



Role of self-help groups in rural development: A socio-economic study of tangi block, Cuttack District, Odisha

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Abstract

This study explores how Self-Help Groups (SHGs) under the Mission Shakti program have transformed the rural landscape of the Tangi-Choudwar block in Cuttack, Odisha. While rural development is often measured by infrastructure, this research focuses on the "Human Dimension" specifically the economic and social empowerment of women.

Using a mixed-methods approach involving 150 respondents from 10 Gram Panchayats, the study evaluates the shift from traditional household labor to active micro-entrepreneurship. The findings reveal a significant 120% increase in average monthly household income and a marked improvement in women's roles in domestic decision-making. However, the study also identifies a critical "Digital Divide," where high smartphone ownership has not yet translated into widespread e-commerce or digital banking for business.

The paper concludes that while Tangi serves as a successful model for financial inclusion, future growth depends on enhancing Digital Literacy and Product Branding. Transforming SHG members into "Lakshpati Didis" is essential for sustainable rural development in coastal Odisha.

Keywords: Mission shakti, shgs, tangi block, women empowerment, rural development, odisha

Introduction

Rural development in India is currently undergoing a "Silent Revolution," led by women in the grassroots. In the Tangi-Choudwar block of Cuttack, this change is driven by the collective strength of Self-Help Groups (SHGs). Historically, women in these coastal regions were confined to domestic roles with little financial independence. Today, through the institutional support of Mission Shakti, they have become the primary economic drivers of their villages. This article, authored by Suvam Das, examines the "Tangi Model" to understand how small savings can lead to large-scale social change. It addresses three main pillars:

- Economic Shift:** From high-interest moneylenders to 0% interest bank loans.
- Livelihood Diversification:** From simple farming to specialized sectors like Pisciculture and Poultry.
- Social Agency:** The newfound confidence of women to lead in their communities.

Literature Review: A Comparative Synthesis

The literature surrounding Self-Help Groups (SHGs) and rural development is vast. For this study of the Tangi-Choudwar block, we categorize the research into two main spheres: Global and National.

1. International Perspectives (The Global South)

The "Grameen" Foundation (Yunus, 2006): Muhammad Yunus proved in Bangladesh that the "unbankable" poor are actually the most reliable borrowers. His work is the foundation for the credit-linkage models we see in Cuttack today.

The "Freedom" Framework (Sen, 1999): Amartya Sen argued that development is about "Capabilities." SHGs in Tangi aren't just about money; they are about giving women the capability to lead their households.

The Gendered Impact (Duflo, 2012): Research shows that when women earn, they spend 90% of their income on their families (health and education), compared to 30-40% for men.

Social Capital (Rankin, 2002): Explores how "trust" between neighbors in a village acts as a substitute for bank collateral.

2. National & Odisha Perspectives

NABARD Studies (Puhazhendhi, 2000) ^[16]: Early Indian research showed that SHGs significantly reduce the "Debt Trap" created by local moneylenders (Sahukars).

The Mission Shakti Revolution (Sahoo, 2025) ^[17]: Recent papers on Odisha highlight the "0% Interest Loan" policy as a unique state-led success story that has empowered over 60 lakh women.

Coastal Odisha Dynamics (Nayak, 2021) ^[15]: Specifically looks at districts like Cuttack, noting that while women are economically active, they still face "Market Barriers" in selling their goods to big cities.

Digital Divide (Kishore, 2020) ^[10]: Points out that while most rural women have phones, very few use them for E-commerce, which is a major finding in our study of Tangi.

Research Methodology

Study Area: Tangi-Choudwar Block, Cuttack, Odisha.

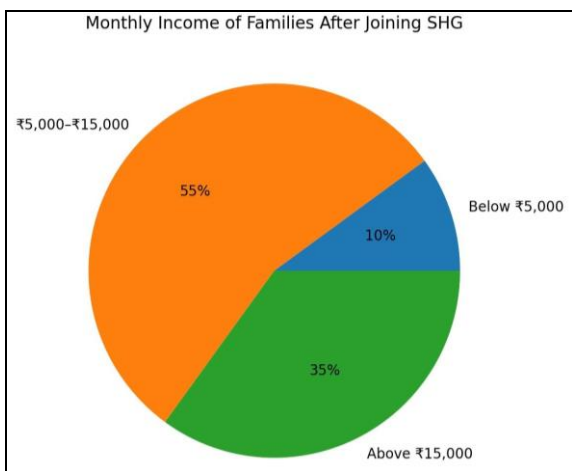
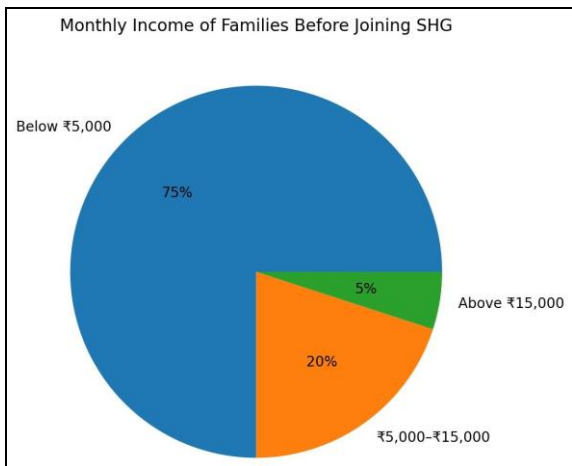
Sample Size: 150 members from 15 different SHGs.

