

Micro-Entrepreneurial Growth and Micro-Credit Programmes (MCPs) in Odisha: An Inter-District Comparative Analysis

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Abstract: The importance of micro-credit and micro-entrepreneurship cannot be disowned in labour-surplus country like India vis-a-vis in state of Odisha where poverty and employment crisis have taken a volcanic shape, and created multiple problems both in socio-economic and socio-political lives. The informal sector, in the form of micro-enterprises, so long having deep attachment with rural economy has now become integral part of the economy of the state and the country due to overall change in economic scenario of the country. Odisha is no exception to it. So also, the impact is widely diverged. The governmental interventions for development of micro-entrepreneurship depends on various factors. The most important is the development which affects the awareness, knowledge and skill of the entrepreneurs for set up, stabilization, and growth of the micro-enterprises. The present research paper intends to assort the inter-district variances in the development as an impacting factor on developing the micro-entrepreneurship.

Keywords — Micro-Credit, Micro-Finance, Entrepreneurial Growth, Odisha, Puri, Jajpur, Keonjhar

I. INTRODUCTION

"The poor stay poor, not because they are lazy but because they have no access to capital."

Poverty is a social phenomenon in which a section of the society is unable to fulfill even its basic necessities of life in a sustained manner. When a substantial segment of a society is deprived of the minimum level of living and continues at a bare subsistence level, that society is said to be plagued with mass poverty. Poverty is a vicious cycle. Planning Commission used different scales to measure poverty in different times. As per uniform recall period (URP-using 30 days data for all items) 28.3% of rural population and 25.7% of urban population was below poverty line in 2009-10. The corresponding figures obtained from MRP (Mixed Recall Period) was 21.8% in rural areas, 21.7% in urban areas and 21.8% as a whole. While on income basis, poverty in India is 30%, i.e. in terms of Capability Poverty Measurement (CPM), as per under UNDP 2004 report, called HDR including health, nutrition, literacy etc., with income and food, states them to number of these capacity derived poor go up to 61.5%.

The causes of poverty and deprivation are complex and multidimensional. They involve among other things culture, climate, gender, markets and public policy. Lack of capital followed by institutional credit has been considered as one of the major constraints to the poor to come out of the vicious circle of poverty, after the failure of agriculture-

based livelihood. Even after 50 years of independence there is no proper banking system to meet the credit needs of the poor. At the government level attempts like introduction of cooperatives followed by nationalization of commercial banks and opening up of regional rural banks were made with a view to reach the benefits of institutional credit to the poor. Providing affordable credit to the poor has been recognized as a prime component of development strategy from a long time. Many schemes and resources have thus been devoted to the provision of credit targeted at the poor. Such credit is provided on subsidized terms. In order to give a new approach to poverty eradication or livelihood financing, the NABARD had introduced the "Self Help Group" in 1992, which is generally treated as finance to a tiny group. This approach, in other words, is called "Micro Finance / Micro Credit", which is a recent buzzword for all the livelihood programs launched so far.

II. STATEMENT OF THE PROBLEM

Poverty in India has been a part of the policy debate right from the First Plan Period with the primary focus being on sustainable livelihood development. Poverty eradication was tackled through a focus on sustainable livelihood and through developing micro-enterprises and sustainable employability. While social services such as health and education provided for the poor population, there remained a concerted focus on rural India in the Five-Year Plans; micro-credit for a sustainable entrepreneurship was not

recognized as a concern in the initial plan periods. The change towards it was seen from the VII Plan Period onwards (1985-1990) with attention to credit diversification, financial inclusion, infrastructure, environmental improvement and livelihood promotion. Subsequent plans have steadily increased the allocation for entrepreneurship development, livelihood development and poverty alleviation. Most significant is the recent emphasis on micro-credit evidenced through the allocation under the 10th Five Year plan which has continued since then.

Poverty reduction is an important goal of the Indian policy. It is necessary to view entrepreneurship development and micro-credit as distinct from poverty and not as mere transfer of poverty into a sustainable livelihood option. The Ministry of MSME, RD and HUPA, GoI currently runs various major programmes that are targeted towards development of micro-entrepreneurship, poverty reduction and improving the access of the poor to basic services and sustainable livelihood. These include the NRY, SJSRY, PMRY, SGSY, JNNURM; IHSDP and RAY etc. The success story of these programmes depends on two notions – micro-finance and micro-enterprises. All the livelihood development programmes are based on providing a financial or capital base through micro-financing and group financing services to the underprivileged to develop their income and ultimately eradicating poverty.

