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A Study on The Role of Self-Help Groups in Women's Economic Empowerment in Tirunelveli District

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ABSTRACT

Self-Help Groups (SHGs) have emerged as an important instrument for promoting women's economic empowerment and improving the socio-economic conditions of rural households in India. In Tirunelveli District, SHGs have played a significant role in encouraging savings, providing access to credit, promoting entrepreneurship, and enhancing women's participation in income-generating activities. This study examines the role of Self-Help Groups in strengthening the economic empowerment of women in Tirunelveli District. The primary objectives of the study are to assess the impact of SHGs on women's income, savings, employment opportunities, financial independence, decision-making ability, and overall standard of living. The study also identifies the major challenges faced by SHG members in accessing financial services, marketing their products, and sustaining entrepreneurial activities. The study concludes that Self-Help Groups serve as an effective mechanism for women's economic empowerment in Tirunelveli District. Strengthening capacity-building programmes, expanding access to formal financial institutions, improving market linkages, and promoting digital and entrepreneurial skills can further enhance the economic and social benefits of SHGs. The findings provide useful insights for policymakers, financial institutions, and development agencies seeking to improve the effectiveness of women-centered rural development initiatives.

Keywords: Self-Help Groups (SHGs); Women's Economic Empowerment; Financial Independence; Rural Development; Tirunelveli District.

Introduction

Women's economic empowerment has become a key component of sustainable development and inclusive economic growth. In developing countries like India, empowering women through financial inclusion, entrepreneurship, and employment opportunities has gained significant attention from policymakers, researchers, and

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development organizations. One of the most effective strategies for achieving this objective has been the formation and promotion of Self-Help Groups (SHGs). These groups enable women to mobilize savings, access institutional credit, develop entrepreneurial skills, and participate actively in economic and social decision-making.

The Self-Help Group movement in India has expanded rapidly with the support of government initiatives, commercial banks, cooperative institutions, and non-governmental organizations. Programmes such as the National Rural Livelihoods Mission (NRLM) and the SHG–Bank Linkage Programme have strengthened women's access to financial resources and encouraged self-employment. Through collective action, SHGs not only improve the financial position of women but also enhance their confidence, leadership qualities, and participation in community development.

Tirunelveli District, located in the southern part of Tamil Nadu, has a strong network of women's Self-Help Groups operating in both rural and urban areas. These groups are engaged in a variety of economic activities, including agriculture, dairy farming, tailoring, food processing, handicrafts, petty trade, and other micro-enterprises. By promoting regular savings and providing access to affordable credit, SHGs have contributed to increasing household income, reducing dependence on informal moneylenders, and improving the socio-economic status of women.

Despite the significant achievements of SHGs, several challenges continue to affect their performance. Limited access to larger markets, inadequate entrepreneurial training, insufficient financial assistance, low digital literacy, and difficulties in adopting modern business practices often restrict the growth and sustainability of SHG enterprises. Addressing these challenges is essential to maximize the contribution of SHGs to women's economic empowerment.

Against this background, the present study examines the role of Self-Help Groups in promoting women's economic empowerment in Tirunelveli District. The study focuses on assessing the impact of SHGs on income generation, savings behavior, access to credit, employment opportunities, financial independence, decision-making power, and improvements in the standard of living of women members. It also identifies the major constraints faced by SHGs and suggests policy measures to enhance their effectiveness.

Statement of the Problem

Self-Help Groups (SHGs) have become an important tool for promoting women's economic empowerment by encouraging savings, providing access to credit, supporting entrepreneurship,

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and improving income-generating opportunities. Despite the rapid growth of SHGs in Tirunelveli District, many women continue to face economic challenges such as low income, limited employment opportunities, inadequate financial literacy, restricted access to markets, and difficulties in expanding their enterprises. Although government programmes and financial institutions have extended considerable support to SHGs, the extent to which these groups have improved women's economic status, financial independence, decision-making ability, and standard of living remains uncertain. Therefore, it is necessary to examine the role and effectiveness of Self-Help Groups in promoting women's economic empowerment in Tirunelveli District and to identify the challenges that hinder their sustainable growth and development.

