



Empowerment through Self-Help Groups: A Pathway to Socio-Economic Transformation

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DOI : <https://doi.org/10.5281/zenodo.17300982>

ARTICLE DETAILS

Research Paper

Accepted: 16-08-2025

Published: 20-09-2025

Keywords:

*Women Empowerment,
Self-Help Groups (SHGs),
Economic Independence*

ABSTRACT

Sustainable development and inclusive growth are significantly influenced by the empowerment of women. Self-Help Groups (SHGs) have developed into grassroots organizations in India that give women access to capital, possibilities for skill development, and social interaction. They provide forums for group efforts, financial autonomy, and increased family and community decision-making authority. The goal of the current study, which was conducted in Tumakuru City, was to examine how Self-Help Groups (SHGs) support women's economic independence, social empowerment, and the identification of the difficulties that members encounter. Data was gathered from 50 respondents utilizing a survey approach with simple random sampling, and secondary sources such books, journals, and papers were also used. The study highlights the relevance of SHGs as catalysts of women's empowerment while emphasizing the need for capacity building, financial literacy, and policy support to strengthen their long-term sustainability and impact

Introduction to women empowerment:

Women empowerment is a complex process that gives them the capacity to make strategic decisions in life that they were not previously able to. It is a process and an objective that aims to change women's



subservient status in society to one of equality and agency. Due to the influence of human rights movements, gender studies, and sustainable development goals, the idea of empowerment became prominent in discussions about development in the latter half of the 20th century.

Fundamentally, women's empowerment entails:

Access to revenue, productive resources, job prospects, and financial freedom are all components of economic empowerment. Social empowerment includes having access to healthcare and education, being free from discrimination, and being able to engage in communal life on an equal basis. Representation and active involvement in governing and decision-making bodies are examples of political empowerment. The growth of self-esteem, confidence, and the bravery to defy restrictive standards are all components of psychological empowerment. Women who are empowered are in a better position to improve their homes, communities, and the country as a whole. Women who are socially and economically active can advocate for community needs, impact public policy, and guarantee improved results in environmental conservation, health, and education.

National and International Views on Women's Empowerment:

Women's empowerment is widely acknowledged as a key factor in accomplishing the Sustainable Development Goals (SDGs) of the UN, especially Goal 5: Achieve gender equality and empower all women and girls. Empowering women promotes inclusive economic growth, better health outcomes, and more robust governance systems, according to international organizations like the World Bank and the United Nations Development Programme (UNDP).

From 19th-century reform efforts against child marriage and sati to the post-independence constitutional guarantees of equality, India's fight for women's rights has a lengthy history. Articles 14, 15, and 16 of the Indian Constitution guarantee equality before the law and forbid discrimination based on gender. Numerous laws, initiatives, and signature programs—including Stand-Up India, the National Rural Livelihood Mission (NRLM), and Beti Bachao Beti Padhao—have attempted to establish favorable circumstances for women's growth over time.

Despite advancements, there are still obstacles in closing the gender gap in decision-making, property ownership, and workforce participation. Here, community-based initiatives such as Self-Help Groups (SHGs) have emerged as essential tools for empowerment.

The Self-Help Group (SHG) concept:



A self-help group is a small, unofficial, voluntary group of people from similar socioeconomic circumstances, mostly women, who gather together to discuss and resolve common problems by sharing resources, mutual support, and group decision-making. SHGs in India usually have 10–20 members and meet on a regular basis to pool savings, give each other small loans, and obtain official credit through bank connections.

The Self-Help Group–Bank Linkage Program, which was started by the National Bank for Agriculture and Rural Development (NABARD), helped the SHG movement in India gain traction in the early 1990s. SHGs were first marketed as a means of microfinance and poverty reduction, but they quickly developed into venues for comprehensive women's empowerment.

SHGs and Women's Empowerment: A Connection

Women are empowered by SHGs in a number of interrelated ways:

1. **Economic Strengthening:** Women can start small enterprises, engage in agriculture, or buy productive assets with loans, increasing their income and decreasing their reliance on male family members.
2. **Social networking:** Consistent gatherings promote camaraderie, trust, and group bargaining strength. Women gain confidence in their ability to resolve conflicts, negotiate, and speak in front of an audience.
3. **Capacity Building:** Training initiatives run by banks, NGOs, and government organizations help women become more financially literate, enterprising, and capable leaders.
4. **Community Influence:** SHG women frequently play a proactive role in promoting better healthcare, education, sanitation, and infrastructure in their local communities.
5. **Political Participation:** Many SHG leaders go on to serve as presidents or members of Gram Panchayats, which allows them to influence policy at the local level.

