Chapter VI
Problems faced by Self Help Group

6.1 Introduction -

The self-help groups are the groups which empower women in our country. In the history of self-help group we have seen that how it was started and showed the rising graph in the development of the women. The objectives of the self help group was to give access to the poor to the credit which was dream for them, which was realised in the developing country like Bangladesh and then into various states of India. Along with the access to credit objectives of self help groups are empowering women, generating income related activities, giving financial independence and give chance to the women to prove their skills. The researcher has selected the Pune city in Maharashtra to study the self-help group activities as the self help group progress in this city is very progressive.

The problems faced by the group if we consider can be divided into

- Financial problem
- Social problem
- Administrative problem
- Other type of problem.

The problems faced by the self-help group are broadly divided into the

a. Problems faced by the Group
b. Problems faced by the members.
Problems faced by the group:-
There are problems faced by the group. The nature of the problems are :-

a. Financial
b. Social
c. Administrative
d. Other type

1) Financial problems faced by the groups are :-
1. Collection of membership fees.
2. Shortage of funds as per the demand for the loan amounts.
3. Checking of financial records by the higher authorities only and not through the professionals.
4. Decision of loan to be disbursed.
5. Utilisation of the funds received from the corporation to the group for the group development.
6. Need of the funds for the group to start new business activities.
7. Support for the financial management from the professional.

2) Social problems faced by the groups are :-
1. Difficulty in collecting the members to start the group.
2. Members to be convinced to attend the meeting.
3. Priorities for the house work, and then the group work.
4. No source of income, so feeling in secured to join the group.
5. Illiteracy within the members.
6. Attitudes of the family members towards her income generating sources.

3) Administrative problems faced by the group:-
1. No fixed time for the meeting.
2. Place for the meeting to be held.
3. Lack of knowledge of technology in maintenance of group records.
4. More workload for the leaders so quality of the work or conducting group meetings suffer due to which administration is weak.
5. Lack of professional leadership.
6. Lack of management skills.
7. Lack of networking with banks, or government agencies or the cutomers.
8. Ensuring continuity of the group.
9. Lack of co-operation among members
4) Other :-
1. Opportunity to conduct the meeting.
2. Lack of marketing the products produced or services rendered.
3. Lack of permanent place to sell the products produced by the members.
4. Time spent in the banks to deposit money.
5. Limited financial strength hence limited burrowing capacity.

Problems faced by the members:-
Financial problems faced by the members:-
1. Collection of the membership amount for the meeting.
2. Lack of funds to start the small business.
3. Lack of the funds to market the products produced in the competitive market.
4. Inability to repay the loan instalment on time.
5. Funds to purchase the raw material.
7. Problems while getting the loan

Social problems faced by the members:-
1. Problems in the attitude of the family members.
2. Members facing gender barriers.
3. Lack of confidence
4. Lack of assets in their name.
5. Lack of participation in decision making.

Other problems:-
1. Lack of technical know-how to improve the productivity.
2. Lack of professional training facilities.
3. Excess involvement by political parties in the setting up and working of self help groups.

6.2 The financial problems faced by the group -
1. Collection of membership fees:- This problem is faced by many groups as members in the beginning are regular in payment but some of them start paying late or not paying in certain months due to which the financial problem arises in collection of the amount and also giving loan from this internal funds.
2. **Shortage of funds as per the demand for the loan amounts:** The members are given internal loans from the funds collected in the form of loans to the members. But since the membership amount is not more the funds collected are not enough to match the demand of the members.

3. **Checking of financial records by the higher authorities only and not through the professionals:** The routine work like maintenance of the books, keeping the loan records etc. is done by the leaders, the checking of the same is also carried out but the by the higher authorities appointed who are not professionals, in which the suggestion received might not help the group to expand its working.

4. **Decision of loan to be disbursed:** There are more than one member who ask for the internal loans, where as group can give the loan to only one member per month. In this process it is difficult to the group to decide as to whom the loan can be disbursed. For the same the leaders look at the reason for which the loan is to be utilised and the reasons like medical reason, for educational purpose and priority is given for these two reasons and the member is disbursed for the loan.

5. **Utilisation of the funds received from the corporation to the group:** The groups which are under Pune municipal corporation receives the revolving funds from the corporation to be utilised for the small entrepreneurship or business to be started by the group members. The group’s finds difficulty in the utilisation of the amount in the right purpose as the demand for the same is more.

6. **Need of the funds for the group:** There is need of funds for the group for capital requirement of the members to start the new business also even though the revolving funds are received they are not enough to be utilised as compared for the demand from the members as these members are not given credit easily anywhere else than in the group.

