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# Beyond Money: How Self-Help Groups are Changing the Lives of Tribal Women in Laxmipur, Koraput

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**Abstract:** For a long time, economic programs treated poor rural women as passive recipients of charity. This case study turns that idea on its head. By examining 25 Self-Help Groups (SHGs) across 5 village clusters (Gram Panchayats) in the Laxmipur Block of Koraput District, Odisha, we look at how small, informal savings groups help tribal women build real autonomy. Using surveys, focus groups, and 7 deep-dive case studies, we found that when women control their own savings, they don't just start small businesses. They gain the standing to stand up against domestic abuse, fix failing public food distribution systems, and challenge local political leaders. The paper argues that true empowerment isn't just about giving someone a loan; it's about providing a safe, reliable group space where women can build collective strength.



## 1. Introduction: The Roots of a Grassroots Movement

The history of informal neighborhood banking in India reveals that the concept did not emerge organically; it was a carefully designed strategy. It began in the late 1980s when the National Bank for Agriculture and Rural Development (NABARD) partnered with an NGO called MYRADA to see if poor, rural households could reliably manage their own savings. The experiment succeeded because it relied on an incredibly simple structure. By the 1990s, development experts and state governments realized that these tiny groups could achieve goals far beyond basic credit delivery. They became vehicles for social and political change.

In tribal-dominated pockets like the Laxmipur Block in Koraput, Odisha, women face deep-seated inequalities. Geographically isolated and socially marginalized, they have historically lacked access to formal education, reliable healthcare, and personal assets.

To address these challenges, the modern SHG framework uses two strategic design rules:

- **Small Group Size (Capped at 12):** Keeping a group small avoids complex legal registration laws and heavy bureaucracy. It makes regular administration easier and ensures that every single member can participate directly in decision-making.
- **Social Homogeneity:** By ensuring members share similar socio-economic backgrounds, the model prevents wealthier or more powerful individuals from dominating discussions. This structure creates a secure environment where every woman feels free to speak.

## 2. Theoretical Framework: Looking at "Capabilities"

To accurately assess the impact of these groups, this study shifts away from standard academic metrics that look only at income levels or loan repayment rates. Instead, we use the **Capabilities Approach** developed by economists Amartya Sen and Martha Nussbaum.

This framework suggests that we should not simply ask, *"How much money does this woman make?"* Instead, we must ask, *"What choices does she now have the power to make in her daily life?"* We categorize this transformation into three main spaces:

1. **Material Power:** The ability to own assets, run a micro-enterprise, and retain direct control over the money she generates.
2. **Socio-Political Voice:** The confidence to speak up at village councils (*Gram Sabhas*) and collectively demand essential public services.
3. **Bodily Integrity and Dignity:** Developing a positive self-image, building strong mutual friendships, and finding protection against domestic violence and social exclusion.

**Research Methodology**

This study adopts a diagnostic and analytical research design to evaluate the structural and functional approach of SHGs in the target area.

➢ **Universe of the Study:** The universe comprises the functioning SHGs managed by tribal women within the Laxmipur Block of Koraput District, Odisha.

➢ **Sampling Frame:** A multi-stage sampling method was utilized:

✓ *Stage 1:* Around 40% of the 13 Gram Panchayats (GPs) in Laxmipur Block were selected via simple random sampling, resulting in 5 sample GPs: **Burja, Kutinga, Toyaput, Laxmipur, and Odiyapentha**.

✓ *Stage 2:* 5 SHGs were purposively selected from each chosen GP based on their functional status (including both high-performing and struggling groups), establishing a final sample of **25 SHGs** for intensive study.

✓ *Stage 3:* From this sample, **7 detailed case studies** were extracted, capturing distinct trade activities, traditional artisans, and groups facing structural failure.

➢ **Data Collection Instruments:** Primary data was gathered using structural questionnaires focusing on financial regularities (deposits, ledger maintenance) and credit utilization. Qualitative depth was achieved through Focus Group Discussions (FGDs) and key informant interviews involving SHG Presidents, formal/informal village headmen, and Block/District level officials. Secondary data was sourced from the Laxmipur Block Development Office and existing regional literature.

