

# Constraints Faced by Rural Women Members in Functioning of SHGs in Allahabad District of Uttar Pradesh

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**Abstract—** The present study was undertaken to study the constraints faced by rural women members in functioning of Self Help Groups. Hundred and fifty rural women members of SHGs from Allahabad district represented the sample for the study. A structured interview schedule was used for the collection of data. The findings revealed that the major constraints faced by the women members were lack of formal education, no freedom to take decisions, dominance of group leaders, decision made at administrative level, less cooperation of officials, less profit, travel expenses for disbursement of loan, poor monitoring and technical guidance, inadequate space for enterprise, high cost of raw materials, lack of storage facilities, non-cooperation between educated and uneducated people and non cooperation from family members. These constraints may be solved through extension strategies like adult education, vocational training of members, facilitating of bank officials and providing proper marketing facilities.

## I. INTRODUCTION

The SHG is a viable organized set up to disburse micro-credit to the rural women for the purpose of making them enterprising and encouraging to enter into entrepreneurial activities. The formation of SHG is not ultimately a micro credit project but an empowering process. These SHG have common perception of need and an impulse towards collective action. Empowering women is not just for meeting their economic needs but also for more holistic social development. The SHGs empower women both socially and economically. They encourage women to participate in decision making in the households, community and local democratic sector and prepare women to take up leadership position. (Ramachandran and Balakrishnan 2008).

The SHG-Bank linkage model is the indigenous model of micro-credit evolved in India and has been widely acclaimed as a successful model. SHG-Bank linkage programme is considered a promising approach to reach the poor and has since its inception made rapid strides exhibiting considerable democratic functioning and group dynamism. The number of 500 Bank linked SHGs in 1991-1992 has gone up to more than 34 lakh by the end of March 2008. Cumulatively, these SHGs have accessed credit of Rs. 22,268 crore from banks during the period.

About 4.1 crore poor households have gained access to the formal banking system through the programme. The faster growth in bank loans to SHGs has led to almost a four-fold increase in the average loans per SHG from Rs. 16,816 in 1999-2000 to Rs. 63,926 in 2007-08. These figures reflect the outstanding success of the programme. (Kumar and Golait, 2009).

On the other hand it has been revealed through various research studies that the real economic growth of the SHG beneficiaries has not been achieved. Despite policy initiatives, the extent of inclusion is very low in rural and semi - urban India. There are still 90 million people who are excluded from the formal banking system for various reasons like lack of knowledge in the rural poor related to banking and banking products, high transaction costs and illiteracy. In this scenario, microfinance, which is defined as the provision of financial services to the low income and vulnerable groups of the society is playing a challenging role in achieving twin goals of financial inclusion and poverty eradication in economically viable manner. (Rupa et al 2012)

Mehta (2012) also reported some major issues and problems indicating SHG status. Most members of the SHG have no knowledge about the SHG and they do not have a principal occupation. Women member perform dual role in society relating to production and reproduction so they are over burdened and their contribution to the family economy and national economy remains largely invisible and undervalued. The existing communication channels are not adequate and do not reach to the BPL members of the society. There is unchecked exploitation of SHG women members in houses, at working place and public place.

Despite all the notable efforts on part of the government and non- government agencies, access to financial services for all at affordable rates remains a distant dream. Remoteness of rural areas and poor infrastructure leads to market inefficiencies and a huge gap between demand and supply. Problem is compounded by the fact that rural population is still largely illiterate and not so technology driven. Kumar and Anand (2007). Critical gaps have been observed in the management of day to day activities of the

Self Help Groups relating to different group dynamics, organizational management, financial management, arrangement of livelihood activities, internal monitoring, accountability etc. Intensive and extensive training programmes involving community resource persons, coordinators will have to be organized for existing as well as new Self-help Groups, so that village level organizations (Primary Federations) can be conveniently formed with the help of these groups. (Zakir et al 2011).

