

Challenges in sustaining Self Help Groups (SHGs) of Rural Women-A Case Study of Haryana

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Introduction

Poverty is multi-dimensional phenomenon. It is often manifested with low consumption, malnutrition, illiteracy, insecurity, low life-expectancy, powerlessness and low self-esteem. The poor lack basic amenities like piped water supply, sanitation and electricity. Their access to credit, inputs and technology is severely limited and certain constraints, such as lack of information about markets, lack of business and negotiating experience and lack of collective organization deprive them of the necessary power to interact on equal terms with the other, generally larger and stronger, market intermediaries. Cultural and social distance and discrimination are other factors that may also-at least partly-exclude the poor from markets. (International Fund for Agricultural Development (IFAD), 2001)

The poor are more exposed to risk and have little ability to manage this. In India, over 90% of the rural women workers are unskilled and 90% of them work in the informal/unorganized sectors. (IFAD,1999). The wage rates for women in agriculture are 30-50% less than for men and female casual laborers have the highest incidence of poverty of any occupational category-male or female. The severity of poverty is always higher for women and they face great hardships in lifting themselves (and their children) out of poverty trap. Due to gender bias, women have fewer opportunities than men, including unequal opportunities for access to education, employment and asset ownership. Due to the greater task-specificity of their work and lower mobility, they face much sharper seasonal fluctuations in employment and earnings and have less chance of finding employment during the slack seasons (Ryan and Ghodake, 1980).

Though poverty is multi-dimensional in nature, access to finance by the poor and vulnerable groups is one of the pre-requisites for poverty reduction and social cohesion. The poor can benefit from a range of financial services such as savings, credit and insurance. Financial

inclusion implies delivery of these services at an affordable cost to the disadvantaged and low income groups. (Rangarajan, 2006). It has generally been recognized that organizing women around the thrift and credit services is one of the effective ways in alleviating poverty and empowering women. Thus, SHGs came to be seen as the effective instruments of financial inclusion.

Women constitute a significant role in the development of the World. They produce half of the World's food supply, account for 60 per cent of the working force, contribute upto to 30 per cent of the official labour force, receive 10 percent of the World economy, but surprisingly own less than one per cent of the World's real state. Therefore, they continue to constitute large segment of the poor.

The problem of poverty can be tackled by providing sustainable livelihood opportunities to women who are its main victims. Female headed families have, as a matter of fact, a higher percentage of the poorest households in the country. They are the most cruel victims of deprivation and destitution. Therefore, every programme for poverty alleviation must aim at improving the living environment of the womenfolk. It is through the creation of livelihood opportunities for them, that women can be empowered. For this, the micro credit and self help groups are effective means through which their living conditions can be improved. Status of women in the country is very pathetic. It is irony that women are hardly provided any credit. They are not able to get loan from the banks firstly because they are 'women' and secondly they are poor. In India, women do not have any say over means of production. This results in their less participation in economic affairs. According to Mayoux, credit provision of various forms has become a major feature in women's programme and is of interest to many development agencies. The reason for this is that credit is considered as a cost effective means through which the development programmes can respond to women's demand. It is also a means of increasing women's income because it creates opportunities for them to begin new market investment for keeping afloat their enterprise and for reducing their dependency on exploitative money lending sources.

Many women specific projects aimed at developing women's human resources and capabilities are either ineffective or have failed because they lack access to sources of credit as well as adequate amounts of credit (Joyce, 2001)

In the above context, Mayoux argues that women should be provided with a range of possible credit options so that they can themselves, discuss and work out what they want, credit support to women should be context specific and dependent on the needs and priorities of the concerned women . (Mayoux, 1995)

Self Help Group- Panacea for Women's Problems

Ranjula Bali Swain and Fan Yang Wallentin (2007) tried to study the impact of micro finance and SHGs on women empowerment. They collected data from five states namely Orissa, Andhra Pradesh, Karnataka, Maharashtra, Tamil Nadu, Uttar Pradesh. They found a significant increase in women empowerment of the members of SHG. This research also noticed that there has been positive change in the attitude of beneficiaries. Consequently, several groups have according to them, become centres for initiating social actions against dowry system, alcoholism, illiteracy and divorce.

One of the most important goals of the development programmes and especially of micro finance programmes is that of the empowerment of women. Micro finance programmes like SHGs in India have been increasingly promoted on account of their positive economic impact on the one hand and their role in the empowerment of women on the other hand. The SHGs can be built on social capital of the local community especially women to carry out thrift and credit activities to initiate micro-income generating activities for a sustainable livelihood. (Moser, 1989)

Concept of SHG

SHG formation is a social mobilization process which enables the poor to build their own organization in which they participate freely, fully and directly and take decision on all issues concerning poverty eradication, employment creation and income generation.

According to Meenai (2003) SHG is composed of about 10-20 members. Each homogenous group meets monthly or weekly close to members' home. At the designated meeting, all members save a commonly agreed amount. The group then lends these savings to its members, stores them in a cashbox, or deposits them in a group bank account in order to leverage a group loan. In cases of emergency or need, members can access a loan quickly from their group's fund. The basic philosophy lies in the fact that shortcomings and weaknesses at the individual level are overcome by the collective responsibility and security afforded by the formation of a group of such individuals. The collective coming together of individual members is also used for a number of purposes: education and awareness building, collective bargaining power and peer pressure, among others. As the group matures, income enhancement and entrepreneurial activities are initiated. These can be both individual as well as group activities. Groups also start connecting with other groups in the area and start the

process of cluster formation, networking and federating, thus acquiring a larger status and becoming a larger pressure group operating in an enhanced sphere.

The 11th Five Year Plan(2008-2012) talks of transforming SHGs to community based organizations which will enable them to operate on a bigger scale and truly come up as poor peoples' institutions. They would also be in a position to shift from micro credit to larger credit facilities offered by banking institutions and thus will come into their own as a formidable economic force.

