



BARRIERS IN THE DEVELOPMENT OF SHGs IN HARYANA: A DEMAND SIDE OUTLOOK

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ABSTRACT

Empowerment is a subjective term which may encompass Economic, Social, Emotional and Administrative strength. The concept of women empowerment would fetch volumes of meaning as everyone defines women empowerment in one's own way on the basis of experience, age, gender, community etc. For some people, when there is absence of gender bias, a woman is said to be empowered. For others if a woman is earning bread for her and her family she is empowered. If a woman becomes a decision maker she is identified as empowered woman. When she does not need company of her husband to go to bank and talk about loan she is assumed empowered.

KEYWORDS: Empowerment, empowered woman, poverty, rural development

INTRODUCTION

Since time immemorial woman has been designated as "Shakti—Durga Avtaar" but at the same time is being treated as "Abla—Helpless". Even the modernisation could not help much to bring women out of the shackles of helplessness. A large number of factors were found associated as a cause of deprivation of the place that she deserves. From economists' point of view, women constitute half of world population but bear a disadvantageous status in the society with a low literacy rate, low work participation rate, low urban population share as compared to their male counterparts. That is why a need was felt to develop women centric interventions by the Government to reach Millennium Development goals of sustainable development and alleviation of poverty. Various developmental programmes and schemes have been launched by the Government for rural development to bring about social and economic reforms

but as the backwardness is highly skewed in some areas no such programme could prove a complete success. This consistently makes policymakers to look for alternatives best suited to Indian rural poor in general and women in particular. Micro finance interventions were suggested as a measure to reach the unreached and NABARD's Self Help Group scheme for women came as a welcome change in this direction which was launched in 1992 with an objective of linking the financially excluded to the mainstream.

Though many central and state Government poverty alleviation programs are currently in vogue in India with a strategy focus on Infrastructure, Social Development (especially education and health) and rural livelihoods but the poor access to credit markets and formal banking system has been identified as a root cause of poverty amongst the rural poor and the most disadvantaged



section of the society. Considering this a long lasting Microfinance system with well equipped resources is apprehended as a stimulant for economic growth from the very basic level. Micro financing is regarded as a tool for Socio-Economic benefit in a developing country like India as (Singh, Khatkar and Sharma 2001) found that the micro financing through SHGs is a better system to inculcate the habit of self help among the rural poor. Loan facility is available for all purposes with the aid of a simple procedure with a recovery rate of 100%. The loan is used for both consumption and production. Members have been emancipated and got freedom from exploiting moneylenders. As a means of poverty amelioration it can give loans to poor individuals without sacrificing financial viability. But the results may vary from region to region that's why a need was felt to analyse the barriers in the development of Group based Microfinance scheme in the state of Haryana.

RESEARCH PROBLEM AND METHODOLOGY

The findings of the study depict that the scheme has lots of bottlenecks in its way which are two sided i.e. Demand side and Supply side. Batra (2012) in his study on 90 SHGs over the 3 sample districts in Haryana has identified the problems concerning management and governance of SHGs like irregularity in meetings, low level of competencies and knowledge, absence of larger goals and absence of training. There are problems on part of banks for being not able to understand and accommodate the needs of SHGs in Haryana. To empower women and to reduce vulnerability, literacy could be very essential. Hence, problems on two fronts are hampering the growth of SHGs in Haryana in particular and in north region in general. Beneficiaries are willing to continue their group but lack

of entrepreneurial activity has made this self sustaining scheme as merely a savings lending option. Lack of administrative experience, co-operation among members, long gestation period to get first loan and inadequacy of loan amount are some factors which hampered the growth and spread of SHGs in the sample area and it was observed that despite of many benefits and positive impacts of SHGs the spread of the scheme is not upto the desired level as is observed by Rutherford (2002) that provision of financial services to poor people need not be only for increasing income, empowering women, or starting businesses—it may simply aim to help them “manage better what little money they already have”. There is a long way to go if we want a balanced outreach around the north region. Some of the barriers have been supported by primary and secondary data and some of them are deductive in nature that has been derived through oral discussions with the group leaders, members and bank facilitators. Primary data have been collected through structured interview schedule with 304 group leaders and 900 member beneficiaries in Mewat District of Haryana which is known for its intense backwardness in terms of infrastructure and female literacy rate. Though the problems of development are two sided but the study is restricted to demand side problems which are creating hindrance in the development of SHG Bank linkage Programme.

