



## **Dynamics of Women Self Help Groups in Punjab**

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### **Authors' contributions**

*This work was carried by author KS. She managed the literature searches, edited the manuscript and wrote the draft of the manuscript. Author SS managed the analyses. Both the authors read and approved the final manuscript.*

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### **ABSTRACT**

Women self-help groups are formed as an instrument of empowerment to bring qualitative changes in their lives. Findings from the study conducted in Punjab state on 400 Women Self Help Groups (WSHG's) found one-third group having discontinued within five years of registration and majority being dormant with only one fifth having few members involved in income generation activities. Majority had no gap between formation and registration time and were not regularly conducting meetings of the group members. Status of the group was positively and significantly related to both period between formation and registration and frequency of meetings. It was suggested that group approach need to be revisited in social context for attaining the goal of women empowerment.

*Keywords: Empowerment; formation; meetings; registration; sustainability.*

### **1. INTRODUCTION**

Self-help groups based upon the philosophy of collectivization were introduced with an intention

of raising the socio-economic status and encourage economic self-sufficiency. They are considered as one of the most significant tools in participatory approach for the empowerment.

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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 self help groups (WSHGs). The strategy made a quiet revolution in Bangladesh in poverty eradication by empowering the poor women' [1]. Gandhian Gram Swaraj movement laid the foundation of the concept of self-help groups in India.

A self-help group (SHG) is a self-governed, village-based financial institution group of people with similar socio-economic background and having a desire to collectively mobilize small savings either on a weekly or monthly basis. Groups are expected to effectively recycle the resources generated among the members for meeting the productive and emergent credit needs of members of the group.

WSHG's are formed with the ultimate objective of improving life of women on various social, economic, legal and political components. They are instruments for developing leadership abilities and provide platform to support each other. It enables its members to learn to cooperate and work in a group environment. Since the overall empowerment of women is crucially dependent on economic empowerment, women through these self-help groups are enabled to involve in areas such as health, sanitation, nutrition, agriculture, forestry etc. Many studies have been conducted to analyze the impact of micro-finance through these groups. These groups were found to be an effective instrument of women empowerment having a lasting impact on the lives of the women. They help to improve the quality of life and enabled women to develop their skills and abilities in various productive activities.

In the words of Gandhiji "One step for women ten steps for nation" results in sustainable development of the nation. Women participation in Self Help Groups have obviously created tremendous impact upon the life pattern and style of poor women and have empowered them at various levels not only as individuals but also as members of the family, community and the society as whole. They come together for the purpose of solving their common problems through self-help and mutual help.

## 2. MATERIALS AND METHODS

Study was conducted in state of Punjab, India. Districts of the state were categorized according

to the agro-climatic zones of the state. Nine out of 23 districts of the state were selected and were further represented by a sample of 60 blocks. Data regarding the WSHGs formed by different agencies registered during 2008-09 was obtained. This was done to bring uniformity in measurement of sustainability period. Random sample of 400 SHG's was finalized for primary data collection. To ensure wider representation, care was taken to select not more than 2-3 SHG from one village. Hence, data was collected regarding 400 SHGs from 330 villages of the selected districts.

Quantitative data was provided by the office bearers based upon the records available with them. It was collected from 400 SHG's to determine their status, gap between formation and registration, sustainability and frequency of meeting. Further, data was obtained from their records regarding the activities conducted by these groups. Based upon these activities, the status of the group was determined on a scale of 0-6. Data was statistically analyzed to interpret the results and determine relationships.

Few groups from each type of category ie active, dormant and discontinued were further studied. Group discussions were held with the office bearers and members of selected groups along with the functionaries involved in the formation of the groups to collect qualitative data. This data was collected to understand the dynamics from the perspective of the stakeholders so as to understand the underlying factors effecting the group dynamics.

## 3. RESULTS AND DISCUSSION

The findings are divided into two parts; findings related to the sampling process and findings from the data collected.