The 12th Five Year Plan (2012-17) focuses on federation of SHGs that became powerful units of economic empowerment enabling the poor to change the balance of power in the market that they participate in as both producers and consumers.

Methodology

The universe of the study is Karnal district of Haryana, State in India. The present study is conducted in the three blocks namely Karnal, Assand and Indri of the Karnal district.

The present study is conducted in the three blocks namely Karnal, Assand and Indri of the Karnal district of Haryana. These are the only three blocks where the maximum number of SHGs have been formed during three years from April 2005 to March 2007. Under this study, five Gram Panchayats from each block have been selected where maximum number of SHGs were formed. Thus, a total fifteen Gram Panchayats (five from each block) have been selected from Assand, Indri and Karnal blocks of this district. Thus, total 45 SHGs (three from each Gram Panchayat) have been selected. From each SHG, two members have been interviewed to assess the impact of SHG on women and the problems faced by them through banks. In this way, all 90 members of the 45 SHGs were selected for the study. All of them were interviewed with the help of interview schedule for collection of data, regarding their socio-economic profile and different aspects related to SHG.

Challenges in the formation of Self Help Group

After interacting with the rural women, it was found that initially most of them became the members of SHG without taking into confidence their families members either their husbands or in-laws assuming that they would not allow them to join SHG. Besides, there are also social customs prevailing in rural areas which keep women in the four walls of the house. A large number of the respondents faced difficulties from Administration, Banks and others.

These have been discussed in three sections of this chapter. Section I deals with the problems faced by the members of SHG from administration. Section II comprises the difficulties faced by members from banks and Section III deals with other problems faced by members.

Section-I

Problems faced from Administration

It has been found in the field that focus of the implementing agency (i.e DRDA) is on achieving targets for the year. In fact, it is detrimental in forming SHG without proper social mobilization. Now let us discuss the problems faced by the members of SHG from Administration in Karnal district.

1. Faulty Below Poverty Line List:

SGSY is specifically focused on the below poverty line households and poorest of the poor is expected to get the benefit from this. BPL households, identified through the BPL Census conducted in 2002 by Ministry of Rural Development, Government of India, and duly approved by the Gram Sabha will form the basis for identification of families for assistance under the SGSY. The guidelines further say that the rural poor such as the landless labour, educated unemployment, rural artisans and disabled persons should be covered under the scheme. But in real picture, it is the economically well off sections of rural areas are getting the benefits of the scheme. On the other hand, the poor women who were eligible to harness the benefits of the scheme by becoming the member of SHGs, could not get benefits because they did not have BPL card.

2. Lack of conducting proper Social Mobilization :

Before commenting on the field realities, it is imperative to understand the role and responsibilities of various stakeholders. The important stakeholders in the programme are Gram Panchayat, Panchayat Samiti, Block Development and Panchayat Officer (BDPO), District Rural Development Agency (DRDA), Banks, Line Departments and Non-Government Organization(NGO). It is clearly spelt out in the guidelines of SGSY what each stakeholder has to do at different stages of the programme.

Social mobilization is the most effective societal instrument for the empowerment of local communities and safeguarding of human rights. It is the only way by which poor people can solve their problems themselves. Social mobilization enables the poor to build their own organizations in which they participate fully and directly and take decisions on all the issues relating to alleviation of poverty. Social mobilization is the fulcrum around which the poverty

alleviation project revolves. There has been success which has been achieved around the World in the programmes like immunization, eradicating illiteracy, empowerment of the weak and the underprivileged, creating self-managed institutions of the poor etc. One of the key elements responsible for this success has been the application of social mobilization in field.

According to programme objectives, the Gram Panchayats were supposed to play an important role in selection of beneficiaries, monitoring the performance and repayment by the beneficiaries. But in reality, picture was found different in the field. After interacting with the Heads (i.e Sarpanch) of sampled fifteen Gram Panchayats, the researcher got mixed reactions from them. It was disheartening to know that none of the Sarpanches was well versed with the guidelines of SGSY. It was observed that Sarpanch and members of Gram Panchayats were not sensitized about the importance of the formation of SHGs. After interacting with the Child Development and Panchayat Officer (CDPO), supervisors and aganwadi workers who were also roped in the formation of SHGs by DRDAs expressed their views that there were some Sarpanches who showed some interest and facilitated their efforts in forming SHGs in their villages. On the other hand, there were Sarpanches, who discouraged them by saying that in their villages, SHGs could not be formed because there is no unity among women and their households.

As social mobilization was not given adequate attention because of which women were not aware about the concept of SHG and joined it for the sake of getting subsidy. After the focused group discussion with the members of SHGs, it was found that SHGs were formed in hurriedly without proper social mobilization. Social mobilization is a process and animator has to make many visits to intended beneficiaries to break the mental barrier and motivate them to become the members of SHGs.

It was found in the field and data also shows that no doubt, DRDAs has put a lot of efforts in forming and sustaining the SHGs for long time but there are many roles that DRDAs did not play at the grassroots level. For example, imparting training to SHGs for book keeping, starting of income generating activity and marketing were not given adequate attention. It is clearly mentioned in the guidelines of SGSY that focus will be on skill development through well-designed training courses. Those, who have been sanctioned loans, are to be assessed and given necessary training. The design, duration and the training curriculum is tailored to meet the needs of the identified Key Activities. DRDAs are allowed to set apart upto 10% of the SGSY allocation on training. This may be maintained as 'SGSY – Training Fund'.

Under SGSY, DRDA initiated the process of SHG formation through its own staff with the help of Sarpanches and other Panchayat members. Though the supervisors were the key functionaries under this programme who are assisted by the local aganwadi workers to initiate the process of SHG formation but as and when supervisors get pressure from their officials from the top, they delegate their responsibilities of forming SHGs to the Aganwadi Workers at the village level. As a result, SHGs are formed quantitatively rather than qualitatively.