SHG development in India

In the late 1980s and early 1990s, the concept of group-based microfinance began to gain traction thanks to successful initiatives like Bangladesh's Grameen Bank. NGOs like MYRADA and PRADAN started trial SHG operations in India to show that small savings and lending groups may succeed in rural areas.

NABARD saw their potential and in 1992 introduced the Self-Help Group–Bank Linkage Programme (SHG-BLP), which gave SHGs and banks a formal framework for obtaining credit without collateral.



Later, this approach was incorporated into government programs to reduce poverty, leading to the National Rural Livelihood Mission (NRLM) in 2011, which aims to socially mobilize all rural impoverished households into Self-Help Groups (SHGs).

The following factors contribute to SHGs' effectiveness in advancing women's empowerment:

- Local relevance—based on cultural settings and community needs.
- Low entrance barriers: Joining doesn't require a lot of money or formal education.
- Collaborative decision-making: Promotes democratic accountability and involvement.
- Sustainability: Participants grow to feel a feeling of shared accountability and ownership.

Review of literature:

Panda et al., (2024), this bibliometric research uses the Scopus database to find important contributors and advancements in the field of women's empowerment and Self Help Groups (SHGs). The report emphasizes how this field, which includes both developed and developing countries, is continually expanding globally. It creates important connections between SHGs and health promotion, gender equality, and socioeconomic empowerment. In the end, the study illustrates how SHGs may be used as a tool to empower women and achieve gender equality in a variety of nations.

Babu (2024), In Surulia village, Purulia District, West Bengal, this study looks at how Self-Help Groups (SHGs) operate and how they affect women's empowerment in the areas of education, the economy, society, and politics. Members' reading and writing abilities improved by 82%, their family income increased by 90%, and their awareness of women's property rights increased as a result of joining SHGs.

Noronha & R (2024), the study highlights the beneficial economic and social effects that women's empowerment has on both individuals and communities by examining the connections between digital initiatives and self-help organizations.

Bharti (2024), the important role that Self-Help Groups (SHGs) play in empowering Indian women is critically examined in this article. It emphasizes how SHGs support women's social and economic advancement by promoting skill development, financial inclusion, and group decision-making. The study highlights the need for continuous assistance and creative approaches to build SHGs while discussing success stories, difficulties, and policy implications. It offers insightful information about grassroots efforts for women's advancement and was published in the International Journal of Advanced Research in Science, Communication, and Technology.



Singh and Gupta, (2024), This essay examines the critical role that Self-Help Groups (SHGs) play in encouraging women to start their own businesses by serving as incubators that give them access to funding, assistance, and training. By looking at their tenacity and inventiveness, it demonstrates how these groups give women economic power. Finding methods and legislative frameworks to improve women's economic participation and empowerment is the goal of the review. Finally, it emphasizes how SHGs can play a revolutionary role in supporting women-led enterprises.

Mahato et al.,(2022), The research landscape of women's empowerment through SHG participation was examined in this article through a thorough bibliometric analysis and systematic review. Notable contributors, intellectual communities, and future research agenda in the field of SHGs and women's empowerment were identified.

Research Gap:

Despite the extensive study on Self-Help Groups (SHGs), the majority of studies ignore the social, political, and psychological aspects of women's empowerment in favor of concentrating only on the financial advantages of SHGs. Regional differences in SHG effectiveness are still not well understood, and the long-term sustainability of empowerment effects is rarely investigated. There are few research that compare traditional and tech-enabled SHGs, and intersectional factors including family history, caste, and education are frequently disregarded. Additionally, there is a dearth of mixed-method studies that combine qualitative and quantitative information to produce more robust policy suggestions.

Objectives of the study:

1. To analyze the role of Self-Help Groups in enhancing women's economic independence.
2. To assess the social empowerment achieved through SHG participation.
3. To identify challenges faced by women in SHGs.

Research methodology

Type of research: Survey Method

Sample design: Simple Random Sampling.

Sample size: 50 respondents

**Sources Data collection:**

The necessary data was gathered by the researcher from both primary and secondary sources. Fifty people in Tumakuru City provided primary data, and secondary material was gathered from a variety of sources, including books, journals, the internet, and more.

Plan of analysis:

The primary data was collected and interpreted by using tables and graphs. Percentage method was used to analyse and interpret the data.

Limitations of the study

1. This study was limited to Tumakuru City.
2. There are just 50 responders in this study.
3. There is bias in the data that was gathered.

