



Joining Female Self-Help Groups and its Influence on Income, Expense and Savings: An Empirical Study

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ABSTRACT

Self-Help Groups (SHGs) are associations of individuals who are from rural as well as urban area, mutually come together for self-dependence and economic empowerment in their lives. SHGs are a poverty alleviation programme introduced by the Government of India with the motive to generate employment opportunities and reduce poverty especially in rural India. In the present study, it is tried to find out empirically how SHGs can become a sustainable architecture for income generation and improved livelihood. The study tried to enquire into the significant change if any in the status of income, expense and savings pre and post membership in SHGs. The study will also throw a light on the role of Women member as the financial operator in the family, further their exposure to training and skill development in SHGs. In order to attain the objectives, the study is conducted on a random sample of female SHG members from collected from Cachar District, Assam, India. Appropriate methodology such as descriptive statistics, correlation and t-test had been used for analysing the data. The study revealed a positive findings in poverty mitigation of the female SHG members of the geographical area after joining SHG. This is due to the data showing a noteworthy shift in income, spending, and savings following SHG membership. Additionally, it was discovered that the female family members' empowerment position has significantly changed with regard to financial operations and decision-making.

Key words: Self Help Groups, Income, Expense, Savings, Training, Poverty Alleviation, Female Members

Introduction

Since India gained its independence in 1947, state policy has placed a strong emphasis on the advancement and empowerment of women. As mandated by the Indian Constitution, a number of institutions, including the national, state, and local governments, non-governmental organizations, civil society, and other authorities, are making a concerted effort to ensure gender equality. With the Eleventh Five Year Plan (2007–2012), women in India are acknowledged as catalysts for social and economic advancement for the first time. The gender equity approach of the Plan is based on the knowledge that granting women's rights and implementing comprehensive interventions are both necessary for their support. Self-help groups have shown to be a useful tool for boosting self-confidence in general and female entrepreneurs in particular. India is not an exception to the generalization that the primary problems facing developing countries are unemployment and poverty (Punam, 2015).

The World Bank has suggested that social development initiatives give women's empowerment top priority. World Bank, 2001. Development organizations that are dedicated to empowering women also need to look into the nature of the connection between women's credit availability and the gender roles that need to shift in order to achieve equality and empowerment. (Mayoux 1998; Kabeer, 1998). After the IX plan ended, a number of initiatives were implemented to fight poverty and promote gainful employment. However, the more enticing plan with less work is the "Self Help Group" (financial). Under the government of India's Swarnajayanti Gram Swarozgar Yojana (SGSY), a comprehensive program to alleviate poverty, Self-Help Groups have gained center stage in development activities (Rathinam & Akudugu, 2014).

A self-help group is a small, nonprofit association of poor people, preferably from comparable socioeconomic backgrounds. They come together to work through their shared problems through self-help and mutual aid. Members of the SHG are encouraged to save a little money. The savings are kept in a bank. This common fund is called the SHG (Das. 2005). Typically, there are no more than twenty members in one SHG. The government of every state, including Assam, has embraced the topic of women's empowerment as one of its tactics to fight socioeconomic poverty. As a popular movement, women have embraced self-help through saving, opting to take this path in order to better manage their future. As a result of the State's development goal, which has emphasized individuals in recent years, especially women, for their economic growth and development, a considerable number of Self Help Groups (SHGs) have been founded throughout the state of Assam (NABARD, 2005).

In this study an attempt has been generated to observe how SHGs are helping the members and making them able to take care of bank related activities, whether they are getting training of useful skills from SHGs and also about the training they are getting. Further, the study analyse how rural finance i.e., self-help groups can make an influence on poverty alleviation considering three important factors – change in income level, expense level and savings level in Ambikapur and Bajantipur gram panchayats which are located in the Cachar district of Assam.

