

Constraints Faced by the Members in Functioning of Self Help Groups in Punjab District

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ABSTRACT

In Punjab the concept of SHGs has gained a huge popularity. Many institutions such as government organizations, non-government organizations, farmers clubs, health workers and banks are using this approach to empower women socially, economically and politically. SHG have brought tremendous change in the life of women at grass root level. But it requires a lot more efforts on part of the government, NGOs as well as banking sector to promote SHGs in the state. In spite of the speeding number of SHGs, the full potential of SHGs remains unexploited due to some challenges faced by the members of SHGs. Therefore the present study was planned to know the challenges faced by the members of SHGs in Punjab in proper functioning of the groups. The findings of this study revealed that lack of training opportunities were found to be the most serious problem perceived by the members of self-help groups. It was followed by lack guidance and support from promoting agencies and limited opportunities for income generating activities. There is need to overcome these hurdles by providing appropriate training and guidance for smooth functioning of self-help groups.

Key words: Self help groups, Challenges, Training opportunities

INTRODUCTION

Empowerment can serve as a powerful instrument for women to achieve upward social and economic mobility and achieve power and status in society. It promotes socio-economic mobility, equality and emancipation, both at the individual and at the societal level. It is a very effective means of empowering the poor women (**Moinqazi, 2005**). Self Help Groups are a potential source to empower and encourage marginalized women to save and utilize savings to enhance self-reliance and confidence and provide greater access to and control of resources. These small groups based on mutually beneficial social and economic activities and help women to establish a common participatory platform to voice and solve their problems. (**Sunderraj, 2004**). These groups acted as a major source for providing social and material support to individuals, families and communities in times of need.

Punjab, being a rich state, different institutions such as government organizations, non-government organizations, farmers clubs, health workers and banks are using this approach to empower women socially, economically and politically. A growing number of poor people (mostly women) in various parts of India are members of SHGs and actively engage in savings (in term Thrift and credit), as well as in other activities (income generation, natural resources management, literacy, child care and nutrition, etc.). In spite of the rapid growth of self-help groups in Punjab, the full potential of utilizing self-help groups remains untapped. A study on Impact of farmers' group in Punjab reported that lack of training opportunities (71.86%), reluctance of the members to take leadership role (62.71%) and lack of unity among members were the main hindering factors at stabilization and self helping stage (**Khangjarakpam, 2013**). Looking at the vast potential, these constraints should not become impediment for better economic growth. Instead, identifying and understanding such

constraints will assist in determining the type of strategy to be adopted to deal these impediments.

Therefore the present study was planned to know the challenges faced by the members of SHGs in Punjab in proper functioning of the groups with the following objectives:

1. To examine the demographic profile of SHG members.
2. To identify the challenges faced by SHG members regarding various structural and functional aspects of SHGs.

REVIEW OF LITERATURE

Challenges are hindering factors or constraints faced by the members of self help groups. Irregularity in payment, saving, repayment of loan, lack of mutual trust, non-adherence to norms set by the group, co-operation among members were the basic problems faced by SHGs members was explored by (**Kumaran, 1997**). A study in Tamil Nadu by (**Sheela and Jayamala, 2008**) reported that most of the SHG women have been involved only in the micro credit savings. They were not properly facilitated through conducting periodical meetings, training programmes and awareness camps for their improvement. Their active participation in economic activities was very much limited due to the lack of adequate approach by the NGOs. Though the women have formed groups they had poor decision making capacity for their self-development. Due to lack of knowledge and education, people were not aware of self-help groups and its formation in the initial stages created lot of problems was explored by **Kumaran (2002)**. **Nirmala et al (2004)** in their study on SHGs in Pondicherry revealed that financial institutions did not give the loan to the groups in time. Some other problems faced by group were difficulty in getting raw material, competition from mechanized and better quality products and marketing. **Sinha (2005)** revealed that group leaders used their position to influence group decision in their favor. It was explored that they borrowed loan more than other members of group. A study conducted by (**Singh, 2011**) on the self help groups of Punjab and the data revealed that there was lack of training opportunities and limited opportunity for income generating activities as faced by 30 and 18 per cent of the respondents. Nearly 21 per cent reported that there was lack of guidance and support from the promoting agency. Lack of transparency in keeping records and irregularity holding meetings was reported by 6.67 per cent members. Further (**Das, 2012**) found major problem faced by the SHGs was delay in sanctioning the loan (21.33%) followed by poor response of authorities (18.67%), lack of administrative experience (18%), difficulty to approach the authorities (12%), inadequate loan amount (14.67%), and limited number of instalment (8%) and the problem of lack of cooperation among the members (7.33%).

