

A study on impact and empowerment of Women Self Help Groups in Tirupur District

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Abstract— Women's Self-Help Groups (SHGs) have emerged as an effective grassroots mechanism for promoting women's socio-economic empowerment in India. This study examines the impact of Women Self-Help Groups on the economic and social empowerment of their members in Tirupur District, Tamil Nadu. The research adopts a descriptive and analytical research design, using both quantitative and qualitative approaches. Primary data were collected from 221 women SHG members in Tirupur North and Tirupur South through a structured questionnaire, selected using stratified random sampling. The study analyzes demographic characteristics, economic outcomes, social participation, and challenges faced by SHG members. Statistical tools such as percentage analysis, Likert scale analysis, and ANOVA were employed for data interpretation. The findings reveal that SHGs have contributed positively to income generation, savings behavior, entrepreneurial activities, and financial inclusion among women. A significant proportion of respondents reported improved self-confidence, decision-making ability, and participation in community activities after joining SHGs. However, challenges such as lack of financial resources, short loan repayment periods, high interest rates, and limited training opportunities continue to hinder the full potential of SHGs.

Index Terms— Women Self-Help Groups (SHGs), Women Empowerment, Socio-Economic Impact, Financial Inclusion, Microfinance, Entrepreneurship Development, Rural Development, Livelihood Security, Skill Development and Government Support Schemes

I. INTRODUCTION (HEADING 1)

Women's self-help groups (SHGs) are small, informal associations of 10-20 women from similar socio-economic backgrounds who come together to address common challenges. These groups provide a platform for economic, social, and personal development through collective savings, mutual support, and shared learning. The key objectives of women's SHGs include economic empowerment, such as facilitating small savings and internal lending, providing access to microfinance and credit, and supporting income-generating activities and entrepreneurship. They also aim for social transformation by enhancing women's confidence and leadership skills, promoting community development, and addressing local issues like health, education, and gender equality.

The operational model of SHGs involves regular monthly meetings, collective savings pooled into a common fund, internal lending to group members at affordable interest rates, and training in financial literacy and skill development. This collaborative approach empowers participants, leading to benefits like financial independence, increased decision-making power, and improved access to credit, enhanced social networks, and personal and professional skill development.

While women's SHGs face initial challenges like limited resources and social/cultural barriers, strategies like capacity building programs, government/NGO support, and continuous education help address these issues. Overall, women's self-help groups represent a powerful grassroots approach to women's empowerment, combining economic opportunity with social transformation.

II. Statement of Problem

Poverty and Unemployment go hand in hand in most developing countries. In India, the financial institutions have not been able to reach the rural sector especially in the unorganised sector. In developing countries, women play a pivotal role as risk managers and drivers of development, particularly in regions of severe poverty. Peoples' participation in credit delivery and recovery and linking of formal credit institutions to borrowers through the SHGs have been recognised as a supplementary mechanism for providing credit support to the rural poor. Most of the SHGs members do believe that finance is their major problem. It is true that unfavourable event in business will lead to financial crisis. Women suffer from illiteracy, lack of awareness, poor healthcare and unemployment. This is particularly true in the rural areas and in cases of main weaker sections of society like scheduled caste and schedule tribes. In the recent times, women have contributed to a great extent towards the development of the economy but not many are aware of this that they have the potential. The recent development has been in the entrepreneurial activities undertaken by them. Therefore, empowerment of women is the only remedy to the problem faced in not only India but also other developing countries.

III. SIGNIFICANCE OF THE STUDY

Why India is still called as a Developing Country? – Poverty, illiteracy, malnutrition, unemployment, lack of awareness in women have been the major reasons. In the recent times, the woman has contributed to a great extent towards the development of the economy but not many are aware of this that they have the potential. The recent development has been in the entrepreneurial activities undertaken by them.

