



TO IMPROVE THE WORKING OF SELF HELP GROUPS: SUGGESTIONS AND MEASURES

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Abstract

Self Help Groups (SHGs) play a major role in poverty alleviation in rural India. A growing number of poor people (mostly women) in various parts of India are members of SHGs and actively engage in savings and credit as well as in other activities (income generation, natural resources management, literacy, child care and nutrition, etc.). Thus to investigate the working of self help groups, this particular research was conducted with the specific objective to identify the SHGs actively working under the Baba Saheb Ambedkar Hast Shilp Yojana (AHVY) in Haryana. Although, many women self help groups are working in Haryana but their number is very low in comparison to all India level. A total of 300 respondents from four villages of two districts of Haryana formed the sample size of the study. A number of income generating activities were undertaken by the members after joining SHGs. The result showed positive change in indicators in terms of income, employment and savings after joining the SHG. All the respondents took proper training, monthly meetings were held regularly and majority of SHGs was using saving for inter-lending purposes. There were some areas which needed improvement based on the constraints faced by the members of Self Help Groups.

Keywords: Self Help Groups, women, empowerment

Introduction

SHGs originated in the year 1975 at Bangladesh by Mohammed Yunus of Chittagong University. It is a programme related to the eradication of poverty in general, rural development through women empowerment in particular. Its initiation-credit in India in year 1986-87 goes to National Bank for Agriculture and Rural Development (NABARD). But the real effort

was taken after 1991-92 from the linkages of SHGs with banks. A SHG is a voluntary informal organization of 10-20 persons from same social and economic status category people, basically poor living below poverty line. Their groups are promoted by the Governments, both central and state, nationalized commercial banks, regional rural banks, co-operative banks and non-governmental organizations.

The three most popular microfinance model used by NGOs are SHG Model, Mixed Model and Grameen Model. The Self Help Group (SHG) model is indigenously developed in India under the NABARD's SHG-Bank linkage programme. Under this model, besides acting as facilitator, the NGO also works as financial intermediary. NGO forms SHGs and performs financial intermediation role as a lender to SHGs after sourcing loan from Bank. In SHG model, group consists of 10-20 members generally meet regularly on monthly basis. SHG is a mini voluntary agency for self help at the micro level has been focus on the weaker section particularly women for their social defend. So basically the concept of SHGs serves the principle "by the women, of the women and for the women" (Suguna, 2006).

All Banks including co-operative Banks and Private Banks lend to SHGs based on their savings at the ratio of 1:1 initially and this can go up to 1:4. World Bank and IMF (International Monetary Fund) have found a way to reach the poor through NGOs and they see as an opportunity to reduce poverty and also to prevent the poor from agitation because of the ill effects of their Economic policies. The Government of India has launched schemes scrapping Integrated Rural Development Programme, Scheme for Urban Micro enterprises, Prime Ministers, Urban Poverty alleviation programme and TRYSEM. The Schemes are known as Swarnajayanti Gram Swarozhar Yojana (SGSY), Swarnajayanti Sahakari Swarozhar Yojana (SSRY), Rashtriya Mahila Kosh, an organisation promoted by



Govt. Of India also gives direct loans to NGO's for on lending with incentives for proper repayment. In Haryana, SHGs are promoted under different programmes/projects by various departments and agencies like forest department, ICDS (Integrated Child Development Services), Ambedkar Hastashilp Vikas Yojana (AHVY); Ministry of Handicraft, NABARD (National Bank for Agriculture and Rural Development) which promotes SHGs under bank-linkage programmes and NRLM (National Rural Livelihood Mission) under DRDA (District Rural Development Agencies). The study is pursued keeping in view the following main objectives

- a) To examine the opinion of the members of Self Help Groups regarding the issue whether SHG is an empowerment model.
- b) To forward conclusion based on the findings of the study.

Methodology

As per requirements of the study, Bhiwani and Fatehabad district were selected purposively from Haryana state where more number of SHGs were working presently under the Babasaheb Ambedkar Hastashilp Vikas Yojana (AHVY) under Ministry of Textiles in Haryana state. One block was selected purposively from each of the two selected districts i.e. Siwani block from Bhiwani district and Fatehabad block from Fatehabad district where SHGs were operating for last 6-7 years. Fifteen groups were taken from selected villages of each district randomly. Thus, a total sample of 300 respondents were finally selected for the study. Only the reliable and valid answers were noted in the respondent's schedule. The interview method was selected for collecting data.