7. **Support for the financial management from the professionals:** The routine work as mentioned earlier about the funds utilisation or maintenance of books of accounts or proper audits done of the groups are very necessary to be carried out regularly and properly. Though this work is carried out by the members or leaders only they face the difficulty as if the same is supported by the professionals like chartered accountant to compete with the existing
competitive market. The administration is carried out by the members and leaders only, so it lacks the benefits of professional management.

**Social problems faced by the group:-**

1. **Difficulty in collecting the members to start the group:** To start the self help group it is necessary to have at least 10 members. For the same sometimes to get all the interested members together and convince them to be part of the group is very difficult as these women are not aware of the advantages of savings and how after joining the group it is very advantageous. Also the members are less educated or some are illiterate and they are not in position to understand the same.

2. **Members to be convinced to attend the meeting:** Members join the group but many members at the time of meeting are absent. Members send the money of the membership through some other members and do not attend the meeting. Absentism of more number of members is problem as the objective is not only of collecting the membership amount but various other social problems are also discussed. It is necessary for the members to be convinced to attend the meetings.

3. **Priorities for the house work, then the group work:** The members after joining the group are not regular in attending the group activities and meetings or they do not give priority to the group work. They give more priority to the household work like caring for children, cooking, caring for children and elderly, cooking, cleaning, fetching collecting firewood, caring for cattle, weeding, harvesting etc.

4. **No source of income, so feeling in secured to join the group:** The members are initially reluctant to join the group as they do not have the source of income. They are also not aware of the savings and benefits of the same, the socialising with the peer group is also not used to them due to this they are to be convinced to join the group and participate in the same.

5. **Illiteracy within the members:** The major problem with these women is illiteracy, due to which the members are not aware of the basic savings benefits, maintaining the books of accounts, banking etc. Due to the illiteracy they are not confident to be part of the group.
6. **Attitudes of the family members towards her income generating sources:**

When the women members join the group they also learn the income generating small business due to which they start the business. But many members face the problem of lack of support from the family or their attitude towards this income generating activities. But since it supports the family income this attitude is observed to be changing at least in the city like Pune.

**Administrative problems faced by the groups:**

1. **No fixed time for the meeting:** The members after joining the group are active and regular but many times when the meeting time is initially only decided by the group still every time there are changes made in the meeting time according to the convenience due to which it gives rise to the confusions and time keeps on changing.

2. **Place for the meeting to be held:** The groups face this problem as there is no fixed place of meeting to be held. The meetings are generally held in any of the members house or the leaders house. But this place keeps changing and members are confused about where the meeting is to be held. Due to this the attendance in the meeting is also affected and the administration faces the difficulties like giving them the important messages, or the collection of the membership etc.

3. **Lack of knowledge of technology in maintenance of group records:** The members are lacking the knowledge of the technology to maintain the records of the group. The leaders are also lacking in the technology which can be used for maintenance of records or administrating the group more effectively and professionally.

4. **More workload for the leaders:** The leaders are actually the one who maintains the records, deposits the money in the banks, filling the pass books conducting group meetings etc. so they are overloaded with the work as due to this the administration is weak. For the same few more members should be trained to carry out this routine work.

5. **Lack of professional leadership:** The group leaders who are doing the routine work lack the professional leadership as they are not well trained for the same. Due to this in some groups there are conflicts within the members and the leaders or they lack in encouraging in professional ways to the members.
6. **Lack of management skills**: As the group lacks in leadership same way it also lacks in the management skills like proper co-ordination among all the members, taking decisions in the interest of the group, training all the members in the professional way to start the enterprises etc.

7. **Lack of networking with banks, or government agencies or the customers**: The group leaders or members are lacking in generating repo with the banks, or their customers so that the repeat sales occur or they will be able to get more funds from the banks if professional relationship is maintained or they can make use of their good repayment track with the banks to get more funds or to develop confidence among the government agencies so that they get not only the financial help but also the market for the products and services prepared by them.

8. **Ensuring continuity of the group**: The group administration as carried out by the leaders and higher level by the social worker but these leaders lack the leadership where the group will be maintain the continuity. Many of the groups initially run well but they do not maintain the stability and few do not even reach the minimum six months continuity. Thus there should be proper administration continued so that the group reaches stability and flourishes as the months pass.

9. **Lack of co-operation among members**: Among the members there is no proper co-operation and also the co-ordination. Some members just join only for savings and do not co-operate for the activities carried out in the social interest and creates barriers for the group members.