Data Analysis**Table 1.1 Demographic information of the respondents**

Particulars	Respondents	In No	In %
Age	20 to 25years	5	10
	25 to 30years	10	20
	30 to 35 years	8	16
	35 to 40 years	27	54
Marital status	Married	38	76
	Unmarried	12	24
Education	Below SSLC	25	50
	PUC	5	10
	Degree	8	16
	Master degree	6	12
	Others	6	12
Income	Bellow Rs 20000	16	32
	20000 to 30000	12	24
	30000 to 40000	8	16



	Above Rs 40000	14	28
Duration of SHG membership	Less than 1 year	0	0
	1-3 years	5	10
	3-6 years	8	16
	More than 6 years	37	74

Source: Primary data

Inference:

The table 1.1 reveals that majority of respondents (54%) are between the ages of 35 and 40, suggesting that middle-aged women participate in SHGs more frequently. 76% of respondents are married, indicating a high level of family participation in SHG activities. The fact that half (50%) of the members had less formal education indicates that they studied below SSLC. Economic variation between the groupings is demonstrated by the fact that a sizable number (32%) make less than ₹20,000, while 28% earn more than ₹40,000. Crucially, 74% have been SHG members for more than six years, demonstrating sustained involvement and dedication that supports SHG stability and sustainability.

Table: 1.2 Role of SHGs in Enhancing Women's Economic Independence

Particulars	Yes		No	
	In No.	In %	In No.	In %
Increased personal income source after joining an SHG	40	80	10	20
Increased monthly household income due to SHG activities	45	90	5	10
Any income-generating activity/business after joining the SHG	22	44	28	56
Accessed loans/credit through SHG	50	100	00	00
Financially independent after joining an SHG	36	72	14	28
Savings habit improved	48	96	2	4
Reduced dependency on money from male family members	30	60	20	40
Confident in handling financial transactions	20	40	30	60

Source: Primary data

Inference:



SHGs have a significant influence on women's economic independence, according to the statistics in **Table 1.2**. After joining SHGs, 90% of respondents reported an increase in household income, while the majority (80%) reported an increase in personal income. The fact that all members (100%) obtained loans via SHGs emphasizes their contribution to financial inclusion. 72% of women reported feeling financially independent, and 96% reported improving their saving practices. However, only 44% began earning money, indicating a low level of entrepreneurial activity. 60% less people were dependent on male family members, but 40% were still dependent. Just 40% of respondents expressed confidence in managing financial transactions, which is a comparatively low level. This implies that while SHGs greatly increase income, savings, and credit availability, they should put more of an emphasis on financial literacy and entrepreneurship.

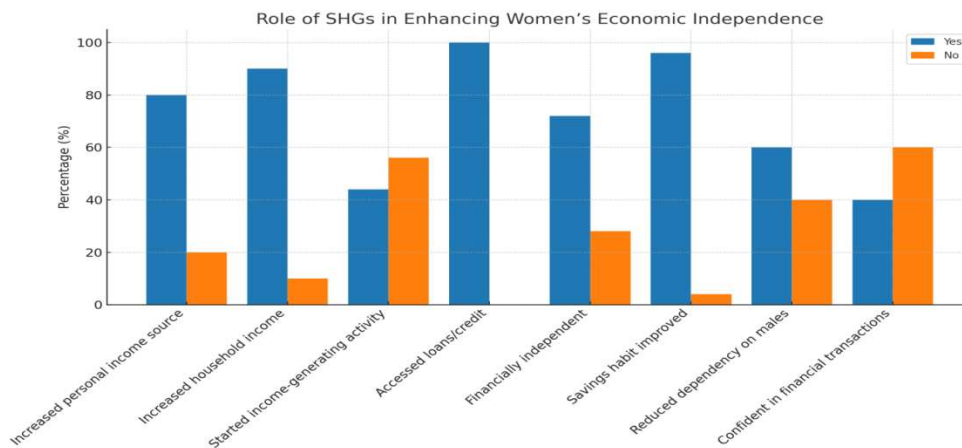


Table: 1.3 Social Empowerment through SHG Participation

Particulars	Yes		No	
	In No.	In %	In No.	In %
SHGS improved self-confidence	44	88	6	12
More respected in family since joining the SHG	46	92	4	8
Improved ability to speak in public/community meetings	35	70	15	30
Increased awareness about education and healthcare	36	72	14	28
More participate in community development activities	30	60	20	40
Developed leadership skills through SHG involvement	20	40	30	60
Improved mobility	40	80	10	20
Feel more equal to men in social interactions	42	84	8	16
Increased social recognition	31	62	19	38