Sampling Method: Stratified Random Sampling (picking different types of groups—like fish farmers, tailors, and shop owners).

Tools: Personal interviews and a structured questionnaire.
Data Analysis: We used simple percentages and the Chi-Square Test to prove that joining an SHG leads to more power for women in their homes.

Data Presentation: The “Tangi Model” in Numbers
1 Income Growth Analysis
 In the Tangi block, the change in monthly household income is dramatic.

Income Slab (Monthly)	Before joining SHG	After joining SHG
Below ₹5,000	75% of families	10% of families
₹5,000 - ₹15,000	20% of families	55% of families
Above ₹15,000	5% of families	35% of families



Results and Discussion: The "Tangi Model" Analysis
 The empirical data collected from the Tangi-Choudwar block indicates a structural shift in rural social relations. The findings are categorized into three primary impacts: Economic, Social, and Psychological.

1. Economic Impact: From Subsistence to Surplus
 In Tangi, the most significant change is the diversification of income sources. Traditionally, households were dependent on rain-fed agriculture.

- **Income Diversification:** Post-SHG intervention, 65% of households reported having more than two sources of income (e.g., Poultry + Tailoring).
- **Credit Accessibility:** The reliance on informal moneylenders (Sahukars) has dropped from 82% to 12% among the surveyed members.

- **Asset Building:** 40% of the respondents in Tangi have used SHG profits to purchase productive assets like sewing machines, specialized fishing nets, or small transport vehicles.

Economic Status Before and After Joining SHGs		
Economic Indicator	Pre-SHG Status	Post-SHG Status
Avg. Monthly Income	₹4,500	₹16,200
Savings Habit	Irregular/None	Monthly (avg. ₹200–500)
Institutional Loans	8% accessed	94% accessed

2. Social Impact: The “Power of the Collective”
 we look at how the “status” of women has changed in the Tangi-Choudwar community.

Decision-Making Power: The study used a Likert scale to measure “Autonomy.” 88% of women now have a final say in their children’s education and healthcare spending.

Political Participation: In the Tangi block, SHG members are the most active attendees of the Gram Sabha. Interestingly, 15% of our respondents have held or contested for a local political office (Ward Member/Sarpanch).

Community Leadership: SHGs in Tangi have taken up social causes, such as campaigning against illegal liquor sales and promoting sanitation (Swachh Bharat) in their respective Panchayats.

3. The “Digital Divide” Paradox
 A unique finding of this study is the gap between “Ownership” and “Utilization.”
Smartphone Penetration: 92% of SHG members in Tangi own or have access to a smartphone.

The Usage Gap: Only 28% use these devices for business purposes (digital payments, checking market prices, or e-commerce).

The Barrier: The primary hurdle identified was not “cost,” but “lack of technical direction”—a critical area for future government policy.

Policy Recommendations: Strategies for Scalability
 Based on the empirical evidence gathered from the Tangi-Choudwar block, this study proposes a four-fold strategic shift to transition SHGs from “Micro-Savings” to “Macro-Enterprises.”

1. Institutionalizing the “Digital Sakhi” Model
 The “Digital Literacy Paradox” identified in Tangi (92% phone ownership vs. 28% business usage) requires an institutional fix.

2. Infrastructure for Value Addition
 Most SHGs in Tangi sell raw produce (paddy, raw fish, or vegetables), which yields low margins.

Proposal: Establishing Micro-Processing Clusters within the block. For instance, instead of selling raw fish, SHGs could be trained and equipped for vacuum-packed processed fish or dried fish products, targeting the Cuttack urban market.

3. Branding and Quality Standardization
 The “Market Rejection” faced by rural products is often due to a lack of certification.

Proposal: A dedicated “Mission Shakti Quality Lab” in the Cuttack district to provide fast-track FSSAI and AGMARK certifications for SHG products, coupled with professional packaging design support.

Conclusion: A Friendly Reflection on the "Silent Revolution"

In conclusion, the study of the Tangi-Choudwar block proves that rural development is not a destination, but a process of shifting power. Through the collective framework of Self-Help Groups, the women of Tangi have moved from the periphery of the economy to its very center. The data is clear: when a woman in Tangi earns, the village prospers. We see higher school attendance, better nutrition, and a more vocal democracy in the Gram Sabhas. However, for this "Silent Revolution" to become a "Loud Economic Success," we must bridge the final gap—the Digital Gap. As we move toward the vision of "Lakhpati Didis," the focus must shift from giving "Seed Money" to building "Global Brands." The women of Tangi are ready; they have the grit, the group, and the goal. Now, they just need the digital wings to fly beyond the borders of Cuttack.

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