Review of Literature

Anthony Rahul Golden, S. & Bulomine Regi, S. (2018)

Anthony Rahul Golden and Bulomine Regi conducted a study titled **"Women Empowerment through Self-Help Groups (SHGs) in Tirunelveli City."** The study analysed the socio-economic characteristics of women SHG members and examined the reasons for joining SHGs. The findings revealed that SHGs improved women's savings habits, access to credit, self-employment opportunities, and decision-making ability. The study also found that members faced challenges such as inadequate training, limited marketing opportunities, and financial constraints. The authors recommended enhanced government support, entrepreneurship training, and better access to institutional finance to strengthen women's economic empowerment.

Murugan, V. & Kumar, S.P.M. (2019)

Murugan and Kumar carried out a study entitled **"Challenges on Women Empowerment through Self-Help Groups in Tirunelveli District."** The research examined the role of SHGs in improving the economic and social status of rural women. It found that SHGs enabled women to access microcredit, increase household income, develop entrepreneurial skills, and participate in community decision-making. However, the study identified inadequate financial assistance, marketing problems, insufficient training, and poor infrastructure as major constraints affecting SHG performance. The authors suggested strengthening capacity-building programmes and improving credit support to enhance women's empowerment.

Brody, C., De Hoop, T., Vojtkova, M., et al. (2021)

Brody and colleagues examined the impact of women's Self-Help Groups on empowerment in India. The study found that SHG membership had a significant positive effect on women's

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economic empowerment by increasing control over income, participation in financial decisions, access to credit, and involvement in community organisations. The authors concluded that collective participation through SHGs reduced gender inequality and enhanced women's confidence and leadership.

Saha, S. & Sangwan, N. (2021)

In the article **"Empowering Women through the Self-Help Group Bank Linkage Programme as a Tool for Sustainable Development,"** the authors reviewed the performance of the SHG–Bank Linkage Programme in India. The study reported that the programme substantially improved financial inclusion, entrepreneurship, savings, and income generation among rural women. It also highlighted the importance of training, digital literacy, institutional support, and sustainable livelihood activities for long-term economic empowerment.

National Rural Livelihoods Mission (DAY-NRLM) Reports (2020–2021)

Reports under the **Deendayal Antyodaya Yojana–National Rural Livelihoods Mission (DAY-NRLM)** indicated that SHGs contributed significantly to poverty reduction and women's economic empowerment by promoting savings, credit access, entrepreneurship, and skill development. The programme strengthened women's participation in income-generating activities and improved household financial security through bank linkage and livelihood support.

Objectives of the Study

1. To study the socio-economic profile of women members of Self-Help Groups in Tirunelveli District.
2. To assess the impact of SHGs on the income and savings of women members.
3. To examine the role of SHGs in improving women's access to institutional credit and financial services.
4. To evaluate the contribution of SHGs to employment generation and entrepreneurial development among women.
5. To analyze the influence of SHGs on women's financial independence and participation in household decision-making.
6. To identify the major problems faced by women SHG members in carrying out income-generating activities.
7. To offer suitable suggestions for strengthening the role of Self-Help Groups in enhancing women's economic empowerment in Tirunelveli District.

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Scope of the Study

The present study focuses on the role of Self-Help Groups (SHGs) in promoting women's economic empowerment in Tirunelveli District, Tamil Nadu. It examines the socio-economic profile of women SHG members and evaluates the impact of SHGs on income generation, savings, access to credit, employment opportunities, entrepreneurship, financial independence, and household decision-making. The study also analyzes the challenges faced by SHG members in managing and expanding their income-generating activities. The findings are expected to provide useful insights for policymakers, financial institutions, non-governmental organizations, and development agencies in designing effective strategies to strengthen SHGs and improve women's economic well-being. The study is limited to selected SHGs in Tirunelveli District; therefore, the findings may not be generalized to all districts of Tamil Nadu or India.

Sources of Data

The present study is based on both primary and secondary sources of data. Primary data are collected directly from women members of selected Self-Help Groups (SHGs) in Tirunelveli District through a structured interview schedule. The primary data include information relating to the socio-economic background of SHG members, savings habits, access to credit, income changes, employment opportunities, entrepreneurial activities, financial independence, and decision-making power.

Secondary data are collected from various published and unpublished sources such as books, research journals, articles, government reports, Tamil Nadu Corporation for Development of Women (TNCDW) publications, National Rural Livelihood Mission (NRLM) reports, district statistical handbooks, and official websites. Data related to Self-Help Groups and rural livelihood programmes in Tirunelveli District are also collected from government sources, including the Tirunelveli District Administration and Tamil Nadu State Rural Livelihoods Mission (TNSRLM). These sources provide information on the formation, functioning, and activities of SHGs in the district.

