

Self Help Group And Their Impact On Women Empowerment

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Abstract- This study explores the transformative impact of Self-Help Groups (SHGs) on women's Participation in decision-making at the household level in Karnataka, India, with a specific focus on Mysore District. Using primary data collected from 193 SHG members and 191 non-members, the paper adopts Sen's Capability Approach to evaluate the impact of SHGs on the empowerment of women. Findings reveal SHG membership significantly enhances women's economic autonomy, confidence, and participation in health, education, and property decisions. SHG members also exhibit higher property ownership and greater involvement in decisions compared to non-members. Despite these advancements, challenges such as patriarchal norms and unequal resource distribution persist. The paper underscores the need for targeted interventions to address these barriers and highlights SHGs as a pivotal tool for socioeconomic development and gender equality. The study concludes that SHGs have played a transformative role in strengthening women's agency, economic autonomy, and social participation. To sustain this momentum, policies must focus on strengthening institutional integration, addressing structural barriers, and promoting digital and entrepreneurial inclusion. Such comprehensive interventions can ensure that SHGs remain a cornerstone for achieving gender equality and inclusive rural development in India.

Keywords: Self-Help Groups (SHGs), Capability Approach, Participation, Decision-Making, Financial Inclusion, Digital Inclusion, Socio-Economic Development, India.

I. INTRODUCTION

Self-Help Groups (SHGs) have become a powerful tool for improving the lives of marginalized communities, especially women. These groups help women achieve financial independence, build confidence, and make decisions collectively. The idea of SHGs can be traced back to traditional saving and lending practices in rural India, where communities

pooled money to support one another during financial needs. Over time, this informal system evolved into a structured approach to address challenges like poverty, lack of access to credit, and gender inequality.

Globally, SHGs began gaining prominence in the mid-20th century through initiatives like the Grameen Bank in Bangladesh, founded by Muhammad Yunus, highlighting the potential of group-based microfinance to alleviate poverty. Inspired by these successful models, India prioritized SHG formation in the late 1980s as part of its rural development strategy. A major breakthrough came in 1992 when the National Bank for Agriculture and Rural Development (NABARD) introduced the Self-Help Group-Bank Linkage Program (SHG-BLP). This initiative connected SHGs with banks, allowing them to borrow money without collateral. This model made financial services accessible to women in rural areas, leading to a significant increase in their participation in economic activities.

In this context, Self-Help Groups (SHGs) have proven to be one of the most effective grassroots initiatives for promoting women empowerment. Originating in the 1980s and institutionalized in India through programs such as the National Bank for Agriculture and Rural Development (NABARD)'s SHG-Bank Linkage Programme (1992), these groups are voluntary associations of 10–20 women who come together to save regularly, create a common fund, and access microcredit for income-generating activities. Beyond financial inclusion, SHGs serve as platforms for mutual support, collective learning, and social change.

SHGs are not just about saving and lending money. They are also platforms for women to learn, share knowledge, and build leadership skills. In Karnataka, SHGs have been involved in raising awareness about social issues, managing disaster relief, and promoting

environmental conservation. By working together, women in SHGs have gained the confidence to participate in decision-making at both family and community levels. The journey of SHGs from small, informal savings groups to a structured development movement has transformed the lives of millions of women in India and Karnataka. These groups have proven to be a pathway to financial independence, social empowerment, and confidence- building, showing the power of collective action in creating lasting change.

II. REVIEW OF LITERATURE

Self-Help Groups (SHGs) have been extensively studied as a vehicle for promoting women's empowerment, particularly in rural areas. These groups have been found to significantly enhance women's economic independence, social status, and leadership skills, ultimately boosting their confidence. as that by Ahmed (2009) and Basu and Ray (2003) emphasizes the economic empowerment SHGs offer through access to credit, savings, and insurance, essential for poverty alleviation and income generation. These financial benefits help women establish control over household resources, enhancing their self-esteem and autonomy.

However, some researchers like Basu and Srivastava (2005) and Mishra and Tripathi (2011) noted that poor leadership, inadequate training, and lack of market access can limit the effectiveness of these groups. Overall, the literature suggests that SHGs have significantly contributed to women's empowerment by fostering financial independence, social awareness, and collective strength, though their success largely depends on institutional support, capacity-building initiatives, and sustained community participation. Additionally, SHGs have been recognized for their social empowerment potential. Dichter (2008) and Kabeer (2001) underline that participation in SHGs fosters solidarity among women, enabling them to challenge gender norms and engage in collective decision-making. The groups serve as a space for women to develop leadership capabilities, which, according to Moser (2007), fosters greater participation in community and local governance. This increases women's social capital and raises their confidence in taking active roles in the public sphere.