METHODOLOGY

The study was conducted in two districts of Punjab state namely Ludhiana and Hoshiarpur which were purposively selected. The movement of formation of SHGs was observed to be more concentrated among few districts of the state like Fatehgarh Sahib, Faridkot, Hoshiarpur, Gurdaspur, Ludhiana and Jalandhar. Out of these districts, Hoshiarpur and Ludhiana were purposively selected for the present study, keeping in mind the convenience of investigator. The lists of SHGs were procured from District Rural Development Agency (DRDA) and Department of Co-operation of Ludhiana and Hoshiarpur districts. The officials who were associated with formation of SHGs from Department of Co-operation and District Rural Development Agency were selected for the study.. The SHGs formed after the year 2004 were considered for the purpose of the study. An equal number of SHGs i.e. 25 were selected from each district by proportionate

random sampling technique. Thus in total 50 SHGs formed the sample for the present study. A sample of 150 members was selected through random sampling technique. Three members from each SHG were selected at random. Thus a total sample of 150 members' i.e.75 from Ludhiana and 75 from Hoshiarpur was selected. The data were collected through personal interview technique using a semi- structured interview schedule. Each respondent was interviewed separately to avoid influence and interference of other responses. The data collected were analyzed by using appropriate statistical procedure such as frequencies, percentages and mean score.

RESULT AND DISCUSSION

1. Demographic profile of the SHG members

The demographic profile of the SHG members had been studied in terms of age, educational status, marital status, occupation of the family, position held in group, type of family, family size, caste, family income and motivational factor for joining SHGs,

Table 1 Demographic profile of the Respondents

| (n=150) | | |
|-----------------------------|-----|-------|
| Demographic Profile | No. | % |
| Age (years) | | |
| 18-25 | 7 | 4.67 |
| 26-35 | 71 | 47.33 |
| 36-45 | 61 | 40.67 |
| >45 | 11 | 7.33 |
| Educational status | | |
| Primary | 8 | 5.33 |
| Middle | 43 | 28.67 |
| Matric | 81 | 54.00 |
| 10+2 | 12 | 8.00 |
| Graduates/Degree holders | 6 | 4.00 |
| Marital status | | |
| Married | 138 | 92.00 |
| Unmarried | 5 | 3.33 |
| Divorced | 1 | 0.67 |
| Widowed | 6 | 4.00 |
| Family occupation | | |
| Service | 16 | 10.67 |
| Small Business | 30 | 20.00 |
| Agriculture | 49 | 32.67 |
| Others | 55 | 36.67 |
| Position held in SHG | | |
| Member | 100 | 66.67 |
| Leader | 50 | 33.33 |
| Family type | | |
| Nuclear | 104 | 69.33 |
| Joint | 46 | 30.67 |
| Family size | | |

| | | |
|--------------------------------------|-----|-------|
| Upto 4 | 130 | 86.67 |
| 5-8 | 20 | 13.33 |
| Family education | | |
| Primary | 4 | 2.67 |
| Middle | 12 | 8.00 |
| Matric | 50 | 33.33 |
| 10+2 | 50 | 33.33 |
| Graduation | 24 | 16.00 |
| Post-graduation | 10 | 6.67 |
| Family income (per month Rs.) | | |
| Up to 2000 | 5 | 3.33 |
| 2001-5000 | 31 | 20.66 |
| 5001-8000 | 52 | 34.66 |
| >8000 | 62 | 41.33 |
| Caste | | |
| General | 108 | 72.00 |
| Schedule Caste/Schedule Tribes | 16 | 10.67 |
| Other Backward Class | 22 | 14.67 |
| Motivating Factors | | |
| Improving economic status | 92 | 61.33 |
| Getting loan | 117 | 78.00 |
| Economic independence | 91 | 61 |
| Social interaction | 43 | 29 |

*Multiple responses

The data in Table 1 showed that the large number of the SHG members i.e. 47.33 per cent were in age group of 26-35 years which was followed by 40.67 per cent members from age group of 36-45 years. More than half of the SHG members (54 per cent) had education up to matric followed by 28.67 per cent, with middle level. Only 4 per cent of the respondents were graduates. Majority of respondents (92%) were married while 3.33% were unmarried. The results further revealed that 0.67 and 4 per cent of the respondents were divorced and widowed respectively. It was found that 36.67 per cent of the members of SHGs belonged to the other occupations followed by 32.67 per cent members having agricultural related occupations and those engaged in small business were 20 per cent while 10.67 per cent of the respondents were engaged in private services to earn their livelihood.

