INTERNATIONAL JOURNAL OF INFORMATIVE & FUTURISTIC RESEARCH (IJIFR)
ISSN: 2347-1697
VOLUME 13||ISSUE 6|| FEBRUARY 2026
An Open Access, Peer Reviewed, Cross Reference DOI & Google Scholar Indexed International Research Journal
IJIFR Impact Factor= 8.057 & Approved as per UGC Rules 2025
Estd Year: 2013 || Website: www.ijifr.org || Email: editors@ijifr.org
Availaible Online at: https://www.ijifr.org/

EMPIRICAL STUDY OF SELF-HELP GROUPS AND THEIR IMPACT ON WOMEN'S EMPOWERMENT IN UTTARA KANNADA DISTRICT IN KARNATAKA

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ABSTRACT:
This study aims to look at how SHGs create job opportunities, support small business startups, and contribute to wider social and economic improvements. Self-help groups are small voluntary associations of women members who come together for the purpose of creating individual savings. This is referred to as a common fund, which is circulated among the members. It started as a small group comprising 10 to 12 members. It has spread in large numbers over the years. The government of India also supports these self-help groups with various credit schemes, which help in their economic empowerment. The research paper analyses the role of self-help groups in women's empowerment in the Mundgod and Hangal taluks in Northern Karnataka. The results show positive results in strengthening the economic welfare of self-help groups in the study areas. It has not only created sustainable employment but also helped to increase their monetary standards. Women lead the SHG movement, with over 99% of the groups made up of female members. This study takes a descriptive approach, using insights from field surveys conducted in the selected districts. It aims to explore the different jobs and employment opportunities that SHGs help create. Ultimately, SHGs provide a collective space where women can identify their strengths, use local resources, and engage in various economic activities.

KEYWORDS: ***Self-Help Groups, Empowerment, Sustainable Employment***

PAPER CITATION:
Muthukattu M. V., Suganthi P., Sheela A. M. : "Empirical study of self-help groups and their impact on women's empowerment in Uttara Kannada district in Karnataka", International Journal of Informative & Futuristic Research (IJIFR), Vol.(13) (6), February 2026, pp. 718-726.
https://doi.org/10.64672/IJIFR/26.02.13.6.009

1. INTRODUCTION

The Self-Help Group (SHG) is a small group of women who combine their savings through regular contributions. Over time, SHGs have become important micro-finance institutions that provide financial support and help build solidarity among members. They bring women together to tackle issues related to health, nutrition, gender equality, and social justice.

SHGs have significantly helped rural women develop entrepreneurial skills by improving their abilities and offering chances to take part in small business activities. The loans from SHGs are usually small, frequent, and short-term, making them easy for members to access.

This study looks at three main districts where SHGs are very active, with Uttar Kannada being a key area of focus. SHGs are formed voluntarily by rural and urban poor women who come together to save, create a common fund, and lend to each other based on group decisions, all to improve the social and economic conditions of their families.

Since their humble start in 1992, SHGs have expanded rapidly within India's microcredit scene. From just 255 savings-linked SHGs in 1992–93, the number grew dramatically to savings-linked groups amounting to ₹65,089.5 crore in 2024, according to NABARD's latest data. Besides providing financial help, SHGs also offer access to social welfare programs, training sessions, and capacity-building activities.

