

# **CHALLENGES FACED BY WOMEN MEMBERS OF THE SELF HELP GROUPS IN KARNATAKA**

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## **ABSTRACT**

The micro credit extended by self help group is commendable in improving the standard of living of poor specially women. The self help group are contributing to the socio-economic development of the women. Still the members of self help group are facing so many challenges in carrying out their activities. The challenges faced by the members are classified in to Administrative, Personal, Financial, Marketing and Others. Lack of awareness of credit management, formation of groups on caste basis, interference of politicians in the management, Lack of knowledge of maintenance of accounts, Lack of co-operation among SHGs member in the group, Lack of co-operation among SHGs member in the group, Lack of education, Lack of co-operation from husband and elderly members of the family, Insufficient financial assistance, High rate of interest, complicated procedure of getting loan, Role of intermediaries, Problem of advertisement, competition from small and medium units are the challenges for members of self help groups. Proper training by DIC, Liberal approach in advancing loan, education the members and advice to their family, adopting proper marketing strategies will improve the functioning of the SHGs.

Key words: Self Help Groups, Micro credit, SHG Members, Challenges

## **Introduction**

The position of women plays an important role in the overall development of a society. It is proved during the long evolution of societies in different parts of the world. It is also proved that no true development is possible without women's participation. It has been documented in a plethora of studies that in societies where such social and economic empowerment of women was initiated, there have been positive implications on economic development, gender equality and social justice. It is for this reason woman was and is described as better half of a man. However, in reality, the status of woman throughout the world particularly in developing countries like India does not reflect the above description. In most of the South Asian countries, the status of women is comparatively low and their socio economic conditions are much more disheartening than that of men. India is no exception in this context, as women are still suffering in the spheres of social and economic life as second rated citizens.

Among various reasons for the above situation, the level of poverty is definitely identified as major impediments. Further, either limited or marginal employment opportunities in many of the socio-economic activities, low levels of skill, lack of education have all contributed to low economic status to women in India. In addition, malnutrition, poor literacy levels, poor status of health and exposure to various unkind treatments like domestic violence, if not equally significantly restricted women's participation in the development process

of the country. All these factors contributed to the deplorable condition of women in our society. To achieve this, empowerment of various approaches were adapted and models were experimented. One such successful approach is micro credit at the grass root levels. It is this approach that in recent times received wide publicity over the world.

It is now widely accepted that micro finance makes a positive contribution to poverty reduction efforts. However, access to micro finance does not automatically lead to increased earnings, nor it IS a panacea for poverty reduction, since the creation of income generating opportunities through access to finance assumes a certain economic environment and entrepreneurial capacity of the poor. Qualitative as well as quantitative assessment of both the positive and negative impacts of micro finance would be a challenging task where diverse micro finance institutions themselves are evolving to meet the diverse needs of poverty situation. Both qualitative and quantitative terms, have attempted to assess the impact of micro finance on the well being of the poor, with the results generally indicating positive impacts. They support the view that access to finance provides the poor with opportunities to invest in income generating activities, smooth consumption and thus reduce their vulnerability to income fluctuations during emergencies. In spite of the Government, banks and other NGO's support to the SHGs their condition is still not so good. Micro-finance has helped them to improve but not up to their expectation. Now-a-days, SHGs are facing number of problems which came on their ways of progress.

### **Concept of SHG**

A Self-Help Groups is a voluntary association of people with common goal. It should be small / manageable based on or relying on internal strength. The goal may be social or economic empowerment. Self help group aims to achieve economy of scale, reliance on internal strength and empowerment, especially of women and the downtrodden. Group approach is not new to rural India. Affinity groups, literacy groups, Development of Women and Children in Rural Areas, Milk societies, Chit fund groups, Village development councils, farmer's clubs and the like, are examples of group approach experienced in rural India. The beginning of Self-Help Groups can be traced to Asian Pacific Rural and Agricultural Credit Association seminar in 1986-87, Mysore Resettlement and Development Agency (MYRADA) action research, NABARD initiatives and the like. Reaching out to the poor was the aim, more importantly reaching out to the unreached. It has been realized that easy access to credit is more important than cheap subsidized credit which involves lengthy bureaucratic procedures. Banks have accepted microfinance as normal and sustainable banking business operated at market rates of interest. The Self-Help Group helps the individual to have access to institutional credit. It also enhances the bargaining power of the members of the group for their survival.

