

Economic impact of self-help group members in Srinagar district-An analytical study**Prof Qunser Parveen*****V B Women College, Rainawari Srinagar, Jammu and Kashmir, India****Email: kousarp77@gmail.com****Abstract**

This paper investigates the economic impact of women Self-Help Groups (SHGs) on their members, both before and after joining these groups, with a focus on factors such as income, spending, savings, borrowings, and asset development. The study is based on primary data collected from the Srinagar district of Jammu & Kashmir, a region characterized by unique socio-economic challenges. Statistical methods, including simple percentages and Paired t-tests, were employed to analyze the data. The findings of this study reveal a significant positive impact on the economic well-being of women who joined SHGs. Notably, the women reported increased confidence in their future prospects and a heightened sense of self-reliance. Moreover, their economic conditions showed tangible improvements in terms of increased income, prudent spending habits, higher savings, reduced reliance on external borrowings, and the development of valuable assets. These outcomes highlight the transformative potential of women's participation in self-help groups, shedding light on the positive socio-economic changes that can be achieved through such community-based initiatives. This research contributes to the growing body of knowledge surrounding the empowerment of women through self-help groups, particularly in challenging regions like Jammu & Kashmir.

Keywords: Economic Impact, Self Help Groups, Economic Status, t-test**Introduction**

India's remarkable success story is undeniably rooted in its commitment to rural development. Even after seven decades of independence, the nation continues to face developmental disparities across various domains. Notably, rural and urban India bear the burden of a significant proportion of the impoverished population, with 40 percent and 23.62 percent, respectively. The financial needs of the rural masses, including essential expenses such as marriage, healthcare, day-to-day consumption, and the acquisition of productive assets, often rely on non-institutional

credit organizations. Despite the widespread utilization of the official credit system in rural India, it has, regrettably, fallen short of its promise to alleviate poverty and uplift the economic status of the most marginalized individuals. There is an urgent imperative to break the cycle of poverty and destitution that ensnares the underprivileged, affording them the opportunity to lead lives filled with dignity, competence, and self-esteem. It is crucial to recognize that a nation's economic prosperity is intrinsically linked to its social development. In this context, the "Self-Help Promotion" model has emerged as a novel approach to poverty alleviation, emphasizing the significance of collective efforts and demonstrating tangible, positive outcomes. This paper delves into the economic impact of Self-Help Groups (SHGs) on their members, both before and after joining, utilizing various key variables such as income, expenditures, savings, borrowings, and asset development. In essence, it seeks to understand how individuals allocate a portion of their surplus income for investments in specific assets, a critical factor in determining their economic progress. Furthermore, the study incorporates the four essential characteristics that have been identified and employed in numerous economic impact assessments, drawing upon previous research by scholars such as Shiralashetti (2010), Nedumaran (2001), Jothi (2010), Sheikh Mohammad Feroze et al. (2006), and Murali (2006). These characteristics serve as valuable indicators of a member's economic status within the context of SHGs.

Scope of the Study

The study of women members in Srinagar district SHGs sheds information on women's position and the economic impact of SHGs. Women's empowerment is a pressing need, and SHG can help. This study looks at the economic effect from various perspectives and the ramifications for members of Self Help Groups. As a result, the current study is expected to benefit many stakeholders in the self-help group mechanism.

Objectives of the Study

1. To assess the respondents' perceptions of the economic impact.
2. To examine the impact of economic variables on self-help group members following their enrollment.
3. Evaluate the comprehensive economic influence on members of the Self-Help Group.

Methodology**Sampling**

The participants in this research are drawn from members associated with Self-Help Groups operating under the purview of the National Rural Livelihood Mission (NRLM), which is administered by the Government of Jammu and Kashmir. The study was conducted using a multi-stage random sampling approach. In the Srinagar region, a total of 5585 Self-Help Groups were operational. The sample size for this study was determined to be 150 groups using a specific sampling algorithm. Eligible Self-Help Groups were those with a minimum membership of 12 individuals. In the final stage of sampling, two office bearers were selected from each group, resulting in an initial sample size of 300 individuals. However, due to missing critical information in twenty questionnaires and the refusal of participation by twenty respondents, these cases had to be excluded from the study. Consequently, the final sample size for this research comprises 280 individuals. Data collection for this empirical research primarily relied on a survey-based approach. The primary information for this study was obtained directly from officials of the Srinagar District Rural Development Agency (DRDA). To assess the economic impact of Self-Help Groups (SHGs), members of these groups were actively engaged to provide primary data. An interview schedule was formulated following a comprehensive review of relevant literature on self-help groups, which served as a foundational guide for the data collection process.