The significance of studying the impact and empowerment of Women's Self- Help Groups in Tirupur lies in the potential to improve the lives of countless women in the region. Through these groups, women gain not only economic independence but also a sense of community, social standing, and personal empowerment. Understanding the impact of SHGs can help further strengthen these groups and ensure they contribute even more effectively to the development of women, families, and communities in Tirupur. Moreover, it offers a blueprint for broader social change, emphasizing the need for sustainable policies and practices that promote gender equality and women's empowerment. There are numerous government initiatives aimed at supporting women, such as National

Rural Livelihood Mission (NRLM). The study can assess how well these programs have been integrated into SHGs in Tirupur and what more can be done to maximize their benefits.

IV. AREA OF THE STUDY

The study on the "Impact and Empowerment of Women Self-Help Groups (SHGs) in Tirupur District" focuses on the district's Tirupur North and Tirupur South Area, urban-rural mix, where SHGs play a vital role in women's empowerment. It examines specific blocks, panchayats, and villages, particularly in rural and semi-urban areas where women face economic and social challenges.

The research considers Tirupur's socioeconomic and cultural context, including caste, education, and gender roles, influencing SHG formation and impact. It explores SHGs engaged in microfinance, entrepreneurship, and skill development, especially in textile-related activities, handicrafts, and agriculture. The role of government schemes like NRLM and NGOs in supporting SHGs is also analysed.

The study assesses SHGs' impact on economic and social empowerment, focusing on income generation, financial independence, education, health, and decision-making power. It also highlights their role in community welfare initiatives. This research provides insights into SHG challenges, their transformative impact, and recommendations to enhance their effectiveness in Tirupur District.

V. OBJECTIVES OF STUDY

- 1) To know the Socio-Economic impact of Women Self-Help Groups on their members in Tirupur District.
- 2) To Identify the Challenges faced by Women SHG in Tirupur District.
- 3) To examine the role of Women SHG in promoting financial inclusion and entrepreneurship among women in Tirupur District.

VI. Research Methodology

The study follows a descriptive and analytical research design. A mixed-method approach quantitative & qualitative is used to ensure a comprehensive analysis for the impact and empowerment of women self-help group in the Tirupur district.

Sample Design: The study focuses on women who are active members of Self-Help Groups (SHGs) in Tirupur District. The sample collection is limited to Tirupur North and Tirupur South due to feasibility constraints and the concentration of active SHGs in these areas. The study has used Stratified Random Sampling for sample selection.

Source of Data: The study has used Primary data, and the data was collected from Women Self Help Group in Tirupur North and Tirupur South.

Period of Study: The study was conducted in Tirupur District during the period of 2024-2025.

Size of Sample: The study contains 221 respondents from the Tirupur district through Stratified Random Sampling Method

VII. REVIEW OF LITERATURE

A Review of literature on Women Self-Help Groups (SHGs) in Tirupur District examines their role in women's economic and social empowerment. Studies highlight SHGs' contributions to income generation, skill development, and entrepreneurship, particularly in textiles and agriculture. Research also explores the impact of microfinance and government schemes like NRLM in supporting SHGs. Challenges such as credit access and social barriers are commonly discussed. In Tirupur, SHGs help address gender inequalities and economic disparities, fostering financial independence and community development. This review analyses existing studies to understand SHGs' effectiveness in empowering women.

Selvakumar (2015) studied women empowerment through self-help groups in Krishnagiri district of Tamil Nadu. The information required for the study has been collected from both the primary and secondary sources. A multistage random sampling method has been followed. Average and percentage analysis was carried out to draw meaningful interpretation of the results. Garret ranking technique was used to find the reasons for joining the Self-help group. Factor analysis was used to measure and determine the relationship between the observed variables. The results of the study revealed that the SHGs have had greater impact on both economic and social aspects of the beneficiaries.

Kondal's (2014) paper confines itself to study women empowerment through SHGs in Andhra Pradesh. In the study simple statistical tools are adopted. Based on the analysis of women empowerment through SHGs in Gajwel, the major finding of the study is that there is a positive impact of SHGs on women empowerment in Gajwel Mandal of Medak District in Andhra Pradesh.