Odisha is one of the poorest states of the country. According to Planning Commission's estimate based on MRP Method, the incidence of poverty in the state continues to be relatively high (39.9 per cent in 2004-05). Endowed with wide coastline, huge mineral reserves with precious metals, abundant forest resources, rich culture, tradition and maritime heritage, the state is wading through poverty, hunger and lagging behind all other states in all most key indicators of human developments viz. literacy, maternal mortality, enrollment to education etc. All most 60 per cent of the population of the state depends upon agriculture and allied activities for their livelihood. On the other hand, the contribution of this sector to the State Gross Domestic Product (SGDP) is less than 30 per cent. Lack of adequate farm infrastructure, inadequate irrigation facilities, low capital investment, lack of modernization, regular natural calamities are not only affecting the contribution of this largest employer but also influencing the socio-economic development of rural poor. Moreover, it is very much needed to strengthen the farm sector and to shift focus to non-agriculture sectors including the employment potential MSME sector.

During recent years, the pressing need is to boost rural and small enterprises in rural areas of the state, the Micro, Small and Small Enterprises (MSMEs). The number of MSMEs of the state has been increasing over the years. However, the cottage industries of the state exhibit a

declining trend both in term of numbers and as well as employment generation. One of the major problems that the MSMEs facing in the state is poor capital formation. So far as institutional finance to MSME is concerned, the participation of Commercial banks is very poor. Among commercial banks, the private sector banks hardly advance any loan to small industries sector. Even the role of public sector banks is limited. By the end of 2008-09, the share of advance to MSMEs by the commercial banks to the total bank advances is estimated to be only 8.5 per cent. To provide the benefit of institutional credit to the poorest and marginalized sections of the society, the SHG-Bank linkage programme started in the year 2000-01. BY the end of 2008-09, 61384 such groups with 6.5 lac members have been organized. Credit support to the tune of Rs106.77 crore has been provided to 37,826 groups. Micro finance in the form of SHG-Bank linkage programme has been proved to be very much successful and proved to an alternative means of finance to rural entrepreneurs.

While tapping the full potential of entrepreneurship is a challenge in itself, the entailing problems of livelihood development are major stumbling blocks to development of the state. To be in a position to analyze and understand the system, its pros and cons, there is a need for a holistic approach which gathers a wholesome understanding of the current scenario, the factors which instrumentalised such a setting, their long-term intentions and their de facto outcomes. The multidimensional nature of poverty in Odisha calls for a paradigm shift in the approach to its reduction e.g., from need-based approach to right-based approach, which calls for a different strategy and that can be appropriately targeted, that involve community participation and that are innovative in their design and approach while implementing the livelihood development schemes for the poor, through a credit base for development of entrepreneurship.

The new paradigm of unsecured small-scale financial service provision helps poor people take advantage of economic opportunities, expand their income, smoothen their consumption requirement, reduce vulnerability and also empowers them. But the micro-credit is not the only player which impacts the development and growth of micro-entrepreneurship among the rural poor in the state of Odisha. Other factors which influence the development and growth of the enterprises and entrepreneurship are the business environment present, prevailed socio-economic conditions, availability of infrastructural facilities, attitude, awareness and exposure of the population to the market economy, banking outreach etc. These factors differ from district to district and area to area. But a single "all-inclusive approach" for a multidimensional problem in Odisha has not be a solution. Thus, a study of diversity with respect to the micro-entrepreneurial ambience among the districts is a necessity to trace down the area-based

approach for an inclusive growth.

III. LITERATURE REVIEW

Microfinance sector has traversed a long journey from micro savings to microcredit and then to micro enterprises and it has now entered the field of micro insurance, micro pension. Financial institutions in the country continue to play a leading role in the microfinance program for nearly two decades now. They have joined hands proactively with informal delivery channels to give microfinance sector the necessary momentum. A number of field researches have been conducted by various agencies to study the impact of microfinance on socio-economic aspects of the beneficiaries.

Financial capital is a significant component in self-employment and contributes in important ways to entrepreneurial preparedness. The new development paradigm of bottom-up approach ensures that micro-credit is made available to the low-income households. It is on record that micro-credit programmes contribute positively to the development of the low-income households at the micro level in several ways. Micro-credit programmes create employment opportunity, increase productivity, provide economic security, improve nutritional and health status and improve housing conditions for poor households in particular (Hulme & Mosley 1998).