2. REVIEW OF LITERATURE

- Women's empowerment is a critical aspect of social and economic development, and self-help groups have emerged as a potent tool to achieve this goal. In the context of empowerment, women's development is a way of describing, stimulating, and overcoming the difficulties in the life of a woman through which she increases her ability to shape her life and environment. (Amutha & Hemalatha, 2018) The formation of self-help groups has been instrumental in providing women with access to financial resources, skill development, and social recognition, thereby enhancing their socio-economic status (- et al., 2017; Amutha & Hemalatha, 2018)
- Basak and Chowdhury (2024) conducted an empirical study in the Cooch Behar District of India, highlighting the impact of SHGs on women's socioeconomic development and their contribution toward achieving Sustainable Development Goals (SDGs) especially SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), and SDG 5 (Gender Equality) of the United Nations. The study of 400 SHG members revealed significant improvements in participants' socioeconomic status and their level of awareness. Participation in SHGs significantly helped the rural women in economically disadvantaged communities, with their savings and by initiating entrepreneurial undertakings. Membership in SHGs and access to microcredit empowered women to establish small businesses, gather savings, and move with greater flexibility for work, thereby strengthening their decision-making power and self-confidence, which promoted their overall self-esteem.
- Another study conducted by Ghosh et al. (2024) analysed the impact of SHG participation and improvement of entrepreneurial behaviour among rural women, aiding their empowerment. Analysing through linear regression on data derived from 344 SHG members engaged in income-generating activities, the study confirmed that SHG interventions positively influence both economic and socio-cultural empowerment of rural women. The findings reinforce that entrepreneurial traits fostered within the SHG framework are as crucial a means of empowerment and social transformation, particularly in rural settings.
- The research works of Ranjula Bali Swain and Fan Yang Wallentin have contributed important insights into the long-term and regionally diverse impacts of SHGs in India. Swain and Wallentin (2009), in their empirical study, by using quasi-experimental household sample data collected from five Indian states, examined the empowerment outcomes among SHG members versus non-members.

Their study results revealed a statistically significant increase in women's empowerment among SHG members between 2000 and 2003, particularly in terms of challenging traditional gender norms.

- Further to their work, Swain and Wallentin (2012) used a structural equation model (SEM) to identify economic factors as the most influential in strengthening women's empowerment, although autonomy and social attitudinal changes also played significant roles. In a more nuanced study from survey data collected from five states in India, Swain and Wallentin (2017) found that regional variations exist; empowerment of women in southern states of India dominantly resulted from economic factors, whereas for the other states, decision-making autonomy, network, communication, and political participation were more significant.
- Broadening the framework, Anand et al. (2020) analysed over 6,000 SHG women members across all the 32 districts in Uttar Pradesh, one of India's poorest states, using a number of propensity score matching models. The results of the empirical study indicated that SHG participation significantly enhanced capabilities based on measures of life quality across a wide range of dimensions, particularly among marginalised caste groups.
- In the systematic review by Brody et al. (2017), compiled findings from a broad spectrum of SHG programs across low- and middle-income countries in South Asia. The analysis indicated that SHGs had positive effects on economic empowerment, resulting in financial decision-making and income generation, political empowerment through community participation, and mobility.
- The reviewed literature reveals that there exist different levels of positive impact of SHGs and the SHG-Banking Linkage Program (BLP) on women's empowerment and sustainable development in India. Several researchers have examined different aspects of women empowerment i.e. economic, social, political, and cultural; and how these efforts have strengthened those dimensions. Paltasingh (2014) studied the promotion of the SHG-bank linkage model as well as the constraints of its implementation, and policy suggestions are made to improve the efficacy of such programmes. Munivenkatappa (2014) evaluated NPO interventions in Mysore district, linking women's empowerment with environmental management. A field study conducted by Eswaraiah (2014) in Ananthapuramu district of Andhra Pradesh exposed the contribution of SHGs to women's empowerment in income, social status and family decision-making.
- Studies also shed light on some historical and conceptual dimensions of the SHG-BLP. The SHG programme was launched in the 1990s through a tripartite agreement among NABARD, NGO's and banks to provide formal financial services to the SHGs. Anowarul Islam et al. (2021), Jasmin et al. (2021) confirm that SHGs have contributed to raising women's socio-economic status, women's entrepreneurship and their empowerment. They, however, also underline some difficulties faced by group members, like a lack of management and training skills, credit policy & linkage with market availability.

The literature review underlines the need to research the ecosystem around the SHGs toward the specifics of who the constituents are, their roles and the various dimensions that women's empowerment takes.

3. Objectives

1. To understand the occupational pattern of members of SHGs in the study area.
2. To evaluate the operational function of the self-help groups and their role in the creation of employment.
3. Analyse the causal relationship between employment through SHGs activities and women's empowerment

4. Significance of the study

The Self-Help Group (SHG) movement has significantly changed the socio-economic status of women. It has helped women gain financial independence and achieve upward social mobility.