Dhaiya et al. (2014) in their study attempt to evaluate the level of women's economic empowerment through SHG i.e., income, expenditure and saving of the member after joining SHG. The study was conducted in Sirsa district. The study is based mainly on primary data collected through well-structured scheduled and pre tested survey. For analysis of the study average and percentage method was used. The study revealed that SHGs positively improved the economic empowerment of women because of in both blocks the SHGs member's income has increased after joining the SHGs and the family expenditure of SHGs members has also increased in both blocks due to positive change in the SHG member's income.

Mishra (2014) examines the pre-SHG and post-SHG status of rural SHG members in Puri district of Odisha. On the basis of primary data analysis, the study finds that SHGs have not only produced tangible assets and improved the living conditions of the members, but has also helped in changing much of their social outlook and attitudes. In the study area, SHGs have served the cause of women empowerment, social solidarity and socio-economic betterment of the rural poor.

VIII. Trend Analysis of Women Self Help Group(SHG) Compared To 2024-2025 in Tamilnadu

As of January 31, 2025, Tamil Nadu has seen a notable increase in women's Self-Help Groups (SHGs) compared to the previous year. The number of SHGs rose from 336,044 in 2024 to 336,764 in 2025, and households mobilized increased from 4,002,881 to 4,023,939 during the same period.

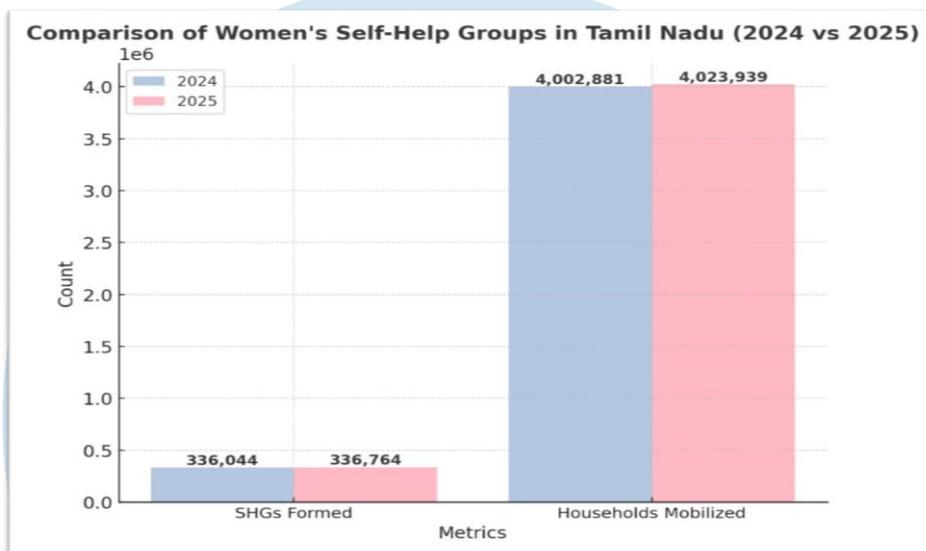
This growth can be attributed to several factors:

- **Government Initiatives:** The Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM) has been instrumental in promoting SHGs, providing financial support and training to enhance women's economic activities.
- **Financial Inclusion:** Efforts to link SHGs with formal banking systems have improved access to credit, enabling women to undertake entrepreneurial ventures and improve their livelihoods.
- **Policy Support:** The Tamil Nadu State Policy for Women 2024 emphasizes the empowerment of women through SHGs, focusing on economic independence and leadership development.

Below is a bar chart illustrating the growth in SHGs and households mobilized in Tamil Nadu from 2024 to 2025:

METRIC	2024	2025
SHG Formed	3,36,044	3,36,764
Households Mobilized	40,02,881	40,23,939

This chart demonstrates the positive trend in women's participation in SHGs, reflecting the success of various initiatives aimed at empowering women in Tamil Nadu.



Here is a bar chart comparing the growth of Women's Self-Help Groups (SHGs) in Tamil Nadu between 2024 and 2025. The chart clearly shows an increase in both the number of SHGs formed and the households mobilized.