A group should be homogeneous, of optimum size with 15 to 20 members, all male, all female, or mixed group. The bye-laws may be oral or written but should emerge from the group. Regular meetings should be held at specified day, date and time. Thrift and savings have to be emphasized. Savings should be regular, but the amount may be fixed or variable as decided by the group. Credit (loaning) is important to improve resource base. It enables members to take decisions based on priorities. The major aim of the group is to collect the savings from all the members and sanction loan to the members who are in need. The nationalised banks have also sanctioning some advance to the group based on their turnover and activities. The SHGs are working all over the region in all areas rural and urban. Their functioning has helped so many members to carry out income

generating activities. Still the desired results have not been obtained even after good functioning of the SHGs. Therefore, in this paper an attempt is made to study the challenges faced by the women members of the self help groups in Karnataka. The area chosen for the study is Kalyan Karnataka region. For the purpose of carrying out research sample size of 120 members is chosen from the different parts of Kalyan Karnataka region. Stratified random sampling method is followed for the selection of respondents. The method adopted to collect the data is through schedules and questionnaires. The study is purely based on primary data.

### **Challenges faced by Self Help Groups**

Micro credit is essential in for socio economic development of the poor and especially for the upliftment of women. Self help groups have made commendable work in increasing the micro credit. Therefore, Self-help groups have widely been accepted by developing nations for their contribution to inclusive development. Despite its importance and the recognition of the same, SHGs and their members face several challenges. The problems faced by the Self Help Group members have been classified as administrative problems, personal problems, financial problems, marketing problems and miscellaneous problems. The overall problems are presented in detail as under.

### **Administrative Problems**

Though Self Help Groups are helping the poor in emergencies to meet their financial requirements, they are not free from administrative problems. The administrative problems observed in the study area are presented in the following Table

**Administrative Problems faced By SHG members**

S.N.	Particulars	No. of Members	Percentage
1.	Lack of awareness about credit management	110	91.66
2.	Formation of groups based on caste	20	16.66
3.	Lack of effective leadership	55	45.83
4.	Lack of co-operation among SHGs member in the group	85	70.83
5.	No active follow up programmes	67	55.83
6.	No knowledge of maintenance of accounts	90	75.00

Source: Field Survey (Multiple responses obtained)

The above table shows that the administrative problems faced by the Self Help Group Members. 91.66 percent of the members stated that there is a lack of awareness among the members about the credit management practices. The other problem faced by the members is maintenance of accounts. 75% members have opined that there is no knowledge of regarding the maintenance of books of accounts. Majority of the respondents are illiterate or literate to a minimum extent. Though they are in a position to read and write but they don't have any knowledge of writing of books of accounts as required by the banks to finance. Another 70% members have said that there is no cooperation among the members themselves. Further enquiry among the members revealed that the members are interested only to get the loans. Once the loan is sanctioned their interest in the group gets restricted and participation in the group becomes occasional.

**Personal Problems**

Management of the family is wholly dependent on the shoulders of women. They are the pillars of family. Their duty is to look after the children and other members of the family. Her involvement in family leaves little energy and time for business. Married women entrepreneurs have to make a fine balance between business and home. Their success in this regard also depends upon support from husband and other members of the family.

Without the support and approval of husband, the female members cannot succeed. Here arises a role conflict among many women members. Such conflicts prevent them from taking prompt decisions in business. Despite modernisation, tradition and family responsibilities slow down the movement of women. Occupational backgrounds of families and education level of husbands have a direct impact on the development of women members. The problems faced by the members in the individual capacity is tabulated below

**Personal problems faced by SHG members.**

S.N.	Particulars	No. of Members	Percentage
1.	Domestic work and child care	90	75.00
2.	Lack of education	20	16.66
3.	Feel like beings as women	45	37.50
4.	Lack of Self confidence	25	20.83
5.	Lack of knowledge about functions & responsibilities	65	54.16
6.	Lack of co-operation from husband and elderly members of the family	55	45.83

Source : Field Survey (Multiple responses obtained)

The above table shows the personal problems encountered by the sample SHG Members in the study area. Around 54 percent of the Members stated that they lack of knowledge about functions and responsibilities of groups, 90 percent of the Members stated that they are busy with the domestic work and maintenance of family. 45 percent of the members said lack of cooperation from husband and elderly members of the family. These are the common problems faced by the majority of the members. Due to all these problems they are unable to devote much time for looking towards the group.