Decision of all the members of SHGs were not taken while choosing the office bearers of SHG such as President, Secretary and Treasurer. They were not informed in details their roles in running SHGs. Researcher after conducting focused group discussion with the members of SHG found that due to the lack of regular follow-up either by DRDA or banks, there remains misunderstanding among the members of SHG, because of which they left SHG without resolving the issue. As a result, office bearers have to spent a lot of time and energy in searching new members to be included in the SHG. In some cases, members who have left existing SHGs, start forming their new SHG which keep women in fix which SHG to join? In such a scenario, SHG did not get any effective counseling which helped them to resolve their issues and go back to existing SHGs.

3. Maintenance of records:

The group is supposed to maintain records such as minute's book, attendance register, loan register, general register, cash book and individual pass book so that SHGs could function successfully. But in the field, researcher found that in most of the cases record was not up-to-date. Quality of the records was also found unsatisfactory. In case where group members opined that they have kept the record in apple pie order, but when seen physically by the researcher, it was found that they updated their registers when they come to know that somebody from somewhere is coming to inspect the Group or coming to interact with the Group.

4. Conducting Regular Meetings :

Holding of monthly meetings of the SHGs is a good indicator of showing that SHGs will be sustained for long time. The group should meet regularly at weekly/fortnightly or monthly intervals as per the rules decided by the members. Regular meeting help the members to come closer and discuss various common problems and their possible solutions.

It helps them to understand each other in better way. The periodicity, venue and time for the meetings should be decided by the members. The groups should have a clear agenda for each meeting and discussion should be taken up as per the agenda.

But in reality, their monthly meeting is not taking place as per the rules of the SHG. Reason is that they are not trained to hold the meeting on their own. In the absence of holding regular meeting of the SHG, there is a lack of participation of the members in SHGs which resulted in the lack of interest in running their SHGs.

5. Limited options for Income Generating Activities:

Dairy emerged as one of the most popular activities among the group members. The study revealed that more than 60 per cent of members have chosen buffalo rearing activity in the income generating activity followed by cutting and tailoring. Since in the rural areas there was large number of traditional activities, which do not require much forward and backward linkages, so traditional activities like dairy farming has been given more preference. A large majority of the individual beneficiaries have not undergone any kind of skill development training. If we look at the block wise, we found that majority of SHGs in all the three blocks after taking loan from the bank only purchased cattle and earned their income from rearing of cattle which again shows that women were not given other options to start any non-traditional activity in which value addition may be done. There were members who said that income generating activities they have undertaken did not accrue any profit and complained that they did not get desired benefit from the cattle rearing because of low output of milk from buffaloes and sometimes, their cattle also died because of the disease. SHGs which started income generating activities such as vermin compost, candle making and weaving were also found dissatisfied because they could not get any marketing facility to sell their products on sustainable basis.

Table – 1.1
Status of Income Generating Activities

Income Generating Activities		Name of the Blocks			Total
		Karnal	Assand	Indri	
Vermi Compost	No.	00	01	00	01
	%	00	3.30	.00	1.10
Candle making	No.	00	01	01	02
	%	00	3.30	3.30	1.10
Weaving	No.	09	00	03	12
	%	30.00	00	10.00	3.30
Buffalo Rearing	No.	12	24	19	55
	%	40.00	80.00	63.30	61.10
Cutting and tailoring	No.	02	03	04	09
	%	6.70	10.00	13.30	10.00
Based on local raw material	No	07	02	02	11
	%	23.30	6.70	6.70	12.20
Total	No.	30	30	30	90
	%	100.00	100.00	100.00	100.00

6. Training and Capacity Building :

Training and capacity building of the beneficiaries of SHG for enabling them to maintain their record properly, understand the aim and objectives of becoming members, spirit of working together, inter-loaning, building entrepreneurial skill for taking up income generating activities and finally marketing are very important. The component of training was not built in earlier IRDP programme while in SGSY it has been inculcated as one of the basic and essential components. Beneficiaries are required to be provided an opportunity to get practical, serviceable and entrepreneurial skills through one or two days orientation programme. In this basic orientation training, the beneficiaries are to be familiarized with the

goals, responsibilities, and aspects of book keeping. Envisaged as the prerequisite for beneficiaries to seek institutional fund support, they are required to be imparted knowledge of marketing, familiarity with costing & pricing models and also financing by banks. To achieve this, the DRDAs are provided with the funds and could spend upto Rs. 5000 per beneficiary.

But the field reality reflects something else as evident from Table 3.31 in the chapter -3 titled “Profile and Functioning of Sampled SHG Members” that a majority of the respondents 67 (74.4%) have not undergone any basic orientation programme about SHG. Assessing training so important, administration has not taken this aspect of SGSY programme seriously in field. After interacting with the members of SHG, it was found that capacity building of the members was not built at an optimum level resulting in lack of understanding about various provision of SGSY scheme among beneficiaries.

It is interesting to find in the field that members whose age was above 40 years only attended the training programmes and those who were in the age group of below 40 years, office bearers and members of SHG could not attend the training programmes because of various reasons such as kids at home, busy in domestic chores and some were also not allowed by their husband and in-laws.

7. **Lack of Marketing Facilities:**

Concerted efforts have to be made by Administration to organize *melas* of the products of SHGs. These *melas* played a vital role in motivating women to strengthen the activities of their SHGs. These *melas* are organized by DRDAs half yearly and on regular basis. These *melas* or exhibitions are organized at district and block levels. The frequency of organizing these *melas* are very less and on account of that members could not have a regular link with markets for selling their products.

In order to form the SHG under SGSY scheme in need based fashion , following activities are to be taken by the implementing agency in collaboration with different stakeholders.

(1) As per the guidelines of SGSY, group formation and development is not a impulsive process. A facilitator working closely with the communities at grassroots level plays a critical role in the group formation and development. The quality of groups can be influenced by the capacity of the facilitator. The selection of facilitator/community coordinator and their training and capacity building for involvement in social mobilization, formation and development and training of SHGs is critical for the success of the programme. Facilitators involved in the process of group formation and development should have a well defined exit policy and by which time community should either become self- reliant or be willing to pay for their services for further continuance and management of the group. The emphasis should be to form groups in geographical clusters to facilitate better training and management. A community coordinator/ animator could take up the responsibility of managing 10-15 SHGs in a geographical cluster consisting of 4-5 villages within a radius of 4-5 kms. This is what the guidelines of SGSY say about the social mobilization but the field reality reflects different story.

