



## Constraints faced by the members of Self Help Groups

Elina Sen<sup>1</sup>, Kalyan Ghadei<sup>2</sup>

<sup>1</sup>Department of Extension Education, Institute of Agricultural Sciences, Banaras Hindu University, Varanasi, U.P., India

<sup>2</sup>Professor, Department of Extension Education, Institute of Agricultural Sciences, Banaras Hindu University, Varanasi, U.P., India

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### ABSTRACT

For sustainable progress of SHGs constraints should be recognized and to be solved so, present study focused to ascertain constraints faced by SHGs members of Rolpa district. Multistage random sampling was followed to select respondents. Lower level of education, poor transport facilities, lack of NGO/GO support, inadequate marketing facilities etc. were found as a major constraints faced by the SHGs members of study area. The study indicates the need of training for better running of SHGs and provision of transport as well as marketing facilities. Combining efforts from the government and other organizations would undoubtedly improve the level of living for female SHG participants.

### Introduction

Self-Help Groups (SHGs) are small voluntary association of people from similar socioeconomic backgrounds who come together to solve their problems together. Self-help groups often target women and the majority of their activities are focused on credit and savings. It is believed that involvement of women's in financial or economic activities like credit and savings will empower them (Anant kumar,2006). A small economically homogeneous affinity group of SHGs of the rural poor or villages people come together voluntarily to save small amounts regularly, which are deposited in a common fund to meet members emergency needs and demand (Vasanthi and Gowri, 2012).

The concept of SHGs was originated from the Rural Bank of Bangladesh, founded by Prof. Mohammed Yunus in 1975. The Rural bank provides loans to the landless poor, particularly women, to promote self employment. Later on Southeast Asian country adopted the Bangladesh model in a modified form i.e. in the name of SHGs to alleviate the poverty and to

empower the women. In Nepal mothers' groups or women's groups are the most common forms of SHGs. In the past three decades, women have created mothers' groups or women groups with assistance from governmental and non-governmental organizations as well as on their own initiative. (Khadka et al., 2017).

However, on March 1, 1988, the APRACA (Asian and Pacific Regional Agricultural Credit Association) National Committee Nepal under the Nepal Rastra Bank, organized the first APRACA National Consultation on Self-Help Groups in Nepal. To promote self-help groups' access to banks in order to support the future growth of financial self-help groups in Nepal.

The social and economic status of women seems very poor in Nepal. Only about 40% women are involved in economic development sector or in economic activities. Mostly women are still engaged in household chores and in conventional agricultural activities. (Ministry of women, children and senior citizens, 2020). The idea of Self Help Groups (SHG) is the most effective means of empowering

Corresponding author

Emails:

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women, catching particularly at the root level. Women have been demonstrating extraordinary mobility in community planning processes with a view to enhancing income efficiency, improved bargaining power, and quality of life. These SHGs have combined to address the needs of women and these SHGs merged into the system of alternative banking (Agrawal 2018). During the running of SHGs, women faced with variety of constraints which affects on performance of SHGs directly, therefore it is necessary to document these constraints . Hence the present study was undertaken with an objective of

-To document constraints faced by the SHGs members of study area.

## Methodology

The present study was conducted in Rolpa district of Lumbini province, Nepal. The district was selected purposively based on the number of SHGs increasing in district day by day and the convenience of the researcher. Multi-stage sampling method was adopted for selection of the respondents for the study. Out of 10 municipality of the district 2 municipality namely Rolpa urban municipality and Sunil Smriti Rural municipality were selected purposively for the study. Ward no.2, 3 and 4 were selected from Rolpa urban municipality whereas ward no. 6, 7 and 8 were selected from Sunil Smriti rural municipality randomly for the study. Two SHG were selected from each ward. Thus, total 12 SHGs from 6 wards were selected randomly. Total sample sizes of 150 respondents were taken for the study. By using a pre-designed interview schedule, primary data were gathered for this study directly from respondents.

## Results and Discussion

The result from the table 1 indicates that the constraints of self help group members expressed under socio-psychological constraints, the highest mean socio-psychological constraints score of 1.36 for the statement Low level of education of the members. It shows that Education was needed for accounts correctly and maintaining any records so majority of members were illiterate or functionally illiterate and they feel it was their major constraints. Further it was observed that there was not any negative effect on SHG members by social costume and traditions, this may be due to reason that there was no restriction for the functioning of SHGs by social costumes and traditions. While other constraints perceived by the members of SHGs were; poor investment due to poor savings, conflict among members, lack of family support, fear of failure with mean score of 0.12,0.06,0.02,0.01

respectively.