Review of Literature

The important finding made by Randhawa & Mann (2007) was that fewer SHGs were advanced by NGOs and that the majority of SHGs were advanced by government organizations. Reddy (2008) discovered that because of the official credit institutions were advanced and SHGs were linked to banks, families' financial situations were also improved. Sathiabama (2010) discovered that the self-improvement meetings held by SHGs participants had equipped them for financial independence. The members of SHGs were engaged in small business endeavours and as a result, they were becoming financially independent and opening doors to employment for others. Prasadarao (2010) found that the expansion of pay levels, resources, reserve funds, getting limits and pay-creating activities had resulted in significant changes in the expectations of SHG members. According to Thangamani and Muthuselvi (2013), the participation of women in SHGs had a significant influence on the groups' growth from a friendly and financial standpoint. If given assistance, women are willing to make sacrifices for the benefit of their families and themselves in order to create a better future for their children. (Latifee, 2003). This is because women make up a considerably higher portion of the earnings that go toward basic family upkeep, which makes them crucial and strategic players in the process of rescuing their families from poverty. Based on Taneja (1998), SHGs open doors for the underprivileged who are unable to independently obtain financial services like credit from reputable credit sources and other useful resources. According to Billson (2005), women in SHGs who were successful in obtaining credit could turn their existing talents and marketable opportunities into small businesses, back this. This empowers them and their communities through financial inclusion. In patriarchal societies, women were especially affected by this, according to Zamam (2000). The establishment of women SHGs throughout India is a tactical weapon in the struggle against poverty and gender discrimination. SHGs have the potential to help women gain social, political, and economic empowerment when used in conjunction with the supply of credit and other facilities. They were achieved and maintained economic freedom by being financially self-sufficient. (Chowdhury, 2009).

Statement of the Problem

The majority of people in India live in rural areas where cultivation is the main source of employment. In rural India, poverty and underdevelopment are clearly more severe. India's rural areas require an open environment for development, education and commerce, which leads to poor educational outcomes, unemployment and exasperated village to city migration. To end poverty in India's rural regions, the government runs numerous programs to combat it. However, the SHGs are playing a significant part in this context, helping rural residents, especially women, become economically independent, self-sufficient and employed, which can significantly lower their level of poverty. It is feasible to infer from the literature that numerous studies have been conducted by individuals on SHGs and their contribution to the reduction of poverty both in India and abroad. Thus, two gram panchayats from the Cachar district of Assam have been chosen for the current research in order to assess the effect of SHGs in reducing poverty among female SHG members of these two GP. Therefore, also the focus of this paper is to know whether programs like Self-help groups are helping in the economic upliftment of the female members of Self-help groups, whether they are becoming skilful in various income generating work and whether the members of Self- help groups are becoming aware of the banking transaction activities. The research does, however, also attempt to quantify the effect of SHGs on lowering poverty among the female SHG members of particular GPs and which makes the present study a unique one.

Objectives of the Study

The current study's initial goals are to identify the family's financial transaction operator and to provide insight into how women members of SHGs are exposed to training and skill development. Additionally, the study tries to measure the influence of rural finance i.e., Self-Help Groups on poverty alleviation considering three important factors viz., Change in income level, Change in expense level and Change in savings level on the basis of their before and after joining in SHGs.

Hypotheses of the Study

1. There is no significant differences between income of the respondents before and after joining SHG.
2. There is no significant differences between expense of the respondents before and after joining SHG.
3. There is no significant differences between savings of the respondents before and after joining SHG.

Data and Methodology

There are 163 Gram Panchayat in Cachar district of Assam, among these the present study considered only two gram panchayats namely, Ambikapur and Bajantipur. The study has been conducted on these two gram panchayat because no study on this topic has been conducted in these areas and people residing there are majority belonging to Bishnupriya Manipuri community which makes the outcome of this study a unique one. The study concentrates

on understanding the female members of SHGs and its influence on poverty alleviation. Descriptive and exploratory research designs have so been considered. The 67 female SHG members of the two GPs stated above make up the study's population. The sample size of the study is calculated as 57 female SHG members. A structured questionnaire considered by covering both close-ended and open-ended questions. Simple Random Sampling technique has used for gathering necessary primary data. Analytical technique includes descriptive statistics, correlation and t-test have been considered.

Data Analysis and Interpretation

Table 1: Profile of the Female SHG members under study

Age Groups	Number of respondents	Percentage
20-40 Years	18	31.57%
40-60 Years	39	68.42%
60 Years above	0	0%
Total	57	100.00%
Educational Qualifications	Number of respondents	Percentage
Below class 10	10	17.54%
Class 10 level	39	68.42%
Higher Secondary Level	8	14.03%
Graduation Level	0	0%
Total	57	100.00%
Family Members	Number of respondents	Percentage
1 to 3 Persons	9	15.78%
3 to 6 Persons	36	63.15%
6 to 9 Persons	7	12.28%
Above 9 Persons	5	8.77%
Total	57	100.00%

Source: Compiled from survey data

The above table 1 shows the general information of the respondents based on their Age, Educational Qualification and Family Members. According to the age groups, 31.57% of respondents are between the ages of 20 and 40, and 68.42% are between the ages of 40 and 60. From this, it can be interpreted that most of the respondents are mature enough to understand the complexity of the outside world and therefore they can understand people instructions and desires and thus they can run their business and can also follow up the SHG rules and regulations.

