
An Insight of Socio Economic Problems of the members of SHGs: A Study of Punjab region

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ABSTRACT

Self Help Groups act as major tool now a days for Financial Inclusion and Poverty Allevation. It is an efficient and effective tool for the Socio-Economic upliftment of the poor population lives in villages. This study has been conducted to address the problems of the members of SHGs in the highly populated districts of Punjab. Total of 20 SHGs were covered for the study and 250 members have been selected for questionnaire filling and personal interview. The study highlights the major problems faced by the rural poor like Social problems, financial problems, Personal problems, Economic Problems which are acting as a hurdle in Empowerment and Upliftment. For interpretation of data collected some statistical tools like percentage method and tests like Chi Square have been used to find out if there is any association in the selected two attributes.

Keywords: *Self Help Groups, Empowerment, Financial Inclusion*

1. INTRODUCTION

Grameen bank of Bangladesh seeded the idea of the self-help group that was given by Muhammad Yunus. Self-help groups were laid down its foundation in 1975. The basic purpose of SHGs is to ease the life of the vulnerable section of villages that is women for the purpose of their social and economic prosperity. The regular development of the SHGs has attracted the attention of the NABARD to help improve the economic status. SHGs are the small, homogenous groups of Maximum of 20 members that are formed by the officials, NGOs and financial institutions at the village level. It consists of the homogenous group of people who come together as they have their common problems and they are encouraged to make compulsory yet voluntary savings and use these resources to make small interest bearing loans to their members.” This innovative programme is reaching the poor people especially women through Self Help Groups and has a major impact on their social and economic development vis-à-vis empowerment.

In urban regions, people have awareness regarding the different banking schemes, government schemes for their benefits, but in rural areas people have awareness regarding the Self Help Groups. Besides the comparison of rural women and urban women, rural one's are lacking in financial resources, education, training needs and any kind of current information which might be helpful in their social as well as economic perspectives. But the women staying in rural areas have much more hidden talent which is necessary to be come into the light, and proving them the knowledge about marketing and financial related activities.

NABARD along with NGO's provides the training to the rural women under SHGs so that they could be more economically empowered and help themselves in coping up with their

day to day problems by effective decision making.

2. LITERATURE REVIEW

[1] studied “Women Empowerment through Self Help Groups in Andhra Pradesh, India” in „International Research Journal of Social Sciences“. Women involvement in Self Help Groups have clearly made a colossal effect upon the standard of living of rural poor women and have empowered them not only as individual basis but also as a family member, members of the community and the society, nation as well. The women gathered and formed groups for the purpose to solve the common major constraints through self-help groups and mutual cooperation. This scheme emerged as a minimum resources and maximum benefit and attraction as very less resources and efforts are utilized. It is an essential tool for poverty alleviation that leads to the women entrepreneurship and financial support in the country. This study was conducted in Andhra Pradesh region. The key objective of this study -Impact of Self Help Groups on Women Empowerment in the block of Gajwel Mandal of Medak District in the state of Andhra Pradesh. Simple statistical tools were adopted in this study. The study on women empowerment through self-help groups in Gajwel, has shown the positive and fruitful impact on empowering the women of the Mandal in Andhra Pradesh.

Gayathiri in the year 2014 writes the “Impact of Self-Help Group in Socioeconomic Development” in “International Journal of Scientific Research and Management”. In this he defined Self Help Group as a group of 20-30 homogeneous people who pooled together their aims and purposes and this new methodology is labelled as Non-Governmental Organizations, and all are popular in all corners of the world to remove poverty and employment generation. Self-help groups are helping thousands of the poor individuals and the marginalized population in the country to improve their standard of living, their families and the society as a whole. In recent time period, Self Help Group have emerged as a major, fruitful and effective method. This SHG movement is based on the similar principle of the democracy as by the people, for the people and of the people which is for the people’s desires to meet their necessity of people and determine their own need and future prospects. The main aim and objective of the present paper is to look deep into the impact of Self Help Groups role in the development of country through the framework of Social and economic lines.

V. Savita and H. Rajsekar (2014) studied that Self Help Groups have a significant place for financial inclusion which leads to empowerment of women, and highlight the underdevelopment and societal problems among the members. The key activity is to mobilize the micro savings from the members of SHGs and availing the loans facility from financial institutions. The study is focussed on different problems like personal issues, marketing related issues, finance related, and production related issues which has been faced by the members of SHGs and for their upliftment as well.

