

## **A study on challenges faced by Self-help group after pandemic with special reference to Nagpur District.**

**Author: Dr DINESH KUMAR(Assistant Professor)**

**Jhulelal Institute of tchnology Nagpur**

**Mail Id: Vikram.dongre6@gmail.com**

**Co-Author: Dr. J. D. Gupta (Associate Professor)**

**(Smt.Kesharbai Lahoti Mahavidyalaya Amravati)**

### **Abstract:**

The objective of this study is to find out the challenges faced by SHG members after pandemic situation. The content analysis of 150 SHG members is selected & interviews conducted to the small & medium enterprises of self help group and to analyze the problem. To find out the solution a simple random sampling method is used and it is finding that the members facing various issues after pandemic such as delay in collection of money, Slow down the business income, increasing competition, decline the sales and so on. It is concluding that for the development of SHG it is necessary the Bank take initiative and solve the problem of members by personally meeting of the SHG members, also Government helps such Group by providing additional fund to solve their problems & challenges.

**Keywords: SHG, Pandemic, Challenges. Bank, GOVT.**

## 1. INTRODUCTION:

Finance is the backbone of any business whether it is small, medium or large. For the collection of finance there are various sources available such as Bank, Money lender, Private Finance Corporation, and so on but due to the certain rules and regulation and collateral securities it is very difficult to satisfy all the necessary requirement of the Bank. So, in the year 1983 Mohammad Yunus has launched a scheme of Microfinance through the Grameen Bank and provide the loan to the needy people without any collateral securities.

In Nagpur city as per the census 2011 the Population of Urban area is 68.31 and in Rural Area 31.69 % (<https://www.census2011.co.in/>) it means that approximately 32% area belong to rural sector and for the development of this sector Govt Launch various types of project the one of them is Microfinance. there are various module involves in Microfinance but the Most popular module is Self Help group. The self-help group consist of 8-10 Members for same locality and same region create group and helps one member to another members. They collect the money from all the members and deposit the same money into Bank and use that money as per the need and requirement of the members, with rate of interest but the advantages of this group are that the loan were provided without any collateral securities.

After Pandemic most of the group facing various issues such as collection of Money and slowdown of the small-scale business. The present study focuses the challenges faced by the self-help group after pandemic situation.

## 2. OBJECTIVES OF THE STUDY

1. To focus the major Challenges faced by SHG members in Nagpur District.
2. To investigate the Challenges faced by the SHGs in Nagpur District.
3. To provide suitable policy options for successful working of the SHGs in the study area.

## 3. METHODOLOGY:

The field study has been selected to Nagpur district of Maharashtra. The study is constructed on both the sources primary and secondary data. The primary data have been collected by using well-structured questionnaires, Observation' and pre-tested interview schedule. A simple random sampling method is used to elicit primary data from the respondents. A total of 150 beneficiary respondents from different SHGs are covered in this study. The secondary data have been obtained from various research articles, Books, NABARD Report and Reserve bank of India.

## 4. REVIEW OF LITERATURE

**Ajith, K. Satyanarayan, V. Jagadeeswary, Y.B. Rajeshwari K.C. Veeranna and M. Harisha (2017) [1]** In this study reveals Self Help Groups are the effective strategy for poverty alleviation, human development and social empowerment of poor, especially women in rural areas of our country, women are the vital infrastructure and their empowerment would hasten the pace of social development to contribute to economic growth and overall growth of peoples. Hence, there is need to change their capacity to work by giving them the necessary trainings on income generating activities, supporting them with financial facilities, providing them to marketing knowledge and current information etc, new issues have to be addressed to effect social and economic progress of our nation.

**R.L. Vinodhini & P. Vaijyanthi (2016) [2]** the study explain the Socio economic empowerment of women in rural India, SHGs are the small association of the members in background status and enables to success of the SHGs and innovative practices to enables

the development and building at the stakeholders. SHGs also help the financial status of households.

**Kaur Simrenjit (2015) [3]** Self Help Groups (SHGs) are proved successful for the empowerment of rural women by the way of their entrepreneurial development which had put a major impact upon their social and economic life. For the achievement of the sustainable Entrepreneurial development among the members of the SHGs more need is to be given for the development and encouragement of SHGs.

**Anchal Soni (2015) [4]** Self-help Groups has an important role in the Women Entrepreneurship Development. The factor which has major contribution in the entrepreneurship development of the women is considered as skill training programmes. The other factors like the financial literacy programmes, micro-credit facility, separate identity in family, time to repay the loan, chance to repay old debt, ability to fulfill family needs, increment in the decision making in family and society level do not have major impact upon the entrepreneurial development of the women. The Analysis represents that the skill training programmes which are specially designed for the women leads 39.8% increment in the entrepreneurial development among women. If more training programmes are provided than it further leads to have more entrepreneurial development.