Based on Educational Qualification in table 1, 17.54% of the respondents have educational qualification less than class 10, 68.42% of the respondents have educational qualification up to class 10 and 14.03% of the respondents have educational qualification of higher secondary level. On the other hand, we can see that no respondents have educational qualification of graduation level. From this it can be interpreted that a lot of respondents have educational qualification of Class 10 level. Which implies that they are well versed with basic knowledge of education and can do calculations and communication effectively, which in turn will help them in sustaining their business through Self-help group.

Based on number of Family Members in table 1, 15.78% of the respondents have 1 to 3 members in their family, 63.15% of the respondents have 3 to 6 members in their family and 12.28% of the respondents have 6 to 9 members in their family. On the other hand, we can see that 8.77% respondents have more than 9 family members. From this it can be interpreted that most of the respondents have 3 to 6 members in their family and that huge numbers have most probably compelled them to join SHG so that they can enhance their living condition.

Table 2: Who takes care of bank related Transactions and Activities?

Persons	Frequency	Percentage
Respondents themselves	22	38.59%
Respondent's son/daughter	30	52.63%
Respondent's husband	5	8.77%
Total	57	100.00%

Source: Compiled from survey data

The information in table 2 has been collected by asking questions to the respondents that whether they themselves deal with bank related transactions and activities or they take help of their sons and daughters or whether their husband takes care of the bank related transaction and activities. It is seen that 38% respondents answered that they themselves take care of the activities, 53% of the respondents depends on their son/daughter to do the activities and 9% of the respondents said that their husband takes care of the activities. From these we can understand that although many respondents do bank activities on their own but a lot of candidates still depends on their son/daughters to do the banking activities which shows that improvements are needed in this regard and the respondents should be trained in this area to enhance their development as a whole.

Table 3: Respondents get training of useful skills from the SHGs

Attributes	Numbers	Percentage
Yes	57	100%
No	0	0%
Total	57	100.00%

Source: Compiled from survey data

The information in table 3 has been collected by asking questions to the respondents that whether they are getting training of useful skills from the concerned SHGs. It is seen that all the respondents answered that they get training of useful skills from the concerned SHGs. From these we can understand that the SHGs are properly giving training to SHG members timely so that the members can upgrade their skills of different income generating work and can use those skills in earning money and also improving their living condition.

Table 4: Training that they are getting from the SHGs

Respondents	Training from the SHGs
57	Kitchen garden, plantation, mushroom cultivation, vermicompost.

Source: Compiled from survey data

The information in table 4 has been collected by asking the training that they get from the concerned SHGs. All the respondents said that they are getting training in doing kitchen garden, plantation, mushroom cultivation, vermicompost making. All the training that are given to the respondents will help in their domestic life as well as in business. For instance, nowadays in India mushroom cultivation have become one of the famous and profitable business. In a short period of time the farmers can convert their hard work into profit. Thus, we can conclude that the training which the SHG members are getting is definitely going to help them in living a better life and also it adds to their development.

In table 5, the influence of rural finance self-help groups on poverty alleviation has been assessed by considering the change in income level factor for both before and after joining in SHGs.

Table 5: t-test regarding change in income level of the respondents

t-test results for Paired Samples Statistics								
Pair 1		Mean	N	Std. Deviation	Std. Error Mean			
	Income Before join SHG	912.28	57	206.216	27.314			
	Income After join SHG	9778.95	57	1919.890	254.296			
Results of Paired Samples Correlation								
Pair 1		N	Correlation	Sig.				
	Income Before join SHG & Income After join SHG	57	0.928	0.000				
Paired Samples Test								
	Mean	Std. Deviation	Std. Error Mean	95% Confidence interval of the Difference		t	Df	Sig. (2-tailed)
				Lower	Upper			
Income Before join SHG - Income After join SHG	-8866.667	1730.332	229.188	-9325.785	-8407.548	-38.687	56	0.000

Source: Compiled from survey data

We can comprehend how joining a self-help group changes one's earning level based on the statistical tables above. Their salary level has improved as a result of joining a self-help organization. Consequently, it can be said that self-help group have an influence on increasing the income level of the respondents.

