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Members' perception towards self-help groups: a study of Solan district of Himachal Pradesh

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ABSTRACT

The study conducted on a random sample of 75 members of self-help groups (SHGs) associated with Jogindra Cooperative Bank Limited, Nauni, Solan, Himachal Pradesh revealed that about 75 per cent of the members had fair to good perception whereas only one-fourth were found to have poor perception about the SHGs. Reluctance of family members in permitting female members to go outside the home, fluctuating bank policies, groupism, lack of cooperation among the members etc were the main problems encountered by them in the effective functioning of SHGs. A majority of the respondents (75%) were registered members for the last 7 to 13 years and had joined the SHGs at their own will to avail loan facility, to develop saving habit and to generate income.

Keywords: Self-help group; perception; reluctance; groupism; saving habit

INTRODUCTION

A self-help group (SHG) is a voluntary association of people formed to attain a collective goal with the purpose to bring about a social change among its members and the society as a whole. The formation of SHGs is viable alternative to achieve the objectives of rural development and to get community participation in all the development programmes. The Jogindra Central Co-operative Bank Ltd located at Nauni, Solan, HP has been sanctioning loans/ credit to these groups for the last one decade or so. However what the members think about the SHG, why they take loans from the banks, how they utilize the credit etc were some of the questions for which the present study was undertaken with the following specific objectives:

i. To study the formation mechanism of SHGs
ii. To determine the perception of members towards SHGs
iii. To identify the problems (if any) faced by the members of SHGs

METHODOLOGY

The study was conducted in Solan district of Himachal Pradesh. Out of three development blocks of the district one block namely Oachghat and from the selected block Jogindra Co-operative Bank Ltd was purposely selected. A list of all the self-help groups (SHGs) registered was obtained from the Branch Manager of the selected Bank. Out of this list 50 per cent of the SHGs were randomly selected. A list of all the members existing in the selected SHGs was prepared. A random sample of 75 SHG members was taken for the purpose of the present study.

The perception of the members was measured with the help of a scale developed for the purpose. The scale consisted of 16 statements which were developed and edited as per the criteria given by Edwards and Kilpatric (1948). The statements were pre-tested on non-sampled respondents for their comprehensibility. The perception of the respondents was taken on a three point continuum viz 'Agree', 'Undecided/Do not know' and 'Disagree' with respective scores of 3, 2 and 1 for a positive statement while the scoring was reversed in case of negative statements ie the statements which were considered unfavorable by the experts to the phenomenon under study. The mean perception score on each statement was calculated by dividing the total score of all respondents on that statement by the total number of respondents. On the basis of the mean score $(\bar{X})$ and standard deviation (SD) the respondents were classified in to the following three categories:

Good perception = $(> \bar{X} + 0.5\ SD)$
Fair perception = $(\bar{X} \pm 0.5\ SD)$
Poor perception = $(< \bar{X} - 0.5\ SD)$

RESULTS AND DISCUSSION

The main findings of the study are being discussed under the following heads:

Purpose of the members to join an SHG: The respondents were asked about their purpose of joining the SHG and the response is shown in Table 1.

It has been observed from the data that a majority of the members (29.34%) had joined SHGs for availing the loan/credit facilities; equal percentage of the members ie 17.33 per cent each had joined SHGs mainly to solve the agricultural and household related problems whereas the main purpose of 20 and 16 per cent of the respondents was to develop saving habits and to generate income respectively.

Source of information about the SHG: The respondents were asked about the information source they had come to know about the SHGs. The data have been presented in Table 2.

It is clear that the personal localities sources like relatives, friends, neighbours, Mahila Mandals etc and bank itself were the main sources of information for taking information for joining SHGs by the respondents.

Membership period: The response of the members whence they had been registered in SHGs has been depicted in Table 3.

The data revealed that 75 per cent of the respondents were SHG members for the last 7 to 13 years whereas the remaining were the registered members for the last 4 to 7 years.

Perceived criteria for becoming a member of the SHG: The respondents were asked about the criteria on which they considered/accepted the membership of SHGs and their response has been shown in Table 4.

The main criteria to become the member of SHGs were similar ideology/ family clan and similar age group of the members. However 37 per cent of the members cited nearness and gender-wise formation of the group as the main reasons for taking membership of SHGs.

Willingness to take membership of SHGs: The respondents were asked whether they had taken the membership on their own will or they were forced to join the SHGs and the response thus received has been given in Table 5.

It is evident from the data that all the respondents had become members of their respective SHGs of their own will that means without being compelled which seems to be a very good sign for an effective SHG.

Members' perception about SHGs: What the members think about various aspects of SHG; their perceptions have been displayed in Table 6. It can be inferred from the data that a majority of the members had favourable perception towards SHGs so far the 'promotion of good interpersonal communication and co-operation', 'interpersonal liking among the members', 'facilitation of group goal achievement', 'group decision making' and 'satisfying the needs of the members' are concerned. However more than 75 per cent of the respondents disagreed that 'an SHG does not promote group leadership' and that 'there was no provision for increasing the size of the group' in SHGs. Similarly a significant majority of them did not agree that there was 'lack of interpersonal trust among the members', 'no cooperation among the members' and that 'no emphasis is given on the individual member's participation in the activities of SHGs'. This implies that a majority of the members had favourable perception towards various aspects of SHGs. Prakash and Sankhala (2007) also reported that the members of SHGs possessed more knowledge than their counter-part non-member farmers. Similarly Vipinkumar and Singh (2002) also found that group dynamics among the farming community was greatly influenced by the participation, decision making, task functions, group atmosphere, feelings, norms, empathy, inter-personal trust and achievement of the members of the SHGs.