**S. Mamta, M. Saravanakumar and S. Srividhya (2014) [5]** In India more number of people live in rural areas and that they are to be developed in such a way that they achieve economic empowerment. The study revealed that the Indian SHG empowerment should continue to grow at the same pace of next five years. SHG's associate is actually fortunate to have the advantage of many savings. SHG's in India are integrating the low income segments with the rest of the rural community by ensuring them a better participation in a more equitable share in the advantage of development. It is significantly important that together government and NGOs work to bear all the costs in mind of interventions to make them sustainable otherwise the SHGs will be overburden and destined to crash. Government system could help manage this risk and increase the emphasis on sustainability of SHGs.

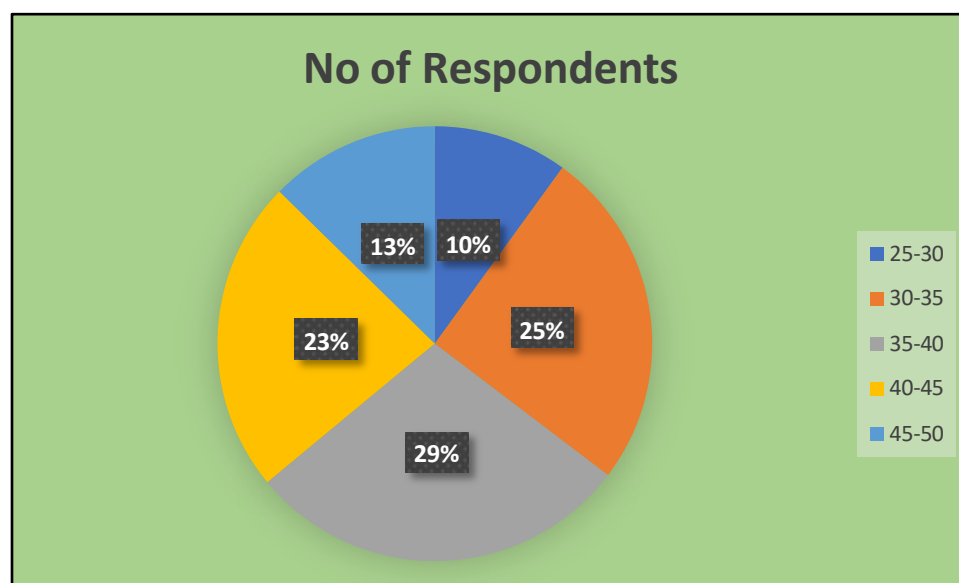
**V. Savitha and H. Rajsekar (2014) [6]** Self Help Group are playing important role in the process of financial inclusion of women empowerment, and addressed the poverty and social issues among the members. The core activity is mobilized of small savings from group members and lending the loans from banks. The study based on the personal,

financial, marketing, and production oriented problems faced among the members and upliftment of members among the SHGs (Kavithasri, 2017)

## 5. DATA ANALYSIS & INTERPRETATION

### 1. Age of the Respondents

Age	No of Respondents	Percentage
25-30	15	10%
30-35	38	25%
35-40	43	29%
40-45	35	23%
45-50	19	13%
Total	150	100%

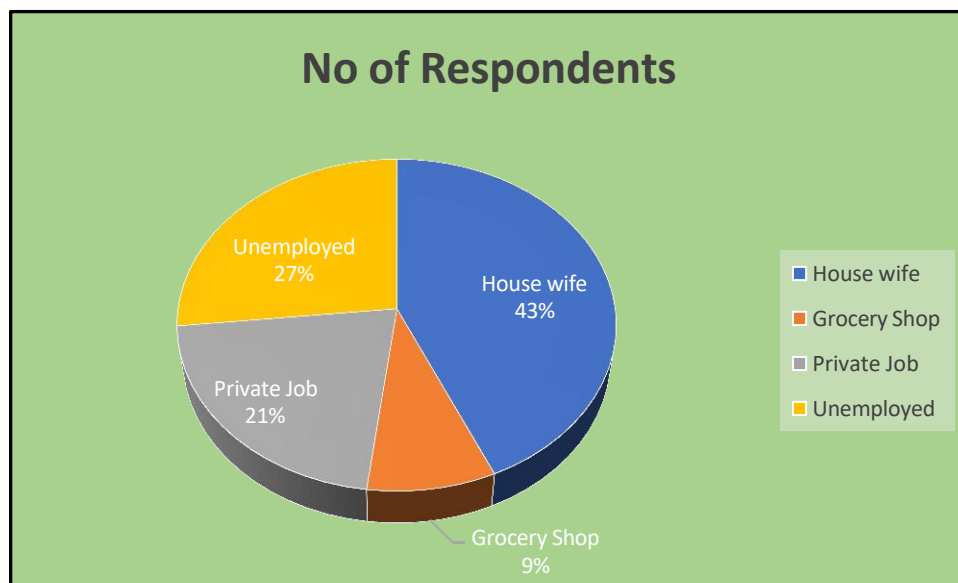


### Interpretation:

From the collection of data, it is found that majority of the respondents are in the age group of 35-40. It means majority of the 35-40 age Group avail the benefits of Self-Help Group.