In Karnal district, DRDA has not involved any NGO for the formation and development of SHGs but engaged their animators for social mobilization and formation of SHGs. After the focused group discussion with the members of SHGs, it was eye opener for researcher when they told that their SHGs were formed in one day without any awareness about the importance of SHGs by the animators/supervisors deputed by DRDA for the formation of SHGs in their respective villages.

(2) Secondly, Gram Panchayat has an important role to play in SGSY. In addition to this, at the beginning of each year, the potential beneficiaries for taking up the designated key activities would be identified in each habitation by a 3 member committee including the Sarpanch. The list of beneficiaries who are sanctioned the loan by the banks would be placed before the Gram Sabha. The Gram Panchayat would actively monitor the performance of the swarozgaris and in particular whether they are repaying the loan regularly. But after interacting with the Sarpanches of fifteen sampled Gram Panchayat, only four Sarpanches were aware about SGSY that too not fully. Rest of them were found saying that they have no role to play as it is woman oriented scheme. They further appraised that aganwadi workers should form the groups of women because she comes in contact with rural women on daily basis.

(3) Thirdly, it is mentioned in the guidelines of SGSY that Gram Sabha will approve the list of BPL families. One of the features of the SGSY is the poorest of the poor will get the benefits of this scheme. Below BPL households, identified through the BPL Census, duly approved by the Gram Sabha formed the basis for identification of families for assistance under the SGSY. The guidelines of the scheme further say that the rural poor such as the landless labour, educated unemployment, rural artisans and disabled should be covered under the scheme. But in reality, it was found in the field that economically well off families were also getting the benefits of the scheme. It was observed in the village that poor women who were eligible to become the members of SHGs could not become for not having BPL card. The Scheme has to be understood and implemented in a need based mode. It means that needs of the beneficiaries in terms of their training and capacity building, possible activities to be taken up by them, infrastructural support for their efforts and exploring market avenues for the products have to be done in integrated manner. Instead of implementing the scheme in this mode, only beneficiaries have been identified and subsidy have been given to them without adopting such approach for their development.

In view of above, it may be stated that the hypothesis of research study which says that the target approach instead of need based approach has been followed in the formation of SHGs by various agencies has been proved.

Section-II

Problems faced from Banks

Let us see problems faced by women from bank for their financial inclusion.

1. Location of Banks at Distant Places:

Travelling long distance to reach bank is a major problem for women. It was more serious in case of aged and child rearing women. In most of the Gram Panchayats, there was a dearth of transport facilities. As Table 4.2 shows as many as 67 per cent of the banks are located from one to three kilometers from the residence of the members of the SHG. Due to the lack of transport facility, women have to walk so much to reach bank, as a result, they have to give up one day labour cost which they earn by working in the field or in other places.

Table – 1.2
Distance of reaching bank

Distance of reaching bank.		Name of the Blocks			Total
		Karnal	As sand	Indri	
Less than 500 mts	No.	00	02	01	03
	%	.00	6.70	3.30	3.30
500 mts to 1 km	No.	01	08	09	18
	%	3.30	26.70	30.00	20.00
1 km to 3 km	No.	26	17	17	60
	%	86.70	56.70	56.70	66.70
More than 3 km	No.	03	03	03	09
	%	10.00	10.00	10.00	10.00
Total	No.	30	30	30	90
	%	100.00	100.00	100.00	100.00

2. Lack of Cooperation from Bank Officials:

SHGs have to face a number of problems in opening their saving account in the banks. First, the SHGs were formed hurriedly by the DRDA officials without any social mobilization and insult to injury was added by seeing the indifferent attitude of bank officials in handling these groups. After the focused group discussions held with the office bearers and members of SHG, it was found that some of the bank officials felt that opening of account of the SHG is a cumbersome task and they felt uncomfortable as they found it difficult to cope with rural surroundings.

At the aggregate level 61(67.80%)office bearers of SHG have to take at least 2 to 4 visits in order to open saving account. If we look at block wise, it is found that SHGs of Karnal block had to pay two to four visits 23 (76.70%) to bank followed by Assand block 21(70%). Sometimes members have to make more than eight visits to bank for opening their accounts. Indri and Assand blocks, 1 (3.30%)members visited bank eight to ten times. When the researcher asked them the reason of such visit to the banks, it was found that bank officials did not note SHG's work seriously and disinterested in telling the members of SHGs in one go of bringing all the necessary documents such as resolution of the SHGs, authorization from the SHGs and copy of rules and regulations etc for opening account in the bank. Every time members of SHG visit bank, manager tells them to bring new document which became cumbersome task for women. Members shared their opinions with the researcher that bank officials discouraged women not to visit bank again and again but they remained determined till their account is not opened in the bank.

Table – 1.3
No. of Visits to Bank for Opening Savings Account

No. of visits to bank for opening savings account		Name of the Block			Total
		Karnal	Assand	Indri	
1	No.	00	00	02	02
	%	00	.00	6.70	2.20
2-4	No.	23	21	17	61
	%	76.70	70.00	56.70	67.80
5-7	No.	07	07	08	22
	%	23.30	23.30	26.70	24.40
8-10	No.	00	01	01	02
	%	00	3.30	3.30	2.20
More than 10	No.	00	01	02	03
	%	00	3.30	6.70	3.30
Total	No.	30	30	30	90
	%	100.00	100.00	100.00	100.00

3. Reluctant to provide loan to SHG:

Credit linkages of SHG members with the bank is an important component of SGSY, as poor have difficulty in obtaining bank loan because of the cumbersome procedures of obtaining it. Bankers not only harass women in opening their accounts but also bother them while providing loan to them. Bank defaulters has further aggravated the problem. Because of this, poor women would not be able to get the benefits from bank and government agencies. There have been cases where SHGs are running successfully but unable to get the loan from banks because the families to whom they belong are defaulters.