Poor are minorities who are critically affected when formal financial services to the underprivileged fail. It should precipitate various ranges of informal, society dependent economic arrangements to counter such pressing financial situations (Duranni et al, 2011[1], Abiola and Salami, 2011[2], Garry et al, 2013[3]). Hence, in the last few years, rising amount of the formal sector organizations (non-public, public and the private) have been established with the aim of meeting those obligations (Brau and Woller, 2004[4]). Such phenomena lead to growth of micro-enterprise financing universally as informal and formal arrangements offering financial services to the poor in the community. Concept of micro-enterprise funding has been observed by various stakeholders. Nonetheless, this seems to be in the shadows as a result that the well-organized financial systems predate them (Anderson et al, 2010[5], Altay, 2007[6], Garry et al, 2012[7]).

A serious global effort was only seen in the last four decades to formalize financial service provision to the poor with particular focus on women. This process began in earnest around the early to mid-1980s and has since generated aggressive force. Currently, numerous numbers of micro financing institutions (MFIs) providing financial services directly and indirectly to an estimated 100 - 200 million of the world's poor exist, so as the livelihood developmental schemes or programs by the developing and developed countries. This system of enterprise financing

began as grass-roots movement encouraged mostly by a development paradigm.

With time, it is emerging into a universal sector informed increasingly by an economic mechanism. The evolution of the micro-enterprise finance sector represents a substantial achievement taken within historical dimension (Christenet.al, 1995[8], Bruton et.al, 2011[9]). It has overturned established ideas of the poor as consumers of financial services, shattered stereotypes of the poor as not bankable, and spawned a variety of lending approaches showing that it is possible to provide cost-effective monetary services to the poor for an inclusive and all-round development. (DFID, 2008[10], Sinclair, 2012[11]).

Targeting most of the livelihood development programs in India at poor population is with the aim of providing access to financial services. Suitable programs can have a strong, positive impact on poor's empowerment and entrepreneurship. It could achieve this by giving them more chance about owning more assets, giving a more active role in social decisions, and increasing investment for the future of family well-being (Srinivasan, 2010[12], Dos Santos, 2008[13], Khavul et.al, 2013[14]).

Grameen Bank, is a replica which widely demonstrates that small loans to the disadvantaged people in the society can be a success story. It liberates the poor to earn their way out of poverty. Some researchers believe that some of the benefits of MF reached the disadvantaged classes in the society by developing micro-entrepreneurship (Mair, 2012[15], Duvendack and Palmer-Jones, 2012[16]) although some school of thought argue otherwise. (Mustafa and Saat, 2012[17], Eissa, 2013[18], Cramer et al, 2008[19], Arunachalam, 2011[20]).

In its infancy, microfinance through the developmental programmes had a diversified growth and multiplicity of impacts, geographically. Yunus [21] explained that the Grameen Bank methodology was almost the reverse of the conventional banking approach but the impact is very much diversified and varied as per the geographical variation. (Deaton, 2010[22]).

Livelihood program participation had a positive impact on enterprises that were typically small, labour intensive and growing, although the impact was far from uniform across sectors and target variables. As a matter of fact, borrowers who were able to obtain two loans experienced high growth in profits and household income compared to a control sample, but borrowers who never qualified for the second loan were actually worse off due to MFI collection mechanisms (Kevane and Wydic, 2001[23]). Upward class structure mobility increases significantly with access to credit. Dunn identifies the better performance of program clients' enterprises compared to non-client enterprises in terms of profits, fixed assets, and employment (Mosley and

D. Hulme, 2008[24]).

A study of six microfinance programs in Africa found substantial qualitative evidence that targeting microcredit to the poor and to poor women in particular, enhances human capital through increased expenditure on consumption and education and related improvements in health. In all the cases studied microcredit was found to have had a positive impact on measures of welfare, with women beneficiaries tending to attach a higher value to the concept of well-being but at a varied degree with respect to sex, age and geography (Meyer, 2002[25]).