Gurumoorthy (2016) depicted that the Self Help Groups (SHGs) act as a feasible substitute to rural improvement and helps in getting the community involvement in the rural improvement programmes. It becomes a formal way to give micro-credit facility to the rural population with the pooling of combined savings instead of asking for collateral acts as a reason to motivate them to involve themselves into entrepreneurial activities and for making them more empowered as a women.

B. Ajith, K. Satya narayan, Y.B. Rajeswari K.C. Veranna and M. Harisha (2017) The study shows that the foundation of SHGs is an efficient way to alleviate the poverty, for the

growth of human side of rural and poor deprived beings, especially women population in rural regions of the country. Hence, the time is for quick change their ability and capacity to work by involving them in necessary training programmes by arranging training programs on the different activities like income generation, helping them with financial needs and giving them the facilities, providing them the knowledge about market and current important information etc, new and foremost iconstraints needs to be taken care of so that there will be social and economic progress in our nation..

3. OBJECTIVES

3.1 To examine the socio-economic profile of women SHG members

3.2 To look into the issues faced by the Self-Help Group members.

3.3 To suggest measures for the effectiveand efficient working of Self-Help Groups.

4. SCOPE OF THE STUDY

The research has been done in the state of Punjab. The study has been taken in the three regions of Punjab namely Malwa, Doaba and Majha. Hence, the study is generally related to the issues faced by the members of SHGs, that's why only such aspects related to SHG members has been collected.

5. HYPOTHESIS OF STUDY

H 0:No significant association between the Age factor and Personal issuesof the sample respondents.

H 1: No significant association between the Loan availed facility and Social constraints of respondents.

H 2: No significant association between the Self-Motivation and Financial constraints of the respondents.

6. RESEARCH METHODOLOGY

In this current study, the state of Punjab has been selected.

1. Major chunk of the SHGs members in the selected areas are involved themselves in different business and economic activities.

2. The area has been selected because of convenience for collection of data.

6.1 Sample Size

The study has been conducted within the state of Punjab in the highly populated districts of Majha, Malwa and Doaba. The numbers of respondents covered are 250.

6.2 Data Collection

Source of data

The method to collect the Primary data for the current study is through the structured Questionnaire and assisted by Personal Interviews.

Whereas, Secondary data has been collected by insights of government statistics, articles, reputed journals which are containing data related to the challenges to be faced by women SHGs.

7. ANALYSIS & DATA INTERPRETATION

Table 1 :
Sex (analysis through percentage)

Serial number	Sex (M/F)	Number of Respondents	%age
1.	Male	15	06
2.	Female	235	94
	Total	250	100

Source: Field Survey

Data Interpretation

Table 1 depicts the total number of sample respondents which are considered for the study is 250, out of which 06% are the male members and 94% are the female members. As this study mainly focus on the women upliftment and empowerment, so more number of respondents which are women.

Table 2:
Age

Serial Number	Age	Number of Respondents	Percentage
1.	Less than 30	91	36.4
2.	30-35	82	32.8
3.	35-40	49	19.6
4.	Above 40	28	11.2

	Total	250	100
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Source: Field Survey

Data Interpretation

Table 2 mentioned the age category of the respondents. From the total 250 respondent 36.4% lies in the age group of less than 30, 32.8% belongs to the range of age 30-35, 19.96% of the members lies in the age group of 35-40, and 11.2% lies in the age group of 40 and above.

Table 3:
Source of Motivation

Serial number	Source of Motivation	Number of Respondents	%age
1.	Peer Members in the group	89	35.6
2.	Government bodies	29	11.6
3.	Friends and Neighbors	53	21.2
4.	Non-Government Organizations	79	31.6
	Total	250	100

Source: Field Survey

Interpretation Table 3: Above table shows the source of motivation to the members for joining Self Help Groups, out of total 250 respondents, 35.6% of respondents have taken motivation from the other group members who has already a part of SHGs, 31.6% of the respondents have taken motivation from NGO's, 11.6% of total respondents have inclined towards government agency, 21.2% of total respondents says neighbors and friends acted as a motivation for them.