Source: Primary data

Inference:

The results show that SHGs have made a substantial contribution to the social empowerment of women. After joining SHGs, 92% of participants felt more respected in their families, and the vast majority (88%) reported increased self-confidence. Approximately 70% improved their public speaking skills, and 72% raised their awareness of issues related to healthcare and education. 60% of women participated in more community activities, but only 40% of them gained leadership experience, indicating a lack of leadership education. Eighty-four percent reported feeling more equal to males in social situations, while eighty percent reported improved mobility. Sixty-two percent of members earned social recognition. SHGs improved awareness, respect, and confidence overall, but there is still need to improve community involvement and leadership development.

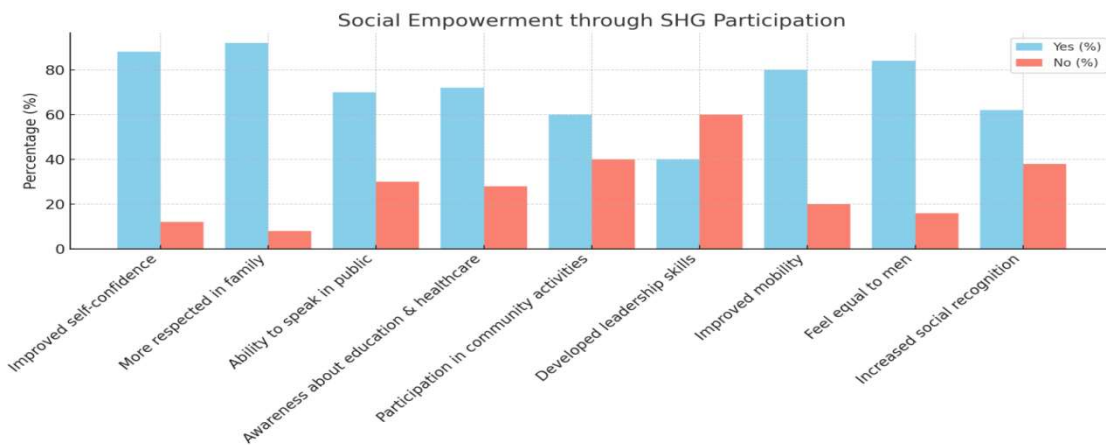


Table: 1.4 Challenges Faced by Women in SHGs

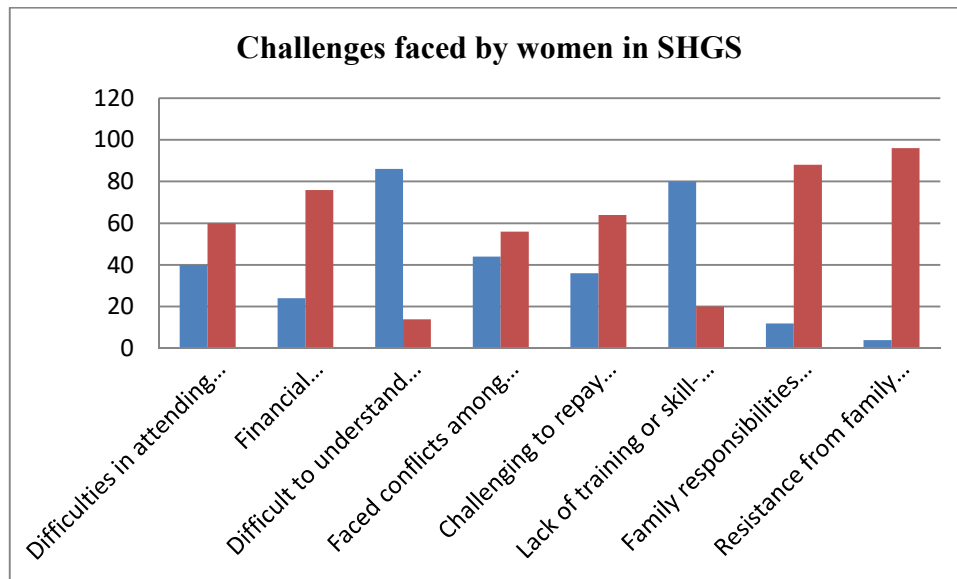
Particulars	Yes		No	
	In No.	In %	In No.	In %
Difficulties in attending SHG meetings regularly	20	40	30	60
Financial contributions/savings requirements a burden for you	12	24	38	76
Difficult to understand financial records/accounts	43	86	7	14
Faced conflicts among SHG members	22	44	28	56
Challenging to repay SHG loans on time	18	36	32	64
Lack of training or skill-building programs in your SHG	40	80	10	20
Family responsibilities restrict your SHG participation	6	12	44	88