Framework of analysis

Data was collected in tabular format, and the analysis employed various statistical methods, including Paired t-tests and simple percentages.

Results and Discussion

Table 1

Age-wise Classification of the Sample Members

SNo	Age	No. of Members	Percentage
1	20-29	100	32.9
2	30-35	105	36.2
3	Above 35	95	41.0
Total		300	110.1

Source Primary Data

Table 1 provides an overview of the age distribution within the sample. The data indicates that 100 members (33.3 percent) are under the age of 30, while 110 members (36.7 percent) fall within the age range of 30 to 35. A total of 90 members, constituting 30.0 percent of the sample, are aged above 35. This analysis suggests that the concept of Self-Help Groups (SHGs) has garnered notable popularity, particularly among younger women in the Srinagar district.

Table 2
Literacy Level of the Sample Members

SNo	Literacy Level	No. of Members	Percentage
1	Illiterate	55	23.9
2	Primary Schooling	35	16.36
3	High School Education	40	26.22
4	Higher Secondary Education	70	56.3
5	Graduate	85	52.11
6	Post-Graduate	70	27.24
Total		355	202.1

Source: Primary Data

Table 2 offers a comprehensive view of the educational qualifications of the sample respondents. A thorough examination of the table reveals that individuals with a high school diploma constitute 28.4 percent of the total, closely followed by those with a higher secondary education, making up 23.3 percent. Furthermore, the table indicates that 13.3 percent of members hold graduate degrees, and 5 percent possess post-graduate degrees. However, it is noteworthy that despite their higher educational qualifications, they are not actively participating in economic activities through the Self-Help Group. Additionally, there are 35 respondents (11.7%) who are illiterate. From this data, it can be inferred that Self-Help Groups (SHGs) in the Srinagar district are primarily led by individuals who have completed high school or higher secondary education. Intriguingly, there is a conspicuous lack of involvement from those with more advanced educational qualifications, such as graduates and post-graduates. This observation sheds light on the profile of SHG members in the region and their educational backgrounds.

