

Opinion of SHG members and officials towards functioning of Self-help groups

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■ **ABSTRACT :** With the increase in modernization, the needs of societies have undergone a change. In response to this, there is revival of traditional SHGs with new structure and content to support the changing needs of people. The present study investigated the opinion of SHG members and officials towards functioning of Self-help groups. The study was conducted in purposively selected two districts of Punjab state *i.e.* Ludhiana and Hoshiarpur. An equal number of SHGs *i.e.* 25 were selected from each district by proportionate random sampling technique. The sample of the study was comprised of officials and Self-help group members. The officials who were associated with formation of SHGs from Department of Co-operation and District Rural Development Agency were selected for the study. Three members from each SHG were selected at random. The major findings revealed that majority of the SHG members and officials indicated that SHG had helped them to increase the income generating economic activities, had helped them to set up micro-enterprise, improve availability of financial services and developed habit of saving. All the members and officials agreed that SHGs provided them easy loan process and helped them to reduce the dependency on money lenders. All officials agreed that SHG provided them opportunity to earn.

■ **KEY WORDS :** Self-help groups, Functioning of SHG, Opinion

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The concept of self-help groups gained significance, especially after 1976 when Professor Mohammed Yunus of Bangladesh began experimenting with micro-credit and women SHGs. The strategy made a revolution in Bangladesh in poverty eradication by empowering the poor women. In India, the concept of self-help groups can be traced back to the Gandhian Gram Swaraj movement. It was mainly concerned with the poor and it is for the people and of the people. The existence of traditional saving groups has long and successful history in India. Informal SHGs oriented to saving and credit functions are not a new phenomenon (Desai and Namboodiri, 2001). SHGs were widespread in the traditional and ancient times and they were the main basis of functioning of these societies. These groups acted as a major source for providing social and material support to individuals, families and communities in times of need. With the increase in modernization, the needs of societies have undergone a change. In response to this, there is a revival of traditional

SHGs with new structure and content to support the changing needs of people. This new concept of SHGs was introduced in India in 1985 by NABARD. Most of the SHGs of the country are concentrated in southern India and about 29000 are in Andhra Pradesh alone followed by Tamil Nadu, Karnataka and Maharashtra (Rao, 2002). Thus, a new concept on empowerment of women by organizing them into self-help groups (SHGs) was initiated in the ninth five year plan (1997-2002). The present study has been planned with the objective to study the opinion of SHG members and officials towards functioning of self-help groups.

■ RESEARCH METHODS

The study was conducted in purposively selected two districts of Punjab state *i.e.* Ludhiana and Hoshiarpur. An equal number of SHGs *i.e.* 25 were selected from each district by proportionate random sampling technique. Thus, in total 50 SHGs formed the sample for the present study. The data

were collected through interview schedule. The officials who were associated with formation of SHGs from Department of Co-operation and District Rural Development Agency were selected for the study. In all, 10 officials *i.e.* 5 from each district constituted a part of the sample. A sample of 150 members was selected through random sampling technique. Three members from each SHG were selected at random. Thus, a total sample of 150 members *i.e.* 75 from Ludhiana and 75 from Hoshiarpur were selected. Opinion of officials, SHG members towards SHGs in study was defined in terms of their perception towards functioning and advantages of SHGs. The statements regarding functioning and advantages of SHGs were prepared with the help of experts and the literature. The responses of respondents for these statements were measured on three point continuum *i.e.* agree, undecided and disagree.

RESEARCH FINDINGS AND DISCUSSION

Data shown in Table 1 revealed that 100 per cent members indicated that SHGs had helped them to undertake income generating activities. Borbora and Mahanta (2001) also found that 43 per cent of the sample beneficiaries could expand their income generating activities. SHGs had helped to set up number of income generating activities.

It was also revealed that 100 per cent respondents reported that formation of SHGs that had helped them to set up micro-enterprise, improve availability of financial services and developed habit of saving. Results have been supported by Kumaran (2000) who reported that regarding the benefits derived from SHGs, 95.7 per cent of the respondents admitted that SHG membership 'promote saving habits' and 'enable