Bankers always suspicious whether women were able to return the loan to them or whether they will be able to start any income generating activity. They do not trust SHG's office bearers and their members. Women have to take many rounds of the bank in order to get loan from the bank. As Table 4.4 depicts that office bearers of SHG had to make at least five to seven rounds of visit to the banks for getting loan from the bank. If we see block wise, we

found that this percentage is more than 43 in Karnal block followed by Assand where this percentage is about 37. At aggregate level, more than 4 per cent of member made visit more than 10 times. This percentage is 10 in Indri block. When the researcher asked from the members of SHG the reason of getting loan within two to four rounds, they answered that it could happen because supervisor of DRDA with them.

Table - 1.4
Number of Visits to Bank/MFI for getting loan

No. of visits to bank/MFI for getting loan		Name of the Blocks			Total
		Karnal	As sand	Indri	
1	No.	00	01	04	05
	%	.00	3.30	13.30	5.60
2-4	No.	11	17	16	44
	%	36.70	56.70	53.30	48.90
5-7	No.	13	11	06	30
	%	43.30	36.70	20.00	33.30
8-10	No.	06	00	01	07
	%	20.00	00	3.30	7.80
More than 10	No.	00	01	03	04
	%	00	3.30	10.00	4.40
Total	No.	30	30	30	90
	%	100.00	100.00	100.00	100.00

4. Visits of Banker to SHG:

Banks are one of the important stakeholders and their officials are required to take active part in the forming and promotion of the groups for emerging them as ventures. It is surprising to note that bankers have not realized that they have an important role to play in this scheme. They restrict their role only of opening of accounts and loan to SHGs that too with great difficulty on the part of women. Table 4.5 shows that at the aggregate level 32 (34.80%), bankers have not paid any visit to SHG. It was observed after interacting with the members of SHG that first of all, bank officials did not pay any visit in their villages to see

the functioning of SHGs. It is very important on the part of bank that before sanctioning the loan to the Group, field officer of the bank must visit to SHG and tell them in friendly manner about the activities they will be undertaking after sanctioning of the loan. Bank officials must visit the SHG and appraise them about the success, they got in getting the loan and the pre caution, they have to take for regular repayment of loan in future. But in case of about 22 per cent of SHGs before sanctioning of the loan, no visit by bank officials was made and in case of more than 42 per cent of SHG, no visit has been made after sanctioning the loan to them. If they come to see the SHGs, they are always in hurry and most of the queries related to banking do not get resolved as opined by women. Some of the members shared their opinion that they only come to see SHGs only for a namesake as a formality.

Table - 1.5**Banker's visit to SHG for sanctioning loan**

		Name of the Blocks			Total
Banker's visit to SHG for sanctioning Loan.		Karnal	Assand	Indri	
Before sanction of loan	No.	07	10	03	20
	%	23.30	33.30	10.00	22.20
After sanction of loan	No.	11	12	15	38
	%	36.70	40.00	50.00	42.20
No visits	No.	12	08	12	32
	%	39.70	26.70	40.00	34.80
Total	No.	30	30	30	90
	%	100.00	100.00	100.00	100.00

5. Insufficient loaning for pursuing Activities:

According to the guidelines of SGSY, assistance under SGSY to individual beneficiaries of SHGs is given in the form of subsidy by the government and credit by the banks. Credit is the critical component of the SGSY, subsidy being a minor and enabling element. Accordingly, the SGSY envisages greater involvement of the banks. They are involved closely in the planning and preparation of project reports, identification of activity clusters, infrastructure planning as well as capacity building and choice of activity clusters of the SHGs, selection of individual beneficiaries, pre-credit activities and post-credit

monitoring including loan recovery. The SGSY also seeks to promote multiple credit rather than a one-time injection. The credit requirements of the beneficiaries need to be carefully assessed. The beneficiaries are allowed and in fact, encouraged to increase credit intake, over the years. For groups of swarozgaries, the subsidy is 50% of the cost of the scheme, subject to per capita subsidy of Rs. 10,000/- or Rs. 1.25 lakh whichever is less. There is no monetary limit on subsidy for irrigation projects. Subsidy is back ended.

It was observed in the field that during the social mobilization process, majority of the members of SHGs were not made fully aware about the financial part of the SGSY guidelines and the amount of loan that bank can give them provided if they utilize the loan carefully. It was found in the field only few members of SHGs adopted innovative income generating activity such as vermin compost, candle making, weaving etc after fully utilizing the subsidy and taken loan from the bank. But majority of the SHGs were not satisfied with the finance part and opined that finance part was very less in which any viable activity cannot be started. As Table 4.6 shows that at the aggregate level 61.1% of the members of SHGs opined that due to insufficient finance, they could not run their SHG in effective manner. They could not start any other activity besides buffalo rearing because they were not guided properly and were in illusion that starting innovative activity requires huge amount which they will not be able to get from the bank. Apart from this, about 18 per cent opined that lack of facilitator's support was another difficulty faced for starting economic activity. If we look at block wise, we also found in all three blocks that majority of respondents Karnal 27 (90%), Assand (50%) and Indri 13 (43.30%) were of the opinion that they were not satisfied with the finance part of the scheme.

Table – 1.6
Major Difficulties faced for business/economic activity

Major difficulties faced for business/economic activity		Name of the Block			Total
		Karnal	Assand	Indri	
Marketing	No.	00	02	03	05
	%	00	6.70	10.00	5.60
Finance	No.	27	15	13	55
	%	90.00	50.00	43.30	61.10
Product and quality	No.	00	02	08	10
	%	.00	6.70	26.70	11.10
Infrastructure	No.	00	02	02	04
	%	00	6.70	6.70	4.40
Facilitator's support	No.	03	09	04	16
	%	10.00	30.00	13.30	17.80
Total	No.	30	30	30	90
	%	100.00	100.00	100.00	100.00

Another hypothesis of the research study has been relating to the lackadaisical attitude of bank officials may weaken the spirit of SHGs which was found true in the field because of below mentioned points.