The t-test is used to determine the difference in values between two categories: income prior to joining a SHG and income following SHG membership. The table indicates that there is a significant difference in the respondents' income before and after joining SHGs, with the p value being less than 0.05.

Table 6 presents the evaluation of the impact of rural financial self-help groups on poverty reduction, taking into account the aspect of expenditure level both prior to and following membership in SHGs.

Table 6: t-test regarding change in expense level of the respondents

t-test results for Paired Samples Statistics								
Pair 1				Mean	N	Std. Deviation	Std. Error Mean	
	Expense Before join SHG			528.07	57	133.302	17.656	
	Expense After join SHG			3733.33	57	1014.420	134.363	
Results of Paired Samples Correlation								
Pair 1				N	Correlation		Sig.	
	Expense Before join SHG & Expense After join SHG			57	0.942		0.000	
Paired Samples Test								
	Mean	Std. Deviation	Std. Error Mean	95% Confidence interval of the Difference		t	Df	Sig. (2-tailed)
				Lower	Upper			
Expense Before join SHG - Expense After join SHG	-3205.263	889.908	117.871	-3441.388	-2969.139	-27.193	56	0.000

Source: Compiled from survey data

We may comprehend the change in expense level after joining a self-help group by looking at the above statistical table. Participating in a self-help group has positively impacted their spending level. Thus, it may be concluded that self-help groups have an impact on respondents' rising expense levels. Furthermore, we may state that the responders can now afford to take on greater responsibilities and meet a greater number of their basic demands.

T-tests are used to determine how the values for two categories—cost level prior to joining SHG and expense level subsequent to joining SHG—differ. The table shows that the p value is less than 0.05, indicating that there is a significant difference between the respondents' pre- and post-SHG spending levels.

The table 7 represents the influence of rural finance self-help groups on poverty alleviation which has been assessed by considering the savings factor for both before and after joining in SHGs.

Table 7: t-test regarding change in savings level of the respondents

t-test results for Paired Samples Statistics								
Pair 1				Mean	N	Std. Deviation	Std. Error Mean	
	Savings Before join SHG			331.05	57	103.797	13.748	
	Savings After join SHG			1936.84	57	754.423	99.926	
Results of Paired Samples Correlation								
Pair 1				N	Correlation		Sig.	
	Savings Before join SHG & Savings After join SHG			57	0.530		0.000	
Paired Samples Test								
	Mean	Std. Deviation	Std. Error Mean	95% Confidence interval of the Difference		t	Df	Sig. (2-tailed)
				Lower	Upper			
Savings Before join SHG - Savings After join SHG	-1605.789	704.911	93.386	-1792.828	-1418.751	-17.199	56	0.000

Source: Compiled from survey data

We can comprehend the change in savings level after joining a self-help group by looking at the preceding statistical table. Their level of savings has increased as a result of joining a self-help organization. Consequently, it can be said that self-help group have an influence on increasing the savings level of the respondents. And we can also say that the respondents are now able to save more money and this will help them to tackle any financial issue that they might face in future.

The t-test is used to determine how the values for the two categories—saving level prior to joining SHG and savings level subsequent to joining SHG—differ. The table shows that the p value is less than 0.05, indicating that there is a significant difference between the respondents' savings levels before and after they joined SHGs.

Scope and Limitations of the Study

The research has been conducted on the female SHG members of Ambikapur and Bajantipur Gram Panchayats in Cachar district of Assam, As a result, more care should be taken when extrapolating the current study's findings. But still, the limitations of this research are identical to those of any primary data-based study. Furthermore, it might not be possible to fully eliminate the possibility of sampling bias.

Conclusion

It can be said that Self-Help Group has changed the way poor people were lived their life. The poor people especially females, after joining the Self-help groups have seen a rise in their income level, expense level, savings level as compared to before joining the Self-help groups. Many facilities such as skill training, providing knowledge related to basic accounting, high income business training and disbursement of important information related to government incentives for poor people have helped them in their overall development. But, at the same time there are some issues that are needed to be addressed like training to members of self-help groups regarding the activities of bank and other official training should be done. So that the members of self-help groups become more self-dependent.

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