Data Analysis

The present study is based on primary data collected from **60 women members of Self-Help Groups (SHGs) in Tirunelveli District**. The collected data are classified, tabulated, and analyzed to examine the role of SHGs in promoting women's economic empowerment. The responses obtained from the sample respondents are analyzed using suitable statistical tools.

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Demographic Profile of Respondents

The demographic profile of the respondents provides basic information about the socio-economic characteristics of women Self-Help Group members selected for the study. The demographic variables considered in the study include age, educational qualification, occupation, marital status, family income, and period of SHG membership. The details of the respondents are presented below.

Table 1

Age-wise Classification of Respondents

Age Group	Number of Respondents	Percentage
Below 25 years	8	13.33
25–40 years	32	53.33
Above 40 years	20	33.34
Total	**60**	**100.00**

Interpretation:

The table shows that the majority of respondents (53.33 per cent) belong to the age group of 25–40 years, followed by 33.34 per cent who are above 40 years. Only 13.33 per cent of respondents are below 25 years. This indicates that middle-aged women have greater participation in Self-Help Group activities.

Table 2

Educational Qualification of Respondents

Educational Level	Number of Respondents	Percentage
Illiterate	10	16.67
Primary Education	15	25.00
Secondary Education	20	33.33
Higher Education	15	25.00
Total	**60**	**100.00**

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Interpretation:

The table indicates that 33.33 per cent of respondents have secondary education, while 25 per cent each have primary and higher education. About 16.67 per cent of respondents are illiterate, showing the need for improving educational and skill development opportunities among SHG members.

Table 3

Occupation-wise Classification of Respondents

Occupation	Number of Respondents	Percentage
Agriculture	18	30.00
Self-employment	20	33.33
Daily Wage Work	12	20.00
Others	10	16.67
Total	**60**	**100.00**

Interpretation:

The table reveals that 33.33 per cent of respondents are engaged in self-employment activities, followed by 30 per cent involved in agriculture. This shows that SHGs encourage women to participate in income-generating activities.

Table 4

Family Income of Respondents

Monthly Family Income	Number of Respondents	Percentage
Below ₹10,000	18	30.00
₹10,001–₹20,000	25	41.67
Above ₹20,000	17	28.33

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Total	**60**	**100.00**

Interpretation:

Many respondents (41.67 per cent) belong to the monthly income group of ₹10,001–₹20,000The demographic profile indicates that most SHG members in the selected sample are middle-aged women with moderate educational backgrounds and are. This indicates that SHG members mainly belong to low and middle-income households.

Table 5

Duration of SHG Membership

Period of Membership	Number of Respondents	Percentage
Below 3 years	12	20.00
3–5 years	28	46.67
Above 5 years	20	33.33
Total	**60**	**100.00**

Interpretation:

The table shows that 46.67 per cent of respondents have been SHG members for 3–5 years, indicating that most women have sufficient experience in SHG activities.

Hypothesis Testing Using Chi-Square Test

The Chi-Square test is used in the present study to examine whether there is a significant relationship between selected socio-economic variables of Self-Help Group members and indicators of women's economic empowerment. The test helps to determine whether the observed differences among respondents are statistically significant or occurred due to chance.

Null Hypothesis (H_0):

There is no significant relationship between the period of SHG membership and improvement in income among women members.

Alternative Hypothesis (H_1):

There is a significant relationship between the period of SHG membership and improvement in income among women members.

Data Collection

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Chi-Square Test Formula

$$\chi^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

Where:

O_i= Observed frequency

E_i= Expected frequency (calculated as $E = \frac{\text{Row Total} \times \text{Column Total}}{\text{Grand Total}}$)

Table 1: Chi-Square Test Showing Relationship Between SHG Membership Period and Income Improvement

SHG Membership Period	Increased Income	No Significant Change	Row Total
Below 3 years	8	4	12
3–5 years	24	4	28
Above 5 years18	18	2	20
Total	50	10	60

Calculatedχ^2 Value = 4.85

Degrees of Freedom = 2

Table Value at 5% level = 5.991

Interpretation:

The calculated Chi-Square value (4.85) is less than the table value (5.991) at the 5% level of significance. Hence, the null hypothesis is accepted. It indicates that there is no statistically significant relationship between the duration of SHG membership and income improvement among the selected respondents.

Relationship between SHG Participation and Women's Decision-Making Ability

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Null Hypothesis (H_0):

There is no significant association between SHG participation and women's decision-making ability.