**Finding from sampling process:** It was mandatory to seek lists of groups formed by different agencies and registered with the banks for selecting the sample of WSHG's for data collection. The process was initiated district wise and it was revealed that in the majority of the districts, the list of WSHG's was not available at any one platform. Time period between seeking the list and their actual receipt in majority of the districts ranged from 2-5 months. Large numbers of such groups were formed but data regarding them was not available. This was the most important observation, which was conveyed to the officials and authorities at a district level. This

lack of information raises doubts about the actual existence and continuation of the groups and also leads to problems in the monitoring of groups at regular basis. Basic information as the group name, its year of formation, registration, name of the forming agency, with name of the members and contact information of the office bearer should be available with the registering agency and available online. Engagement of multiple agencies forming groups and lack of information at one platform can lead to the duplicity of agencies owning same groups or same members in different groups leading to misuse of financial benefits.

### Finding from the data

**Status of the group:** The status of the group was categorized as dormant, active and discontinued. Active and dormant categories were further categorized according to the activities performed by them ranging from income generation to the collection of money. Data in table 1 revealed that one third of the groups (30.75%) had discontinued over the period of five years since their formation. Majority of the groups (52.5%) were dormant and only 16.75 were found to be active and involved in income generation activities. In the dominating dormant category, majority of the WSHG's (32.75%) were only involved in micro financing. Remaining 17.75 percent were collecting money and depositing in the bank.

Further analysis of the data given in Table 1 regarding the active groups revealed that only 4.0 percent of these WSHG's were involved in income generating activity as a group. In the majority of these cases, one or two women took the initiative from starting of the enterprise to its functioning and the remaining were engaged in production and worked on payment basis. In majority of the active groups, members were generating income through individual activities, which were sometimes same or differed from member to member. They were engaged in number of income generating activities ranging

from agro- processing, production of household utility material/articles, preparing value added garments /articles using traditional embroideries, craft, dairy/poultry etc.

Group members observed that groups could not decide on the activity with minimal or no guidance being offered by the group forming agencies. In micro- credit and other successful group approach stories, we find that key agents have often played a significant role in preparing the tasks, helping women learn a new job and to cope with various local cultural factors. In this regard, it was observed that the functionaries involved in group formation were neither interested and nor were trained for the purpose. They saw it as an additional burden along with their basic duties.

Self-help concept is being widely used in developmental schemes for women across locations but their performance varies from state to state. Lackluster performance of these groups was evident in Punjab as compared to other states particularly those in southern and eastern states of the country. In Haryana the situation was equally alarming as reported by Rani and Tondon [2] who found that more than 50.0 percent WSHGs had discontinued (56.66%), 34.58 percent were dormant and only 8.75 percent active groups were involved in income generating activities. Similarly, Banerjee and Ghosh [3] also concluded that sizable number (44.02%) of SHGs were in only involved in money saving and lending. Individual income generation activities were more popular than group income generation. Kapoor and Kanwar [4] found that in Himachal Pradesh majority (82.0 %) of WSHG's were engaged in inter-loaning. About one fourth discontinued in Maharashtra according to Antwal et al [5] but Bansal et al [6] found 50 per cent SHGs to be active and engaged in income generating activities with microfinance. On the contrary, Nagnur et al [7] found that only 03.12 per cent of SHGs had discontinued while 52.83 per cent were involved in some entrepreneurial activity.

**Table 1. Percentage distribution of SHGs according to their present status**

Status categories	f	%
Active (Income generating at individual or group level)	67	16.75
Dormant		
• Micro-financing and holding regular meetings	8	2.00
• Micro-financing	131	32.75
• Money collection	71	17.75
Discontinued	123	30.75

Case analysis of the income generating groups led to the conclusion that women members of the self-help groups in Punjab were keen on working with their own family members and sought the help of the male members of the family in aspects involving procurement of raw material from outside the village, marketing and creating linkages. In all of these groups the male family members were the active participants in income generation activity. Group survival was based upon the efforts of one or two members who were engaged in some income generating activities before the group formation and had been using the platform for seeking loans and to scale up the marketing of their produce. Male participation in women group activity indicates that mixed family groups were effective in carrying out entrepreneurial activities. In order to avoid the formation of groups for seeking loans, it can be made mandatory for the groups to invest in the income generating activity from the group savings at initial stages.