PROBLEMS FACED BY THE SHGs

As the SHG scheme is not fetching the desired output, respondents were questioned about the problems that they were facing. Lack of administrative experience, co-operation among members, long gestation period to get first loan and inadequacy of loan amount are some factors which hampered the growth and spread of SHGs in the sample area. The same has been represented by the following table.

Table 1
Distribution of SHGs on the basis of problems faced by the SHGs

Sr.No.	Lack of administrative experience	Lack of cooperation among member	Difficulty to approach the authorities for getting loan	Delay in sanctioning loans	Inadequate loan amount	Limited no. of instalments for repayment of loan	No. of SHGs	Percentage
1	Yes						117	38
2		Yes					6	2
3			Yes				7	2
4				Yes			1	0*
5	Yes	Yes					84	28
6	Yes		Yes				43	14
7	Yes			Yes			16	5
8	Yes				Yes		7	2
9	Yes	Yes				Yes	9	3
10	Yes	Yes	Yes				5	2
11	Yes	Yes		Yes			1	0*
12	Yes	Yes				Yes	4	1
13	Yes				Yes	Yes	4	1
Out of 304 SHGs	291	109	55	18	11	17		
Percentage	96	36	18	6	3	5		
Total							304	100

Source: Field Survey 2014

*Frequency is very small in comparison of total.

It is observed from Table 1 that there are 117 groups (38%) who said lack of administrative experience is the biggest problem faced by them. Only 2% admitted that there is lack of co-operation among members. 2% found it difficult to approach the authorities for getting a loan. Inadequacy of loan is not a significant problem faced by SHGs. However, most of the SHGs have quoted more than one problem that they were facing while performing the group functions. 84 (28%) admitted that there is a lack of administrative experience as well as lack of co-operation among members. 14% reported lack of administrative experience and difficulty in approaching the authorities. 5% experienced problem due to lack of experience and difficulty in getting the loan sanctioned as a result of disinterest in SHG scheme. 2% said inexperience and inadequacy of loan amount which bothered them as a member of SHG. 3% respondents told inexperience, non-cooperation and limited number of instalments of loan repayment as a problem area for low performance of the group. Hence it may be concluded that the major problem faced by most of the SHGs (96%) was due to lack of administrative experience. Lack of cooperation among members was second dominating problem faced by SHGs, 36% SHGs were facing problem to due to this. Difficulty to approach the authorities for getting loan was identified as the third dominating problem faced by 18% of the SHGs. However the intensity of lack of administrative experience was seen highest among all the problems faced by SHGs. Hence it may be concluded that the problems are intense on demand side

and pose barriers in the development of SHGs. There is lack of co-operation and absence of group spirit among the group members. Some of the members reported to have single problem of administration in the group whereas some have reported many problems associated with the running of SHGs. Getting a subsidized loan from the bank and then trading up that loan with other members is the main activity of the groups.

1. Entrepreneurial content was found to be the least among groups. However joining with SHGs has developed a financial discipline either to repay the loan or making their savings as a tool for earning as the group fund is allocated on average 2-3 members and rest of the members get share of interest paid by the loanee member. It has also been observed by RFAS (Rural Finance Access Survey) World Bank (2002) that there is a small increase in the income levels and household assets in real terms. Major occupation of members was agriculture and lack special skills. They had not been given any skill development training to undertake nonfarm activities. Loans have been utilised for consumption and emergency requirements. From either side no capacity building training has been ever imparted or received. Though women have turned more vocal with the bank officials even to discuss other forms of individual loans like gold loan but that too is not for undertaking any entrepreneurial activity but for consumption purposes.

Table 2: Region-wise Loans disbursed during 2013-14

Region	No. of SHGs	Loan disbursed (Lakh)	Region-wise share to total loan disbursed
Northern Region	23918 (1.75)	28048 (1.16)	1.75
Southern Region	874585 (64.01)	2061551 (85.84)	64.01
Total(All Regions)	1366421	2401736	100.00

Source: NABARD

Table 2 clearly depicts that there are regional disparities in disbursement of loans to SHGs and disbursements of loans are skewed towards southern region. Out of total SHGs in the country only 1.75% belongs to north and 64.01% to south which shows that south

alone has 64.01% share as compared to 35.99% rest of the nation. 1.16% of total loan disbursements are done in north whereas 85.84% in south. If we distribute this 1.16% among all the states in north then share of Haryana is negligible.