(1) Banks have a crucial role to play in the implementation of SGSY as it is credit-cum-subsidy programme. According to the SGSY guidelines, banks not only open account of SHGs but also involve themselves in the planning process to help the Block/District level SGSY Committees in identification of cluster, key activities, crucial gaps in infrastructure, preparation of project reports and other aspects of implementation of the programme in the district. Banks ensure that the beneficiaries possess the minimum skill requirement both in terms of technical and managerial skills before the loan is disbursed. This is the mandate of the scheme which has to be implemented in letter and spirit to achieve better outcomes from the implementation of scheme in the field with the cooperation of the banks.

After conducting focused group discussion with members of SHGs by the researcher, it was found that beneficiaries of SHG were of the opinion that bankers have an indifferent attitude towards the approach of SHGs. Some of the office bearers of SHGs shared their experience with the researcher that staff of the bank discouraged them not to form SHGs by saying “*SHGs mein jud kar apna aur hamara samay barbad mat karo, SHG banana se accha hai ke majduri karke kuch paisa jodo*”. (Do not waste your time and energy by joining SHG. Instead of joining SHG, work as wage earner and earn money.) Workers of DRDAs and other community based organizations which are working at the grassroots level for the formation of SHGs, they also told to the researcher that when they go to the bank for opening of the accounts of SHGs, then the managers and staff do not talk with them nicely and feel as burden of opening of accounts of SHGs in their banks. SHGs are looked down upon in the banks. Because of these reasons, members of SHGs feel hesitant in going to the banks.

(2) After interacting with the managers and staff of banks like Punjab National Bank, State Bank of India, Canara Bank etc, it was found that majority of the banks were indifferent towards the promotion of SHGs. From their opinion, shortage of staff, more workload were the bottlenecks in their way for the promotional work of SHGs.

(3) Bankers always remain suspicious whether women were able to return the loan to them or whether they will be able to start any income generating activity. They lack trust on SHGs’ office bearers and their members. Women have to take many round of the bank in order to get loan from the bank.

(4) There are some banks which were found interested in the formation of SHGs and welcomed women to open their accounts in their banks. But here, women faced problem of defaulter in their family. There are women who were interested to start SHGs and banks also played vital role in motivating rural women to form SHG and open their accounts in their respective banks. But banks could not open their accounts because in the past, women’s in laws have taken loan but has not returned back to the bank. Because of which, whole family becomes defaulter and no member of the family can take loan from the bank until and unless, they pay back the loan to the bank. On this, interested women showed their anguish by saying that banks should formulate their separate laws for such families where women are interested to form SHGs.

Section-III

Besides the problem faced by women from administration and banks, there are some other problems faced by women in proper functioning of their Groups. These are summarized as follows:

1. Lack of Family Support:

Development is not a smooth process, it is one step ahead, two steps backward and again two steps ahead. Women who are from the marginalized section need the family support in terms of their husband and in-laws in giving them moral support to go ahead in taking up economic activities. This problem is becoming more serious when joint families are breaking due to various reasons. If the women have full backing of family, they are able to overcome all their problems discussed in this chapter more confidently.

2. Social Taboo

Due to the lack of cultural development in rural families of Haryana and particularly in Karnal district, study revealed that women in the mid 40s and above have only attended the training programmes organized by different agencies outside of the village. The younger women are not permitted to go outside the family for the work of SHG.

3. Defaulter:

After conducting focused group discussion with rural women in the field, it was found that majority of women were interested to form SHG but due to defaulter in their family, they could not join SHG.

Conclusion

It may be concluded that as per the SGSY guidelines rural poor such as the landless labour, educated unemployed, rural artisans and disabled persons should be covered under the scheme. But in the field, it was found that poor women who were eligible to become the members of SHGs, could not become members because they did not have BPL card. Social mobilization which is the important stage of the SHGs formation was not given much importance because of which scheme become only target oriented. Due to lack of monitoring and regular follow-up, accounts of the SHGs were not maintained properly. Indifferent attitude of the bankers towards SHGs was also found because of which members of SHG could not get loan from banks. Majority of the individual beneficiaries have not

undergone any kind of skill development training. Majority of SHGs in all the three blocks after taking loan from the bank only purchased cattle and earned their income from rearing of them which shows women were not given other options to start any other innovative activity.

It was found in the field that members of the SHGs were not given proper guidance because of which majority of the members of SHGs were not able to run their SHGs successfully. They were found demotivated because of indifferent attitude of bankers towards them as they showed their disinterest in opening their accounts and providing loan to them for starting income generating activity. Training provided to them was also not satisfactory. In order to give proper direction to the members of SHGs, there is a need of collaboration and cooperation among bankers, DRDA and training institutions.

Recommendations

The SHGs have been able to get recognition in the entire World as an useful tool for poverty alleviation and for improving socio-economic status of rural poor. In India too, these have been making progress in the direction of reducing poverty and empowering rural women. Through a network of the cooperatives, commercial banks, regional rural banks, NABARD and NGO's, SHGs have so far been largely a supply driven and in providing financial services to the poor. Some of the recommendations are being given on the basis of the findings of the study for strengthening SHGs movement in India.

1. Faultless BPL List

Defects in the BPL lists have been found to be the most important problem in the poverty alleviation programmes. SGSY has also been also facing the same. Almost all projects for helping the poor at the grassroots have become tied with the BPL list. Whether it is giving ration cards for subsidized food, or providing training and credit for self employment-every facility, these are extended only to those who are in the BPL list. Otherwise, majority of the actual poor are not able to get benefits of the schemes and programmes which are implemented for them. But due to the rural politics, only those persons get BPL cards who are near and dear ones of Sarpanch. It was observed in the sampled Gram Panchayats that families who were well off have been included in the category of BPL and those who need

BPL card have not been given the same. In some of the Gram Panchayats, it was found that few non-eligible beneficiaries have been receiving the benefits of the scheme.