Mandatory investment from group savings ensure appropriate utilization of loan and also avoid membership for the purpose of only seeking loans which can result in lowering the discontinuation rate of groups [8].

**Gap information and registration:** The problem was found to be more complex as shown in Table 2 whereas it was found that in case of 87.0 per cent of the groups there was no gap between formation and registration. The qualitative data pointed towards a grimmer scenario showing that in some cases the members were contacted, group formed and registered within a day or two. However, according to the standard procedure, a minimum gap of six months should be ensured and a process of group formation need to be followed. Members need to be made aware of the purpose of group formation and its advantages.

Groups according to the group members were not formed through a process, which involved creating awareness regarding group formation, its advantages and motivation to form groups.

Groups were registered before the cooling off period and without ensuring cohesiveness. This reflects on the efforts put in by the agencies in forming these groups and also show a target achievement approach in terms of number of groups to be formed. Rani and Tandon [2] reported more than 96.0 per cent WSHG's were

formed in Haryana with less than three months gap between formation and registration and attributed this low gap to lack of efforts of field functionaries in formation process pointing towards a quantitative target achievement approach.

**Table 2. Percentage distribution of groups according to gap in formation and registration**

Gap in months	f	%
0	348	87.00
1-3	36	9.00
3-6	1	0.25
6-9	3	0.75
9-12	4	1.00
More than 12	0	0

**Sustainability period:** Sustainability was measured in months and the data revealed that a large percentage of groups (28.75%) discontinued between 3-5 years of their formation and majority (68.25%) continued. Few groups (1.25 %) discontinued within one year of their formation. Kapoor and Kanwar [4] found that the maximum duration of the group sustainability was three years.

**Table 3. Percentage distribution of groups according to sustainability**

Sustainability period	f	%
Less than 1 year	5	1.25
1-3 years	3	0.75
3-5 years	115	28.75
5 years & continuing	277	69.25

Sangeetha et al. [9] also found that lack of compatibility or misunderstandings, ambiguity in leadership, difficulty in maintaining accounts, intra group conflicts and sub grouping were major issues hampering the growth of groups. In general, it could be because of poor group dynamics that the groups failed. Hence, it was important to ensure cohesiveness before registering to ensure continuity.

**Frequency of meetings:** All the groups were studied for the frequency of the meeting held by the group and it was found that a large percentage was conducting regular meeting but on the other hand 17.5 percent reported to have never conducted any meeting after the group formation and 37.5 percent groups conducted

meeting irregularly. Qualitative data however pointed towards an even grimmer picture where group members reported that meetings were not held and the data available to the team was only recorded in the registers for purpose of ensuring sustainability on record.

**Table 4. Percentage distribution of groups according to frequency of meetings**

Frequency of meeting (n=400)	f	%
Regularly	182	45.50
Sometimes	148	37.00
Never	70	17.5

According to Ujagare [10], sustainability of the group depends upon proper leadership. Calling meetings and holding meetings in the group depend upon the leadership of the group. The group's performance to a large extent is dependent on the promoting agency in the initial stages and in the long run on group leader [11]. Leadership qualities are also prerequisite for taking up entrepreneurial activities [12].

**Relationship of gap in formation and frequency of meeting with SHG status**

The impact of procedure followed to form the group and its activities can be clearly seen from the data presented in Table 5. There was significant and positive relationship status of the group and period between formation and registration and frequency of meetings. Groups having more cooling off period were likely to sustain more.