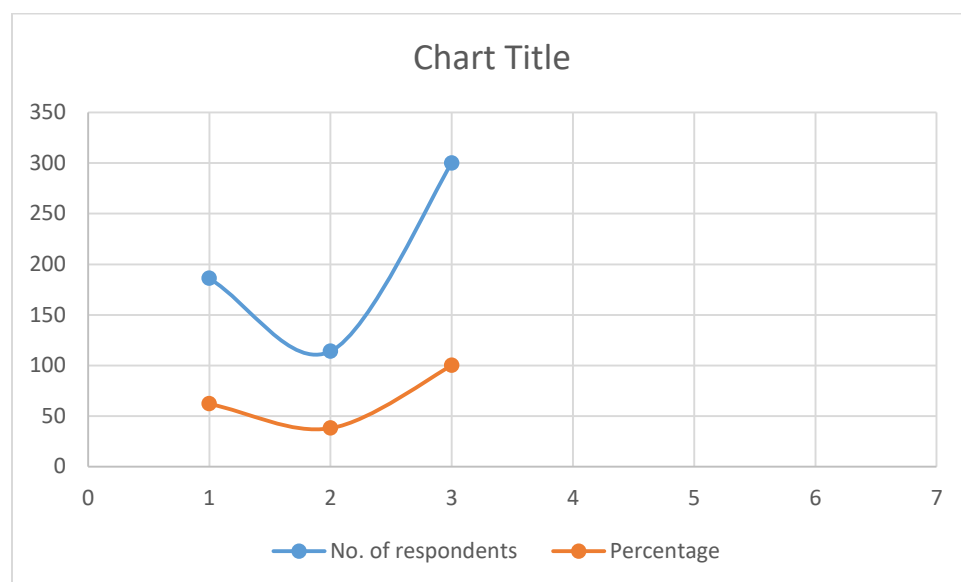
**Fig 1**

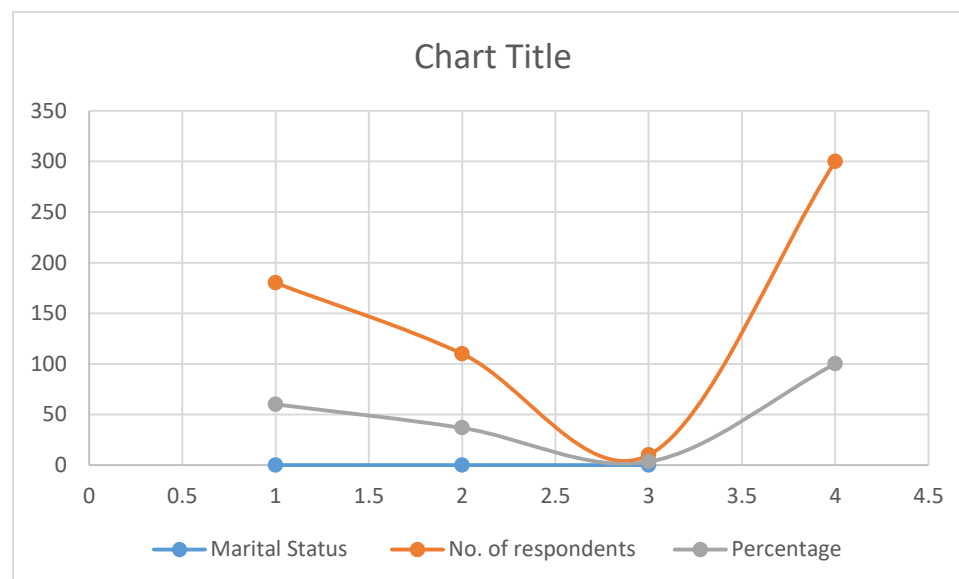
Fig 3 reveals a significant increase in the average yearly income of the respondents. Notably, 120 members (40%) report an average annual income ranging from Rs. 25,000 to Rs. 30,000, while 90 members (30%) fall within the income bracket of Rs. 20,000 to Rs. 25,000. Additionally, 45 members (15%) report an average annual income exceeding Rs. 30,000. The table also indicates that respondents with annual incomes between Rs. 10,000 to Rs. 15,000 and Rs. 15,000 to Rs. 20,000 represent 5% and 10%, respectively. This data underscores the positive impact of Self-Help Groups (SHGs) in the study region, as it is evident that SHGs have contributed to economic empowerment among their members, resulting in a noteworthy increase in their average yearly incomes.

Table 4**Type of Family among the respondents**

SNo	Family Pattern	No. of respondents	Percentage
1	Small Family	186	62
2	Joint Family	114	38
Total		300	100

Source: Primary Data

Table 4 provides an overview of the family structures of SHG members in the Srinagar area. The data reveals that the majority of members come from small families, constituting 62 percent. During interviews, members often mentioned that the nuclear family setup enabled them to actively participate in group activities. The concept of Self-Help Groups (SHGs) has gained immense popularity among the female population in the rural sector of the Srinagar district. A significant 80 percent, or 240 members, hail from rural areas, surpassing their urban counterparts who make up 20 percent. This observation suggests that SHGs are primarily concentrated in rural regions of the Srinagar district. Having examined the demographic profile of the respondents, the research now shifts its focus towards assessing the economic impact of SHGs on their members across various aspects.