The main goal of SHGs is to reduce poverty by generating income through productive and sustainable activities. The Government of India provides strong support for SHGs, especially those led by women, by offering micro-credit programs that encourage small investments and entrepreneurship. In rural areas, SHGs mainly help their women members by providing credit, which works as a revolving fund to help them deal with financial challenges. While this credit can be used for everyday household needs or social obligations, the best use is in starting small businesses that promote self-employment and create more job opportunities. Beyond economic benefits, SHGs often address social issues like domestic disputes, family unemployment, and other community concerns. Members frequently rely on the group's common fund to handle personal or family crises.

This study aims to look at how SHGs create job opportunities, support small business startups, and contribute to wider social and economic improvements.

5. METHODOLOGY

The present study is empirical in nature, based on the primary data obtained from the field. The primary data is collected from the respondents through the interview schedule. Both descriptive analysis and inferential analysis were done to throw more light on the study. A sample of 167 questionnaires was obtained from the Mundgod and Hangal taluk of the Uttara Kannada district. These taluks were taken mainly due to the existence of many self-help groups working in these taluks.

Sampling - A Convenient Random sampling technique is adopted for the study.

6. DATA ANALYSIS & INTERPRETATION

The study areas, namely Mungod and Hangal taluks, are located in the Uttara Kannada district of Karnataka. The occupations of people involved were mostly migratory in nature. A vast majority of the respondents were women (86%). Only around 14 respondents were men. In the sample area, it was observed that the respondents were spread across low, middle and high age groups. One third of the female respondents were in the lower age groups, comprising 32 per cent of the total sample. Middle age comprised 29 per cent, followed closely by higher age groups with 27.5 per cent.

Table -1: Gender

Gender distribution	Number	Percentage
Female	143	85.63%
Male	24	14.37%
Grand Total	**167**	**100.00%**

Table 2: Average age

Gender	High	Middle	Low	Grand Total
Female	22.76%	29.94%	32.93%	85.63%
Male	4.79%	3.59%	5.99%	14.37%
Grand Total	**27.55%**	**33.53%**	**38.92%**	**100.00%**

Table -3: Occupation Pattern

Occupation	Female	Male	Grand Total
Agricultural Labour	68.86%	12.57%	81.43%
Brick making	0.00%	1.20%	1.20%
Construction Works	1.20%	0.00%	1.20%
Home maid	4.19%	0.00%	4.19%
Others	8.38%	0.60%	8.98%
Petty shops	1.20%	0.00%	1.20%
Poultry shop	1.80%	0.00%	1.80%
Grand Total	**85.63%**	**14.37%**	**100.00%**

From Table 3, it is observed that a vast majority of the respondents, 81% of them, were agricultural labourers. Two-thirds of them were women. Four per cent of them were housemaids, among women. A very small percentage had petty shops and poultry shops. Among men, 12.6 per cent were agricultural labourers. There are very small percentages in Brick making and others. The nature of occupation in table 4 reveals that more than 30 per cent were in temporary jobs, 28 per cent in permanent jobs and around 20 per cent in seasonal jobs. Eight per cent of the male respondents worked in permanent jobs. This clearly indicates that a large percentage of the respondents do not have a regular income of their own.

Table -4: Nature of employment

Nature of employment	Female	Male	Grand Total
Permanent	28.74%	7.78%	36.52%
Seasonal	19.76%	0.00%	19.76%
Temporary	31.14%	6.59%	37.73%
Nil	5.99%	0.00%	5.99%
Grand Total	**85.63%**	**14.37%**	**100.00%**

Table -5: Income levels

Average income	Female	Male	Grand Total
High	21.56%	1.20%	**22.76%**
Low	24.55%	13.17%	**37.72%**
Medium	39.52%	0.00%	**39.52%**
Grand Total	**85.63%**	**14.37%**	**100.00%**

The occupations undertaken by the respondents were temporary, and a sizable percentage had seasonal employment. The income analysis shows that 60 per cent of them have low to medium average income. A mere 27.55 per cent of them fell into the high-income category. It is also noted that most of their work was seasonal and not permanent.

