With no subsidy but grants in the form of working capital, construction of work shed or machinery is provided by the government. In producer groups, entrepreneurship develop without external monetary support initially and later after 6 months given support basing on their performance and genuine requirement through a systematic evaluative and transparent process. Basically, profit increases with skill enhancement and marketability of the producers and the products. The income for the members of these groups is from two sources i.e. Individual production which is sold to common production pool and remunerated accordingly. The second source is the profit obtained from selling of common product pool which is then distributed equally.

Stages of formation of the producers' groups

- 1. Identification:** Identification of product having a market demand along with identifying skilled producers or potential availability of raw material for that product as the case may be with inclusion of the absent requirement.
- 2. Assembling:** Meeting of ORMAS with potential producers to equip them with necessary details regarding the formalities and process. A group of around 20 to 50 producer is formed into a producer group. A potential producer who is not a part of any SHG group can be a member of a producer group provided she forms a group or becomes part of a SHG group within 6 months of being identified.



3. Collection: The group members decide a fee which is one time as membership fee ranging from Rs 150-Rs 200 and kept in a bank account which is open in the name of the group which can be used for purchase of stationary, books and other record. All the money collected are deposited in the bank account, which is refundable without interest to any member which wishes to withdraw but only after 6 months of being a member. There is a revolving fund for procurement of raw materials and it is a fixed amount as decided by the group which ranges from Rs 500 to Rs 5000 per member. All this process is undertaken under the guidance of ORMAS.

4. Affiliation: Each producer's group has to submit their resolution and application to Block Development Officer(BDO) for provision necessary support through ORMAS. The Block Development Officer then recommends along with a scoping study or justifying note and First Assessment Report with the help of the Nodal Officer or the Livelihood Support Person to the Project Director of District Rural Development Authority or Deputy Chief Executive Officer for affiliation of the producers' group for further assistance and support in technology, market, forward and backward linkages.

5. Collaboration: There is District Level Committee which helps in institutional building and capacity building support to the members in convergence with other line department.

6. Training: The group are provided training by ORMAS in collaboration with different Departments of Government of Odisha.

7. Credit Facility: After 6 months, the groups become eligible for working capital provided by ORMAS up to one lakh. The second disbursement of loan is Rs 4000 per member which is in the form of grant and if further assistance is needed credit facility is provided by the respective bank where the producers' group have its account. All these financial transitions operated through this account only for transparency and better visibility of earlier repayment record.

Structure of the producer group

There is an "UdhyogMitra" or the livelihood support person (LSP) to assist in the functioning of the group. Any person, a man or a woman who is not a part of the executive committee of the group can get the post. The LSP or the UdhyogMitrais provided remuneration by government for the first three years to help in the initial stage, and then the group has to take the responsibility of the payment. The Executive Committee is the main policy making or decision-making body. There should be 70% membership of the Below Poverty Level or the Auto Inclusion category based on Socio Economic Caste Census Data who are eligible for the benefits for poverty programmes in each producer group. All the members then select 10 members as executive committee comprising the President, Secretary and Treasurer as the Office Bearers. There are subcommittees to look after the functioning of the group such as the procurement committee; the financial management committee. The executive committee should meet once every month at the minimum.

The group has review meetings at the Block and District level once in every month with ORMAS. Livelihood support person or the President of the group or the Secretary of the group or both of the executive committee has to be present in these meetings.

They have to maintain and update eight records as follows

1. Resolution Register which is like a mirror of the group. Everything is maintained in this register. Details of financial transaction, decision making, and raw material procurement so on.



2. Membership Register consists of record of Aadhaar Card and Ration Card of the members and details of their receipt of fees.
3. Cash Book which provides the details of purchase transaction.
4. Asset Register which has the details of the fixed asset like chair, table etc.
5. Transaction or stock register which has the details of the purchase which is maintained on the left side and the selling details on the right side with the balance.
6. Member Transaction Register which has the individual transaction details on selling and remuneration of individuals production by the members.
7. Ledger which is the abstract of the cash book.
8. Visitors register where all the official or nonofficial visiting the group give their impression and suggestion which is discussed later on.

The members meet once in every month on a fixed date to discuss the monthly operations.

Advantages of a Producers Group over the Self-Help Groups

- The producer groups help achieve more economically because there is scope of income generation individually and collectively through production and marketing for their products at a negotiated price.
- All are equally involved in the production unlike the SHGs which had this problem.
- It is a business group and entrepreneurship attitude can develop among the members.
- There is a monthly income assurance for all the members.
- There is a good difference in the quality and quantity of the products as there is a large number of producer members associated with the same product.
- Better scope of selling products through established market.

How do Community benefit from these groups?

It is operational within a Panchayat within a geographic area such as a village so as to avoid operational issues. In Balasore district; it is observed that the groups are involved in community social action. They prepare a yearly calendar of social activities such as participating in Swatch Bharat Abhiyan, Gandhi Jayanti, Independence Day Celebration and so on. They involve the Serpent and the ward members in their celebration. They collaborate with Community cadres such as Aaganwadi workers, Community Resources Person in identification and support of rural youth for skill development programme and rural housing scheme.

One of the flourishing producer groups is Panchalingeswar Terrocota Producer group which is functioning in Chintamanipur of Iswarpur Gram Panchayat of Oupada, block of Balasore District. The group is being provided master craftsman training (MCM) module for 6 months for 15 members by Micro Small and Medium Enterprise department (MSME). They have been provided electronic wheel, blunger machines by Khadi and Village Industry Commission (KBIC), they have been also provided store cum ware shed worth of Rs ten lakhs by the State Government of Odisha during 2018-19 under "Amo Gaon Amo Vikas" program.

Conclusion

Producer groups have advantages over the SHGs and communities also benefit from such women groups. Access to trainings, marketing, information, resources, and further linkages empowers the women members economically and ultimately has an impact on their personal life. ORMAS in Balasore has successfully been able to act as facilitating agency to nurture the capabilities and potentialities of the



producers. Gradually the groups will mature and can stand on their own feet, finding their strength and overcoming their weakness. Individual members and communities benefit and the economy locally get strengthen and sooner or later can upgrade themselves to a Producer company changing life of the rural women and rural Odisha.

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