
AN ANALYSIS OF SAVING PROCESS OF SELF HELP GROUPS IN HARYANA

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ABSTRACT

The preset paper analysis the saving process of self help groups in Haryana. To answer this question, the study focused on Jhajjar District of the state. A total 120 self help group members from this district was surveyed. For meeting the objectives, primary data were collected through a structured, non disguised questionnaire on random sampling basis from various selfhelp groups in the study area. The study found that every respondent of the SHGs contributed Rs. 100 as an amount towards saving and every SHG had decided their saving jointly by all members. Majority respondents of the SHGs from all the blocks were found to be regular in their contribution towards saving. Further, every respondent of the SHGs were found to use the saving amount for saving the money and getting loan from it. Apart from it, if the saving amount was not fully utilized in the interloaning process, then it was kept in the bank or with the group Treasurer and President so that during emergency they can avail that amount easily which may not be possible otherwise if that was kept in the banks.

Keywords: Microfinance; Self Help Groups; Social Change; Finance.

1. Introduction:

The basic objectives of Self Help Groups (SHGs) movement was to bring about change in the lives of poor by providing access to credit along with awareness among members about the interplay of all factors that will help them climb out of downward spirals of poverty. However, there has been no concrete evidence to prove that SHGs have achieved their goals in terms of improving their social- economic capital; improving awareness about rights as citizens and their ability participate in collective action against social- economic evils. These aspects of awareness of rights and choice to act against social- economic evils may be conceptualized as significant components of improvement of SHG members. Linked with microfinance approach, the SHG movement has now been accepted by all countries of the world as an effective strategy for poverty alleviation. SHG is a small voluntary association of poor people preferably from the same socio economic background. They come together for the purpose of solving their common problems through SHGs. They provide the benefits of economies of scale, cost effective alternative for different financial services, collective learning, democratic and participatory culture, affirm base and platform for dialogue and co-operation. The groups have been recommended to be informal and to keep themselves away from bureaucratic and corrupt practices, unnecessary administrative expenditure and profiteering constraints. Groups are expected to be homogeneous so that the members do not have conflicting interest and all the members can participate freely without any fear. There is however something beyond this. These groups are expected to foster true democratic culture where all the members participate actively by taking part in the debate and decision – making process which is possible only in small groups. After being formed, generally by External Agency, Group starts collecting a fixed

amount from each member regularly. For about six months it only collects amount; no loan is given to any member. During this period the groups are expected to open a saving account with Financial Institutions (FIs). After accumulating a reasonable amount of resources the group starts lending to its member for petty consumption needs. The repayment of the loan with interest and regular amount enlarge the working fund and increase the scope of lending. The groups are jointly liable to the bank for repayment. The joint liability, decision-making process and pressure at the group level are the most important aspects for the banks to do business with the poor, illiterate and informal groups. The demand for loan is for consumption, health, education, marriage, petty production and petty trade etc. A SHG can be all women group, all men group, or even a mixed group. However, it has been experienced that women's groups perform better in all the important activities of SHG.

In 1991-92 NABARD started promoting SHGs on a large scale. And it was the real take-off point for the 'SHG movement'. In 1993, the Reserve Bank of India also allowed SHGs to open saving accounts in banks. Facility of availing bank services was a major boost to the movement. The movement of SHG was nourished in the states of Gujarat, Maharashtra, Andhra Pradesh, Rajasthan, Tamilnadu and Kerala. Now nearly 560 banks like NABARD, Bank of Maharashtra, State Bank of India, Cooperative Banks, Regional rural banks, the Government institutions like Maharashtra Arthik Vikas Mahamandal (MAVIM), District Rural Development Agency (DRDA), Municipal corporations and more than 3,024 NGOs are collectively and actively involved in the promotion of SHG movement.

