

Problems to the SHG Members and Groups under SHG–Bank Linkage Programme (SHG–BLP): A Study of Ahilyanagar District, Maharashtra

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Abstract:

The Self-Help Group–Bank Linkage Programme (SHG–BLP) has emerged as a cornerstone of India’s micro-finance movement since its inception by NABARD (1992). It integrates informal savings groups with the formal banking system to foster financial inclusion, self-reliance, and women’s empowerment. While the programme has enhanced access to credit and savings discipline, several operational and socio-economic constraints continue to hinder its success.

The present study investigates the problems faced by SHG members and groups in Ahilyanagar District of Maharashtra, based on a primary survey of 350 respondents. Statistical and interpretative analysis identifies key issues relating to training, marketing, family support, and institutional linkages. Findings show that inadequate training, weak financial management, low business returns, and limited market connectivity remain the chief bottlenecks. The paper concludes with practical recommendations for strengthening capacity-building, market access, and coordination between banks, NGOs, and government agencies to ensure long-term sustainability of SHG–BLP in the district.

Keywords: Self-Help Groups (SHGs); SHG–BLP; Micro-finance; Women Empowerment; Rural Development.

Introduction: The SHG–BLP is among India’s most successful rural-development initiatives launched by NABARD in 1992. It connects small, mostly women’s, savings groups to banks, promoting access to credit and encouraging habits of thrift, entrepreneurship, and cooperation. The programme aims to combat poverty and strengthen social capital in rural areas.

Over three decades, SHG–BLP has reached nearly every district of India. Maharashtra has played a leading role through commercial and cooperative banks. Within the state, **Ahilyanagar (formerly Ahmednagar)** occupies a unique position: an agrarian district dependent on sugarcane, dairy, and small-scale industries. Literacy exceeds 80 percent, but female labour participation remains low. In such settings, SHGs provide critical access to finance and self-employment. Despite notable achievements, challenges persist—insufficient training, weak bookkeeping, low profitability, and dependence on a few dominant members. Traditional gender norms further limit women’s leadership. Hence, the present study examines the actual problems faced by SHG members and groups in Ahilyanagar District and suggests workable solutions for sustainable empowerment.

Review of Literature: *Puhazhendhi and Satyasai (2000)* found SHGs to be effective in mobilising savings and improving credit delivery, while *Karmakar (2008)* emphasised that SHGs enhance women’s self-confidence and social participation. *Bansode (2013)* noted that SHGs in Maharashtra created new income avenues but still struggled with marketing. *Deshpande and Ghosh (2016)* argued that continued institutional support and training are vital for group sustainability. At the national level, *Dasgupta (2011)* observed that regional variations in literacy and infrastructure determine SHG performance. *Rao and Rahman (2018)* identified a lack of training, poor family encouragement, and limited managerial skills as major hurdles. *Singh and Bhatia (2020)* concluded that while SHGs have empowered women, bureaucratic delays and weak marketing still limit their growth. NABARD’s (2023) annual report stresses that digital inclusion and e-marketing are transforming SHGs but require more awareness and capacity-building.

These studies collectively underline that, although SHG–BLP is a conceptually successful approach, its on-the-ground efficiency depends on contextual factors—training, marketing, family cooperation, and institutional support—justifying a focused district-level analysis like the present research in Ahilyanagar.

Objectives of the Study:

1. To identify major problems faced by SHG members in Ahilyanagar District under SHG–BLP.
2. To examine operational, managerial, and financial challenges encountered by SHG groups.
3. To suggest measures for enhancing the efficiency and sustainability of SHGs.

Research Methodology: Primary data were collected from 350 members of SHGs linked with banks in Ahilyanagar District. A structured questionnaire covered aspects such as training, savings, marketing, and

decision-making. Percentage analysis and interpretive evaluation were applied, supported by field observations and informal interviews, to enhance qualitative depth.

5. Data Analysis and Interpretation:

Table 1 – Problems faced by SHG Members in Ahilyanagar District (SHG–BLP)

Sr No	Problems	Not at all (%)	Minor (%)	Moderate (%)	Serious (%)
1	Loan not sanctioned by group	52.6	34.9	10.0	2.6
2	Inadequate training facilities	32.9	20.0	18.3	28.9
3	Unable to repay loan in time	62.6	25.7	7.4	4.3
4	Unable to collect monthly savings	68.0	19.1	9.1	3.7
5	Unable to conduct business	19.1	16.3	41.4	23.1
6	Lack of family support	16.9	28.6	38.3	16.3
7	Exploitation while working in group	27.1	20.0	27.1	25.7
8	Not possible to attend meetings	65.4	25.1	6.9	2.6
9	Unable to solve personal problems	22.9	43.1	28.0	6.0
10	Only the leader makes decisions	29.7	39.1	24.3	6.9