A good number of studies have been conducted to evaluate the impact of micro credit programmes on poverty reduction, driven partly by the donor community's needs to establish whether these programmes have been successful in meeting the poverty reduction targets. Hulme and Mosley (1996) [26] examine the impact of micro finance programmes on income and poverty through the effects on productivity, technology, and employment. Sharma et al. (1999) [27] analyse the impact that microfinance programmes might have on food security. Cohen and Sebstad (2001) [28] examine the effects of the programmes on the risk management strategies of poor households, which affect the degree of their deprivation and vulnerability.

The most widely cited series of studies on gender-differentiated and geographically-differentiated impacts of micro finance, and one that takes special care to control selection bias, was conducted by the World Bank (1992) [29] based on data collected during 1991-92 from 87 villages in Bangladesh. The study found that welfare impacts on the household were significantly better when borrowers were women. It was also found that the impact varies according to the educational qualifications, awareness level and exposure, topographic backgrounds and market development.

IV. OBJECTIVES OF THE STUDY

With above backdrop, through the present research, an attempt has been made to analyze the process of development of entrepreneurship through the micro-credit in the state of Odisha. This study also analysed the varied role of micro-credit in developing the entrepreneurship in three sampled districts, viz., Koraput, Puri, and Jajpur.

The major objective is to study the impact of the success of micro credit programmes in promotion of micro entrepreneurship in Odisha and to trace out the presence of any inter-district variations.

V. METHODOLOGY

The present study is based on the following hypothesis.

• H_0 : There has no differences with respect to impacts of the success of micro credit programmes on entrepreneurial development across the districts under study.

For the present study the Puri, Jajpur and Koraput districts of Odisha were purposefully selected. The causes for selection of these three districts are - the Puri is urban dominated as 42.41% of population, a developed region of the state but in contrast the Jajpur district is village dominated developing district as 74.39% of the population are rural dwellers and a rapid urbanisation is going on, whereas the Koraput district is the most underdeveloped district in the country and a part of the infamous KBK districts. Apart from the composition of the three districts, the similarities of these districts are they are very rich in indigenous knowledge and skill with highly skilled manpower in utilizing the age-old crafts and skills for livelihood.

A panel of 150 entrepreneurs (50 each from three districts) were covered under the present research from whom information had been collected, after testing reliability and validity of the data collected. Those 150 sample entrepreneurs, have been engaged in the MEs from the universe consisting of the beneficiaries covered under the various livelihood development programmes. Toward the end of the preliminary field research, a draft questionnaire was formulated and pilot tested. The draft questionnaire was based on a format that had been developed and tested previously for the AIMS study, assessing the Impacts of Microenterprise Services (AIMS) Project as part of the Microenterprise Innovation Project. For most of the common questions, context-specific data categories and context-specific questions were added to the base questionnaire.

Analysis of the data for both rounds of the survey (2010 and 2017) followed the core AIMS data analysis plan. This called for a set of descriptive tables for data from Rounds I (2010) and II (2017), plus two types of statistical analysis - gain score analysis and ANOVA. In addition, other forms of cross-section and longitudinal analyses were carried out. The quantitative analysis tested the core hypotheses about impact of MCPs on the entrepreneurship which is reflected through various variables. For each of these hypotheses, some impact variables were defined. The most potent statistical test undertaken, the analysis of variation (ANOVA) took into account the possibility that the relationship might be influenced by other factors, known as moderating variables. The data interrelationships by capturing the differences in change categories based on various feature variables will be tabulated and analyzed by using various advanced statistical tool and techniques. The ANOVA and Gain Score Analysis were used to map the pattern of changes and draw a cohesive conclusion from the emerging pattern of changes in the impact.

VI. ANALYSIS AND FINDINGS

The analysis had aimed to study the null hypothesis that "there has no differences with respect to impacts of success

in micro credit programmes (MCPs) on entrepreneurial development and across the districts under study”.

The analysis of success of MCPs in different districts in Odisha were made on the basis of three factors viz. the loan amount disbursed, numbers of entrepreneurs availing loans, and the loan repayment figures (both amount and numbers). It is presumed that the success rate of the MCPs depends on the basis of the loan disbursement and repayment statistics as the entrepreneur is only being able to make the repayment of the loan only when he will be successful in his venture. The table -1, below, has provided an insight into the success rate of MCPs of the three selected districts from analyzing the statistics for last 10 financial years starting from 2008 to 2017. The table depicts that maximum loan disbursement and the number of entrepreneurs to whom loans disbursed is made by the most developed district Puri, followed by Jajpur and then Koraput district. The ANOVA too also proves the difference of success in MCPs among three districts.