## II. MATERIALS AND METHODS

The present research study was conducted in three blocks of Allahabad District of UP viz; Chaka, Jasra and Handia. A list of SHGs operating in these three blocks was obtained from the block office. A proportionate random sample of 30 Self Help Group was selected from the three selected blocks. Five office bearers (women members) from each selected Self Help Group was taken as the sample of the study, thus a total of 150 respondents were selected for the present study. An interview schedule was constructed which consisted of list of statements related to personal constraints, organizational constraints, economic/financial constraints, managerial constraints, social constraints and marketing related constraints. The data was collected through personal interview method by using pretested structured interview schedule and the collected data were compiled, tabulated and analyzed.

## III. RESULTS AND DISCUSSION

After analyzing the data regarding socio-economic characteristics it was found that majority of the respondents were in the age group of 30-40 years (50.66%), married (85.33%), illiterate (48.67%), had nuclear family (62.67%) and were daily wage labours (48.67%).

### A. Personal problems faced by the respondents

The data with regard to personal problems faced by the respondents are presented in table 1. It is evident from the table that majority of the respondents i.e. 68.67 per cent faced the problem of lack of formal education and got ranked I.

TABLE I  
DISTRIBUTION OF RESPONDENTS ACCORDING TO THE  
PERSONAL PROBLEMS FACED

Personal problems	Frequency	Percentage	Rank
No freedom to take decisions	42	28.00	II
Lack of motivation	26	17.33	III
Lack of formal education	103	68.67	I

\*multiple response

Most of the SHGs members were illiterate, due to which they lack confidence and are unable to take decision at their own. In the study it was found that about 28 percent of the respondents had no freedom to take decisions (II

Rank) and 17.33 per cent of the respondents were those who were having the problem of lack of motivation and placed at III rank.

### B. Organisational Constraints Faced by the Respondents

The table 2 reveals the data regarding the organisational constraints faced by the SHG members which clearly indicates that about half of the respondents reported that the decision related to group functioning and income generating activities were taken at higher level and the respondents were not involved into it. Near about 28.67 per cent of the respondent complain of conflicts among group members resulting in non cooperation among the group members.

TABLE II  
DISTRIBUTION OF RESPONDENTS ACCORDING TO THE  
ORGANIZATIONAL CONSTRAINTS FACED

Organizational constraints	Frequency	Percentage	Rank
Dominance of group leaders	88	58.67	I
Conflicts in group	43	28.67	V
Lack of participatory approach	59	39.33	III
Irregular meetings	21	14.00	VII
Decision made at administrative level	74	49.33	II
Poor record keeping	37	24.00	VI
Inadequate training	44	29.33	IV

\*multiple response

The constraints of dominance of group leaders was reported by about 58.67 per cent of the respondents (Rank I) while 39.33 per cent were those who faced the problem of lack of participatory approach. The problem of irregular meeting was reported by about 14.00 per cent of the respondents (rank VII) followed by 24.00 per cent who complain that the records were not maintained properly (rank VI) and about 29.33 per cent complaint of inadequate training.

### C. Economic/Financial constraints faced by the respondents

The table 3 indicates the economic/financial constraints faced by the SHG members. It is revealed from the table that a large percentage of the respondents i.e. 62.67 per cent felt that the profit earned through the income generating activities are too little (rank I) followed by 54.67 per cent who reported that it was an extra burden for them to arrange for travel expenses to visit the bank often.

TABLE III  
DISTRIBUTION OF RESPONDENTS ACCORDING TO THE ECONOMIC/  
FINANCIAL CONSTRAINTS FACED

N=150

Economic/ Financial constraints	Frequency	Percentage	Rank
Inadequate loan transactions	32	21.33	IV
Exhaustive procedure in getting loan	28	18.67	VI
Travel expenses for disbursement of loan	82	54.67	II
Irregular saving procedure and loan repayment of members	49	32.67	III
Less cooperation of officials	30	20.00	V
Less profit	94	62.67	I
Short duration of repayment of loan	17	11.33	VII

\*multiple response

About 21.33 per cent of the respondents reported that the loan amount disbursed to them is insufficient to start a profitable venture and got IV rank. The constraints at the III rank was reported by about 32.67 per cent of the respondents who complaint of irregular saving procedure of the members and some of the members of SHGs did not repay loan amount in time. About 18.67 per cent of the respondents faced the difficulties in disbursement of loan due to exhaustive procedure (VI rank) followed by 11.33 per cent who felt that the duration of repayment of loan is short and must be increased and this constraints was placed at VII rank.