**Other Problems**:  
1. **Opportunity to conduct the meeting**: The leaders in some groups do not give a chance to other members by turn to conduct the meetings so that they also develop leadership and mainly this gives the feeling of belongingness.

2. **Lack of marketing the products produced or services rendered**: The members of the group as mentioned earlier are mostly illiterate or know just how to read and write. Due to joining the group they learn skills to develop enterprises but lack the knowledge of marketing their products or services so that they can face competition by the national and international products and services.

3. **Lack of permanent place to sell the products produced by the members**: As mentioned the group lack the marketing skills but not only that the members
who produces so many products and services but they have to wait for some exhibitions or melas to exhibit their products and services as customers are not aware of the same and they do not have the permanent place to sell their products. This difficulty in Pune city groups is solved as the government has started the 'Aadhar' centre which is permanent place to sell their products.

4. **Time spent in the bank to deposit money:** The leaders have to deposit the collected money every month in the bank where they have opened the group account. But the leaders say that they have to spent lot of money for the same as there is lot of rush in the bank. They face this problem every month.

5. **Limited financial strength hence limited burrowing capacity:** The members of the group are financially weak. Hence their requirements for the funds are also limited. But because of this they do not dream big and due to that their borrowing capacity is also less and they take time to grow in the financial way. Also they have limited funds collected from membership and due to that they can finance that limited amount only.

### 6.3 Problems faced by the Members -

Financial problems faced by the members:

1. **Collection of the membership amount for the meeting:** The members meeting is decided and accordingly they meet on that day and date as decided by them. But few members try to avoid coming to the meeting if they are not able to collect membership money. Some members have the money but do not find the time to attend the meeting, which means they do not give priority to attend the meeting. Sometimes the leaders have to go the house of the members to collect the membership amount.

2. **Lack of funds to start the small business:** Since the membership amount is small the collected funds which are given in the form of loan are not enough to start the business and neither they are given loans from other sources in large amount. So they are not in position to start the enterprise or expand the business.

3. **Lack of the funds to market the products produced in the competitive market:** The members have to compete to all the local and national and international brands. For the same they require to market and promote their products and
services which require lot of funds. But the members have all the skills and abilities to do so but they lack the funds for the same which is required in large scale.

4. **Inability to repay the loan instalment on time:** - The loans are disbursed to the members from the group membership collected and they are supposed to pay it every month with the membership of every month. But sometimes the instalment is not paid on time and they have to collect it by going to their house or they pay the instalments late due to which group faces the problem.

5. **Funds to purchase the raw material:** - The group members are encouraged to start the small enterprises which they would not have otherwise able to start but as the business needs funds as we have seen the funds are at initial stage is required for the purchase of raw material. These members are lacking in funds for raw material due to which they lack in competitors.

6. **Lack of knowledge of financial dealings:** - The members are as we know are not professional or few are illiterate or just know how to read and write due to which they lack in knowledge of financial dealings due to which they are not able to compete the other professionally run business.

7. **Problems while getting the loan:** - The members are given the loans from the internal funds collected or also funds from the government or from the banks but they come across the difficulties like feeling in the loan forms or required documents to be collected.

**Social problems faced by the members:**

1. **Problems in the attitude of the family members:** - When the members join the self help group some members face the difficulties in attending the meeting and activities of the group as the family members do not support the women going out and attending the meetings or they think she is wasting the time and doing what in that meetings. This attitude is commonly seen in the families against the members in the initial position.

2. **Members facing gender barriers:** - The members in this group many a times face the problem of gender barriers in many aspects. Like the small business started by them are also looked upon where if business is such where women are very few who are in to same business or there is no co-operation given to
them for the subsidies if any to be received. Lack of support is faced by them only because of gender discrimination.

3. **Lack of confidence:** Due to the pressure from the society and as they have never being interacting with the banks and the other people in the society they lack the confidence. The members are not aware earlier about the business, neither have ever made bank transactions due to which it is very difficult for them to start the business and expand the same with the confidence.

4. **Lack of assets in their name:** The members are not having assets in their name. As in the Hindu community women are not having assets in their own name individually as for many years in the community this is being practiced which will not change immediately.

5. **Lack of participation in decision making:** The women in the house in Indian society from the ancient period has no decision making power. Due to which we also find the same in the self help group. The members lack in decision making in all the aspects necessary for the group or the business started by them through the help of the group.