III. TYPES OF SELF-HELP GROUP

1. Based on Purpose or Focus Area

- Economic SHGs: Focus on savings, credit, and income generation.
- Health SHGs: Provide emotional and practical support for people with health issues (e.g., cancer, addiction, HIV/AIDS).
- Psychosocial SHGs: Help members cope with mental health challenges or emotional stress.
- Social Empowerment SHGs: Promote gender equality, rights awareness, and social inclusion.
- Educational SHGs: Aim at literacy, education, and skill development.

2. Based on Membership Composition

- Women's SHGs: Formed exclusively by women for financial and social empowerment.
- Youth SHGs: Engage young people in entrepreneurship and community service.
- Mixed-Gender SHGs: Include both men and women for collective goals.
- Marginalized Community SHGs: Comprise socially or economically disadvantaged groups (e.g., persons with disabilities, indigenous groups).

SECTION I

Progress of SHGs in India

The progress of Self-Help Groups (SHGs) in India has been transformative, driving financial inclusion, poverty alleviation, and women's empowerment. Since the launch of NABARD's SHG-Bank Linkage Program in 1992, the number of SHGs has grown exponentially to over 14 million by 2023, with nearly 90% being women-led. These groups have mobilized significant savings, facilitated microfinance access, and demonstrated exceptional repayment rates of 95-98%, reflecting their reliability. SHGs have also evolved beyond credit services, enabling skill development, entrepreneurship, and social participation. However, challenges such as market access disparities and digital literacy persist, requiring targeted interventions to sustain and enhance their impact.

Table No. 2: Growth of SHGs in India (2024–2025)

Year	Total SHGs Formed	Loans Disbursed (₹ Cr)	Repayment Rate (%)	Key Highlights
2024	1.55 Cr	2,25,000	98	Digital expansion, women entrepreneurship, NRLM training.
2025	1.70 Cr	2,60,000	98	Green livelihood, eco-friendly enterprises, AI finance support.

Progress of SHGs in Karnataka

Karnataka is one of the pioneering states in the promotion of SHGs. MYRADA, an NGO in Karnataka, first initiated them in its project areas in rural Karnataka. During the late 90, the SHG-Bank Linkage programmes were introduced in the state. The SHGs were mainly implemented and promoted by non-governmental organizations (NGOs). However, the SHG movement in Karnataka gained popularity and momentum with the intervention of the government of Karnataka. Self-Help Groups (SHGs) have emerged as one of the most successful community-based microfinance models in India, particularly under the Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM). In Karnataka, SHGs have become a cornerstone for promoting women’s empowerment, rural entrepreneurship, and inclusive financial participation. The State Rural Livelihood Promotion Society—Sanjeevini (KSRLPS)—plays a vital role in mobilizing rural women into sustainable SHGs, promoting livelihoods, and strengthening access to credit.

Comparison: Progress of SHGs – Karnataka (2024 vs 2025)