Moreover Table 1 indicates that 66.67 per cent of the selected respondents were members and 33.33 per cent were leaders of SHGs. A large proportion of the respondents (69.33 per cent) belonged to nuclear family as compared to joint family which was found to be only 30 per cent. The rural society has not sustained its joint family system due to the change taking place in the society. Majority of the respondents (86.67 %) had four members in their family which is followed by 13.33 per cent respondents who had 5-8 members. The data revealed that maximum percentage of respondents (33.33%) were literate having educational qualification up to matric and high school whereas 16 per cent respondents were graduates. It was found that 41.33 per cent of the SHG members had family income more than Rs. 8000 per month followed by 34.66 per cent with family income between Rs. 5001-8000. Majority of the members' who belonged to the general caste was 72.00 per cent followed by backward classes who were found to be 14.67 per cent, SC/ST category (10.67%) and (2.67%) belonged to other castes. Majority of the respondents (78%) reported that they joined groups for the purpose of getting loans, whereas 61.33 per cent joined the SHGs with the aim of improving economic status of their families. Nearly 61 per cent of the respondents reported that they joined the group for economic independence. While (29%) of the respondents reported that they joined SHGs for improving social interaction with other members. It was observed that most of the SHG members were improved their social skills and build up confidence in interacting with others after joining the group.

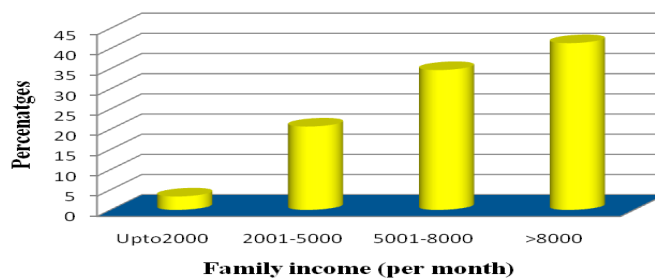


Fig 1 Distribution of Respondents According to their Family Income

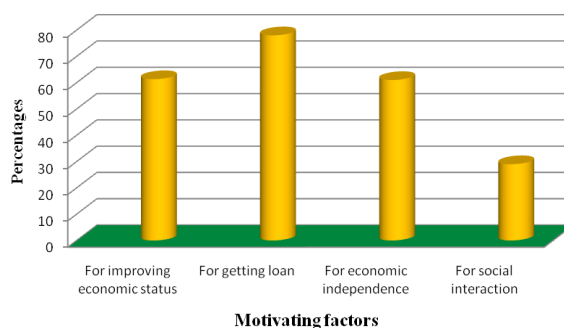


Fig 2 Distribution of Respondents According to the Motivating Factors for Joining SHGs

2 Performance of various duties

Every SHG had office bearers like president, secretary and treasurer who had separate duties to perform. Therefore, the Table 2 indicates the distribution of duties by performed by various members of the SHGs. Table 2 revealed that majority of the respondents (88%) were found to be engaged in marketing, 82 per cent were in organization of training, 74 per cent were found to be engaged in procurement of raw material and 70 per cent were engaged in holding meetings. Nearly 48 per cent were found to be engaged in collecting savings. Only 40 per cent were found to be performing the duty of record keeping. Among secretaries, 60 per cent were found to be engaged in record keeping, 52 per cent of the secretaries were engaged in collecting savings, 30 per cent were engaged in holding meetings, 8 per cent were involved in organization of training. Only 6 per cent were involved in marketing. Six per cent treasurers were found to be playing the duties of procurement of raw material and 4 per cent engaged in organization

of training whereas 20 per cent of the members were engaged in procurement of raw material. Only 6 per cent of the members were engaged in marketing and organization of trainings.

Table 2 Performance of various duties by different officials/members

(n=50)

| S.No | Duties | President | | Secretary | | Treasurer | | Member | |
|------|-----------------------------|-----------|-------|-----------|-------|-----------|------|--------|-------|
| | | No. | %age | No. | %age | No. | %age | No. | %age |
| 1 | Record keeping | 20 | 40.00 | 30 | 60.00 | 0 | 0.00 | 0 | 0.00 |
| 2 | Marketing | 44 | 88.00 | 3 | 6.00 | 0 | 0.00 | 3 | 6.00 |
| 3 | Procurement of raw material | 37 | 74.00 | 0 | 0.00 | 3 | 6.00 | 10 | 20.00 |
| 4 | Organization of training | 41 | 82.00 | 4 | 8.00 | 2 | 4.00 | 3 | 6.00 |
| 5 | Collecting savings | 24 | 48.00 | 26 | 52.00 | 0 | 0.00 | 0 | 0.00 |
| 6 | Holding meetings | 35 | 70.00 | 15 | 30.00 | 0 | 0.00 | 0 | 0.00 |

