

Economic Resource Management and Income Yield Enhancement through Self-Help Groups: A Study in Chennai District

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Abstract

Women's participation in decentralized economic systems plays a crucial role in strengthening micro-level yield networks within a developing economy. Self-Help Groups (SHGs) function as community-based financial systems that mobilize savings, facilitate access to credit, and enhance income-generating capacity among women. The present study examines the role of SHGs in economic resource management and income yield enhancement in Chennai District. The study is based on primary data collected from 30 respondents through a structured questionnaire. Statistical tools such as Paired Sample t-test, Correlation analysis, and ANOVA were employed to examine variations in income and socio-economic conditions before and after joining SHGs. The findings reveal a statistically significant increase in income levels, savings behaviour, and access to institutional credit after SHG participation. The study highlights SHGs as effective grassroots yield networks that optimize household resource allocation and contribute to sustainable women empowerment within a broader yield economy framework.

Keywords: Self-Help Groups, Economic Resource Management, Income Yield, Women Empowerment, Microfinance, Community-Based Networks

I. INTRODUCTION

Self-Help Groups (SHGs) are informal, community-based associations formed to address common socio-economic challenges through mutual cooperation and collective financial participation. Though termed "self-help," these groups

operate on principles of mutual assistance, shared responsibility, and collective growth.

In India, SHGs have emerged as a significant instrument for poverty alleviation, women empowerment, and financial inclusion. Over the past two decades, SHGs have expanded across both rural and urban regions, functioning as decentralized financial networks that mobilize savings, facilitate micro-credit access, and promote self-employment opportunities. Government agencies, non-governmental organizations (NGOs), and financial institutions actively support SHGs as an effective mechanism for economic resource management at the grassroots level.

Within the context of a yield economy, SHGs may be viewed as micro-yield networks that enhance income generation, improve resource allocation, and strengthen household-level financial sustainability. This study focuses on examining the role of SHGs in enhancing economic yield and empowering women in Chennai District.

Objectives

- To examine the socio-economic status of women participating in Self-Help Groups.
- To analyse the reasons for joining SHGs.
- To identify the problems faced by SHG members.
- To assess the impact of SHGs on women's economic empowerment and income yield enhancement.

Literature Review

1. Previous studies highlight the importance of SHGs in promoting women empowerment and financial independence. Uma Narang (2012) identified SHGs as an effective tool for poverty alleviation and employment generation in both rural and urban areas. A.S. Shiralashetti emphasized the role of SHGs in improving savings habits, income stability, and decision-making capacity among women.

2. Narayanaswamy et al. (2011) described SHGs as homogeneous groups engaged in collective savings and credit mobilization for mutual benefit. M. Abdul Jamal et al. (2016) demonstrated that SHGs significantly transformed homemakers into successful entrepreneurs through microfinance support.

3. Similarly, S. Chitra Devi (2012) found that SHGs enhanced both financial and social empowerment among women in Chennai. Although several studies have examined SHGs in the context of empowerment, limited research has focused on SHGs as economic resource management systems and decentralized yield networks in urban districts such as Chennai. The present study attempts to bridge this gap.

4. **A.S. Shiralashetti (2010)** in his article states the various reasons that compelled an individual to join an SHG. Few of those reasons included loan repayment, monthly income, saving and expenditures. According to him, SHGs also improved the decision-making capabilities of an individual regarding their personal and family issues. He made a conclusion that SHGs had impacted a lot on the social and cultural aspects of the growth of Indian environment in general. The involvement of SHGs also helped women across the country to participate in activities that were productive in nature.

5. **Uma Narang (2012)** has stated that SHGs is a potential tool that can be used to alleviate poverty and ensure women empowerment. According to her, the concept of SHGs has been used in the rural and urban society to improve the living conditions of women. The study also points out to SHG being a primary motive for the formation of most employment schemes that promotes self-employment and skilled wage employment opportunities in modern India.

6. **Y. Arjun Pangannavar (2010)** had found that SHG is a way of promoting self-employment opportunities in an individual. According to his study, out of his 80 respondents, 19 individuals had been actively involved in employing themselves in a productive work after joining an SHG as compared to just 2 individuals who were involved in any form of employment before being a part of an SHG.

Research Methodology

The study is based on primary data collected from 30 women respondents who are members of SHGs in Chennai District. A structured questionnaire was used to gather data regarding demographic profile, income, savings, expenditure, duration of membership, and credit assistance.