Table -6: SHG membership

Self-help groups	Female	Male	Grand Total
No	13.17%	6.59%	19.76%
Yes	70.66%	7.78%	78.44%
Grand Total	**85.63%**	**14.37%**	**100.00%**

Women respondents form a major percentage of the self-help groups in the rural areas, according to many studies. This is also reflected in the above study, with a vast majority of the 85 per cent of the groups comprising women members. The male respondents comprised only 14 per cent of the total membership in both the taluks.

In Table 4, it was found that self-help groups in the study area provide help of different natures. Self-help groups have directly and indirectly provided them with employment and avenues for employability. A sizable percentage have taken up training in tailoring (35%), seventeen per cent have undertaken training for self-employment through government schemes, seven per cent in sheep rearing and a small one per cent in agarbathi, papad making and beautician courses. This goes to show that a sizable percentage of women join self-help groups to obtain monetary support and empowerment through employability.

The self-groups, though initially stated as social groups working to promote social welfare among migrant communities, have changed their operational functions in the rural areas. They have modified their way of functioning. The analysis shows that training for members has been initiated in various income generation schemes. Women have been trained in various training, like agarbathi (1.2%), papad making (1.8%), sheep rearing (7.78%), and tailoring (35.93%). Thus, it can be seen that female members form a large part of the training program offered by the self-help groups and that a significant percentage of them have obtained training in those areas that can lead to their future employment. Male members have trained themselves in panchayat work, but women have not obtained training in societal or panchayat welfare schemes.

Table -7: Type of training

Type of training	Female	Male	Grand Total
Agar Bathi making	1.20%	0.00%	1.20%
Applying Government schemes	18.56%	0.00%	18.56%
Awareness of health-related issues	6.59%	0.00%	6.59%
Beautician course	0.60%	0.00%	0.60%
Education opportunities	0.00%	0.60%	0.60%
Leadership/ Marketing/ Branding/ Soft skills/Bookkeeping	0.00%	0.60%	0.60%
Panchayat entitlement	0.60%	0.60%	1.20%
Papad making	1.80%	0.00%	1.80%
Sheep rearing	7.78%	1.20%	8.98%
Societal entitlement	0.00%	4.18%	4.18%
Tailoring	35.93%	7.19%	43.12%
Nil	12.57%	0.00%	12.57%
Grand Total	**85.63%**	**14.37%**	**100.00%**

Table -8: Employment through self-help groups.

Employment through Self-help groups	Female	Male	Grand Total
Agriculture	1.20%	0.00%	1.20%
Brick Making	0.00%	0.60%	0.60%
Cattle Rearing	4.19%	8.98%	13.17%
Construction	9.58%	4.19%	13.77%
Fishing	0.60%	0.00%	0.60%
Helper	1.80%	0.00%	1.80%
Labourer	1.80%	0.60%	2.40%
MNREGA	3.59%	0.00%	3.59%
Papad Making	0.60%	0.00%	0.60%
Petty Business	4.78%	0.00%	4.78%
Self-Employment	0.60%	0.00%	0.60%
Social Work	0.60%	0.00%	0.60%
Tailoring	2.40%	0.00%	2.40%
Nil	53.89%	0.00%	53.89%
Grand Total	**85.63%**	**14.37%**	**100.00%**

The self-help groups in the study area have also been providing support to members by providing employment. These employment avenues were created by them through contacts, by word of mouth or by self-generating business ventures. Although a very small percentage of members have been provided employment, the number continues to increase steadily. Ten per cent of members are employed in the construction sector, 1.2% in the agricultural field, in tailoring (2.4%), and as labourers (1.8%), with 4.78% engaged in petty business. A small percentage, that is, 3.6 per cent of them, have obtained employment in the MNREGA schemes through

Table 9: Loans through Self-help groups

Purpose of Loan (SHG)	Female	Male	Grand Total
Buy a sheep/cow	1.20%	0.60%	1.80%
Agricultural purpose	26.35%	4.18%	30.53%
Construction of a house	11.78%	0.00%	11.78%
Education	5.98%	6.59%	12.57%