Fig 2**Marital Status of the respondents**

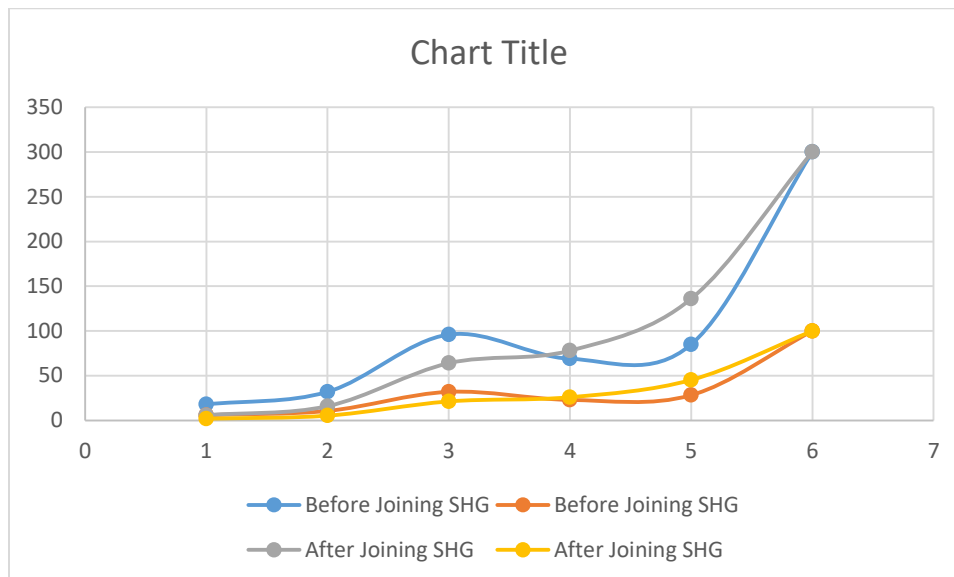
Source: Primary Data

Fig 2 presents data regarding the marital status of the members, revealing that a significant majority of them are married. Specifically, 180 members, constituting 60 percent of the total, are married, and an additional 110 members, accounting for 36.7 percent, are also married. The table further indicates that 10 members, representing 3.3 percent of the total, are divorced. This data suggests that many married members are driven by the necessity to supplement family income, particularly in times of rising prices, and their unwillingness to remain inactive despite

possessing significant vocational abilities. This motivates them to actively engage in productive economic activities through Self-Help Groups (SHGs).

Fig 3

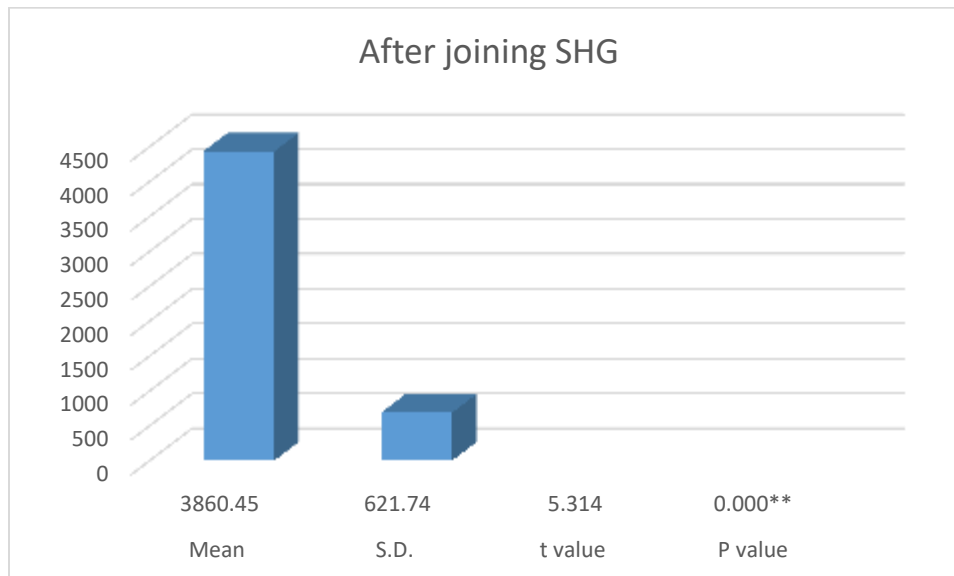
Average Annual Income of the respondents



Source: Primary Data

Fig 3 provides insights into the income levels of the respondents during both the pre-membership and post-membership periods. One of the key measures used to evaluate the economic impact of Self-Help Groups (SHGs) on their members is income. A comprehensive analysis of the data reveals that initially, 18 members earned a monthly income between Rs. 10,000 and Rs. 15,000, representing 6 percent of the total. However, this number has since decreased to only six members, constituting 2 percent. This decline indicates a positive economic impact and suggests that individuals in the lower income bracket have transitioned to a higher income bracket. Furthermore, members with incomes between Rs. 15,000 and Rs. 20,000 and those earning between Rs. 20,000 and Rs. 25,000 have experienced similar upward mobility. In other words, individuals in these income brackets during the pre-membership period have moved to higher income brackets, specifically Rs. 25,000 to Rs. 30,000 and above Rs. 30,000 post-membership. Based on this data, it is reasonable to infer that Self-Help Groups in the Srinagar District have undeniably enhanced the economic well-being of their members, resulting in significant income improvements.