In view of this, it is suggested that the implementing officers of the scheme should take appropriate steps to ensure that all the eligible persons are able to get the benefit of SGSY irrespective of their inclusion or exclusion in the BPL list. Alternatively, criteria should be laid down for preparing the list in a transparent manner through Gram Sabha.

2. Awareness Generation and Training & Capacity Building

This part of recommendation contains awareness generation about SHG, training and capacity building of different stakeholders engaged in the implementation of the programme.

2.1. Awareness Generation about SHGs

There is no doubt that many schemes and programmes were found to fail because of the lack of awareness among people for whom they are made. It is imperative that awareness generation programmes be organized on regular basis before the implementation of the programmes. People should not only be made aware about the benefits of the programmes but also of the ways of getting benefit from them. This can be achieved by having a proper display of the pictorial posters about success stories and by usefulness of schemes. Since most of the villagers are illiterate, they are not able to read the posters or hoarding, the documentary films should be shown to them. Another method of awareness generation is that of *nukad natak* through which maximum people can be made aware about the schemes and programmes that are being implemented for their benefit. There should also be a proper display of the literature about the success stories of these schemes in all the villages. This display of literature should be done in a language understandable to the villagers. There is a need of capacity building training of beneficiaries, bank officials, community based organizations.

The success stories of SGSY beneficiaries need to be given wider publicity. The DRDAs should document and circulate these among the beneficiaries of SGSY. Documentaries may also be made to highlight SHGs which were able to achieve the objectives of SGSY. Despite facing obstacles, in getting loans from the banks. These short films will inspire others to be more innovative and motivate them to continue their income generating activity.

2.2. Training for SHG Beneficiaries

It has been found in the field that the beneficiaries of SGSY who had undergone basic orientation and skill development training are very few in numbers. After interacting with those who got training, we found that they were of the opinion that duration of the training was very short. The procedural difficulties are one of the major impediments which denied financial benefits of banks to women. Therefore the procedure for credit access to them should be made more easy and simple by imparting training to SHGs. As training is an important part that contributes to the success of the scheme, more emphasis should be given to proper and effective training. This will definitely improve the performance of group activities. The training facilities do not often reach the required level. Even those, leaders and members of SHGs have attended training still feel that there is a need for further training in the areas of accounting, marketing, entrepreneurship etc.

A personality development programmes covering aspects like importance of team work, group dynamics and synergy effects should be conducted to the beneficiaries so that they can get fullest benefit of SHG. In addition to this, training should also be given to beneficiaries on topics like role of office bearers and members, provisions of SGSY, their entitlements and responsibilities under the Scheme. Special attention needs to be paid for creating understanding and awareness about the financial aspects of scheme. The women entrepreneurs should be given training for developing managerial and leadership skills to carry out their responsibilities effectively. The conveners and joint conveners of the enterprises should be rotated normally once a year. This may help in leadership development in all the entrepreneurs.

2.3. Training for Bank Officials

It was also observed in the field that SGSY needs to get a push from the banks. The indifferent attitude of bankers is the major constraint, they take much time in opening the accounts of SHGs. As a result, some of them, could not get loan on time. In this regard, efforts should be made to impart intensive training to bank officials and make them aware of the importance of SHG. They should be encouraged to take active interest in the project and reduce the duration of time which is taken for processing the applications and disbursing loans. The loan should be given immediately after beneficiaries' complete training for skill development as per the guidelines of SGSY. Efforts should be made through training to change the attitude of bankers towards rural poor people, including women so that they

could treat them as potential business entrepreneurs. Their active involvement should also be sought in the selection of key activities, formation and grading of groups and follow up action after disbursement of loans.

2.4. Training for Elected Representatives of Panchayats

Panchayats leaders have a great role to play in the implementation of scheme at different levels particularly at Gram Panchayat and Panchayat Samiti levels. These leaders have to identify potential beneficiaries of the scheme at Gram Panchayat level with the help of Gram Sabha and identification of cluster of activities at Panchayat Samiti level. These activities are very important components of the scheme for its overall effective implementation. The training on these aspects may be organized by state level institutions like Haryana Institute of Rural Development , Rajiv Gandhi State Institute of Panchayati Raj & Community Development with the involvement of capable NGO in cascading mode.

2.5 Training for Community Based Organizations

The Community Based Organizations (CBOs) like Shakhar Mahila Samoohs(SMSs), Mahila mandals, kirtan mandalis, the existing Self-Help Groups(SHG), youth clubs, aganwadi workers etc. working in the village can also play a role of catalyst in bringing the schemes and programmes at the doorstep of those for whom they are made. The leaders of SHG and SMS can motivate rural women to overcome social/cultural barriers and to come out from the four walls of their houses to get benefit of the schemes and programmes implemented for their development. The capacity building programmes too should be organized on regular basis by NGO's activists, volunteers, Panchayat representatives, members of youth clubs etc. to promote small savings and to encourage women's active and positive role in development process for ensuring their rights, entitlements and due share in developmental benefits. Members should be given intensive training in motivation, leadership, accounting and entrepreneurship. More attention should be given to the capacity building of those members who belong to the socio-economically weaker sections of the society.

3. Adequate and timely access to Finance by SHG Members

One of the major problems faced by SHG Members was inadequate access to finance, indifferent behaviour of bank officials, lack of staff in banks, distance of banks from their houses etc. Under this head, recommendations relate to solving these problems.

3.1 Expansion of Bank Branches

The study found that banks are situated at long distances from the villages. The rural poor women have to suffer a lot because of this. They have to make innumerable visits to distant places for opening their accounts and getting loans from the banks. Keeping this in view, banks should set up branches extension counters in rural areas so as to enable BPL families to form their SHGs and can get cash/credit facilities from banks nearer to their families. This will also help banks officials to visit SHGs which will lead to good rapport with them for assessing their capacity for repaying the loan amount.