- **SHGs Formed:** Increased from **336,044 in 2024** to **336,764 in 2025**.
- **Households Mobilized:** Increased from **4,002,881 in 2024** to **4,023,939 in 2025**.

This improvement reflects ongoing government initiatives, better financial inclusion, and policy support for women's empowerment.

➤ **Higher Revolving Fund & Interest Subsidy**

- The government increased revolving fund allocations, providing working capital to SHGs.
- Interest subsidy schemes helped reduce the repayment burden on SHG members.

➤ **Digital & Financial Literacy Programs**

- Training programs improved financial knowledge among SHG members, leading to better credit utilization.
- Adoption of digital payment methods helped women manage their finances more effectively.

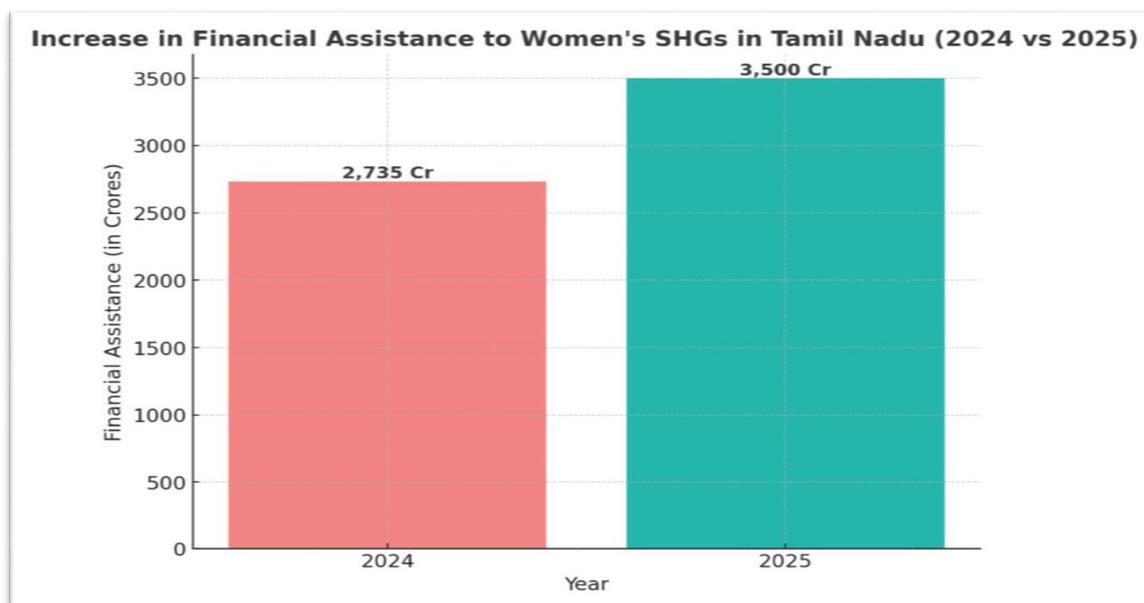
➤ **Greater Market Access & Business Scaling**

- Improved access to local and national markets boosted the earning potential of SHGs.
- Government-backed **e-commerce platforms & fairs** supported SHG products, increasing demand.
- These factors collectively contributed to the **28% increase in financial assistance** to Women's SHGs in Tamil Nadu in 2025.

Below is a bar chart illustrating the growth in financial assistance to Women's SHGs in Tamil Nadu from 2024 to 2025:

Year	Financial Assistance (in Crores)
2024	2,735 cr
2025	3,500 cr

This chart highlights the significant increase in financial support extended to Women's Self-Help Groups over the past year, reflecting the enhanced focus on women's economic empowerment in the state.



Here is a bar chart showing the significant increase in financial assistance provided to Women's Self-Help Groups (SHGs) in Tamil Nadu between 2024 and 2025.

- 2024: ₹2,735 crores
- 2025: ₹3,500 crores (28% increase)

This sharp rise in funding highlights the government's strong commitment to supporting women's economic empowerment through SHGs.