Table: 1: Performance of MCPs in Sample districts during 2008-2017

Districts	MCP -Loan disbursed (in Rs. Crores)	No. of Loanee Entrepreneurs	% of loan repaid
Puri	111.35	71,792	63.29%
Koraput	76.92	51,119	38.91%
Jajpur	99.93	56,002	56.98%
Success of MCPs among Districts across FYs - ANOVA			
Factors	Koraput vs Puri	Koraput vs Jajpur	Puri vs Jajpur
MCP - Loan disbursed	Sig.	Sig.	NS
No. of Loanee	NS	NS	NS
Loan repayment	Sig.	Sig.	NS

Sources: Annual Reports MSMEs, 2008 to 2017

The present research agenda hypothesizes that microcredit programmes (MCP) have impacts on the entrepreneurship i.e., impacting the variables - the revenues, fixed assets, employment, and transactional relationships (with both suppliers and customers) of the enterprises. For most micro-credit programmes, the first place one would expect to find impact is in the primary microenterprise operated by the beneficiaries. It would normally be expected that an effective MCP would raise the revenues, fixed assets, and employment of that particular microenterprise. The direct outcome leads to various indirect impact variables.

It is presumed that if entrepreneurship development grows, the impact is reflected through the direct impact variables and that lead to positive impact on the indirect

outcome variables. The indirect outcome variables like household Income, diversified income of the HHs, expenses for housing, expenses for other assets and adaptation of superior coping strategies which had also been tested to analyse the impact of MCPs in the growth and development of entrepreneurship and district-wise variance in the study areas of Odisha. The inter-period and inter-district study results had been analysed to find out the impact of MCPs on the growth of entrepreneurship development over time in the study areas, as well as to trace out the presence of inter-district variance. The summary sheet of the analysis has been manifested as under, through table -2.

1. Analysing the average monthly revenue of the micro-enterprises (MEs), variation between two survey periods, 2010 and 2017 shows a significant growth due to the intervention of micro-credit programmes (MCPs). The Gain Score Analysis shows a non-significant difference among the districts which indicated that a constant growth opportunity has prevailed among the study areas. A bit higher percentage of growth was observed in Koraput district in comparison to other districts due to maximum GO and NGO intervention are seen in Koraput district in comparison to other two districts.

Table: 2: Summary of the Statistical Analysis for testing the Hypothesis

Variations → Parameters	R-I vs. R-II Survey	Koraput vs Puri	Koraput vs Jajpur	Puri vs Jajpu r
Average Monthly Revenue	Sig.	NS	NS	NS
Average Monthly Profit	Sig.	Sig.	Sig.	Sig.
Fixed Asset	Sig.	Sig.	Sig.	NS
Weekly Average Employment Hour	Sig.	NS	NS	NS
Person-days worked in a month	Sig.	NS	NS	NS
Relation with Superior Suppliers	Sig.	Sig.	Sig.	NS
Relation with Superior Customers	NS	NS	NS	NS
Savings (Absolute)	Sig.	Sig.	Sig.	NS
Savings (Deflated)	Sig.	Sig.	Sig.	NS
Loan Used for Business Purpose	Sig.	NS	NS	NS
Annual Average Loan	Sig.	Sig.	Sig.	NS
Loan Repaid	Sig.	Sig.	Sig.	NS
Record Management	Sig.	NS	NS	NS
Household Income	Sig.	Sig.	Sig.	NS
Diversified Income	Sig.	Sig.	Sig.	Sig.

of the HH				
Expenses for Housing	Sig.	Sig.	Sig.	Sig.
Expenses for Other Assets	Sig.	Sig.	Sig.	Sig.
No. of loans Vs. Expenses	Sig.	-	-	-
Adaptation of Superior Coping strategies	NS	NS	NS	NS

Source: Primary Data from 2 rounds of survey in 2010 & 2017, and analysis thereafter.

2. The propensity of profit growth of the micro-enterprises under study shows an identical trend as shown by the revenue figures during the two rounds of survey. The average monthly profit grew from Rs.1.12 thousand to Rs. 3.93 thousand with a growth of 254.16% as compared to the growth of revenue at 128.125%. Inter-district variation among the three districts under study are very much significant. Koraput district disclosed a growth figure in average monthly profit, as calculated over a figure of 5 years, at 227.45% whereas Puri and Jajpur district registered a growth of 283.33% and 237.72% respectively.