Resistance from family members to join SHGS	2	4	48	96
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Source: Primary data

Inference: There is an urgent need for capacity-building activities, as evidenced by the high percentage of respondents (86%) who said they had trouble interpreting financial records and the 80% who cited the absence of training or skill-building programs. Furthermore, 36% of respondents found loan payback difficult, and 44% reported member disagreements, indicating problems with group dynamics and money management. Meanwhile, 40% found it difficult to consistently attend meetings due to logistical or scheduling problems. However, very few reported limitations because of family obligations (12%) or opposition from family members (4%), and only a tiny percentage thought that conserving money was a burden (24%). Overall, the results indicate that although social obstacles are reducing, improving internal group administration, financial literacy, and training is still essential to increasing SHG effectiveness.



Findings:

1. 74% of women have been involved with SHGs for more than six years, which shows consistency and sustainability. Long-term participation is noteworthy.
2. After joining SHGs, 80% of respondents said their personal income had increased. 90% reported that SHG participation increased their household income.
3. SHGs play an important role in financial inclusion, as evidenced by the fact that all respondents (100%) obtained loans from them.
4. 96% of members formed saving habits, and 72% felt financially independent.



5. Just 44% of respondents were involved in activities that generated revenue, indicating a lack of entrepreneurial endeavours.
6. Merely 40% of respondents expressed confidence in their ability to handle their finances.
7. In their households, 92% of respondents reported an increase in respect.
8. After joining SHGs, 88% of participants said their self-confidence had increased.
9. 70% boosted their public-speaking ability, while 72% gained greater understanding of education and healthcare.
10. 84% felt on par with males in social situations, while 80% reported having more mobility.
11. However, 62% attained greater social recognition, while just 40% acquired leadership abilities.
12. 86% of respondents said they had trouble comprehending accounts and records, indicating that financial literacy is still a significant problem.
13. Eighty percent of respondents said their SHGs lacked regular training or opportunity for skill development.
14. 44% experienced member disagreements, which was indicative of problems with group management.
15. 36% reported having trouble repaying their loans, a sign of financial strain.
16. 40% found it difficult to routinely attend SHG meetings because of scheduling or practical issues.
17. Traditional social obstacles have decreased, as seen by the low percentage of people who experienced family resistance (4%) or limitations because of household duties (12%).

Conclusion:

In conclusion, women's empowerment is a social requirement for attaining fair and long-lasting growth, not just a developmental agenda. Self-Help Groups have become popular grassroots organizations that empower women to confront social injustices, end poverty cycles, and take on leadership roles in both the community and the economy. SHGs are effective change agents because of the way that microfinance, capacity building, and group action work together.

In order to close the gender gap and realize women's full potential in both rural and urban settings, SHGs must be strengthened and kept sustainable as India transitions to inclusive growth.

Suggestions:

The following suggestions are made in light of the study's findings to enhance SHGs' contribution to women's empowerment:



1. To address the challenge of comprehending financial records, conduct frequent training sessions on bookkeeping, accounting, and digital transactions.
2. Introduce workshops on entrepreneurship development and offer seed capital support to encourage women participates in income-generating activities.
3. Leadership training camps, exposure tours, and mentoring programs to help people develop their leadership abilities.
4. To address the shortage of training that 80% of women claim, the government, non-profit organizations, and banks should work together to offer vocational training in food processing, handicrafts, tailoring, and computer literacy.
5. Given that 36% of women found loan payback difficult, banks and SHGs should implement flexible repayment plans, grace periods, and financial counselling to reduce repayment stress.
6. Create group-management and mediation techniques to lessen member disputes (which were reported by 44%) and guarantee that SHGs run more smoothly.
7. To increase their social recognition and decision-making influence, SHGs should actively engage members in community development initiatives (healthcare, sanitation, and education).
8. To guarantee long-term acceptance, awareness initiatives should be carried out to persuade families to embrace women's involvement in SHGs, notwithstanding the low level of resistance (4%).
9. To improve accessibility, decrease errors, and boost transparency in SHG management, use digital platforms and mobile apps for loans, savings, and records.
10. To provide financial incentives and long-term sustainability, policymakers should further integrate SHGs with national initiatives like Beti Bachao Beti Padhao, Stand-Up India, and NRLM.

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