



## A Case Study

# A micro level study of TRIPTI programme: A case study in Cuttack district of Odisha

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**ABSTRACT :** Odisha is the state where villages are located in rural areas with little connectivity and extremes of seasonality and dominated by 37 per cent of small and marginal farmers with high level of unemployment. And as development approach Microfinance has evolved to benefit the socially and economically underprivileged facing difficulty in accessing institutional finance. It is particularly attractive as a tool to help the poor, since it is widely seen as improving livelihoods, reducing vulnerability, and fostering social as well as economic empowerment. TRIPTI stands for “Targeted Rural Initiatives for Poverty Termination and Infrastructure”, an IDA (World Bank) assisted livelihood project being implemented by Orissa Poverty Reduction Mission (OPRM) under Panchayati Raj Department in the state of Odisha. TRIPTI focuses mostly on institutional building (Promotion and strengthening of SHGs and their federation) and the livelihood options of the community with the participation of all types of stake holders. For the further refinement of the programme, an understanding about the extent of people participation has studied by using binary logit model to primary data. An attempt to evaluate the performance of TRIPTI in terms of access to finance revealed that TRIPTI membership was having significant influence upon access of credit. As TRIPTI programme was found having significant influence upon credit access, it is to appreciate the factors influencing participation in TRIPTI which hence forth revealed the significant role of education and good extension contact through binary logit model.

**KEY WORDS :** Micro level study, Panchayati Raj, Unemployment

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## INTRODUCTION :

SHG movement in the State will be strong when it collaborates with civil society and the voluntary sector. While NGOs pioneered this movement in the State, the Government has since come forward to strengthen existing SHGs and develop new ones. SHGs are now recognised as a viable means for socio-economic development for the rural poor (Anand, 2002). As in other

states in India, SHGs are the predominant mode of microfinance in Odisha. SHGs are promoted by several agencies under several programmes. Based on all-India data, Odisha ranked fourth in year 2004 as well as in year 2005 in terms of SHGs that have successfully accessed bank loans (Orissa Poverty Reduction Mission, 2010). Even though State allocates a substantial portion of planned budget towards umpteen number of rural development programmes but the projects have not

delivered expected results so far in terms of upliftment of living standard of people (Chathukulam and John, 2002). TRIPTI, a World Bank assisted rural livelihoods project, aims to reach to all the unreached women in the nook and corners of the project area and strengthen them by giving various options of livelihood support through dedicated handholding institutional structures (World Bank, 2013). The programme activities in the initial phase have shown fantastic results, particularly in the participatory identification of the poor households, bringing the uncovered women in to the SHG fold and federating them into Cluster Level Forum, GP Level Federation and upwards (Das, 2013).

It is hoped that TRIPTI programme would be able to reach the goal of enabling all the poor households in the project area to access gainful employment and skilled wage employment opportunities, resulting in a perceptible improvement in their sustainable livelihood options. (Access Development Services, 2009) One of the important objectives of the project was to help capacity building of the existing and the new Groups to be formed to take up income generating and enumerative economic activities by providing them the necessary technical support, market and credit linkages and it also had special focus upon women and extremely poor vulnerable groups. So the study was conducted to analyse the micro level performance of TRIPTI programme in Cuttack district of Odisha.

## MATERIALS AND METHODS :

Micro level analysis using binary logit was done in terms of credit access and finding the factors affecting membership in TRIPTI programme. Primary data was collected from two blocks of Baramba and Narsingpur blocks of Cuttack district of Odisha with 120 sample size.

### Binary logit model:

Participation in TRIPTI programme may be influenced by several factors like age and education of the farmer, holding size and access to institutional credit, irrigation, cropping pattern, infrastructure etc., perception of farmers about programme and the characteristics of the programme itself. To examine these factors, the following Binary logit model would be used.

$$Y_i = \ln \{P_i / (1-P_i)\} = b_0 + \sum b_j X_{ji}$$

where,

$Y_i$  = Participation in TRIPTI programme

$X_{ji}$  =  $j^{\text{th}}$  explanatory variable for the  $i^{\text{th}}$  farmer,

$b_j$  = Unknown parameter (age, education, gender, family size, caste, membership, distance from bank)

$j = 1, 2, 3, \dots, n,$

$n$  = Total number of explanatory variables.

## RESULTS AND DATA ANALYSIS :

The results obtained from the present investigation as well as relevant discussion have been summarized under following heads :

### Micro level performance of TRIPTI programme and factors influencing participation in the programme:

Binary Logit model was employed to understand the 1) performance of TRIPTI at micro level and 2) to understand the factors influencing TRIPTI membership.

The dependent variable being binary took a value of 1 for TRIPTI members and 0 otherwise.