3.2. Provision for Adequate Staff in the Bank Branches

Inadequate staff is another problem which needs urgent attention. It was observed in the field that due to this, the banks are not able to do proper monitoring of SHGs in time. This has made SHGs defunct. Lack of field staff has undoubtedly, posed a big problem for SHG. It is suggested that employees handling the SHGs activities should be sensitized to the needs of SHG. They should be enabled to understand the objectives behind micro finance programmes. Qualified micro finance practitioners should also be employed by banks so that pressure on existing staff can be reduced. They can help other staff in mastering the techniques of SHG banking.

4. Marketing

Another area which needs proper attention is marketing. Developing marketing infrastructure, market assessment, product design, packing, etc are important areas to be addressed for sustenance of SHGs.

4.1. Marketing infrastructure

In general, the beneficiaries have to be made aware of the potential market for their products. They should also be given clear ideas on the various available marketing infrastructures from which they can get benefit. Need of the hour is that more and more marketing facilities be provided at the state and district levels for the sale of products of SHGs. There is need to evolve training packages for entrepreneurship development too to enable rural women to become successful business managers for sustaining micro-enterprises. In this task, role of NGO's, Panchayats, Women's organizations etc. may be enhanced to impart training, skill development and technical knowledge to the leaders and

members of SHGs. They badly need marketing support and institutional capacity to handle marketing activities independently. Proper infrastructure is essential for the success of micro enterprises. It may be either for production, processing, quality testing, storage, design development, value addition, diversification of products and marketing.

4.2. Market Assessment

It was observed in the field that negligible number of SHGs made the market assessment before starting an economic activity. Majority of them have not done any type of market assessment prior of starting the same. As the outcome of micro enterprise depends upon the selection of key activity, more importance should be given to market assessment. Various factors like local demand, availability of raw material and aptitude and skills of the people need to be given their due weightage in selecting the key activities of the group. These factors are of vital importance for the survival of a micro enterprise.

4.3. Product Design

Assistance should be provided to the beneficiaries regarding the product design/development. Attraction towards a particular product at the very first sight is an important thing that is needed for the success of a product. So, in order to make products attractive, proper training should be given to this aspect. .

4.4. Packing and Labeling the Products

In the era of globalization, quality of the product is an important factor. In order to compete with the products already available in the market, it must be ensured that SGSY's products must have quality at par with the existing products in the market. Appropriate technical training needs to be imparted to the beneficiaries for maintaining the desired levels of quality of their products. The beneficiaries also need to be adequately taught about packing and labeling their products.

5. Innovative Economic Activities

It has been envisaged in SGSY guidelines that groups will move from livelihood to enterprise stage. The guidelines have further laid down that the focus should be on the identification of key activities and concentration on activity cluster. In fact, the very success

of SGSY is going to depend on identification of the key activities. No doubt, these are identified block-wise, yet the traditional activities are being pursued for income generation instead of innovating new ones. For example, in the field, it was observed that majority of SHGs are opting for dairy loans. Therefore, it is suggested that DRDAs should provide them help to identify such items which are required by the Government departments in bulk and have market demand. Some of the key activities like duri making, soft toys, embroidery, knitting, stitching, pickle making can be successfully adopted as these have local demand and market. Chalk making, candle making, file and files cover making are other activities which have market in the government offices. The SHGs should also be encouraged to undertake some innovative activities which can give them more earnings. NGOs, bank officials, government agencies should help them in this matter so that they can grab the market opportunities by coming out of traditional activities.

6. Effective involvement of Panchayati Raj Institutions (PRIs)

Gram Panchayats have an important role to play in the implementation of SGSY. However, their role was found peripheral in the field. Chairpersons of Gram Panchayat and Panchayat Samiti must be made aware about their role in the implementation of this Scheme. After this, there must be constant interaction between officials including bank officials and Panchayat leaders. Sarpanch should arrange a meeting of villagers and the implementing authorities at the Gram Panchayat level. This will provide a platform to the people to clear all their doubts related to scheme. It will also create a sense of transparency in the minds of people and they will start trusting and participating in it.

7. Proper Coordination among Stakeholders

It has been found that there is lack of coordination among different departments, agencies, organizations and banks involved in the promotion of SHG. They have been working in watertight compartments and are unaware of each other's roles and responsibilities. If there is a proper coordination between banks and DRDAs, there will be timely release of funds to SHG. It is imperative that DRDA, banks and other institutions which are involved in the promotion of SHGs should understand their responsibility towards society. They should participate in SHGs bank linkage programme with greater enthusiasm and dedication. The success of every programme depends upon the collective efforts. Hence, it is imperative

that there is proper coordination and cooperation to fulfill the objectives of the poverty alleviation programmes.

8. Engagement of Professional Social Worker for Promotion of SHG

It is emerged from the field that most of the SHGs who had the potential to go a long way but disintegrate in middle because they were not guided properly. In this context, social worker's role is paramount whose main responsibility should be to build trust among the members of SHG and play the role of facilitator in linking SHG with bank and other line departments which will boost confidence of the members of SHGs in starting income generating activities. Social worker's role is also very important in selling the products prepared by SHG. Social worker should be dedicated and should use the principles of case work, group work and community organization so as to bring development at the doorstep of rural people. Moreover, social worker can also help the SHG members to deal with their routine family and personal problems in effective and scientific manner. It will increase confidence among women and the working of SHGs will improve. This can only be done by a professional social worker because she/he is a trained professional in this field. Unfortunately, this aspect of administration and professional approach is missing in the efforts to work with SHGs in developing countries like India.

Keeping this view, a post of professional social worker may be created at block level. This person may be designated as Programme Officer for the scheme. At sub-block level, this worker will be instrumental involving of various NGOs, CBOs etc. for building and strengthening social capital created in term of SHGs. In a cluster of villages, a community mobiliser may be kept on contract basis to liaise between SHGs and Block Office.

The implementation of above suggestions can go a long way in streamlining the SHG movement in India, reduction of rural poverty and ensuring women empowerment.

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