

## Constraints in the functioning of self help groups in Sindhudurg district, Maharashtra

H.G. JADHAV AND R.G. TAMBAT

See end of the article for authors' affiliations

Correspondence to :  
**H.G. JADHAV**  
S.P. College of  
Horticulture, Chiplun,  
RATNAGIRI (M.S.)  
INDIA

### ABSTRACT

To study the constraints in the functioning of SHGs, twelve villages from Kankawli and Malvan tahsils of Sindhudurg district were selected purposively. One SHG from each village was selected randomly. Thus, total 110 members from 12 SHGs were included in the sample. Based on the performance of SHGs, they were classified into three groups *i.e.* good performance, average performance and poor performance. The major constraints faced by SHG members were small and fragmented land holding (100 %), stray cattle menace (90.91 %), lack of market facilities for product of SHG (90%), low market price for product of SHG (87.27 %) and lack of irrigation facilities (85.45 %).

### INTRODUCTION

Self help group (SHG) is a group of people coming together voluntarily for attaining a common goal. The goal could be anything like saving habit or meeting emergent credit need etc. SHG is a group of rural poor who have volunteered to organize themselves into a group for eradication of poverty of the members. Self help groups (SHGs) are fast emerging as powerful tool of socio-economic empowerment of the poor in rural areas. SHG is a small body formed by the people for meeting their specific objectives, particularly credit. It is managed by the rules and regulations formed by them and functions on democratic principles. In self help groups, it is assumed that all poor households need to save and have the inherent capacity to save small amount regularly, early assess to credit is more important than cheap subsidized credit which involves intricate bureaucratic procedures; the poor are the best judge of their credit needs and are good users and re-payers of credit when formed in group.

SHGs are extremely useful in generating savings, ensuring successful delivery of credit to individual rural poor and effecting recovery. In addition, they serve as an ideal mechanism for bringing women out of their homes, making them more articulate and honing their leadership qualities and their skills as motivators (Jain and Srivastava, 2003; Gupta, 2006). A total of 22.38 lakh self help groups have been formed until April 2006 and about 11396 cores have been disbursed to these SHGs. The

refinance assistance of 4156 cores have been provided to these SHGs up to the year 2006 and 3.36 cores families get benefited. In Maharashtra a total of 1,23,295 SHGs are established and Konkan region is leading in the formation of self help groups. Several positive claims are made in support of the SHG movement. It is said that due to formation of SHGs the rural poor people are helping each other. The co-operation and unity among the members are also strengthened. Saving habits of poor people are also increased. It provides year round employment to the members by taking income generating activity and improves their economic conditions and standard of living (Ramesh, 2000).

In Sindhudurg district 3221 SHGs are formed up to the year 2006, out of which 1487 SHGs have undergone first gradation and 620 SHGs have passed second gradation. Also government has provided credit amount up to 16 cores for Sindhudurg district and 8.5 cores subsidy amount is given to SHGs. Also government has spent 66,34,000 rupees for training of SHG members in Sindhudurg district. (DRDA, Sindhudurg district). However, the impact of this credit given to SHG members on their saving, income and employment has not been studied in the past.

It was felt that information on these aspect was necessary, so as to decide the strategies for effective implementation of this programme. With these considerations, the present study was carried out to documents constraints in

**Key words :** Self help group (SHG), Constraints

Accepted :  
October, 2009