## 2. Occupation

Occupation	No of Respondents	Percentage
House wife	65	43%
Grocery Shop	13	9%
Private Job	32	21%
Unemployed	40	27%
<b>Total</b>	<b>150</b>	<b>100%</b>

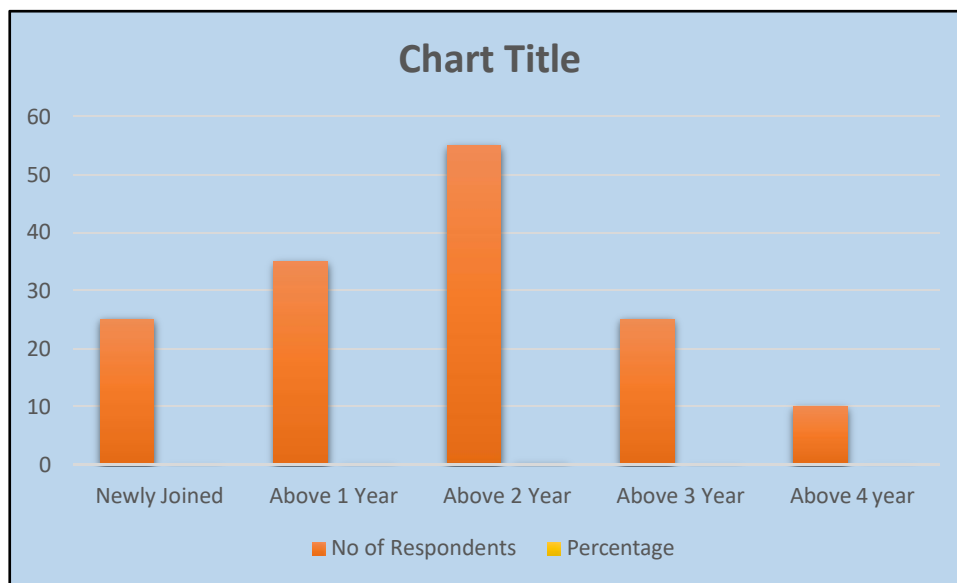


### Interpretation:

The above table shows the occupation of the respondents from the data collected it is found that majority of the respondents are House wife.

### 3. Time Duration of SHG Members

Duration	No of Respondents	Percentage
Newly Joined	25	17%
Above 1 Year	35	23%
Above 2 Year	55	36%
Above 3 Year	25	17%
Above 4 year	10	7%
<b>Total</b>	<b>150</b>	<b>100%</b>

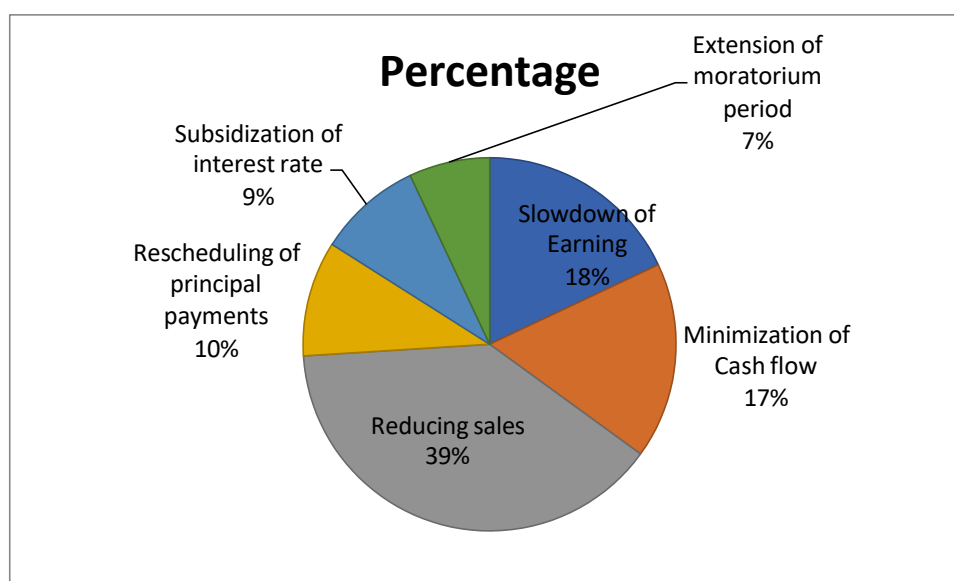


#### Interpretation:

The majority of the members are in the duration of Above 2 Years it means that from the last 2 years they avail the facility of Self-help Group.