2. Review of Literature:

There are many researchers around the world which had conducted their research on saving process of SHGs in the group based microfinance programs in India. Some of the researchers have concluded the group functions democratically with 2-3 office bearers elected by a consensus of the group. Two office bearers viz. the President and Secretary are essential, while a third office bearer i.e. a Treasurer is optional. Better to restrict the office bearers to just two- President and Secretary. Office bearers should rotate at least once in two years. Ideal rotation would be once every year, depending on availability of educated members to act as Secretary. Group meets periodically at fixed intervals for the following purpose: a) to discuss, reflect on and find solutions to socio-economic issues / problems of members, the group and of the community. b) to transact business. All members' attendance and active participation at meetings is essential. Decisions are taken at meetings by a consensus of the group and not by the President and Secretary alone. The President and Secretary manage the administration of group as per the bye-laws and group consensus and homogeneity in membership, democracy, transparency; co-operation, unity and mutual understanding in the group significantly influenced the successful working of SHGs (Anand, 2004; Purnima and Reddy, 2007 and Kumar and Raj, 2009). At the same time some other researchers found that there are several factors, such as freedom of participation, motivation, decision-making, group communication, leadership, trust, group homogeneity and empathy that play an important role in indicating the effectiveness of working which brings about group cohesion and better performance (Purnima and Reddy, 2007 and Saikumar and Hanisch, 2011).

3. Objectives of the study:

- (i) To analysis the saving process of self help groups in Haryana.

4. Research Methodology:

This research study has based on empirical type and the main objectives of this study have to analysis of saving process of Self Help Groups. The researchers have collected data through primary sources. The Primary data have collected through a questionnaire and

interviews rose among the members of SHGs in Jhajjar district of Haryana State from all blocks of the district. This paper focused the household as the unit of analysis than other units like clients or micro-enterprises based on its suitability (Amin et al, 2003; Evans and Adams, 1999; Sarangi 2007 and Zewde and Tollens, 2008). Based on the demand of the objective, five indicators are selected for working of SHGs and these indicators are joining of members, meeting of members, saving of members, loaning of members and training for members of SHGs. The study was carried out in Jhajjar district of Haryana state in India, which is situated in the eastern region of the state, Haryana and it is considered one of the under developed district in the state. This study engaged multi stage sampling technique. In the first stage, all block of district had been taken. From each block, 01 village was randomly selected. 02 SHGs were selected randomly from each village for target group and equal number of SHGs members selected for the control group. All total 104 household for target group and another 104 households for control group were sampled. The analysis was done engaging the statistical methods such as percentage and graph.

5. Data Analysis and Interpretation:

As, the basic objective of promoting SHGs among the poor women was to develop the habit of saving and using their saving amount towards meetings the credit needs of the SHGs members. It was decided to explore savings activities of different SHGs.

This section is further sub divided into sub heads:

- ✓ Amount contributed towards the savings
- ✓ Decision about savings amount
- ✓ Regularity in contribution towards the savings
- ✓ Reasons for irregularity in contribution towards the savings
- ✓ Purpose of utilized savings
- ✓ Custody of unutilized savings
- ✓ Increase saving rate over period of time

5.1 Amount Contributed Towards the Savings

Table1: Block Wise Distribution of Sample Respondents by Amount Contributed towards the Savings.

Sr. No.	Blocks	Amount Contributed Towards the Savings				Total Member
		Rs. 50	Rs. 100	Rs.150	Rs.200	
1.	Jhajjar	0(0)	21(100)	0(0)	0(0)	21
2.	Beri	0(0)	20(100)	0(0)	0(0)	20
3.	Matanhail	0(0)	22(100)	0(0)	0(0)	22
4.	Bahdurgarh	0(0)	21(100)	0(0)	0(0)	21
5.	Sahlawas	0(0)	20(100)	0(0)	0(0)	20
	Total	0(0)	104(100)	0(0)	0(0)	104

Source: Survey of the Field

(Figures in the brackets represent percentage to the total)

Amount contributed towards the savings was studied and the results have been presented in the table 1. The findings of the study revealed that hundred per cent respondents of the SHGs contributed Rs. 100 as an amount towards saving. It could therefore be inferred that the SHGs are not establishing their creditability amongst the members of SHGs as indicated by the monthly savings that have not gone up since the inception of the group.

5.2 Decision about Saving Amount

Decision about saving amount was studied and the results have been presented in the table 2. According to SHG rules, amount of saving per month per member should be decided

jointly by all members. However, data in the table revealed that not even a single one SHG had decided their saving jointly by all members. Perusal of the data further clarified that 20.20 per cent of respondents of SHGs left this decision to the NGO officials. Furthermore, majority of respondents of SHGs (79.80 per cent) allowed DRDO officials to take this decision.

Table 2: Block Wise Distribution of Sample Respondents by Decision about Saving Amount.