Fig 4

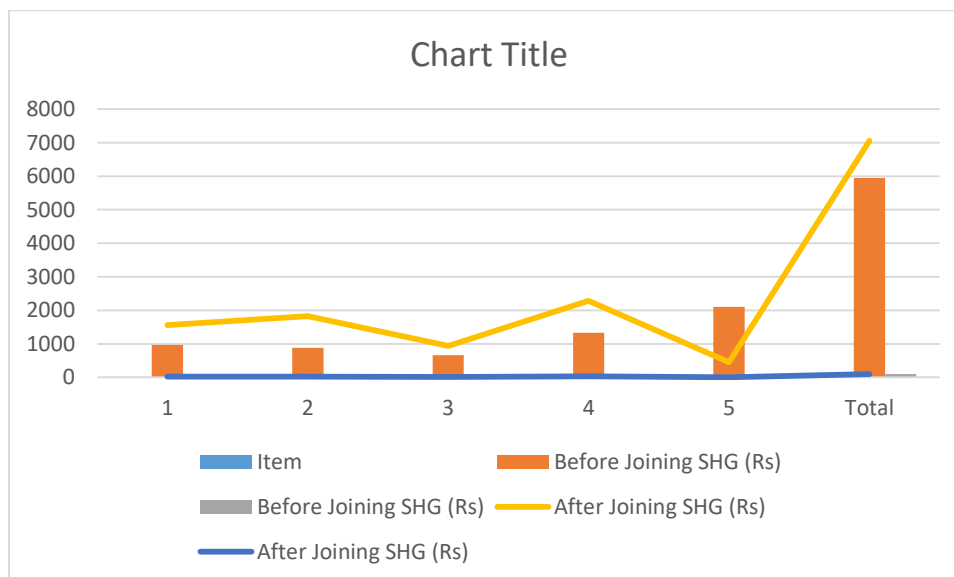
Paired t-test for significant difference between income earned before and after joining SHG

Source: Primary Data ** Denotes significance at 1% Level

The effect of SHG on revenue has already been examined in the previous table. A paired t-test is used to assess the influence of SHG on members' revenue-generating. The findings show that the t value of 5.314 is significant at a 1% significance level. It means respondents' income levels have greatly improved after joining the SHG.

Fig 5

Consumption pattern of the respondents



Source: Primary Data

Fig 5 provides an overview of the spending patterns among the members across various expense categories. A detailed analysis of the data reveals significant shifts in spending priorities between the pre-membership and post-membership phases. Before joining the Self-Help Group (SHG), members allocated a substantial amount of their expenses to festivals, amounting to Rs. 2,100 (35.4 percent). However, this expenditure has significantly reduced to just 6 percent in the post-membership phase. A similar trend can be observed in education, where members previously spent Rs. 1,330 (22.4 percent) but have since altered their priorities. Expenditure on clothing, health, and food have all witnessed a change, with clothing at Rs. 665 (11 percent), health at Rs. 880 (15 percent), and food at Rs. 970 (16 percent) in the pre-membership period. Post-membership, members have shifted their focus, particularly in terms of health, where they now spend Rs. 1,830 (26 percent). Notably, food, which was a lower priority during the pre-membership phase, has become the second-highest expenditure category, averaging Rs. 1,560 (22 percent). Members have also increased their spending on clothing, now at Rs. 940 (13 percent). Educational spending has maintained its priority level with no significant shift. These changes in spending patterns reflect an evolving lifestyle among the members. Increased expenses on food, clothing, and health signify positive changes in their standard of living, while the reduction in expenses on festivals and leisure activities suggests a shift in mindset, possibly influenced by their participation in the SHG. In summary, these shifts in spending patterns indicate the positive impact of the SHG on the members' lifestyles and priorities.