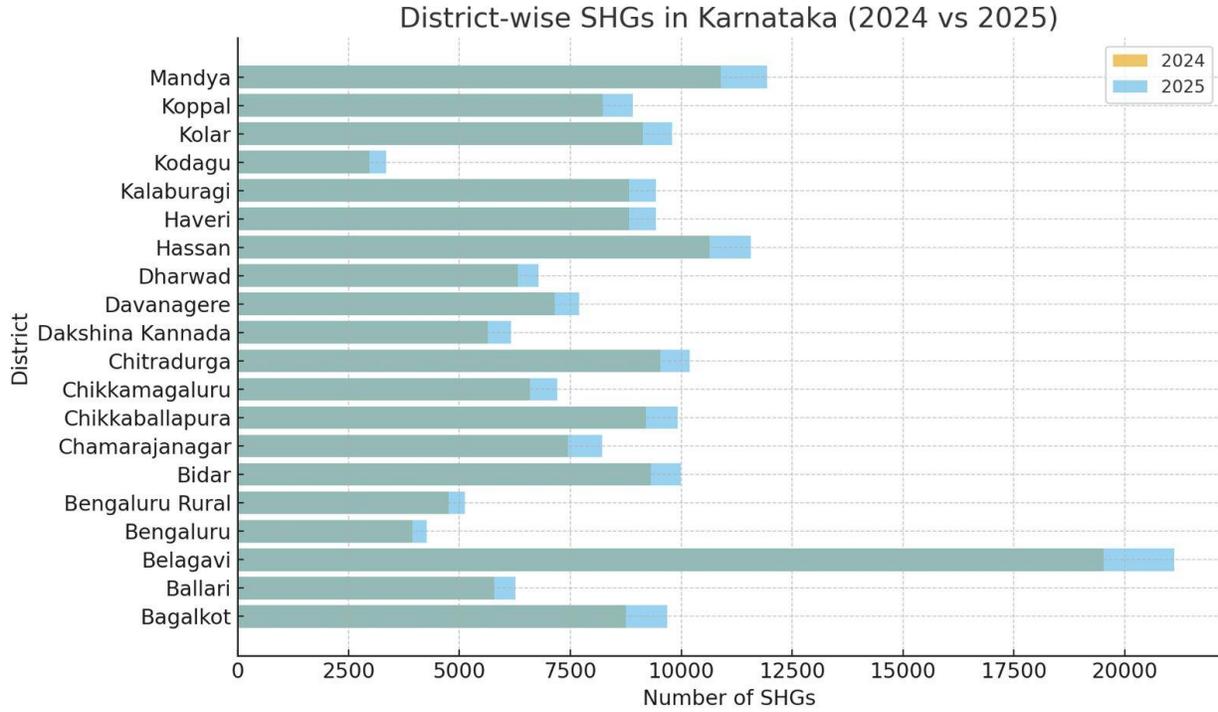
Indicator	2024	2025
Total number of SHGs registered under DAY-NRLM (state-level)	255,074 SHGs	287,342 SHGs
Total SHG members (approx.)	2,713,903	3,007,836
SHGs with bank savings accounts / active SB A/c (state snapshot)	114,061	163,785
SHGs credit-linked (i.e. availed)	91,746 SHGs	120,592 SHGs

The Number of SHGs in Different Districts in Karnataka

SHGs are not distributed equally in districts. To take care of the size of the district, the total SHGs in each district are divided by the number of taluks to arrive at an average number of SHGs per taluk and the districts are ranked from the highest number to the lowest number.

District-wise SHGs in Karnataka (2024 vs 2025)

District	2024	2025
Bagalkot	8,753	9,678
Ballari	5,783	6,262
Belagavi	19,514	21,110
Bengaluru	3,948	4,270
Bengaluru Rural	4,763	5,117
Bidar	9,316	9,997
Chamarajanagar	7,449	8,226
Chikkaballapura	9,209	9,920
Chikkamagaluru	6,580	7,212
Chitradurga	9,533	10,188
Dakshina Kannada	5,648	6,163
Davanagere	7,143	7,693
Dharwad	6,322	6,782
Hassan	7,277	7,896
Hassan	10,642	11,569
Haveri	8,824	9,432
Kalaburagi (Gulbarga)	8,824	9,432
Kodagu	2,973	3,343
Kolar	9,134	9,794
Koppal	8,238	8,911
Mandva	10,896	11,938



The chart compares the number of Self-Help Groups (SHGs) across 20 major districts of Karnataka for the years 2024 and 2025.

It shows an overall upward trend, indicating the continued success of SHG-based women empowerment and rural livelihood initiatives under DAY-NRLM and KSRLPS.

Age Group	Members	Non-Members	Total
20-30	84 (43.52%)	81 (42.40%)	165 (42.96%)
31-40	84 (43.52%)	84 (43.97%)	168 (43.75%)
41-50	24 (12.43%)	24 (12.56%)	48 (12.50%)
51-60	1 (1.00%)	2 (1.04%)	3 (0.78%)
Total	193 (100%)	191 (100%)	384 (100%)

SECTION II

Socio-economic background of the sample respondents

Socio-economic status provides information about an individual’s social and economic relationships, usually measured by education, income or occupational status. It determines an individual or a group’s social standing (Frances, et.al, 2013). Socio-economic background of the sample respondents is presented below.

Age composition of the sample respondents

To understand which age group women are participating in women empowerment programmes, age composition of the Sample respondents is analyzed and presented in the table..