IX. Data Analysis

The study evaluates the role of SHGs in enhancing women's socio-economic status, financial independence, and decision-making abilities.

For this Study a structured survey was conducted among selected respondents who are active members of various SHGs in Tirupur District. The data collected has been systematically organized and analysed using different statistical tools to assess the effectiveness of SHGs in empowering women.

The dependent variable in this study is women's empowerment, while the independent variables include:

- Demographic factors: Age, education, marital status, and occupation.
- Economic factors: Income level, savings, access to credit, and financial decision-making.

Social impact: Participation in community activities, self-confidence, and leadership opportunities.

Factors	Category	No. of Respondents	Percentage
Age	Below 25 Years	37	16.7
	26-35 Years	101	45.7
	36-45 Years	50	22.6
	46-55 Years	27	12.2
	Above 55 Years	6	2.7
Marital Status	Married	201	91
	Unmarried	20	9
Education	Illiterate	27	12.2
	Primary School	43	19.5
	Secondary School	51	23.1
	Graduate	77	38.8
	Post Graduate	23	10.4
Family Members	1-3 Members	50	22.6
	4-6 Members	136	61.5
	More than 6 Members	35	15.8
Occupation	Homemaker	42	19
	Daily Wage Worker	62	28.1
	Small Business Owner	76	34.4
	Agricultural Worker	38	17.2
	Others	3	1.3
Family Income	Below Rs.5,000	13	5.9
	Below Rs.5,000 – 10,000	88	39.8
	Rs.10,000 – 15,000	74	33.5
	Above Rs.20,000	46	20.8

Source: Primary Data

➤ **Impact of SHG loans on the family's financial situation**

The respondents are classified on the basis of their Impact of SHG loans on your family's financial situation and it is presented in the following table.

S.No	Impact of SHG Loans on the Family's Financial Situation	No. of Respondents	Percentage (%)
1	Positive Impact	91	41.2
2	No Impact	110	49.8
3	Negative Impact	20	9
Total		221	100

Source: Primary Data

The above table reveals that 41.2% of respondents reported a positive impact of SHG loans on their family's financial situation. In contrast, 49.8% stated that there was no impact, while 9% experienced a negative impact. This suggests that SHG loans have had a favourable effect on the financial well-being of a significant proportion of respondents, although nearly half reported no change. The relatively small percentage of respondents experiencing a negative impact indicates that SHG loans have been largely beneficial.

➤ **Challenges in utilizing the loans from SHG**

The respondents are classified on the basis of their Challenges in utilizing the loans from SHG and it is presented in the following table.

S.No	Challenges in utilizing the loans from SHG	No. of Respondents	Percentage (%)
1	High Interest Rates	59	26.7
2	Short Repayment System	66	29.9
3	Insufficient Loan Amount	51	23.1
4	Complex Procedures	43	19.5
5	Others	2	0.8
Total		221	100

Source: Primary Data

The above table shows that respondents faced various challenges in utilizing loans from SHGs. The most common challenges were short repayment systems (29.9%) and high interest rates (26.7%). Insufficient loan amounts (23.1%) and complex procedures (19.5%) were also significant challenges. A negligible percentage (0.8%) reported other challenges. This suggests that SHG loan utilization is hindered by repayment and interest rate issues, as well as procedural complexities and inadequate loan amounts.

➤ Common Challenges Faced in the SHG

This below table shows the Likert Scale Analysis of the Common Challenges faced in the Self-help group.

Likert Scale Analysis

Aspects	Mean Score	Standard Deviation
Lack of Financial Resource	3.59	1.45
Limited Training Opportunity	3.19	1.05
Balancing Family Responsibility	3.16	1.16
Poor Group Coordination	3.15	1.16
Limited Government Support	3.09	1.43

Source: Primary Data

The analysis shows that “Lack of Financial Resources” is the most significant challenge, with a mean score of 3.59, indicating general agreement among respondents. However, the high standard deviation (1.45) suggests varied opinions on this issue. Other aspects, such as “Limited Training Opportunity” (3.19), “Balancing Family Responsibility” (3.16), and “Poor Group Coordination” (3.15), received more neutral responses, meaning opinions are moderately divided. “Limited Government Support” (3.09) had the lowest mean but showed diverse perspectives, as reflected in its standard deviation (1.43). Overall, financial constraints appear to be the most pressing concern, while other challenges elicit mixed reactions. Addressing financial support and training opportunities could enhance SHG effectiveness.