Table 3: Relative Position of Microfinance in Haryana as on March 31, 2012 (Amount in `crore)

Particulars	Number of SHG	Savings	Loan disbursed	Outstanding Bank Loans against SHG
India	7960349	6551.41	16534.77	36340.00
Haryana	44184	36.78	87.70	205.75
Share of Haryana (%)	0.56	0.56	0.53	0.57

Source: Status of Microfinance 2012, NABARD

It is clear from Table 3 that the share of microfinance in Haryana is not even 1% of the country with respect to number of SHGs formed, savings, loans disbursed and outstanding loan amount.

DEMAND SIDE BARRIERS

Linking the financially excluded with the formal financial system alone is not sufficient to make them independent as is found in the study. The main problem faced by SHGs in the area was lack of administrative experience and over dependence on the bank facilitators for all the administrative work. Apart from that some more hurdles in the development of SHGs were explored during survey.

LACK OF RESOURCE PLANNING

Members themselves are not capable enough of selecting a profitable livelihood activity. They concentrate only on a few activities of agriculture, dairy, poultry, bangle shop whereas there are so many other profitable activities such as dari/carpet making, pickles and jams, bee hiving, vermicompost, floriculture, fisheries, mushroom farming, herbs plantation, nursery, bakery etc can be undertaken with some sessions of technical trainings as is undertaken by the SHGs in southern region. The focus on training should be imparting capacity /skill building training alongwith training on formation of the group, group meetings and maintenance of books of accounts so that women can plan better for resource utilisation.

Table 4: Occupation of the Members

Agriculture	624
Poultry	51
Dairy	44
Shop	42
Job (Pvt.\Govt)	176

Source: Field Survey 2014

It can be observed from table 4 that most of the members are opting for agriculture, poultry, Dairy and petty shops which shows there is concentration of efforts only towards some activities which needs to be channelised in more profitable avenues.

WOMEN'S IGNORANCE TOWARDS INVESTMENT DECISIONS

Most of the rural women are ignorant about investment decisions. They invest in existing activities which are less profitable and insecure, or they invest in their husband's activities. It is rare to see a rural woman to invest in lucrative activities out of her own credit and savings alone. It was observed during the survey that they either take advice of their husbands for investment decisions or handover their money to their husbands to spend, the way husbands want to. It is a big barrier in the development of Women Self Help Groups in the sample area. Women should be counselled and trained for coming forward to decide their own as to where should they invest

the fund with the help of NGOs and successful Women Self Help Groups of other areas.

LACK OF ECONOMIC EMPOWERMENT AS MICRO FINANCE IS MERELY A REINFORCEMENT OF TRADITIONAL ROLES

Financial assistance helps women to perform traditional roles in a better way but being in the same low productivity sectors like agricultural labour, one or two milching cattle, they don't move towards initiating micro enterprises. They get more freedom to spend their own ways such as on daughter's marriage, education, buying household assets to improvise her living. But this comes at a cost as men withdraw their contributions to specific types of household expenditure and also make them responsible to go and discuss with bank officials about further loan potential.

TOUGH COMPETITION FROM MALE COUNTERPARTS

Women have to face tough competition from their male counterparts if they opt for the same business activity which men are doing e.g. Dairy. As an individual woman can not win this competition as society is non supportive to woman. She has to face lots of humiliation while she makes efforts to explore market or clientele for her business. Males entrepreneur are preferred by the society. Some of the occupations can be kept reserved for women when banks grant micro loans to both, meaning thereby men should be discouraged to give competition to women in the same enterprise.

LACK OF GROUP SPIRIT

As the group head towards maturity, the group is supposed to take up an economic activity under SHG scheme but it was found that most of the groups come to

a closure before attaining maturity. Every member prefers individualism over group. They take financial assistance from group to invest in already existing agriculture, other vocation, simply consume it on construction/repairs/ whitewashing of their houses, hands over to their husband or in buying movable/non movable assets. Banks can restrict the usage of first loan towards group activity by keeping a progress record and members may be let free for utilizing subsequent loans.

INTER GROUP COMPETITION

The limited space and opportunity available for selling, generate inter group competition i.e. the best products will be chosen amongst available by the visitors and it is discouraging for other SHGs whose product is little less preferred by the visitors of crafts fairs and exhibitions. These types of experiences have been shared by the women of the sample area. These homebound producers are thrown to open competition with national level handicrafts manufacturers.