Table 4:
Loan availed

Sr No.	Amount of loan taken	Number of Respondents	Percent
1	<5000	33	13.2
2	5k-10k	49	19.6
3	10k-15k	53	21.2

4	>15k-20k	89	35.6
5	above 20k	26	10.4
	Total	250	100

Source: Field Survey

If the amount of loan and the frequency of taking loans are higher it means the groups and members are fulfilling the condition of repayment. The amount of loan taken by the members lies between 5000 to 20,000. Loans have been given to self-help groups for working. Table 4 indicates that majority of the respondents have availed loan facility of amount between 15,000k to 20,000k.

8. CHALLENGES FACED BY THE MEMBERS IN THE FUNCTIONING OF SELF HELP GROUPS

With huge benefits of joining self help groups, there are also some issues faced by the women members of self help groups. In India there are some major problems associated with the Micro finance programme. That's why the impact of micro finance has been restricted in different ways. The foremost problem is that there is lack of outreach for this microfinance programme. In the country approx. 68 million population are covered in this programme which is only 26% of the poor population. There are 1, 86,897 microfinance clients in Punjab. So, it results in only .25% of coverage under the programme. There is low penetration of the programme in the context of Poverty outreach and population. Another problem encountered is that the micro finance programme is unevenly spreaded or there is non uniform spread in India and where there is an outreach there are certain problems faced by the members. An effort has been made to find out the problems of the members that they are facing. Following table shows the data regarding the problems which has been presented and interpreted.

Table 5:
Personal Issues of the SHG member

Serial Number	Personal Issues	Number of Respondents	%age
1.	Lack of Training	59	23.6
2.	More family responsibilities	68	27.2
3.	Lack of decision making	16	6.4
4.	Lack of proper and formal education	75	30

5.	No Encouragement	32	12.8
	Total	250	100

Source: Field Survey

Interpretation

Table 5 reveals data that 23.6% of the total respondents are getting less training which are acting as a hindrance in upliftment of SHGs, 12.8% of the members have no or very less encouragement to grow in this field, 68% of the respondents which is a major chunk are lagging behind due to more family responsibilities, 75% of the SHG members reported that they do not have formal or proper education which is one of the major problems.

Chi-Square Test

Table 6:
Chi-Square Test

Age-Personal problem	Value	df	Asymp. Sig. (2-sided)
P Chi-Square	285.000 ^a	16	.025
Likelihood Ratio	105.966	16	.003
Linear by Linear Association	9.227	1	.002
Number of Valid Cases	20		

304 cells (100.0%) have expected count less than 5. The minimum expected count is .05.

Table 6 interprets the relation between the age category and personal issues of the sample respondents, and P- Chi Square is 0.25, as the significant value is less than 0.5. Therefore, we accept the Null hypothesis (H₀).

Table 7:
Social issues of the members of SHGs

Serial Number	Social Issues	Number of Respondents	%age
1.	Low Leadership skills	48	19.2
2.	Ineffective	68	27.2

	communication skills		
3.	Less co-operation of the other members of group	32	12.8
4.	No social mobility	19	7.6
5.	Conflict and differences between the group members	83	33.2
	Total	250	100

Source: Field Survey

Interpretation: Table 7 indicates that majority of the members feels that there are more conflicts and differences among the group members which is acting a problem, 27.2 % of the respondents feels that due to lack of communication skills are acting as a hindrance for them in the path of their goal achievement.

Chi Square Test

Table 08:
Chi-Square Tests

Association (Available loan and Social Problems)	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	375.000 ^a	16	.282
Likelihood Ratio	132.851	16	1.000
Linear-by-Linear Association	.279	1	.597
N of Valid Cases	25		

a. 400 cells (100.0%) have expected total count of not more than 5. The lowest expected count is .04.

Interpretation

The above table shows the association of the loan received and Social issues of respondents & the P- chi-square of 0.282 which means that the value of significance is more than .5. So, we reject null hypothesis. (H3).

Table 9
Financial Issues of the members

Sr Number	Financial Issues	Number of respondents	%age
1	High Rate of Interest	31	12.4
2	Lack of capital	94	37.6
3	Lack of information related to finance	37	14.8
4	Insufficient loan amount	59	23.6
5	Lack in collateral security	29	11.6
	Total	250	100

Source: Field Survey

Interpretation: Table 9 reveals that 37.6% of the respondents says that they don't have adequate capital to invest in the new either small venture, 23.6% reports that they don't get sufficient loan amount because of high rate of interest to be paid on the loan amount as well as they don't have much collateral which may act as a security purpose for them.