Education, Agricultural purpose	9.58%	0.60%	10.18%
Education, Construction of a house	7.19%	0.00%	7.19%
Education, to buy a sheep/cow	0.60%	0.00%	0.60%
Education, a Petty shop	0.60%	0.00%	0.60%
Education, Poultry	7.78%	0.00%	7.78%
Petty shop	4.39%	1.20%	5.59%
Poultry	4.79%	1.20%	5.99%
Nil	5.39%	0.00%	5.39%
Grand Total	**85.63%**	**14.37%**	**100.00%**

The main motivation of women to join self-help groups is to obtain loans through the joint credit system, where members pool in a small amount of money every month and the pooled in money can be used by any member and a very small percentage of interest is charged, which is divided among members or goes into the pooled in reserve to be utilised in the future. Table 9 shows that female respondents have utilised the loans for multiple purposes and also utilised them for further investment. It was seen that 26.35% of them have utilised it for agricultural purposes like cultivating lands, 11.78% for constructing houses and 6.98% for education. Around 4.39% of them have taken loans for petty shops and for purchasing poultry (4.79%). It was seen that nearly 23 per cent of the women have taken loans for multiple purposes. The male members, though they comprise a small percentage, have utilised the loans for agricultural purposes, for petty shops or for poultry business. Though self-help groups give a small amount of money as loans, it has been utilised by members in a major way to obtain economic gains.

7. HYPOTHESIS TESTING

1. H_0 – There is no relationship between Employments through SHG's and Gender.
   H_1 – There is a relationship between Employment through SHGs and Gender.

Type of Employment (O - Observed Value)			
	Employment	**No Employment**	**Grand Total**
Female	119	23	**142**
Male	21	5	**26**
TOTAL	**140**	**27**	**167**

Type of Employment (E - Expected)		
	Employment	**No Employment**
Female	119.0419162	22.95808383
Male	21.79640719	4.203592814

Type of Employment ((O-E)^2/E)		
	Employment	**No Employment**
Female	1.47592E-05	7.65293E-05
Male	0.029099493	0.150886262
X^2	0.180077043	
df	1	
p-value	0.671307039	

From the above table, it is observed that the calculated value is 0.67, which is greater than the Table Value; hence, it is concluded that there is a relationship between Employment through SHGs and Gender. The facilities provided by SHGs are mainly used by the women in the study area, and they are able to get highly employed in comparison to men.

2. H_0 – There is no relationship between Loan Taken from SHGs and Gender.

H_1 – There is a relationship between loans taken from SHGs and Gender.

Loan from SHG's (O - Observed Value)			
	F	**M**	**Grand Total**
Loan Taken	132	22	154
No Loan	7	2	9
	139	28	167

Loan from SHG's (E - Expected)		
	F	**M**
Loan Taken	128.1796	25.82035928
No Loan	7.491018	0.107784431

Loan from SHG's ((O-E)^2/E)		
	F	**M**
Loan Taken	0.113865	0.565257241
No Loan	0.032185	33.21889554
X^2	33.93020258	
df	1	
p-value	5.71E-09	

From the above table, it is observed that the calculated value is greater than 0.5; hence, it is said that there is a relationship between loans taken from SHGs and Gender. The short-term loans provided by SHGs are mainly taken by women in the study area to get themselves trained and start small-time businesses to earn their living, rather than men.

8. Summary and Conclusion

The nature of the self-help groups, which were once formed to bring about social reformation among member groups, has undergone a major transformation. They have changed over the decades. The above analysis was done using an interview conducted among a group of one hundred and sixty members. Most of the women respondents were in agricultural labour, which was temporary and seasonal in nature. The majority of them were at low- and medium-income levels. The vast majority of the women were members of one group or the other. A sizable percentage of them have obtained training offered by the self-help groups to obtain employment and to strengthen employment prospects, enhancing their economic empowerment. The results show that the SHGs in the study area have employed members in a significant manner. The loans offered by the self-help groups have been well utilised by the members been as a substantial percentage of them have utilised them to take care of their monetary needs. The study shows that the operational functions of the self-help groups have undergone a sea change in the rural areas. By providing proven training programs, offering credit facilities, they have channelised women's workforce to obtain employment, strengthening their economic viability and empowering them.

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