➤ Factors enhancing the involvement in the Self- Help Group (Anova testing)

H₀: There is no significant difference in respondents' ratings across various aspects of SHG involvement.

H₁: There is a significant difference in respondents' ratings across various aspects of SHG involvement.

This below table shows the Anova Testing of the factors enhancing the involvement in the self- help group.

Anova Testing

Source	Sum of Square	Degree of Freedom	Mean Square	F - Value	P - Value
Between Groups	7691.6	4	1922.9	4.77	0.0072
Within Groups	8062.4	20	403.12	-	-
Total	15754.0	24	-	-	-

The ANOVA test was conducted to analyse whether there is a significant difference in respondents' ratings across various aspects of SHG (Self-Help Group) loans, including Access to Credit, Skill Building Programs, Leadership Roles, Community Support, and Market Linkages. The results show an F-value of 4.77 and a p-value of 0.0072. Since the p-value is less than 0.05, we reject the null hypothesis, indicating that there is a statistically significant difference in the ratings among these aspects.

X. Findings of the study

- A significant proportion (45.7%) of the respondents fall within the age group of 26–35 years.
- An overwhelming share (91%) of the respondents are married.
- About 38.8% of the respondents possess educational qualifications at the graduate level.
- Nearly two-thirds (61.5%) of the respondents come from families comprising 4–6 members.
- Approximately 34.4% of the respondents are engaged in small-scale business activities.
- Around 39.8% of the respondents report a monthly family income ranging between ₹5,000 and ₹10,000.
- Close to 39.8% of the respondents have been members of Self-Help Groups (SHGs) for a period of 1–3 years.
- The majority (49.8%) of the respondents reported no impact from SHG loans.
- The majority (29.9%) of the respondents consider Short Repayment System as a challenge.

The findings reveal that *lack of financial resources* emerges as a prominent challenge, with a mean score of 3.59, reflecting overall agreement among the respondents. At the same time, the relatively high standard deviation of 1.45 indicates considerable variation in their perceptions regarding this issue.

The ANOVA test was conducted to analyse whether there is a significant difference in respondents' ratings across various aspects of SHG (Self-Help Group) loans, including Access to Credit, Skill Building Programs, Leadership Roles, Community Support, and Market Linkages. The results show an F-value of 4.77 and a p-value of 0.0072. Since the p-value is less than 0.05, we reject the null hypothesis, indicating that there is a statistically significant difference in the ratings among these aspects.

XI. Suggestions

- **Enhance Loan Accessibility:** Implement flexible loan repayment policies and reduce interest rates to make financial support more accessible to SHG members.
- **Improve Financial Literacy Programs:** Conduct workshops and training sessions on budgeting, investment, and savings to help SHG members manage their finances effectively.
- **Encourage Skill Development:** Introduce vocational training programs to equip SHG members with entrepreneurial and leadership skills for better economic opportunities.
- **Strengthen Government and Institutional Support:** Advocate for better financial aid, grants, and policies to ensure sustainable growth and stability for SHG participants.
- **Streamline Loan Disbursement Processes:** Simplify and expedite loan application and approval processes to reduce complexities and delays faced by SHG members.

XII. Conclusion

The analysis of Self-Help Group (SHG) members indicates that financial security, social recognition, and entrepreneurship skills are the primary motivators for participation. While SHGs have positively impacted economic stability, challenges such as short

repayment periods, high interest rates, and financial literacy gaps persist. Despite access to loans, nearly half of the respondents reported no significant financial improvement, highlighting the need for better financial management and training programs. Strengthening government support, improving training programs, and refining loan policies can enhance the effectiveness of SHGs, making them more beneficial for participants in the long run.

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