3. The analysis of variation among three districts with respect to acquiring of fixed assets shows a very interesting phenomenon. The growth variance between Koraput and Puri, and Jajpur and Koraput are statistically significant whereas the difference between Puri and Jajpur is not statistically significant. This difference indicated that the entrepreneurs in Puri and Jajpur had used their loan, profit and revenues in the business to increase the fixed assets whereas the Koraput entrepreneurs did not reinvest the profit as much as their counterparts did. Lack of diversified income opportunities and exposures to outside market are the major causes for these variations.

4. The growth in the employment during last five years across the districts has more than 44% to 87.78%. The ANOVA suggests, however, that being a beneficiary of MCPs boosted employment creation for the members of the family and for others too. Though the timeline shows a significant change in employment generation but the district level variances are statistically insignificant. The causes of the insignificance difference are due to the major fact that the MEs under study are so very small units to absorb more manpower other than himself and their family members. Majority of the MEs are either seasonal or dependent on the non-regular employees.

5. It is concluded that borrowing from MCPs helped to develop improved transactional relationships with the superior suppliers (wholesalers, manufacturers, and middlemen / intermediaries) rather than non-superior suppliers like individuals or households and retailers. But it

is found that they do not have a significant relationship with superior customers like retailers, wholesalers, middlemen or intermediaries, government offices, and private offices. Analysing the inter-district statistics, it is found that no statistically significant variance among the districts with respect to the relationship with the superior customers. But ANOVA found a statistically significant difference among the Koraput entrepreneurs with Puri and Jajpur but the inter-group variance between Puri and Jajpur is not significance with respect to the relationship with superior suppliers. This phenomenon of variance is basically attributed to the factors like availability and development of organised trade among the suppliers and accessibility to developed infrastructural facilities.

6. The ANOVA accepts the alternative hypothesis that due to the MCPs intervention the loan fungibility has been decreased and the loan used for business purposes has been increased significantly as it depends on various factors. The analytical tests were able to establish that use of MCPs' services leads to superior saving habits and they were showing positive impact on loan diversification or fungibility. But the ANOVA testified the variations among the districts and found a non-significant variation.

7. The analytical tests were able to establish that use of MCPs' services leads to superior subsequent loan disbursed and repaying capacity of the entrepreneurs under study. The variance test among the districts indicated a statistically significant change is present among Koraput and Puri, and Koraput and Jajpur whereas there is no significant change among Puri and Jajpur, as per ANOVA. The attributes which leads to such variance are – good business growth, exposure to market conditions, banking and NGO operations, appropriate control mechanism by the govt. and NGO etc.

8. The membership of MCPs leads to a significant increase in keeping various financial and operational records, within a span of 5 years (from 23% to 89% in average). But due to lack of technical; knowledge and illiteracy, the district level variance shows an insignificant difference.

9. Participation in MCPs' financial services were positively related to growth of HH income (increase of 187.09%). Those who borrowed more times had higher average HH incomes (193%) than those who borrowed fewer times (156%). The ANOVA provided that there is a significant difference existed between Koraput and Puri and Koraput and Jajpur whereas the variance between Puri and Jajpur is not statistically significant. This trend is alike to the trend shown by the statistics of average monthly income of the micro-enterprises. The advantage of the higher income of MEs has transferred to the growth of HH income and ultimately, a positive change in the lifestyle.

10. Borrowing from MCPs had increased the income from the diversified sources (more than 8 times than the round – I survey) though the income is not a significant part of the total household income. The scope of diversification of trade in Puri district (4 times) is comparatively less as the diversified trades are crowded with the competitors. Jajpur district (more than 9 times) is generally a developing district pre-dominated with villages and the scope of diversification is higher due to lesser competition in the market. Again, poor strata of Jajpur and Koraput district is also provided with livelihood assistances and a vigorous evaluator practices by the NGOs under government sponsored livelihood development and poverty eradication schemes and programmes. The ANOVA also provided a significant difference among all the districts with respect to the diversification of trade among the responding entrepreneurs.