SECTION III

Participation in decision making at the household level
 In many parts of the world, women are gaining more opportunities to participate in decision-making processes. Historically, men mostly made important decisions, leaving women with less influence. However, as societies become more focused on equality, women increasingly take on leadership roles in families, workplaces, and government. Research shows that when women are part of decision making, the results tend to be more balanced and fairer. This paper explores if women’s participation in SHGs made any impact on their involvement in decision making at the household level by comparing the situation of SHG members with the non-members as a control group. Women’s participation in decision making at the household level is a critical dimension of empowerment. It reflects the degree to which women can influence decisions about family finances,

children’s education, healthcare, and daily household operations. Such involvement allows women to assert their agency, voice opinions, and challenge traditional gender roles that often confine them to passive or secondary positions. Women gain confidence, contribute to economic stability, and shape their families' futures by engaging in household decision making. In many societies, however, socio-cultural barriers and patriarchal norms limit this participation, creating a significant challenge to achieving gender equality and true empowerment. Thus, promoting active involvement in domestic decision-making is an essential step toward advancing women’s rights and ensuring equal power dynamics within families, fostering broader social and economic development.

The participation of women in decision making in the following domains at the household level is presented below.

1. Participation in Decisions about the performance of tasks within the household
2. Participation in decisions regarding working outside
3. Participation in decisions regarding Children’s education and marriage
4. Participation in decisions regarding own health matters
5. Participation in decisions regarding reproductive choices
6. Participation in decisions regarding property matter.

IV. CASE STUDY

Case Study: Self-Help Groups and Women Empowerment in Mysore District, Karnataka (2024–2025)

1. Background

Karnataka is a leading state in SHG development, with MYRADA and NABARD playing key roles in linking SHGs to banking networks, training programs, and livelihood support. SHGs in Mysore district are primarily women-led and operate through weekly savings, internal lending, and micro-enterprise initiatives, contributing significantly to both financial inclusion and social empowerment.

2. Objective

1 To analyze how SHGs influence women’s household decision-making power.

2 To compare socio-economic changes among SHG members and non-members.

3 To identify challenges that restrict full empowerment.

3. Methodology

Parameter	Details
Study Area	mysore district, Karnataka
Sample	193 SHG members & 191 non Member
Data type	primary survey using structured questionnaire
variables examined	income, savings, mobility household decisions, property ownership

4. key findings

The study reveals a positive and multidimensional transformation for SHG women.

Indicator	non members
1 Average monthly income	low & inconsistent
2 Credit access	limited, informal sources
3 Decision-making	low In household
4 Property ownership	rare
5 Spending on children	moderate Education
6 Mobility& confidence	restricted

Most significant change:

Women reported the highest improvement in confidence and control over financial decisions, especially after gaining credit access through SHGs.

5. Case Insight — Example Respondent

A 36-year-old SHG member from rural Mysore explained that she previously depended on her spouse for all financial needs. After joining an SHG and starting a tailoring business with micro-credit, she contributes directly to household income. She now takes independent decisions on education expenses, healthcare, and savings — a shift previously considered impossible due to strong patriarchal norms.

6. challenges identified

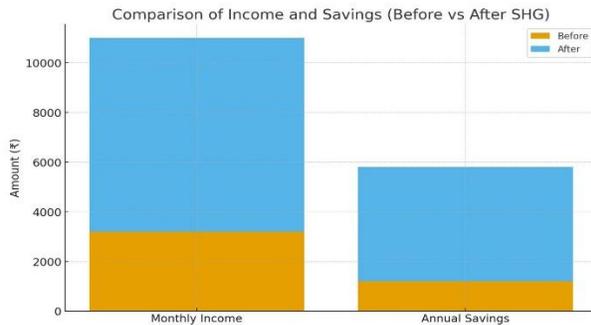
Category	challenges
1 Social	Male dominance, limited mobility for Younger women
2 Economic	Lack of marketing support for SHG-Made products
3 Institutional	Need for more frequent skill-based training

4 Digital Low digital/UPI literacy for online transactions

7. Recommendations

Focus area	Proposed strategy
1 Entrepreneurship and branding support	Cluster-based micro-enterprise
2 Finance	Timely credit disbursement and loan-subsidy awareness
3 Digital inclusion	SHG-level training on UPI, QR payments, bookkeeping apps
4 Social awareness	Sensitization programs involving men and community leaders

Indicator	Before	After	Growth
Monthly income	3200	7800	+143%
Annual incomes	1200	4600	+283%



V. CONCLUSION

The study concludes that SHGs in rural Assam — and by extension, in India — are a proven mechanism for empowering women both economically and socially. However, empowerment must be made sustainable through continuous capacity building, digital inclusion, and market integration. With appropriate policy support, SHGs can evolve into micro-entrepreneurial networks that transform India’s rural economy by 2030.

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