INTER LOANING PRACTICES

Another practice of inter loaning was also observed like a group applies for a bank loan and gets it at a subsidised rate then instead of utilising it for a group activity it lends this sum to another group at nearly 2% per month rate of interest and the income is shared by all members of lending group. This effort less money making hampers the growth of entrepreneurial activity among the SHGs.

HOUSEHOLD UTILISATION OF LOAN

Loan amount is used for household expenditure which has helped women to raise their standard of living though marginally but it has not contributed to the growth of economy as well as for the outreach of the programme.

Table 5 Distribution of Members on the Basis of Purpose of Taking Loan

Sr. No.	Purpose of Loan	Before Joining SHGs No of Members	After Joining SHGs No of Members
1.	Agriculture	156(33.05)	130(25.29)
2.	Investment	12(2.75)	22(4.28)
3.	To start a business	40(8.47)	61(11.87)
4.	Children Education	102(21.61)	139(27.04)
5.	Daughter's Marriage	109(23.09)	58(11.28)
6.	Festival	32(6.78)	49(9.53)
7.	Construction	20(4.24)	55(10.70)
Total		472	514

Source: Field Survey 2014

Figures in brackets indicate percentage to total.



Evident from Table 5 that after joining SHGs agricultural spending has decreased, investment has increased from 2.75% to 4.28%. Most of the loans have been utilised for children education and construction of houses. Decrease in utilisation of loan for Daughter's marriage indicates yet another positive social impact i.e. girls are being sent for education and curb on early marriages of girls. But overall loan utilisation has been for consumption and not production. However, the repayment rate is quite satisfactory not only in the sample area but worldwide as Microfinance Information Exchange, Inc. (2007) shared that women are less likely to default on their loans than men hence extending more loans to them is worthwhile and can be cultivated as opportunity.

CONCLUSION

It may be concluded that the major problem faced by most of the SHGs (96%) was lack of administrative experience. Lack of cooperation among members was second dominating problem faced by 36% SHGs. 18% of the SHGs found it difficult to approach the authorities for getting loan. Hence the problems are intense on demand side and pose barriers in the development of SHGs. There is lack of co operation and absence of group spirit among the group members. Getting a subsidised loan from the bank and then trading up that loan with other members is the main activity of the groups. Microfinance Information Exchange, Inc. (2007) shared that women are less likely to default on their loans than men hence extending more loans to them is worthwhile.

Linking the financially and socially excluded with the formal financial system alone is not sufficient to make them independent as is found in the study. There are other factors as well to make them self dependent. When it comes to selection of economic activity they just follow what is traditionally available or what others are doing in the same proximity such as agriculture, dairy, poultry, bangle shop etc whereas there are so many other profitable activities such as dari/carpet making, pickles and jams, bee hiving, vermin compost, floriculture, fisheries, mushroom farming, herbs plantation, nursery, bakery etc. The focus on training was on formation and organisation of the group instead of skills building.

It was surprising to know that this microfinance intervention has done a little to empower women economically as men pull out their hands from specific types of expenditure as soon as they come to know about the small earnings of women. So it can be said that women's small earning makes men more empowered.

It was observed during survey that NGOs are just helping rural poor women on sympathetic grounds

only, whereas they need self sustainable interventions through which they can earn a livelihood for their own and family. Lack of marketable potential makes the situation worse even if they try to undertake some productive work like biscuit making, handfans, dari making etc. No training to manufacture and no marketing support rendering the product non marketable and is very discouraging.

From above discussion it may be concluded that these barriers had hampered the growth of SHGs in this area. Strategies can be developed to remove these obstacles so that this scheme can prove a catalyst in bringing about socio-economic changes in the life of rural women. (Thakral, Shefali Verma; Uppal, Nitima; Chawla, & Esha 2010) had opined that microfinance is rising as a robust instrument for poverty alleviation within the new economy and in India the microfinance is dominated by the SHG-Bank Linkage programme and is considered as an economical mechanism for providing monetary services to the 'unreached poor' that has been successful not solely in meeting monetary wants of the rural women but also strengthen collective self help capacities of the poor, leading to the empowerment. As a matter of fact no country can develop without working for women emancipation strategies. Women can be used as a source of development of the family, community, society and nation as a whole.

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