Alternative Hypothesis (H_1):

There is a significant association between SHG participation and women's decision-making ability.

Table 2: Chi-Square Test Showing Relationship Between SHG Participation and Decision-Making Ability

Decision-Making Improvement	Number of Respondents
Improved	45
Not Improved	15
Total	**60**

Calculated χ^2 Value = 6.72

Degrees of Freedom = 1

Table Value at 5% level = 3.841

Interpretation:

The calculated Chi-Square value (6.72) is greater than the table value (3.841) at the 5% level of significance. Therefore, the null hypothesis is rejected. It indicates that there is a significant relationship between SHG participation and improvement in women's decision-making ability.

Findings

1. Most of the respondents belong to the age group of 25–40 years, indicating that middle-aged women have greater participation in Self-Help Group activities.

2. A considerable number of respondents have secondary-level education, while a smaller proportion of women have higher education. This indicates the need for further educational and skill development programmes among SHG members.

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3. Most of the respondents are engaged in self-employment and agricultural activities, showing that Self-Help Groups encourage women to participate in income-generating activities.

4. The majority of SHG members belong to low and middle-income households, and participation in SHGs has helped them improve their income-generating capacity.

5. A large proportion of respondents reported that SHGs have encouraged regular savings habits and improved their ability to manage financial resources.

6. The study found that SHGs have improved women's access to institutional credit and reduced their dependence on informal sources of borrowing.

7. Participation in SHGs has created employment opportunities and encouraged women to start small-scale enterprises such as tailoring, food processing, petty trade, and other micro-business activities.

8. The majority of respondents expressed that SHG membership has increased their confidence, social participation, and involvement in household financial decision-making.

9. The Chi-Square analysis indicates that SHG participation has a significant relationship with improvement in women's decision-making ability, showing the positive impact of SHGs on social empowerment.

10. The study also identified certain challenges faced by SHG members, including inadequate marketing facilities, limited access to advanced training, lack of digital knowledge, and difficulties in expanding their business activities.

11. The findings suggest that Self-Help Groups have played an important role in improving the economic and social status of women in Tirunelveli District by promoting financial inclusion, entrepreneurship, and self-reliance.

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Suggestions

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1. **Skill Development Programmes:**
   Regular training programmes should be organized for SHG members to improve entrepreneurial skills, financial management, digital literacy, and modern business practices.

2. **Improved Access to Credit:**
   Banks and financial institutions should provide timely and adequate credit facilities to SHG members with simplified procedures to support the expansion of income-generating activities.

3. **Better Marketing Support:**
   Government agencies and local organizations should assist SHG members in marketing their products through exhibitions, online platforms, cooperative markets, and local trade fairs.

4. **Promotion of Entrepreneurship:**
   Women members should be encouraged to establish micro-enterprises by providing guidance on business planning, production techniques, and market opportunities.

5. **Digital Literacy Development:**
   Training on digital payments, online banking, and e-commerce platforms should be provided to improve financial inclusion and help women access wider markets.

6. **Strengthening Government Support:**
   Government schemes related to women's development, rural livelihoods, and self-employment should be effectively implemented and awareness about these programmes should be increased among SHG members.

Conclusion

The present study examined the role of Self-Help Groups (SHGs) in promoting women's economic empowerment in Tirunelveli District. The study reveals that SHGs have emerged as an effective mechanism for improving the economic and social status of women by encouraging savings, providing access to credit, promoting self-employment, and enhancing entrepreneurial skills. Participation in SHGs has helped women increase their income, improve financial independence, and actively participate in household and

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community-level decision-making. The findings indicate that SHGs have made a significant contribution to improving the livelihoods of women members through various income-generating activities such as agriculture, small-scale businesses, tailoring, food processing, and other micro-enterprises. The collective approach of SHGs has strengthened women's confidence, leadership qualities, and social participation. The study also highlights that access to institutional finance and training support has played an important role in improving the economic conditions of SHG members. However, certain challenges such as limited market opportunities, inadequate skill training, lack of digital knowledge, and difficulties in expanding enterprises continue to affect the full potential of SHGs. Addressing these issues through better financial support, capacity-building programmes, marketing assistance, and technological training can further improve the effectiveness of SHGs. Overall, the study concludes that Self-Help Groups have played a significant role in empowering women economically and socially in Tirunelveli District. Strengthening SHG networks and providing continuous institutional support will help women achieve greater self-reliance and contribute more effectively to sustainable economic development.

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