Data Source: Primary Data

Interpretation: The table reveals that inadequate training (28.9% serious) is the single largest obstacle limiting effective participation. Many women join SHGs without prior exposure to record-keeping or enterprise management, which affects group independence. Lack of family support (38.3% moderate) shows that socio-cultural factors still constrain women’s mobility. About 23% find it difficult to conduct business due to low marketing and entrepreneurial skills. In contrast, issues like meeting attendance and loan sanctioning are relatively minor, indicating basic administrative soundness. Overall, the success of SHG–BLP depends not only on credit flow but also on capacity-building and social acceptance.

Table 2 – Problems faced by SHG Groups as per Members’ Opinion in Ahilyanagar District:

Sr No	Problems	Not at all (%)	Minor (%)	Moderate (%)	Serious (%)
1	Members leave SHG in between	53.4	24.9	14.9	6.9
2	Inadequate training facilities	24.3	24.3	34.3	17.1
3	Marketing & market availability	8.3	17.4	32.0	42.3
4	Weak financial management	9.1	16.9	51.7	22.3
5	Low return from business	16.6	16.9	38.3	28.3
6	Inadequate financial assistance	8.6	29.4	41.7	20.3
7	Lack of co-operation from banks	15.1	32.6	35.7	16.6
8	Lack of co-operation from NGOs	39.1	29.7	18.6	12.6
9	Non-recovery of loans	46.6	34.0	13.7	5.7
10	Lack of managerial skills	16.6	16.9	38.3	28.3

Data Source: Primary Data

Interpretation: Marketing constraints emerge as the most severe problem, with 42.3% calling it serious. Most SHGs rely on local markets or weekly bazaars; the absence of branding and packaging limits competitiveness. Weak financial management (51.7 % moderate) reflects inadequate training and irregular audits. About 38% reported moderate managerial skill gaps, revealing dependence on a few literate members. Institutional cooperation also appears partial—banks and NGOs provide initial assistance, but limited follow-up. Together, these issues demonstrate that financial linkage alone cannot ensure success; continuous mentoring and business-oriented training are essential for group sustainability.

Major Findings:

- Training Deficiency:** Most SHG members lack structured instruction in bookkeeping, entrepreneurship, and digital finance.
- Weak Financial Management:** Over half struggle with transparent record-keeping and fund allocation.
- Marketing Constraints:** High transport costs, poor packaging, and a lack of buyer networks hinder profitability.
- Limited Institutional Support:** Banks and NGOs assist but seldom provide follow-up mentoring.
- Social Barriers:** Family disapproval and gender bias restrict women’s decision-making power.
- Low Profitability and Dropouts:** Weak market connectivity reduces income, causing membership attrition.
- Administrative Gaps:** Irregular monitoring weakens accountability and learning feedback.

Overall, while SHG–BLP improves credit access, its sustainability depends on education, skill enhancement, and institutional engagement.

7. Suggestions and Recommendations

1. **Regular Training Workshops:** Organise periodic sessions on accounting, leadership, marketing, and digital literacy in the local language.
2. **Promote Digital Record-Keeping:** Adopt NABARD-supported mobile apps for transparent fund tracking.
3. **Strengthen Market Linkages:** Facilitate tie-ups with cooperative markets, fairs, and online portals.
4. **Improve Bank Coordination:** Simplify documentation, provide orientation for SHG leaders, and hold quarterly review meetings.
5. **NGO Mentorship:** Ensure at least one year of hand-holding after loan sanction to build confidence and accountability.
6. **Family and Community Awareness:** Promote campaigns emphasising the socio-economic benefits of women's participation.
7. **Incentivise Performance:** Introduce “Model SHG Awards” and small grants for transparent, active groups.
8. **District Monitoring Committee:** Include bank officials, NGOs, and SHG leaders to review progress regularly.
9. **Youth Involvement:** Engage educated youth for bookkeeping and digital marketing support.

Implementing these measures will enhance the efficiency, profitability, and empowerment potential of SHGs in Ahilyanagar District.

Conclusion: The SHG–Bank Linkage Programme has substantially contributed to women's empowerment in Ahilyanagar District. However, its true impact will be realised only when institutional credit is complemented by skill development, marketing access, and community support. Strengthening these dimensions can transform SHGs into dynamic micro-enterprises, driving inclusive rural growth in Maharashtra.

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