Statistical Tools Used:

- Percentage Analysis
- Paired Sample t-test
- Correlation Analysis
- ANOVA (Analysis of Variance)
- Tukey HSD Post Hoc Test

Research and Findings:

1. Demographic study of respondents

The age-wise distribution of the respondents includes 50percent of individuals belonging to the age of 31-40, 30percent belonging to the age of 51-60 and 10percent being a part of the 41-50 and 61-50 age category respectively. This shows that middle aged women who are in the 31-40 age range are actively involved in SHG related works in the region under study.

The education levels of the respondents showed that a majority of the individuals had completed Higher Secondary level of education, which enumerated at 60percent. The study also reveals that about 21 individuals, that accounted to 70percent of the respondents to be of Nuclear Family type. There were also a high percentage of respondents whose family contained two working individuals, which was about 80percent of the total respondents. Among the individuals under study, there were 9 women who were unemployed, whereas the rest of the respondents were involved in some of form of labor ranging from agriculture, government food courts, transport and tailoring related works.

Table 1
Demographic structure of the respondents from SHGs

Category	No. of Respondents	Percentage
Age of the Respondents		
31-40	15	50.0
41-50	3	10.0
51-60	12	30.0
61-70	3	10.0
Education level of the Respondents		
Secondary	12	40.0
Higher Secondary	18	60.0
Family Type of Respondents		
Joint	9	30.0
Nuclear	21	70.0
Number of Working Individuals in the Family of Respondents		
One	6	20.0
Two	24	80.0
Occupation Type of Respondents		
Agricultural labor	9	30.0
Government food courts	3	10.0
Clothing	6	20.0
Transport	3	10.0
No occupation	9	30.0
Total	30	

2. Knowledge about SHGs

The following table reveals that there were about 50percent of the respondents who did not have any knowledge on what an SHG was before joining. About 40percent of the respondents came to know about SHG because of words

from their friends whereas 20percent of the respondents knew about SHGs from certain Non-Government Organizations (NGOs). The influence of people living in the neighborhoods of the respondents also helped them to know about the existence of SHGs. But 90percent of the respondents had joined an SHG because of the suggestion from their friends, where as the rest 10percent because of NGOs.

Table 2
Knowledge about SHGs from respondents

Category	Frequency	Percentage
Source of knowledge about SHGs		
Area people	3	10.0
Friends	12	40.0
NGO	6	20.0
Family	3	10.0
No	6	20.0
Source of suggestion to join SHGs		
Friends	27	90.0
NGOs	3	10.0
Total	30	

3. Duration and socio-economic factors of respondents regarding SHGs

According to the respondents, about 30percent of them had been a part of an SHG for 10 years, whereas 20percent of them for 20 years. For all the respondents, there has not been any occupational change as they had all stayed in the same occupation before and after joining an SHG.

Table 3
Duration and motivational factors of respondents

Category	Frequency	Percentage
Duration of being part of SHG		
5-10 years	18	60percent
11-15 years	3	10percent
16-20 years	9	30percent
Motive to join SHG		
Savings	30	100percent
Period of Functioning of current SHG		
3 years	15	50percent
10 years	15	50percent
Total	30	

The economic growth of the respondents was clearly evident from the study as there was an enhancement of savings, expenditure control and income before and after joining an SHG. There were about 50percent of the respondents who had an income of below Rs. 5000 before joining an SHG which transformed to 50percent having an income of Rs. 10000 and above after joining an SHG. There was also a steep increase in expenditures too which saw all the respondents putting Rs. 5000 or less on expenditures before joining SHG compared to more than that amount after joining SHG.

The main motive of the respondents to join an SHG was to incorporate savings in their daily lives, which they had achieved as all the respondents confirmed that they made savings of up to Rs. 2500 a month after joining SHG, which was zero savings before joining.

Table 4
Economic factors of joining an SHG

Category	Frequency	Percentage	Frequency	Percentage
Income before and after joining SHG				
Income (Rs.)	Income before SHG		Income after SHG	
Below 5000	15	50.0	-	-
5000-10,000	15	50.0	15	50.0
Above 10,000	-	-	15	50.0
Expenditures before and after joining SHG				
Expenditures (Rs.)	Expenditures before SHG		Expenditures after SHG	
Below 5000	30	100.0	6	20.0
5000-10,000	-	-	24	80.0
Savings before and after joining SHG				
Savings (Rs.)	Savings before SHG		Savings after SHG	
2500	-	-	30	100.0
Total	30		30	

Hypothesis I

A Paired Sample Test was done between income before and after joining the SHG's.