**Table 1:** Mean score of socio-psychological constraints faced by members of SHGs

S.No.	Particular	Mean Score
1.	Low level of education	1.36
2.	Poor investment due to poor savings	0.12
3.	Lack of managerial capabilities	0.66
4.	Lack of family support	0.02
5.	Fear of failure	0.01
6.	Conflict among members	0.06
7.	Social costumes and traditions	0.00

The result in table 2 shows that that the constraints of self help group members expressed under economic constraints, the highest mean economic constraints score of 0.41 for the statement high price of inputs. It was seen that SHGs members faced high cost of raw material or inputs as their constraint in regularity of their enterprises. Non availability of loan facilities for purchased of inputs was not assigned as constraint it may be due to availability of loan for purchasing inputs.

**Table 2:** Mean score of economical constraints faced by members of SHGs

S.No.	Particular	Mean Score
1.	Poor access to finance	0.41
2.	Non availability of loan facilities for purchase of inputs	0.00
3.	High price of inputs	0.57
4.	Difficulty and costly maintenance /management of enterprise	0.37

Table 3 reveals that opinions on technological constraints faced by members of SHGs. It was witnessed from the results that irregular and ineffective training program has got the highest mean score of 0.97 among technological constraints. There were various trainings and programs were conducted by institutions like government and NGOs without knowing need of the SHGs members and result was not effective so it became worthless. It was observed from the table that the least mean score of 0.26 on statement of lack of knowledge about record keeping and maintenance of account, it may be due to there is no need for every member to keep record only secretary and some of them keep record and maintain account.

**Table 3:** Mean score of technological constraints faced by members of SHGs

S.No.	Particular	Mean Score
1.	Irregular and ineffective training programmes	0.97
2.	Poor access to input/other related materials	0.96
4.	Lack of scientific processing/storage/marketing facilities	0.27
5.	Lack of adequate knowledge of seasonal management related to enterprises	0.95
6.	Lack of knowledge about record keeping and maintenance of account	0.26

Table 4 indicates the institutional constraints faced by members of SHGs. The highest mean score of 1.07 seen on the statement of lack of government /NGO support among the institutional constraints. It may be due to institutions were lacking their responsibilities regarding SHGs. Institutions were not support members of SHGs in marketing of their product and also not providing inputs and financial support regarding their enterprises. Poor linkage with traders and cooperatives ranked second and third with mean score 0.98 and 0.50 respectively. This results shows that there is need of linkage of SHGs with institution for their growth.

**Table 4:** Mean score of institutional constraints faced by members of SHGs

S.No.	Particular	Mean Score
1.	Lack of Govt./NGO support	1.07
2.	Poor linkage with traders	0.98
3.	Poor linkage with cooperatives	0.50

The results from table 5 indicates that infrastructural constraints faced by members of SHGs. It was evident that the highest mean score of 1.18 was observed on the statement of poor transport facilities. Major constraint regarding infrastructural was seen as transport related constraint followed by market related constraints. The present study area was a hilly area so there was poor road and poor transport facilities which effect directly in marketing. Due to poor transport, SHG members were unable to reach at market and sell their products. From the table it was evident that least mean score of 0.17 was observed on the statement of poor storage facilities. It may be due to members involved in SHGs did not produce the product in a larger scale which they required for storage.

**Table 5:** Mean score of infrastructural constraints faced by members of SHGs.

S.No.	Particular	Mean Score
1.	Poor transport facilities	1.18
2.	Inadequate marketing facilities	1.06
3.	Inadequate market information	1.02
4.	Lack of storage facilities	0.17

## Conclusion

SHG members reported a number of socio-psychological, economic, technological, institutional and infrastructural constraints. Among all constraints lower level of education and poor transport facilities are seen as major constraints which could be overcome by effective educational and technological interventions. Government efforts alone will not achieve the desired results in terms of sustainable progress in living standards of members of SHGs. Hence educational institutions and other voluntary organizations should step forward to solve the problem faced by SHGs members. Therefore, combining efforts from the government and other organizations would undoubtedly improve the level of living for female SHG participants.

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