**Table 5. Relationship of gap in formation and frequency of meeting with SHG status**

Variables	Relationship
Gap (months) information and registration	0.461*
Frequency of meetings	0.306*

Sidhu et al. [8] while reporting the training of women self-help groups revealed that all the members engaged in income generation had undergone training related to the activity. This clearly shows that the groups which met more often resulted in more interaction among members resulting in taking actions for the success of the group and income generation activities.

**4. CONCLUSIONS AND RECOMMENDATIONS**

The success of group formation and micro-credit among women in poorer communities particularly Bangladesh led to indiscriminate use of group approach irrespective of the context. This paper does not deny the significant achievements of these groups in empowerment of women but intends to highlight the use of the concept in specific socio-cultural contexts. Socio-cultural, economic, personal issues have been constantly ignored due to the overwhelming success the paradigm has achieved in certain conditions. Excessive emphasis on the group fails to recognize the constraints in specific contexts and cannot necessarily ensure their success in every social context.

The problem with 'self-help' schemes is the official version of self. Reproductive role of women and the existing power structures within the society cannot be ignored. The interconnectedness of women's multiple occupations and life roles is ignored by following this approach as relevant in context of other socio-cultural areas. Insufficient rewards although subjective in nature, particularly in individual and cultural context, play an important role in the continuation of groups. Women in rural Punjab are primarily engaged in domestic chores such as cooking, washing and cleaning, childcare and a large number from the lower castes join the labour force in agricultural fields or work as domestic help in richer farmers' homes. Small income from these groups may not be sufficient motive to continue being member of these groups. Success of self-help groups as envisioned in different socio-cultural context and circulated at national and global levels should not be expected in totality in Punjab. Each individual lives and works in a specific social and cultural context, which needs to be taken into consideration. Government officials while planning programmes across regions cannot ignore local specificities of geographical conditions, social variables and individual personalities. Success of women WSHG's in some countries and in southern states of the country cannot be replicated as such.

SHG as a concept for women empowerment needs to be carefully contextualized in view of the evidence from this study. The socio-cultural environment of farming region of Punjab requires programmes, which can provide for a supportive role to individuals and families already engaged

in agricultural based, non-agricultural income generation activities or are interested in small-scale startups. Women who are willing to step up their existing activities need to be identified as leaders for setting examples for other women and families. We need to move away from imagined groups, which do not exist in reality. The success of individual entrepreneurs or a small group of individuals may result in expanding collectives for higher gains.

## 5. RECOMMENDATIONS

Implementation of the following recommendations based upon the project findings can go a long way in generating income through group activities among women.

1. Digitization of SHG's records; Review of all SHG formed by different agencies with special emphasis to check duplicity of SHG's and its members (different groups and different agencies): Digitization of record of all SHG's formed by different agencies along with the contact details and activity engagement of the members at one single platform at district level can ensure transparency, better utilization of loans and wider exposure of these groups for furthering marketing avenues for their produce.
2. Groups formed around individuals or families displaying leadership or entrepreneurial abilities: Women self-help groups should be formed through identification of individuals having leadership qualities and are supported by families. Each individual or the group along with their family members should be trained in the enterprise based upon his individual capacities and limitations within the socio-cultural context.
3. Gap between formation and registration: Sufficient time gap between formation and registration (cooling off period) i.e. minimum of 9-12 months with sufficient training in formation and sustainability and exposure to avenues for income generation should be incorporated in the formation strategy.
4. End to end approach: Agencies should follow 'end to end' approach starting from forming the group, to its sustainability, training in entrepreneurial development (production to marketing, record keeping, human resource management followed by exposure to market. Linkage development

at all stages should be integral part of handholding. Members should be trained in linkage development through exposure to different departments/organizations and schemes/programmes related to entrepreneurial development.

## COMPETING INTERESTS

Authors have declared that no competing interests exist.

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