Overall perception of the SHG members: On the basis of overall perception the respondents

Table 1. Distribution of respondents as per the purpose to join the SHGs

Purpose	Frequency	Percentage
To avail loan facility	22	29.34
To generate income	12	16.00
To develop saving habits	15	20.00
To solve agricultural and household related problems	13	17.33
To get training opportunity on various aspects	13	17.33

Table 2. Distribution of respondents as per the source of information about the SHG

Information source	Frequency	Percentage
Bank itself	19	25.33
Panchayat members	17	22.67
Mahila Mandals	15	20.00

Table 3. Distribution of respondents as per the length of period of membership in SHGs

Membership period (years)	Frequency	Percentage
4 to 7	19	25.33
7 to 10	34	45.33
10 to 13	22	29.34

Table 4. Distribution of respondents as per the criteria for taking membership of the SHGs

Criterian	Frequency	Percentage
Similar ideology/family clan	30	40.00
Similar age group	17	22.67
Gender-wise group	19	25.33
Nearness/accessible to residences	9	12.00

Table 5. Distribution of respondents as per willingness to take membership of the SHGs

Response	Frequency	Percentage
Knowingly/personal will	75	100
Forcibly/imposed will	-	-

Table 6. Respondents' perception about SHGs

Statement	Agree		Don't Know		Disagree	
	Freq.	%age	Freq.	%age	Freq.	%age
SHGs facilitate group interaction among the members	75	100.00	-	-	-	-
SHGs do not promote group leadership	10	13.33	05	06.67	60	80.00
SHGs help in satisfying the needs of the members	65	86.67	02	02.67	08	10.67
In SHGs there is no provision for increasing the size of the group	05	06.67	02	02.67	68	90.67
SHGs enhance group cohesiveness	62	82.67	04	05.33	09	12.00
There remains no co-operation among the members of SHGs	07	09.33	09	12.00	59	78.67
Members are independent in the SHGs	20	26.67	10	13.33	40	53.33
There is interpersonal liking among the members of the SHGs	70	93.33	02	02.67	03	04.0
No emphasis is given on individual member's participation in the activities of SHGs	02	02.67	01	01.33	72	96.00
SHGs encourage group decision making among the members	65	86.67	05	06.67	05	06.67
Group goal achievement is facilitated in SHGs	61	81.33	04	05.33	10	13.33
Group motivation is promoted which is essential for an effective SHG	67	89.33	02	02.67	06	08.00
There is a lack of interpersonal trust among the members of the SHGs	01	01.33	01	01.33	73	97.33
Group co-operation is appreciated in the SHGs	69	92.00	02	02.67	04	05.33
Achievement of the goal as a group is appreciated in the SHGs	65	86.67	04	05.33	06	08.00
There is good inter-personnel communication among the members of SHGs	72	96.00	-	-	03	04.00

were classified into three categories (Table 7.:

A significant percentage of the respondents (75%) were found to have fair to good perception about the SHGs. The remaining one fourth had poor perception about various aspects of SHGs. Therefore the efforts are needed on the part of the extension functionaries to remove the misperception from the minds of the members so that SHGs can be further strengthened. Narayanaswamy and Narayana (2007) concluded that SHG is gaining importance as an important strategy for the development of people in general and weaker sections in particular.

Problems/constraints faced by the respondent members: Some of the main problems being faced by the members were identified and are presented in Table 8.

The main problem faced by the members was due to defaulters ie it is due to the defaulters that the extra repayment burden falls on the other members and thus the whole group is defamed. Fluctuating bank policies particularly increase in the interest rate often affect the functioning of SHGs as the loanee members find it very

Table 7. Respondents' overall perception about the SHGs

Perception	Frequency	Percentage
Good (>36.70 score)	24	32.00
Fair (34.71-36.70)	32	42.67
Poor (<34.71 score)	19	25.33

Table 8. Main problems faced by members of SHGs

Problem faced	Rank
Family elders' reluctance in permitting female members to go outside the home	IV
Fluctuating bank policies often affect the functioning of SHG	II
Groupism among the members of the group	V
Sometimes due to defaulters the extra repayment burden comes on the other members and thus the whole group is defamed	I
Sometimes, there is lack of co-operation among the members, thus, adversely affecting the functioning of the group	III

difficult to repay the loan. There were some other problems that were being faced by the members like lack of cooperation among the members of the group, family elders do not permit female members to go outside the home and groupism among the members of the group which may adversely affect the effective functioning of SHGs.

CONCLUSION

It can be concluded from the study that a majority of members had favorable response towards SHGs. Defaulting members, fluctuating bank policies, lack of cooperation among the members, restrictions imposed on females to go outside, groupism among the members etc were the main problems in the effective functioning of SHGs which require more attention on the part of the extension functionaries and non-government organizations (NGOs) engaged in the task of promoting SHGs in the state.

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