Review Of Literature

Manimekalai and Rajeswari (2001) conducted survey in the rural areas of Tamil Nadu on 150 SHG members to assess the impact of SHG on women entrepreneurship. It was found that SHGs model have helped the rural women to start micro enterprises including farm and non-farm activities, trading and service units.

Singh *et al.* (2001) highlighted the impact of SHGs in district Hissar and found that the micro financing through SHGs is a better system for inculcating the habit of self help among the rural poor. Loan facility is

available for all purposes by a simple procedure and the recovery was 100%.

Dr. G. Sudarsana Reddy (2010) focused on the study undertaken was based on various indicators like women household decision making power, financial autonomy, freedom of movement, political participation acceptance to unequal gender role, exposure to media, access to education and experience to members.

Dr. K. Kanniammal, Dr. U. Jerinabi, and A. Arthi (2011) concluded that micro finance is a path towards empowering the most marginalized among the poor to take charge of their life's requirements. The study results proved that the intervention of micro finance through SHG-Bank Linkage Programme has positive impact on the economic and social status of the members, in terms of increase in income, savings, employment generation, asset creation, decrease in the dependency on money lenders, improvement in decision making skills, participation in community affairs and the empowerment of women.

V. V. Desai (2011) in his study mentioned the enhancement of entrepreneurship qualities among the members of self help groups is a significant step towards social and economic empowerment of women. His suggestions for improvement are the development of skill oriented training programmes, encouragement of good leadership in the group and constant guidance and support through the government and nongovernment organizations.

Results

Study revealed that majority of the respondents belongs to the age group of 36 to 55 and have educational qualification of middle school and most of them are married. The type of income generating activities undertaken by respondents were dari-making(38.7%), mat-making(34.0%), tie-dye(33.3%) and 24.3% in wooden-beads making. On the other hand, 21.3%, 16.3% and 14.3% are involved in embroidery, tailoring, knitting as their economic activities, respectively.

Any programme or activity no matter how effectively it has been formulated or carried out would encounter various kinds of constraints. If these are tackled effectively, they could be helpful to carry out activity successfully and could indirectly affect the empowerment of women. Results revealed the



organizational constraints faced by respondents. Regarding rotation of leadership, 69.3 per cent respondents mentioned that there was no rotation in group followed by 54.6% mentioned problem regarding team management. Further 44.6% respondents reported lack of group consensus and lack of administrative experience (41.0%).

Analysis also revealed the various marketing constraints faced by the respondents. Majority of respondents (53.7%) mentioned the problem of inability to catch buyers while only 25.3 and 22.3 per cent of the respondents mentioned problem of difficulty in getting raw material and high cost of raw material, respectively. Regarding social constraints, 55.3% of the respondents expressed the problem of conflicts among group members whereas 35.7% and 22.7% mentioned lack of communication and unfavorable attitude of neighbors /society towards the working in SHG.

Suggestions To Improve The Working Of Self Help Groups

- I. Respondents should be given better market linkage to sell their products and financial linkage so that they can invest money in making more products.
- II. The leaders of the SHGs need to be provided training in group dynamics and leadership so that they can run their groups more democratically and effectively.
- III. Involvement of more NGOs would facilitate better development to SHGs in Haryana.
- IV. Training programme should be frequently organized to improve the skills of production, quality of products made by members of SHGs.
- V. More training programmers after joining SHG will improve their technical, managerial and marketing skills. Then only they will become successful rural women micro-entrepreneurs and their group will be sustainable.
- VI. Meetings should be held regularly and all members should attend it and discuss common problems.
- VII. Communication should be effective among members of group. There should be no conflicts.
- VIII. Members of group need to learn the importance of consensus and management of group for effective working.

- IX. Women should be given complete knowledge about facilities provided by Govt., regarding new schemes and programmes for groups, subsidies provided by govt. for BPL and rural people.
- X. Loan should be provided timely by banks with low rate of interest.
- XI. Members of SHGs should be taught about maintaining records and book keepings for the transactions within group and outside.

Conclusion

It is worth mentioning here that SHGs are an effective strategy for poverty alleviation, women development and social empowerment. The women SHGs have enhanced the status of women as participant decision makers and beneficiaries on the democratic, economic, social and cultural spheres of life of rural India. A lot of literature are found on the role of SHGs in empowering women & masses and also have cross world evidences that SHGs are helpful in reducing poverty. The study results proved that proper working of self help groups, in terms of increase in social awareness and participation, savings habits, income level and self employment. The self help group concept enabled many women to achieve social recognition. Greater emphasis has to be given to provide education, training and creating awareness among the members of the group and enabling all the facilities, marketing etc.

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