Chi Square Test

Table 10:
Chi-Square Tests

Association (Motivation and Financial Problems)	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	275.000 ^a	12	.122
Likelihood Ratio	172.851	12	1.000
Linear by Linear Association	91.913	1	.017
Number of Valid Cases	25		

a. 400 cells (100.0%) have expected count less than 5. The minimum expected count is .04.

Interpretation

Table 10 depicts that the association among motivation and issues relate to finance. The number of respondents and the P- chi-square is (0.122) as value of significance is more than .5. Therefore, the null hypothesis has been rejected. (H3).

9. FINDINGS OF THE STUDY

1. Major chunk from the total respondents consist of the females.
2. More of the respondents lies between the age cycle of 25-30 years.
3. 35.6% of the total respondents are motivated from the other members of the same Self Help Groups.
4. Most of the respondents have availed loan between the amount 15000-20000K with a percentage of 35.6%.
5. Many respondents reported that they are lacking in the formal education and communication skills.
6. More training programmes should be there to educate them regarding their own upliftment and empowerment.
7. 33.2% respondents are in view that they are facing problem of internal dispute and conflicts amongst the group members.
8. 37.6% of the respondents reported that they have shortage of capital due to more interest rates and less availability of loans.
9. There is less significant relation between Age factor and personal issues. So, the null hypothesis is accepted.
10. There is a more significant relation in the loans availed and social issues. Hence, Null Hypothesis is rejected.
11. There is a more significant relation in self- motivation factors and financial constraints. Hence, Null Hypothesis is rejected.

10. SUGGESTIONS

1. The study reveals that there would be more knowledge and awareness regarding work, bank linkages and dealings, market information etc. as they are the significant contributors in the development of the programme.
2. Under this programme all the members of SHGs are entitled to avail the same amount of loan irrespective of their needs. In some cases needy persons are deprived of taking loan as much there is requirement whereas some un-needy people take advantage of taking more loan amount than their requirement. So some guidelines should be there to distribute loan amount as per requirement.
3. NABARD provides training sessions for the members of SHGs but only for pre decided activities like candle making, soap making, pickles, papads etc. but they are not providing trainings for some vocational courses like beauty parlor, opening of some cafe, tea products etc. There is a need to train the members or participants regarding vocational courses so that they can compete better.
4. There should be appropriate solutions to the problems faced by the members such as proper coordination among the group, working with full cooperation, mutual selling or inter selling within the group, there must be an option to choose the products collectively so that they can fight with the competition. There should be common platform in which they can showcase their products which are of good quality.
5. There is a significant improvement in the mobility, independence of women after joining the SHGs. The rural society in Punjab is still backward and always acts a social hurdle in the way of mobility, independence, networking of women. Therefore micro finance programme should put more efforts in strengthening the rural population of Punjab.

11. IMPLICATIONS

1. Findings may act as a valid resource support to the stakeholders which includes managers and facilitators of the group, members of promoting agencies, members of social organizations, and women members as a leader to encourage other groups.
2. The major problems faced by the women members which are laid down in the study will be helpful for the stakeholders for better planning and success in the formation and efficient working of the self help groups.
3. Provision of insurance services should be provided to the poor under micro finance programme as they are unprotected to the financial contingencies.
4. The findings of the concerned study will be of great importance to the women members of self-help groups of Punjab region to analyse the various aspects like social, economic and managerial for the smooth and effective functioning of their working groups.

12. CONCLUSION

Micro finance is an effective and powerful tool and a path breaking initiative which has emerged as a innovative programme for poverty eradication and results in empowering the women with the formation of Self-help groups. This formation is a successful poverty alleviation tool and an effective strategy for the upliftment of the women in every sphere i.e. economic, social, managerial or political, in which other financial institutions failed. It helps in meeting the credit requirement of the poor especially the women. Self help group is a formation of small chunk of poor people which are provided with the micro loans with specified interest rates but without any collateral. The amount of loan may be used by the group in establishing a micro enterprise with the purpose to satisfy their individual needs and for income generation. The government needs to take effective steps for the growth of Micro finance programme through Self - Help Groups which is the most important step to take this programme to another level.

13. REFERENCES

- [1] K. Kappa, "Women Empowerment through Self Help Groups in Andhra Pradesh, India," *Int. Res. J. Soc. Sci.*, vol. 3, pp. 13–16, 2014.