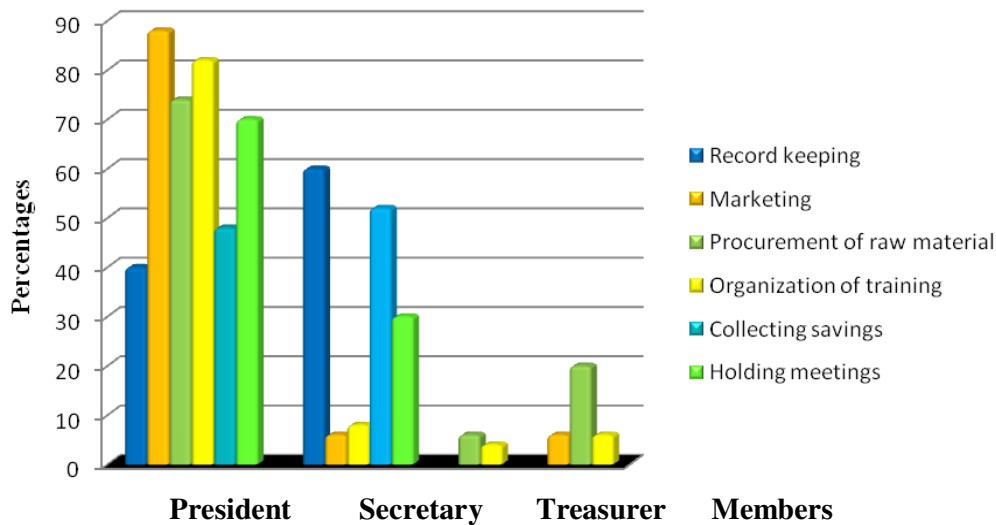


Fig 3: Performance of various duties by different officials/members

3 Challenges faced by SHG members

Challenges faced by SHG members are presented in Table 3. The data revealed that the maximum percentage (30 per cent) of respondents had limited training opportunities followed by 21 per cent who had lack of guidance and support from promoting agency. While 18 per cent reported that there was limited opportunity for income generating activities. These finding have been supported by **Namboodiri and Shiyani (2001)** who reported that the major weakness of the SHGs was the

limited scope for further growth in membership as their numbers could not be increased beyond 20.

Table 3 Challenges faced by SHGs members

| (n=150) | | |
|--|------------|-------------|
| Challenges | No. | %age |
| Lack of confidence in elected leader | 2 | 1.33 |
| Lack of mutual trust | 2 | 1.33 |
| Inefficient management | 2 | 1.33 |
| Lack of guidance and support from promoting agency | 31 | 20.67 |
| Irregularity in holding meetings | 10 | 6.67 |
| Improper utilization of funds | 4 | 2.67 |
| Lack of support from family to join SHG | 2 | 1.33 |
| Corrupt leadership | 2 | 1.33 |
| Limited opportunity for income generating activities | 27 | 18.00 |
| Lack of training opportunities | 45 | 30.00 |
| Lack of communication regarding group activities | 4 | 2.67 |
| Lack of transparency in keeping records | 10 | 6.66 |
| Biased leadership | 2 | 1.33 |
| Improper division of work | 9 | 6.00 |
| Lack of unity among member | 4 | 2.67 |
| High rate of interest | 1 | 0.67 |
| Lack of motivation | 2 | 1.33 |
| Lack of availability of funds | 10 | 6.66 |
| Tedious procedure in opening bank account | 5 | 3.33 |
| Irregularity in payment by the loaners | 5 | 3.33 |
| Conflict in group | 3 | 2.00 |

*Multiple responses

The data further revealed that there was limited opportunity for income generating activities. Lack of transparency in keeping records and irregularity in holding meetings was reported by 6.67 per cent of the members whereas six per cent reported that there was improper division of work and lack of availability of funds and three per cent reported that opening bank account was tedious procedure and there was irregularity in payment by the loaners. Only 2 per cent reported that the problem of improper utilization of funds, lack of communication regarding group activities, lack of unity among members and conflict in group were experienced by them.

Data further revealed that challenges like lack of confidence in elected leaders, lack of mutual trust, inefficient management, and lack of support from family to join SHG, corrupt leadership, lack of motivation and biased leadership were reported by 1.33 per cent of the SHG members. SHGs suffered from lack of unity among members and failing to make the best use of time or resources was highlighted by **Kulshreshta and Gupta (2002)** sometimes suffered from corrupt leadership. The study further revealed that the group approach suffered from lack of solidarity among members and inefficient management on the part of members as well as the facilitating institutions.

CONCLUSION

From the findings of this study, it can be concluded that majority of the members joined SHGs with an aim of getting loans for improving the economic status of their families. The benefit availed by the members from joining the group were social interaction and confidence in dealing with people. It could be further concluded that lack of training opportunities, guidance and support from promoting agencies and limited opportunities for income generating were found as binding constraints that need to be addressed on priority to make micro- financed more effective instrument of creating and securing sustained income to empower rural women.

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