#### D. Managerial constraints in functioning of SHGs

The data enfolded in table 4 shows the managerial constraints faced by the respondents. It is clear from the table that about 45.33 per cent of the respondents faced the difficulties of poor monitoring and technical guidance (I rank) and about 28.67 per cent of the respondents had the constraints of lack of space for the enterprise which was ranked II.

TABLE IV  
DISTRIBUTION OF RESPONDENTS ACCORDING TO  
MANAGERIAL CONSTRAINTS FACED

N=150

Managerial constraints	Frequency	Percentage	Rank
No exposure in record maintenance	38	25.33	III
Inadequate space for enterprise	43	28.67	II
No permanency in getting materials	32	21.33	IV
Unskilled women group members	10	6.67	V
Poor monitoring and technical guidance	68	45.33	I

\*multiple response

About 6.67 per cent of the respondents had unskilled women group members in their SHG followed by 25.33 per

cent who complaint of no exposure in record maintenance and were placed at V and III rank respectively. No permanency in getting the material was faced by about 21.33 per cent of the respondents and got IV rank.

#### E. Marketing Constraints Faced by the Respondents

There were some marketing related constraints faced by the respondents which are presented in table 5. About 36 per cent of the respondents faced the problem of high market cost of raw material which got I rank. The raw material for the dairy, piggery and goat rearing is fodder and the medicines when their animals fell ill. The market cost of veterinary drugs was perceived as high by the respondents. SHG members engaged in namkeen making felt the market cost of besan, peanut etc was high.

TABLE V  
DISTRIBUTION OF RESPONDENTS ACCORDING TO THE  
MARKETING RELATED CONSTRAINTS FACED

N=150

Marketing related constraints	Frequency	Percentage	Rank
No market demand of the product	32	21.33	II
Lack of transportation	17	11.33	V
Lack of storage facilities	22	14.67	IV
Lack of market information	30	20.00	III
High cost of raw materials	54	36.00	I

\*multiple response

Lack of market demand of the product was faced by about 21.33 per cent of the SHG members (II rank) followed by 20.00 per cent who lack the information of market demand and placed at III rank. Near about 14.67 per cent of the respondents had no storage facilities due to lack of space while, problem of lack of transportation was faced by about 11.33 per cent of the SHG members and these problems got IV and V rank respectively.

#### F. Social Constraints Faced by the Respondents

The data set in table 6 shows the social problems faced by the respondents. The data clearly indicates that the problem getting rank I was faced by about 25.33 per cent of the SHG members who reported the problem of conflict among educated and uneducated people due to differences in cognitive understanding. About 22.67 per cent of the respondents faced the problem of jealousy of friends and neighbor (rank II) while only about 7.33 per cent of the SHG members were those who faced the problem of caste system in the group/village.

Table 6: Distribution of respondents according to the social constraints faced by them (N=150)

Social constraints	Frequency	Percentage	Rank
Non cooperation from family members	17	11.33	IV
Jealousness of friends and neighbor	34	22.67	II
Cultural taboos not permitting	29	19.33	III
Non-cooperation between educated and uneducated people	38	25.33	I

\*multiple response

About 11.33 per cent of the respondents faced the problem of non cooperation of family members followed by 19.33 per cent who faced the difficulty of cultural taboos.

#### IV. CONCLUSION

The study therefore reflects that the major constraints faced were lack of formal education, no freedom to take decisions, dominance of group leaders, decision made at administrative level, less cooperation of officials, less profit, travel expenses for disbursement of loan, poor monitoring and technical guidance, inadequate space for enterprise, high cost of raw materials, lack of storage facilities, non-cooperation between educated and uneducated people and non cooperation from family members. These constraints may be solved through extension strategies like adult education, vocational training of members, facilitating of bank officials and

providing proper marketing facilities. It is therefore suggested that the women members need to be sufficiently exposed to the objectives and functioning of the SHGs so that they could manage the group effectively. This also will develop their interest in undertaking various activities with credit facilities, need based training and generate income which will definitely make them empowered.

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