Since membership in TRIPTI was assumed to favorably impact on access to credit, the scheme being primarily a microfinance initiative, TRIPTI membership along with other possibly relevant factors were regressed upon access to finance using logit model. Logit model was fitted with access/non-access to finance as the regressand and age, family size, operational holding size as quantitative regressors and education, TRIPTI membership as categorical regressors. Logit model (Table 1) was used to find out the performance of TRIPTI programme. The model satisfied the convergence criterion and gave a good fit as indicated by highly significant likelihood ratio. The co-efficients estimated indicated that effect of one unit change in a variable on the log odds ratio of availing institutional loan. The odds ratio indicated ratio of the probability of availing loan to not availing unit value of the corresponding independent variable.

Age variable showed negative co-efficient of estimate but was found to be insignificant. Education and operational holding size have positive and significant relationship indicating that with increase in either of them, odds ratio, *i.e.* probability of availing loan to not availing loan increased. Family size as against the *a priori* hypotheses showed insignificant negative co-efficient of estimate. The probable reason can be the presence of greater number of members in the family which would

**Table 1 : Logit model to assess influence of TRIPTI membership upon credit accessed**

| Explanatory variables | Maximum likelihood estimate | Standard error | Odds ratio |
|-----------------------|-----------------------------|----------------|------------|
| AGE                   | -0.26                       | 0.18           | 0.74       |
| FAM                   | -1.59                       | 1.22           | 0.08       |
| OH                    | 1.22***                     | 0.01           | 3.38       |
| EDU                   | 0.84**                      | 0.32           | 2.3        |
| TRI membership        | 0.28***                     | 0.03           | 1.46       |
| No. of observations   | 120                         |                |            |
| Likelihood ratio      | 140.33***                   |                |            |

\*\* and \*\*\* indicate significance of values at P=0.05 and 0.01, respectively

**Table 2 : Logit model to understand factors influencing participation in TRIPTI programme**

| Parameter  | DF | Estimate   | Standard | Wald       | Chi-square | Odds ratio |
|--|----|------------|----------|------------|------------|------------|
|  |    |            | Error    | Chi-square |            |            |
| Intercept  | 1  | 15.8555    | 4.1481   | 14.6103    | 0.0001     |            |
| Age  | 1  | -0.2697*** | 0.0581   | 21.522     | <.0001     | 0.764      |
| Family size  | 1  | -0.5198    | 0.363    | 2.0499     | 0.1522     | 0.595      |
| Farm size  | 1  | -0.8205    | 0.5164   | 2.524      | 0.1121     | 0.44       |
| Education  | 1  | 0.6489**   | 0.2562   | 0.7249     | 0.0245     | 1.913      |
| Frequency of extension contacts (officials of TRIPTI programme ) | 1  | 1.229**    | 0.5065   | 0.8849     | 0.0369     | 3.418      |
| Distance   | 1  | -0.2545*** | 0.0709   | 12.8956    | 0.0003     | 0.775      |

\*\* and \*\*\* indicate significance of value at P=0.05 and 0.01, respectively

have increased the need for borrowing credit. TRIPTI membership which was included as a categorical independent variable expressed positively significant relation with access to finance thus revealing positive performance of TRIPTI.

The dependent variable being binary took a value of 1 for participation in TRIPTI programme and 0 otherwise.

Based on the results of the first model, TRIPTI membership was found significantly improving access to credit, another logit model was fitted for possible factors influencing members to participate in the the TRIPTI programme.

The *a priori* hypotheses about expected signs of explanatory variables are explained below:

The age (AGE) of the woman has come out to be shown significant and is inversely related to the participation, as younger women being more educated and rational, were expected to display a positive attitude towards participating in the programme. Education also was assumed to have a significant positive impact as it would persuade the women to leave the inner corridors of their household and enthusiastically participate in the market economy. Farm size was assumed to have a positive influence upon membership as the individual would require more credit to make investments as land

holding size increases and TRIPTI membership if found improving access to credit would be positively influenced by farm size. The effect of family size (FAM) shows significant positive impact as the bigger sized households require more income to sustain their livelihood and therefore, they will involve in enterprises. Consistent persuasion by TRIPTI officials was assumed to favour participation in the programme, whereas distance of TRIPTI office from the households was assumed to be significantly inversely correlated because reason probably may be, if TRIPTI office is far from villagers, women may not be aware of the programme and as a result its benefits and they wont show any willingness to participate in the programme.

### Conclusion :

TRIPTI is playing a catalytic role by lever aging funds from Banks and other financial institutions to provide multiple doses of credit to fulfil the individual rural household requirements both for productive as well as consumptive needs. Hence, an analysis of the performance of TRIPTI programme was attempted. Tabular analysis of macroeconomic secondary data revealed that 56 per cent of total targeted SHGs were formed within four years of its implementation and covered 65 per cent of eligible identified (EPVG)

Extreme Poor and Vulnerable Groups. An attempt to evaluate the performance of TRIPTI programme in terms of access to finance and also to appreciate the factors influencing participation in TRIPTI programme was attempted in this study. The micro level performance studied through binary logit accessed on primary data suggests that increase in the role of education and extension services will give a hopeful picture with positive results in Cuttack district of Odisha.

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