- Other problems:
  1. **Lack of technical know-how:** The group members lack this ability of technical know how as they are not well educated and have never come across the techniques used. Due to which they are not in position to compete the products in the national and international market. To overcome the same the members are trained in the same know as the trainings are arranged for the same.
  2. **Lack of professional Training facilities:** The members of the self help group are skilled women but they lack in professional touch in their business. For which they look upon the group and are expecting training for the same. The group also arranges for the training but they are also not able to arrange for the trainers who can really professionally train the members. Also the training facilities are not frequently arranged as they need.
  3. **Excess involvement by political parties in the setting up and working of self help groups:** Many self help groups are started by the assistance of the political leaders whose aim is to give women a chance to prove her in the aspects other than the home also. But many a times the working of the groups is largely
affected by the political parties. As there are advantages of their connection sometimes there is excess involvement by them due to which certain objectives are not achi

6.4 Solutions suggested by the researcher -

The financial problems faced by the group can be overcome where the members should strictly pay the membership fees regularly else fines should be charged, which is being followed by many groups so that other members who wants to take the loan do not suffer. The repayment if not maid monthly fines to be are charged along with the interest but the funds are still short to satisfy the more number of members where if all the members can afford, the membership fees can be increased and other than the internal funds group should make itself eligible to get the funds from the government, banks etc. to satisfy the needs of the members and show the growth. The audit of the maintenance of the books of accounts or maintaining the loan records etc. can be carried out by appointing the professionals in the same field so that all the financial documents will be maintained as per the professional requirements and functioning will also be effective. There will also be the transparency maintained if the work is carried out by the professionals. The work otherwise is carried out by the leaders (president or secretary) who are not professionals.

The social problems faced like difficulty in collecting the members to start the group is faced but the same can be solved by making all the people aware about benefits of savings, also this problem to an extent is less in the cities and now even in the rural area as even illiterate woman is also aware about the concept of self help group. But after they join the group it is necessary for the members to make them attend meeting as certain percentage of members do not attend for the same the fines for not attending should be more amount and strictly collected and the member should be given only one chance else other strict action should be taken so that other members do not repeat the same. The priority for the house work is more due to which many women do not join, which can be convinced by making them understand how the savings habit developed by joining the group is going to help their families only, few members who are reluctant to join the group due to no source of income can also be convinced as that if they serve even minimum rs 5, they
will be able to collect money for the group membership. Lack of family support to the women members who join the group can be overcome by making women eligible to generate income with the help of the group which is helping them to increase the family income, but recently this attitude is changing and the woman are getting the support from the family.

For the administrative problems to be solved the internal regulations should be strictly followed. Like there should be fixed place for the meeting, all the members should be trained in maintaining the books of accounts, modern use of the technology like computer should be utilised for the working, the routine work of the group should be delegated within all the members so that leaders spare more time in the effective administration and increase there management skills, and develop good repo with the banks or the customers so that the group will only be benefitted. The efforts should be taken by the groups so that the continuity in running the group is maintained. All the members should be given an opportunity to conduct the meetings so that the leadership qualities are developed among all, also the skills and trainings as to increase the marketing of the products can be arranged more in number and there should be permanent place for selling the products prepared by the group, as Pune city a year back has already started a centre permanently where the products can be sold all the days. The groups should be given the facility by the banks as to collect the money at their doorstep, so that they will save time and will not face the problem which they are facing while depositing the money in the banks.

The financial problems faced by the members like lack of sufficient funds for starting the business can be overcome by more savings and start with the enterprise with whatever funds are available as self help groups are playing major role in contributing to the start the enterprise, the lack of knowledge of the financial and marketing skills can be faced in which the members should be trained and help them to keep themselves equipped in the recent changes in the market. The social problems faced by the members like gender discrimination should be overcome by the woman proving themselves in the business carried out by them due to self help groups help, these members are dependent on the groups even for the funds, there should not be any discrimination made by the government in giving the subsidies for the
business. There should be more woman participation in the decision making by the husbands in the family as they are helping the family by contributing to the income and the self help groups should have less involvement by political parties and run the groups as separate entities and help them to achieve the basic objectives.

6.5 Conclusion -

The researcher has collected the primary data through the questionnaire through which one of the information researcher wanted to collect was the other side of the self help groups that is the various problems faced by the self-help group in all. The problems are also existing in the administration or running of the group and the other type of problems faced by the members of the group. The problems like financial problems of need of funds, loan disbursement, utilisation of funds or social problems like difficulty in collecting the members, illiteracy, or administrative problems like no place for meetings, no fixed time of meeting, no knowledge about the proper working or procedures etc are problems faced by the groups, similarly members face many problems like lack of funds to start the business, lack of marketing strategies to sell the products made, gender barriers, lack of confidence, lack of stability of group in long run, lack of technical know how etc. Thus through this chapter researcher has tried to put forth the problems faced by the groups and members.