#### 4. Challenges faced by SHG Members

Challenges	No of Respondents	Percentage
Slowdown of Earning	28	18%
Minimization of Cash flow	26	17%
Reducing sales	58	39%
Rescheduling of principal payments	15	10%
Subsidization of interest rate	13	9%
Extension of moratorium period	10	7%
<b>Total</b>	<b>150</b>	<b>100%</b>



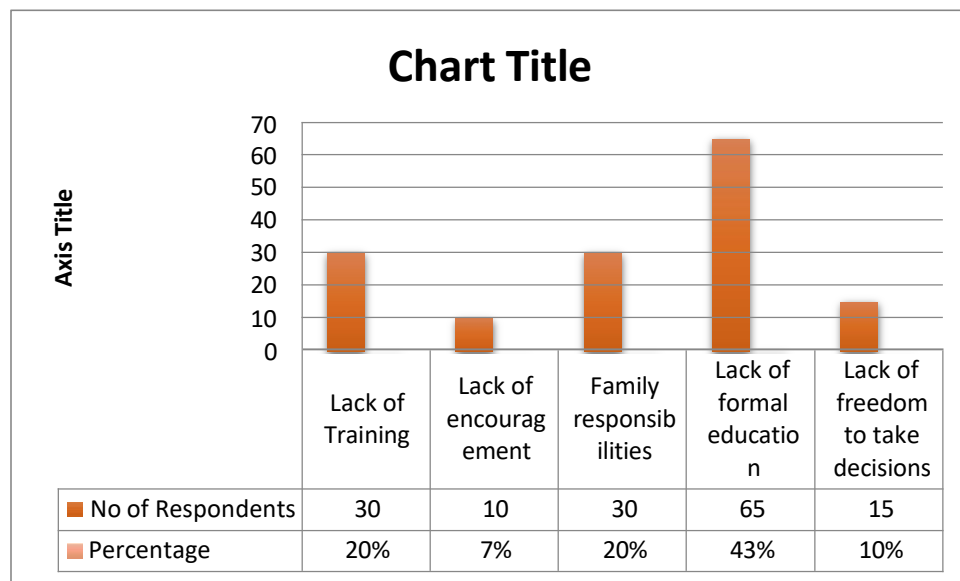
#### Interpretation:

After pandemic the members of SHG are facing various challenges such as Slowdown of earning, Minimization of cash flow, reducing sales and rescheduling of principal payment but the majority members say that after Covid 19 they are facing the challenges of sales, Because of in the pandemic situation the sources of earning of the people decreasing day by day and lots of the people are unemployed. So that people are trying to use their sources of earning in limited and useful area. 39% respondents facing issue of sales after pandemic.



## 5. Other Challenges

Challenges	No of Respondents	Percentage
Lack of Training	30	20%
Lack of encouragement	10	7%
Family responsibilities	30	20%
Lack of formal education	65	43%
Lack of freedom to take decisions	15	10%
<b>Total</b>	<b>150</b>	<b>100%</b>



### Interpretation

The table reveals that 20% of the respondents due to lack to training, 7% of the respondents have a lack of encouragement, 20% of the respondents due to family responsibilities, 43% of the respondents is that they do not have formal education. Whereas 10% of the respondents due to lack of freedom to take decisions. It means majority of the members facing challenges of lack of formal education.

## **Findings**

### **Findings of Percentage Analysis**

1. 29% of the SHG Members belongs to the age group of 35-40
2. 43% of the SHG Members are Housewife.
3. 36% of the SHG Members join the group Above 2 years.
4. 39% of the Members facing the challenges of reducing sales after pandemic.
5. 43% of respondents were lack in formal education.

## **Suggestions**

1. The business oriented training program must be conducted with professional expert from business and industrial site.
2. Suitable insurance coverage should be arranged to the business units promoted by SHG against the financial losses to safeguard the interest of the members.
3. The members need finance for the expansion of their operation; the NGOs may help them in getting loan from the government and other agencies.
4. NGOs official have to enhance the literacy level of SHGs members.
5. The SHGs members are advised to utilize the amount only for carrying out the assigned task.

## **Conclusion**

It is necessary for the Government to take necessary steps as well as SHG Members also try to solve the problems with discussion of the members as well as the bank officers. On the other hand state government and non- governmental organization banks, NABARD and various financial institution and banks need to analyze the problems after pandemic and overcome by the way of providing expert guidance training program, enhancing leadership skill program, increase the loan amount and the team building power etc., and providing various types of incentives and subsidy to all the members. The achievement of Self-help Group depends upon effectiveness and attainment of groups. The government needs to focus on major problems faced by SHGs after pandemic to make their resource mobilization meaningful and economic upliftment of members of SHGs.

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