11. It is found that repeat borrowing has raised expenditure on housing improvements (+159.56%), especially by respondents who had borrowed five or more times. The increased purchases of appliances and transport vehicles in Round II (+121.58%) were strongly associated with MCP membership. The repeat borrowing did have a significant impact also. ANOVA also provided a significant difference among all the districts with respect to the expenditures for housing and expenditures of housing asset among the responding entrepreneurs. The inter-district variation is also significant among all districts as due to variation in attitude of the respondents, the scopes and availability for developmental avenues and availability of disposable income with them.

12. To analyze household responses to financial shocks, we divided these strategies into two groups: those that involve the household in the sale of productive assets (known as Stage 1 strategies) and those that do not (Stage 2 strategies). Improvement in households' ability to cope with shocks was defined as an increase in the percentage of households that relied on Stage 2 strategies and did not have to resort to Stage 1 strategies. In Round I of the survey, about 75% of respondents reported having experienced at least one significant financial shock during the past two years. 20% of the sample had confronted with two or more shocks during that period. In Round I, the great majority of respondents in all groups stated that they were able to cope with their worst financial crisis through the use of Strategy 1 alone. These differences, which were significant in a chi-square test, left 22 (14.67%) households that needed to employ Strategy 2. In Round II, the overall percentage of households using Strategy 2 only rose from 14.67 per cent to 72.00 per cent. Thus, there is some indication that MCPs benefit improves a client's ability to cope with financial crises, but the evidence is not robust. The current risk management instruments of these households are clearly inadequate. No amount of borrowing on unfavourable terms or insuring through reciprocal systems can

compensate for the lack of access to formal sources of insurance, mortgages, education loans, pensions, and more. As a result, many of the sample households remain in debt.

VII. SUMMARY OF THE FINDINGS

The success of the MCPs of the three districts are varied from each other with respect to the amount of loan disbursed, number of entrepreneurs and the percentage of repayment of loans. The MCPs has a significant positive impact on the development of the micro- entrepreneurship in the study areas, which was proved through the study of literatures. A positive growth in economic front, both at enterprise level and household level, has been clearly established and proved by the analysis of the primary data collected from the responding entrepreneurs from the three districts. A statistically significant inter-district variance has also been experienced in majority of the crucial factors responsible for the development and growth of the entrepreneurial activities in the three sample districts. Thus, it can be inferred that the success of MCPs is responsible for the growth of the micro-entrepreneurship in various districts of Odisha.

VIII. CONCLUSION

It is evident there is no single solution to the challenges at hand for eliminate poverty and social exclusion of the poor masses in India. The development of entrepreneurship is not the only panacea to enhancing a sustainable livelihood for the women, the most vulnerable among excluded. Various initiatives taken by the Government of India like Micro-Credit Programs (MCPs) could prove to be useful for micro-entrepreneurship, capital formation, employment generation, enhanced savings, skills development, placements, asset building, enhanced life style, sheltered employment, microfinance, reservations and so on and so forth. This also depends on the resource availability and related aspects as long as these all promise better access and none or minimal barriers coupled with non-discriminatory and positive attitudes leading towards the creation of an inclusive society that will benefit not only the women but the society at large.

Despite many variances present with respect to the impacts of the Micro-Credit Programmes (MCPs) among the districts of Odisha with different business ambiances and socio-economic variability, micro-entrepreneurship somehow has made a successful breakthrough in reaching its predefined objectives. It happened because of the easiness in availability of funds for long-term and short-term capital needs, appropriate market for the finished goods and services, and close supervision and follow up actions by the intervening agencies. However, there is a long way to go. Thus, it is pertinent to further gear up the activities of the MCPs for the sake of poverty alleviation and also to deal with other socio-economic issues, posing as

a hindrance.

The very notion of entrepreneur has changed over time. The classical economists considered the entrepreneur, essentially in relation to risk and profit. The entrepreneur uses the factors of production to obtain a profit against the risk involved in the process. While liberalisation is exposing the MSME units increasingly to market competition, globalisation is intensifying the market competition. The only way for these units to withstand competition is to improve the productivity and quality, and to reduce the costs given higher qualities. This means substantial improvements in the various dimensions of technology, namely, transformation (mechanization), organisation and information, which is known to be dependent primarily on the scale of operation. The existing policies on small scale units created perverse incentives to remain small and operate in an isolated manner. It is high time that policy measures be revamped so as to encourage the growth of small units through collective efforts with a time sustained manner. The "one approach for all" policy is to be revamped and reassessed to be replaced by a multi-dimensional policy basing on varied demographics and topographies.

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