Sr. No.	Blocks	Decision about Saving Amount.						Total Member
		DRDO Officials	Bank Officials	NGO Officials	Any Member of SHG	Jointly Decided by All Members	Any Other Person	
1.	Jhajjar	21(100)	0(0)	0(0)	0(0)	0(0)	0(0)	21
2.	Beri	20(100)	0(0)	0(0)	0(0)	0(0)	0(0)	20
3.	Matanhail	22(100)	0(0)	0(0)	0(0)	0(0)	0(0)	22
4.	Bahdurgarh	0(0)	0(0)	21(100)	0(0)	0(0)	0(0)	21
5.	Sahlawas	20(100)	0(0)	0(0)	0(0)	0(0)	0(0)	20
	Total	83(79.80)	0(0)	21(20.20)	0(0)	0(0)	0(0)	104

Source: Survey of the Field

(Figures in the brackets represent percentage to the total)

5.3 Regularity in Contribution Towards Saving

Regularity in contribution towards saving was studied and the results have been presented in the table 3. Findings in the table further revealed that nearly 82.69 per cent respondents of the SHGs from all the blocks were found to be regular in their contribution towards saving and remaining 17.30 per cent respondents of the SHGs in all the blocks were not found to be regular in their contribution towards saving.

Table 3: Block Wise Distribution of Sample Respondents by Regularity in Contribution towards Savings.

Sr. No.	Blocks	Regularity in Contribution Towards Savings		Total Member
		Yes	No	
1.	Jhajjar	10(47.62)	11(52.38)	21
2.	Beri	17(85)	3(15)	20
3.	Matanhail	21(95.46)	1(4.54)	22
4.	Bahdurgarh	21(100)	0(0)	21
5.	Sahlawas	17(85)	3(15)	20
	Total	86(82.70)	18(17.30)	104

Source: Survey of the Field

(Figures in the brackets represent percentage to the total)

5.4 Reasons for Irregularity in Contribution towards Savings

The basic reasons for irregularity in contribution towards savings have been studied and the results are presented in the table 4. The findings of the study revealed that majority of the respondents of SHGs (88.88 per cent) were irregular in contribution towards saving due to the non availability of money at home. Only 5.56 per cent of respondents of the SHGs were irregular in contribution towards saving due to the non availability of time to deposit the saving amount and that's why they wanted to leave the SHGs.

Table 4: Block Wise Distribution of Sample Respondents by Reasons for Irregularity in Contribution towards Savings.

Sr. No.	Blocks	Reasons for Irregularity in Contribution Towards Savings				Total Member Who are Irregular in Contributing Towards Savings
		No Money in House	No Time to Deposit Saving	Want to Leave the SHG	Any Other Reasons	
1.	Jhajjar	10(90.90)	0(0)	1(9.10)	0(0)	11
2.	Beri	2(66.64)	1(33.33)	0(0)	0(0)	03
3.	Matanhail	1(100)	0(0)	0(0)	0(0)	01
4.	Bahdurgarh	0(0)	0(0)	0(0)	0(0)	0
5.	Sahlawas	3(100)	0(0)	0(0)	0(0)	03
	Total	16(88.88)	1(5.56)	1(5.56)	0(0)	18

Source: Survey of the Field
 (Figures in the brackets represent percentage to the total)

5.5 Purpose of Utilized Savings

The purpose of utilized savings was studied and the results have been presented in the table 5. The findings of the table revealed that hundred per cent respondents of the SHGs were found to use the saving amount for saving the money and getting loan from it. Apart from it, they were also giving loans to members as well as non members of SHGs i.e. 25.96 and 24.03 per cent respectively. Group savings were also being reportedly used by 72.11 per cent and 46.15 per cent for completing the need of emergency and making purchases for their group respectively.

Table 5: Block Wise Distribution of Respondents by Purpose of Utilizing Group Saving.

Sr. No.	Blocks	Purpose of Utilizing Group Saving							Total Member
		To Save the Money	To Get Loan	To Give Loan for Member of Group	To Give Loan for Non-Member of Group	Making Purchases for Group	To Complete the Need of Emergency	Other Reasons	
1.	Jhajjar	21(100)	21(100)	5(23.80)	5(23.80)	12(57.14)	18(85.71)	0(0)	21
2.	Beri	20(100)	20(100)	7(35)	4(20)	10(50)	16(80)	0(0)	20
3.	Matanhail	22(100)	22(100)	4(18.18)	7(31.81)	9((40.90)	15(68.18)	0(0)	22
4.	Bahdurgarh	21(100)	21(100)	5(23.80)	5(23.80)	6(28.57)	12(57.14)	0(0)	21
5.	Sahlawas	20(100)	20(100)	6(30)	4(20)	11(55)	14(70)	0(0)	20
	Total	104(100)	104(100)	27(25.96)	25(24.03)	48(46.15)	75(72.11)	0(0)	104