**Financial Problems**

Finance is regarded as life blood of any enterprises whether it is big or small. Women and small entrepreneurs always suffer from inadequate financial resources and working capital. They are lacking access to external funds due to absence of tangible security and credit in the market women do not generally have property in their names. Due to the lack of confidence in women's ability, male members in the family do not like to risk their capital in ventures run by women. The following problems associated with finance expressed by SHGs Members are shown in the following table.

**Financial problems faced by SHG members**

S.N.	Particulars	No. of Members	Percentage
1.	High rate of interest	60	50.00

2.	Complicated procedure in availing loan	110	91.66
3.	Insufficient financial assistance	118	98.33
4.	Loans not received in time	100	83.33

Source : Field Survey (Multiple responses obtained)

The above table clearly depicts that among the various financial problems faced by the Self Help Groups Members 91.66 percent of the Members have said complicated procedure in availing loan amount and 83 percent of the Members have said that loans are not granted in time. Another important problem related to the finance is rate of interest. As many as 60 Members representing the 50% of the total have opined that the rate of interest is exorbitant. Another 98 percent members have said that the financial assistance given to SHG members is insufficient to meet requirements. Due to the insufficient funds intended work cannot be completed in time and leads to other financial problems.

### **Marketing Problems**

Marketing is another area which often decides the income level of the SHGs due to the ups and down of the demand. Many of the Members faced a number of problems pertaining to the marketing services of their products.

They are not in a position to face stiff competition from medium and large scale units running in and around them. Their financial resources are not adequate enough to implement effective marketing policies. An analysis in regard to the nature of marketing problems faced by Self Help Groups selected in the study area are narrated in the following table

#### **Marketing problems faced by SHG members**

S.N.	Particulars	No. of Members	Percentage
1.	Problems of direct sale	105	87.50
2.	Lack of storage facilities	62	51.66
3.	Role of intermediaries	110	91.66
4.	Competition from large scale sector	89	74.16
5.	Lack of advertisement	115	95.83

Source : Field Survey (Multiple responses obtained)

The above table shows that 87 percent of the members have stated that the problems of direct sale of finished goods. Around 92 percent of the Members have expressed that they depend upon intermediaries. Now super bazaars are playing vital role in the sale of products. They are not ready to purchase our products directly, instead they ask us to keep them in the shop. Based on the sale the payment will be made. Almost 52 percent of the members have expressed the lack of storage facilities for finished goods as another problem. The other important problem noticed in the study area is the competition from large scale sector. Since the SHGs are not financially sound they could not attempt to advertise their products effectively.

### **Other Problems**

The above problems are specific and related one particular area. In addition to the above problems, respondents have expressed some other problems which are presented in the following Table

#### **Other problems faced by SHG members**

S.N.	Particulars	No. of Members	Percentage
1.	Lack of stability and unity	67	55.83
2.	Lack of training facilities	105	87.50
3.	Non-availability of common work shed	84	70.00
4.	Political interference	22	18.33
5.	Exploitation by influential members	45	37.50
6.	Uncertain and lower income	68	56.66

Source : Field Survey (Multiple responses obtained)

It is evident from the above table that majority (70%) of the Self Help Groups members stated the non availability of common work shed for functioning of their activities. Around 88 percent respondents opined that they do not have any proper training relating to all aspects. 18 percent members say that there is political interference which lead to the fatal death of the programme. The enquiry revealed that many of the members are making affiliation to some political party and there are instances of conflicts among group members on political issues. The other problems were, lack of stability and unity due to shift in place of residence, married women fail to remain associated with groups, exploitation by influential members, etc.

### Suggestions

- Banks and financial institutions should reduce the formalities for sanctioning loans and documents required
- They also fix the repayment period based on the period of income generated by the self help group.
- District industries centre has to provide technological support relating to modern production methods, Advertisement, Maintenance of accounts.
- The ultimate success of the SHG is dependent on the support of family members. The proper guidance and advice should be provided to their family members wherever necessary.
- Dominance of elite members and political interference should altogether be avoided as far as possible.

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