ABSTRACT

In developing countries with vast sections of the population caught up in the web of poverty, the challenge is to generate enough employment and income opportunities for the rural poor, especially women folk. According to the Human Development Report (2007), 28.6 percent of the population was living below the national poverty line and 80.4 percent of the population was living on (less than) the original UN Development Goal of two dollars a day (PPP). The income gap between rich and poor countries and between the rich and poor within each country has been widening for many decades. The share of income for the richest 10 per cent of population currently stands at 31.1 per cent while the share of income for the poorest 10 percent of population is only 3.6 per cent and mostly struggling for survival. Amongst the poor the most marginalized and disadvantaged section is the women which constitute about 48.5 percent of the total population of India. And to start any entrepreneurial activity, a large section of people are still outside the ambit of formal banking system. The Reserve Bank of India (RBI) estimates that there are over 450 million unbanked people in India having no access to finance from the financial banking sector on one hand and on the other majority of them are chronically poor and live in rural areas, their daily income approximately up to Rs. 20 per day. Also due to lack of collateral security, they are not in a position to avail finance from financial institutions. Poverty level is not uniform across India. The poverty level is below 10 percent in states like Delhi, Goa, and Punjab etc. whereas it is below 50 percent in Bihar (33.74) and Odisha (32.59). It is between 20-40 percent in North-eastern states of Assam, Manipur, and Arunachal Pradesh and in Southern states of Karnataka and Tamil Nadu, it is
between 10-20 percent. At this juncture, micro-enterprises/small business units are viable alternative to achieve the objective of rural development and to get community participation in all the rural development programmes through formation of Self Help Groups (SHGs). SHGs are small voluntary associations of women created for enabling the members to reap the benefits out of mutual help, solidarity and joint responsibility. Under this programme, financial and non-financial services are provided to the poor people in general and the rural poor women in particular and a bank loan is given to the group at specified rate of interest but without any collateral security. The group may use this loan to start any income generating activity or to fulfil some other individual needs. The group can also get next loan after the repayment of previous loan. Over the years the programme has shown a positive trend both in terms of the coverage and outreach of credit to poor in general and women in particular.

In the year 1992-93 the number of SHG groups formed were 255, which increased to 47, 86,763 during the year 2010-11. As per NABARD Report (2011), only 53.4 percent of poor rural household has been covered under SHG-bank linkage programme in the country. And due to uneven growth these groups have done remarkable progress in some of the southern states, whereas, in northern states especially Punjab and Haryana, only 13.7 and 12.5 percent of rural household has been covered respectively. In spite of numerous benefits provided by the Government, majority of the rural poor could not get much success in their business ventures due to illiteracy, lack of awareness and inadequate managerial and marketing knowledge etc. The present study is a modest attempt to analyse the growth, profitability portion of SHGs, viability and marketing practices adopted by them, to assess the satisfaction level of SHG leaders/members in district Sangrur of Punjab and district Fatehabad district of Haryana.
During the course of research study, two blocks from each district (i.e. district Sangrur and district Fatehabad) were selected. The primary data was collected from 100 SHGs of two selected blocks (i.e. 50 from block Sangrur and 50 from block Sunam) of the district Sangrur and 100 SHGs from two selected blocks (50 from block Tohana and 50 from block Jakhal) of district Fatehabad through scheduled questionnaire. Only the data of those SHGs was analysed having continuous business activity for three years (i.e. 91 SHGs and 364 members from district Sangrur and 74 SHGs and 296 members from district Fatehabad). The secondary data was collected from District Rural Development Agency (DRDA) Sangrur (Punjab) and DRDA District Fatehabad (Haryana), Block development Offices, books, journals, magazines, Government reports and Government gazettes etc.

The whole research study is divided into Six Chapters. Chapter one discusses about the conceptual background of Self Help Groups (SHGs), its functions and role of micro finance in promoting SHGs in the country. Chapter two focuses on the review of literature related with impact of SHGs on employment generation, women empowerment and its viability. Chapter three defines objectives, hypothesis, sample selection, size, methodology and various statistical techniques used in the study. Chapter four consists of four sections. The first section explains the geographical location and analysis of the sample districts. The second section deals with the socio-economic profile of sample households. The third section is related with the general characteristics of self-help groups in the selected study areas. The fourth section deals with the growth and profitability of SHGs in both the selected districts of Punjab and Haryana. Chapter 5 deals with the statistical analysis and interpretations pertaining to marketing strategies adopted by SHGs, the perception and satisfaction level of the surveyed SHGs regarding the subsidy availed, support from government agencies,
maintaining accounts, facilities and trainings provided by Government relating to marketing their manufactured products etc. Chi-square test is also applied to evaluate the impact of marketing strategies i.e., five P’s i.e. Product, Price, Promotion, Place and Personnel of marketing mix on average profits and sales of respective groups and to find out the relationship between various socio-economic and other determinants influencing satisfaction level of SHG members. ‘t’ test is applied to assess the viability of SHG’s i.e. mean performance of SHGs belonging to successful and unsuccessful groups. Chapter six concludes with the main findings of the study and its policy implications.

The findings of the research revealed that marketing strategies followed by SHGs were highly inadequate. It was found that in district Sangrur, three marketing strategies namely price fixation, location of group, number of members per group did not have any significant influence on profits. The profits of the SHGs were only influenced by the type of business activity and the sales promotion techniques, whereas in district Fatehabad, only sales promotion techniques influenced the profits of the SHGs/micro-enterprises. As far as the sales of SHGs was concerned, it was observed that in district Sangrur, only price strategy adopted by the SHGs influenced the sales of their micro-enterprises whereas in district Fatehabad, 5P’s of the marketing strategies adopted by SHGs did not have any significant influence on sales.

The results of the study also showed that majority of the SHG members were moderately satisfied with the subsidy, support from the Government agencies, maintaining accounts, facilities and trainings provided by Government. Their profit margins and sales volumes of SHGs also remained low as majority of them were adopting traditional occupations as dairy farming, karyana shop, vegetable shop, welding works, beauty parlour, tailoring etc. and many of them were not in a position to
start their activities even after a lapse of 1-2 years due to illiteracy, lack of entrepreneurial skills, lack of awareness and marketing knowledge etc. To make this scheme more vibrant, there is an urgent need for sound and scientific marketing methods. With appropriate market support strategies the members of these SHGs may build their micro-enterprises as a source of their employment and income. If proper care is taken SHGs may yield desired results.