Paired t-test for significant difference between the expenditure incurred before and after joining SHG

Savings	Mean	S.D.	t value	P value
Before joining SHG	2110.29	569.63	4.231	0.000**
After joining SHG	2562.42	625.52		

Source: Primary Data

The analysis presented in Table 9 highlights the substantial impact of Self-Help Groups (SHGs) on the economic well-being of their members across various dimensions. Let's break down the key findings: Savings Patterns: The data reveals a remarkable shift in members' savings patterns after joining SHGs. Before becoming SHG members, 53 percent of members could save between Rs. 1,000 and Rs. 5,000. However, in the post-membership period, this proportion has decreased

to 27 percent, indicating that more members have adopted a savings habit. Additionally, there has been an increase in the number of members saving between Rs. 5,000 and Rs. 10,000, and those saving more than Rs. 10,000 has risen significantly from 7 percent to 23 percent. These statistics demonstrate that SHGs have effectively promoted savings habits among their members.

Income Impact: The analysis of income levels before and after SHG membership reveals positive changes. Members earning between Rs. 25,000 and Rs. 30,000 have increased from 23 percent to 26 percent, and those earning more than Rs. 30,000 have notably risen from 28 percent to 45 percent in the post-membership phase. Moreover, the tax rate for those earning between Rs. 10,000 and Rs. 15,000 has decreased from 6 percent to 2%, and individuals earning between Rs. 15,000 and Rs. 20,000 have dropped from 11 percent to 5 percent. These changes suggest an overall increase in the number of members in higher-income brackets after joining SHGs, indicating significant economic progress.

Spending Patterns: The data demonstrates an improvement in members' spending capacity since joining SHGs. Notably, the number of members in the higher spending bracket of Rs. 20,001 to Rs. 30,000 has increased from 7 percent in the pre-membership period to 13 percent in the post-membership period. Similarly, those spending more than Rs. 30,000 have also increased from 7 percent to 13 percent. However, there is no discernible difference between those earning more than Rs. 5,000 and those earning less than Rs. 10,000 in terms of spending, suggesting that this spending group's expenditure has no significant economic consequences.

Borrowing Capacity: SHGs have significantly influenced members' borrowing capacity. In the post-membership period, those who borrow more than Rs. 25,000 have increased by 42 percent, and borrowing between Rs. 15,000 and Rs. 25,000 has significantly impacted 22 borrowers. Meanwhile, the proportion of members borrowing less than Rs. 5,000 has decreased from 48 percent to 13 percent in the post-membership era, while those borrowing more than Rs. 5,000 have increased. The overall trend indicates that SHGs have notably increased members' borrowing capacity. In summary, the Self-Help Group (SHG) mechanism has played a crucial role in improving the economic status of its members. It has encouraged savings, elevated income levels, enhanced spending capabilities, and increased borrowing capacity, contributing to the economic betterment of the members.

Conclusion

The current study conducted in the Srinagar district demonstrates that Self-Help Groups (SHGs) have exerted a substantial influence on the economic aspects of their female members. In essence, members have experienced income growth, an enhanced capacity to invest and progress economically, an increase in their savings, and an elevated standard of living. On the economic front, the SHG mechanism deserves recognition for its role in positively transforming the lives of its members in the Srinagar District.

In conclusion, the research conducted in the Srinagar district highlights the significant positive impact of Self-Help Groups (SHGs) on their female members' economic well-being. The key findings of the study suggest the following:

1. **Income Growth:** SHG members have experienced an increase in their average annual income, with a notable shift from lower income brackets to higher ones. This signifies improved financial stability and economic empowerment among the members.
2. **Savings Habit:** SHGs have successfully promoted a culture of saving among their members. The data indicates an increase in the number of members saving significant amounts, reflecting enhanced financial discipline and preparedness for future expenses.
3. **Enhanced Spending Capacity:** The members' capacity to spend has improved post-SHG membership, particularly in terms of essential expenses such as food, clothing, and health. This suggests an overall improvement in their standard of living.
4. **Borrowing Capacity:** SHGs have played a pivotal role in increasing the borrowing capacity of their members, enabling them to access financial resources for various economic endeavors. Overall, the study underscores the positive transformation that SHGs have brought to the lives of their members in the Srinagar District. The SHG mechanism has not only contributed to economic growth but has also empowered women to take control of their financial futures. These findings affirm the effectiveness of SHGs in promoting economic empowerment and improving the standard of living among their members.

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