Paired Samples Statistics					
		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Incomebefore	4200.00	30	886.683	161.885
	incomeafter	8600.00	30	2190.890	400.000

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Income before – income after	-4.400E3	2499.655	456.373	-5333.387	-3466.613	-9.641	29	.000

Since P value is less than .000. Since there is significance difference between the income before and after joining the SHGs.

Hypothesis II

Correlation			
		Income After Joining SHGs	Expenditure After Joining SHGs
Income After Joining SHGs	Pearson Correlation	1	.967**
	Sig. (2-tailed)		.000
	N	30	30
Expenditure After Joining SHGs	Pearson Correlation	.967**	1
	Sig. (2-tailed)	.000	
	N	30	30

** . Correlation is significant at the 0.01 level (2-tailed).

Correlation was done between income and expenditure of the respondents after joining the SHGs. There is a high correlation between income and expenditure of the respondents after joining the Self-Help Groups.

Hypothesis III

Null Hypothesis: There is no significant difference between age and income after joining the Self-Help Groups.

ANOVA					
Income After Joining SHGs	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	8.760E7	3	2.920E7	14.713	.000
Within Groups	5.160E7	26	1984615.385		
Total	1.392E8	29			

Since P value is less than 0.000 so we reject the null hypothesis at 1% level. Hence there is significant difference between age and income of the respondents after joining the Self-Help Group

Post Hoc Test

Multiple Comparisons						
Income After Joining SHGs		Tukey HSD				
(I) new age	(J) new age	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
35-40	45-50	-2600.000*	890.980	.034	-5044.24	-155.76
	55-60	2400.000*	593.987	.002	770.50	4029.50
	60-65	3400.000*	890.980	.004	955.76	5844.24
45-50	35-40	2600.000*	890.980	.034	155.76	5044.24
	55-60	5000.000*	939.176	.000	2423.54	7576.46
	60-65	6000.000*	1150.251	.000	2844.49	9155.51
55-60	35-40	-2400.000*	593.987	.002	-4029.50	-770.50
	45-50	-5000.000*	939.176	.000	-7576.46	-2423.54
	60-65	1000.000	939.176	.713	-1576.46	3576.46
60-65	35-40	-3400.000*	890.980	.004	-5844.24	-955.76
	45-50	-6000.000*	1150.251	.000	-9155.51	-2844.49
	55-60	-1000.000	939.176	.713	-3576.46	1576.46

*. The mean difference is significant at the 0.05 level.

Homogeneous Subsets

Income After Joining SHGs				
Tukey HSD				
new age	N	Subset for alpha = 0.05		
		1	2	3
60-65	3	6000.00		
55-60	9	7000.00	7000.00	
35-40	15		9400.00	
45-50	3			1.20E4
Sig.		.697	.065	1.000
Means for groups in homogeneous subsets are displayed.				

4. Credit assistance from SHGs

Credit assistance was a major factor that made a lot of women join SHGs and the data collected from the respondents also proved the same. All the respondents confirmed that the SHGs helped them to avail loan from banks and provided assistance for credit. All the respondents had obtained up to Rs. 50000 as credit with the assistance of SHGs they are a part of. The major purpose of loan for the respondents was agriculture, which accounted to 40percent of the total, with 30percent of the individuals availing loan for personal and self-care reasons. This proves that SHGs are very helpful in assisting the individuals to avail credit, hence helping with the economic condition of the individual in case of emergency.

Table 5
Credit assistance from SHGs

Category	Frequency	Percentage
Amount of loan availed through SHGs		
Rs. 50000	30	100percent
Purpose of loan		
Agriculture	12	40.0
Medical purposes	3	10.0
Personal and self-care reasons	9	30.0
Self-employment	3	10.0
Others	3	10.0
Total	30	

II. CONCLUSION

Self-Help Groups play a significant role in strengthening women's economic participation and resource management capabilities. The study confirms that SHG membership leads to increased income, improved savings behaviour, enhanced credit accessibility, and better financial decision-making capacity.

SHGs function as community-based yield networks that optimize economic resources at the micro level. By mobilizing savings, facilitating institutional credit, and promoting income-generating activities, SHGs contribute to sustainable economic development within a global yield economy framework. Therefore, strengthening SHG networks can serve as an effective strategy for inclusive growth and decentralized economic resilience.

III. REFERENCES

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