Source: Survey of the Field
 (Figures in the brackets represent percentage to the total)

5.6 Custody of Unutilized Savings

Custody of unutilized savings was studied and the results have been presented in the table 6. If the saving amount was not fully utilized in the interloaning process, then it was kept

in the bank or with the group Treasurer. About 50.96 per cent and 29.80 per cent respondents of the SHGs reported that they kept their saving balance amount with the Treasurer and the President so that during emergency they can avail that amount easily which may not be possible otherwise if that was kept in the banks. However, 19.23 per cent respondents of SHGs revealed that they kept their savings in the bank to avail some interest. But, no one respondent of SHGs reported that they kept their saving amount with the group Secretary and with any other member of the group.

Table 6: Block Wise Distribution of Sample Respondents by Custody of Unutilized Savings.

Sr. No.	Blocks	Custody of Unutilized Savings					Total Member
		With the Treasurer	With the President	With the Secretary	With the Any Member of Group	In the Bank	
1.	Jhajjar	21(100)	0(0)	0(0)	0(0)	0(0)	21
2.	Beri	0(0)	0(0)	0(0)	0(0)	20(100)	20
3.	Matanhail	22(100)	0(0)	0(0)	0(0)	0(0)	22
4.	Bahdurgarh	0(0)	21(100)	0(0)	0(0)	0(0)	21
5.	Sahlawas	10(50)	10(50)	0(0)	0(0)	0(0)	20
	Total	53(50.96)	31(29.80)	0(0)	0(0)	20(19.24)	104

Source: Survey of the Field

(Figures in the brackets represent percentage to the total)

5.7 Increase Saving Rate over Period of Time

Increase saving rate over period of time was studied and the results have been presented in the table 7. The findings of the table revealed that no one respondent of the SHGs reported that the group had increased saving rate over a period of time.

Table 7: Block Wise Distribution of Sample Respondents by Increase Saving Rate over a Period of Time.

Sr. No.	Blocks	Increase Saving Rate Over a Period of Time		Total Member
		Yes	No	
1.	Jhajjar	0(0)	21(100)	21
2.	Beri	0(0)	20(100)	20
3.	Matanhail	0(0)	22(100)	22
4.	Bahdurgarh	0(0)	21(100)	21
5.	Sahlawas	0(0)	20(100)	20
	Total	0(0)	104(100)	104

Source: Survey of the Field

(Figures in the brackets represent percentage to the total)

6. Conclusions:

The present research paper concludes that every respondent of the SHGs contributed Rs. 100 as an amount towards saving and every SHG had decided their saving jointly by all members. Majority respondents of the SHGs from all the blocks were found to be regular in their contribution towards saving. Further, every respondent of the SHGs were found to use the saving amount for saving the money and getting loan from it. With this, they were also giving loans to members as well as non members of Group savings were also being reportedly used for completing the need of emergency and making purchases for their group respectively. Apart from it, if the saving amount was not fully utilized in the interloaning process, then it was kept in the bank or with the group Treasurer and President so that during emergency they can avail that amount easily which may not be possible otherwise if that was kept in the banks.

7. Suggestions:

On the basis of above facts, it is suggested that the SHGs must establish their creditability among the members of SHGs. For that a training programme for employment must be provided by Govt. regarding SHGs. More subsidies must be provided by the banks to the SHGs. Co-operative behaviour should be done by the Govt. officials towards the members of SHGs. More awareness programmes about the concept of SHG must be run to remove the problem of unemployment. In this direction, education must be provided to the uneducated members of the SHG. Though, they can be trained by the basic concept of accounting specifically. The need of the day is that a cooperative behaviour should be done towards the members of SHG by govt. officials. Convener of the SHGs must be encouraged for establishing other SHGs. Information regarding loans and new schemes must be provided by the govt. to the members of SHGs. All families must also be encouraged for formation of new SHGs to solve their big problems like poverty and unemployment in an effective manner. In the last, it may be suggested that the concept of SHGs must be compulsory launched by the Govt. on a large scale by involving all poor people.

8. References:

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