**4. Hypotheses Testing & Core Objectives**

The study evaluates the following core objectives and operational hypotheses:

| Objectives of the Study | Hypotheses to be Tested |
|---|---|
| 1. To study the role of SHGs in the socio-economic empowerment of tribal women. | **H1:** The interventions of SHGs play a statistically positive role toward women's empowerment in Laxmipur. |
| 2. To analyze the structural and functional approach of rural SHGs. | **H2:** Social mobilization acts as a necessary prerequisite for sustainable capacity building among tribal women. |
| 3. To suggest localized policy measures to optimize SHG efficiency in tribal pockets. | **H3:** Post-SHG intervention, distinct positive structural shifts occur in household and community decision-making. |

**4. Results and Analysis: The True Dimensions of Impact**

The evidence gathered from our 25 sample groups indicates that structured micro-credit exposure acts as a catalyst for a multi-layered social transformation.

### 4.1 The Financial Space: Breaking the Debt Trap

Before joining an SHG, families facing an unexpected health crisis or seasonal crop failure were forced to rely on informal local moneylenders who charged exorbitant interest rates. The internal loaning system of the SHG directly disrupts this predatory cycle. By pooling small, predictable amounts of money, women can access low-interest emergency capital. Furthermore, traditional artisans and small-scale farmers in the block use their collective bargaining power to buy raw materials in bulk, immediately reducing their production costs.

### 4.2 The Social Space: Community Advocacy

When women meet regularly in a neutral space, individual problems quickly evolve into shared community agendas. Our field observations highlighted several major grassroots victories driven by these collectives:

- **Reforming the Food Supply:** SHG networks successfully monitored the local Public Distribution System (PDS) to prevent food grains from being illegally siphoned off.
- **Demanding Institutional Accountability:** Women actively monitored childcare centers (Anganwadis) and made sure local authorities distributed school scholarships transparently.
- **The Anti-Liquor Movement:** In multiple villages, SHG members formed collective fronts to shut down illegal liquor vendors, which directly lowered domestic conflict and kept more cash within household budgets.

### 4.3 The Political Space: Direct Action

For many tribal women, the safe, non-judgmental environment of an SHG provides their very first opportunity to speak in public. Once mastered, this confidence changes how they engage with formal local government. Our research revealed that SHG members are no longer passive observers; they regularly attend village assemblies to directly negotiate with the *Pradhan* for clean drinking water infrastructure and better access roads.

## 5. Learning from Failure: Success vs. Breakdown

The 7 intensive case studies revealed a highly visible boundary line between groups that thrive and groups that dissolve.

| Successful SHG Attributes | Failed/Struggling SHG Attributes |
|---|---|
| Rigorous, transparent bookkeeping with visible ledger tracking. | Fragmented financial records and high dependence on outside literacy. |
| Loans used for income-generating activities (poultry, crafts). | Capital diverted primarily for immediate consumption or festivals. |
| Open, democratic rotation of leaders and clear dispute pathways. | Leadership positions captured by a small, influential sub-faction. |
| High attendance and predictable weekly/monthly savings patterns. | Irregular contributions leading to a breakdown of internal trust. |

## 6. Conclusion and Policy Recommendations

The findings confirm that Self-Help Groups are a powerful tool for empowering tribal women across the Laxmipur Block. However, to ensure these achievements last over the long term, development strategies must move beyond simply handing out credit.

Based on our empirical observations, we recommend three distinct courses of action:

- **Prioritize Real Financial Literacy:** Government bodies and local NGOs should offer practical, hands-on workshops on basic bookkeeping, mobile banking, and digital records. This steps reduces a group's vulnerability to outside exploitation.

- **Connect Producers to Markets:** To help micro-enterprises scale past basic survival levels, the state should establish direct transport and market links, allowing women to sell their products directly to regional hubs without losing profits to middlemen.
- **Strengthen Larger Federations:** Transitioning isolated village units into larger, interconnected Cluster Federations gives women stronger political leverage and improves their ability to secure formal bank loans.

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13. *Source Note: All primary data, tables, and narrative insights are derived from fieldwork compiled by the researcher in Laxmipur Block (2026).*