Statements	Agree number (%age)	Undecided number (%age)	Disagree number (%age)
SHGs:-			
Help to undertake income generating activities	150 (100.00)	0 (0.00)	0 (0.00)
Help to set up micro-enterprise	150 (100.00)	0 (0.00)	0 (0.00)
Improve availability of financial services	150 (100.00)	0 (0.00)	0 (0.00)
Develops habit of saving	150 (100.00)	0 (0.00)	0 (0.00)
Interest charged on individual loan is high	1 (0.67)	0 (0.00)	149 (99.33)
Arrange training camps/courses for skill development	14 (9.33)	9 (6.00)	127 (84.67)
Easy loan processing	150 (100.00)	0 (0.00)	0 (0.00)
Regularity in attendance of members in the meetings	148 (98.67)	0 (0.00)	2 (1.33)
Reduce dependency on money lenders	150 (100.00)	0 (0.00)	0 (0.00)
SHG provide opportunities to earn	150 (100.00)	0 (0.00)	0 (0.00)
Bank loans are given mainly on trust with minimum paper work with and without any security	85 (56.67)	0 (0.00)	65 (43.33)
Social and economic issues are also discussed in meetings	42 (28.00)	1 (0.67)	107 (71.33)

Statement	Agree number (%age)	Undecided Number (%age)	Disagree Number (%age)
SHGs:-			
Help to undertake income generating activities.	10 (100.00)	0 (0.00)	0 (0.00)
Help to set up micro-enterprise	10 (100.00)	0 (0.00)	0 (0.00)
Improve availability of financial services	10 (100.00)	0 (0.00)	0 (0.00)
Develop habit of saving	10 (100.00)	0 (0.00)	0 (0.00)
Interest charged on individual loan is high	0 (0.00)	0 (0.00)	10 (100.00)
Arrange training camps/courses for skill development	4 (40.00)	0 (0.00)	6 (60.00)
Easy loan processing	10 (100.00)	0 (0.00)	0 (0.00)
Members attended the meetings regularly	10 (100.00)	0 (0.00)	0 (0.00)
Reduce dependency on money lenders	10 (100.00)	0 (0.00)	0 (0.00)
SHG provides opportunities for earning	10 (100.00)	0 (0.00)	0 (0.00)
Bank loan is given with minimum paper work with and without any security	7 (70.00)	0 (0.00)	3 (30.00)
Social and economic issues are also discussed in meetings	6 (60.00)	0 (0.00)	4 (40.00)

them to be free from debt (92.2 per cent). This was found especially true that 99.33 per cent of the respondents disagreed to the statements that SHGs charged high interest on individual loan. Only 0.67 per cent of the respondents agreed with this statement. A large majority *i.e.* 84.67 per cent of the respondents disagreed with statement that SHGs arranged training camps/courses for skill development. Only 9.33 per cent agreed to the opinion that SHG organized training camps for its members. Only 6 per cent of the respondents were undecided. All the respondents agreed that SHGs provided them easy loan processing. Regarding attending meeting regularly, a large per centage of respondents *i.e.* 98.67 per cent agreed to the statement that members attended meetings regularly whereas only 1.33 per cent disagreed to this statements.

Further, data revealed that 100 per cent of the respondents agreed that SHGs helped them to reduce dependency on money lenders. More than half of the respondents *i.e.* 56.67 per cent agreed to the statement that bank loans were given with minimum paper work and without any security. But 43.33 per cent members of SHGs disagreed to this statement. Nearly 71.33 per cent of the respondents reported that social and economic issues were not discussed in meetings, 28 per cent agreed with this statement whereas only 0.67 per cent were undecided.

The information in Table 2 gives a clear picture about opinion of the officials regarding functioning of SHG. Data shown in table revealed that all the officials agreed that SHGs helped them to undertake income generating activities', 'SHGs helped them to set up micro-enterprise' and 'SHGs improved availability of financial services'. All officials reported that SHGs truly developed habit of saving whereas 100 per cent officials disagreed that SHGs charged high interest on individual loan. Further data revealed that 60 per cent officials disagreed to the statement that 'SHGs arranging training camps/courses for skill development'. Only 40 per cent reported that SHGs were arranging training camps/courses for skill development. All officials were of the opinion that SHGs made loan process easy for them, 'members attended the meetings regularly' and 'SHGs helped them to reduce dependency on money lenders'. All the officials agreed that

SHG provided them opportunities to earn. Seventy per cent officials reported that SHGs were given loan with minimum paper work and without any security. Only 30 per cent of the officials disagreed to this opinion. Data further revealed that 60 per cent officials were of the opinion that social and economic issues were discussed in meetings. Only 40 per cent officials were disagreed to this statement.

Conclusion :

The findings of the study concludes that all SHG members and officials agreed that SHGs had helped them to increase the income generating activities, to set up micro-enterprise, improve availability of financial services and developed habit of savings. All respondents agreed that SHGs helped them to reduce the dependency on money lenders and provide them easy loan process. Regarding attending meeting all officials and SHG member reported that a large percentage of members attended the meetings regularly. Therefore, it is concluded that SHG approach as opined by officials and SHG members is a wonderful approach leading to economic empowerment of women.

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