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Impact of Self-Help Groups on Employment and Women Empowerment in Udaipur District of Rajasthan

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ABSTRACT

This study investigates the impact of Self-Help Groups (SHGs) on women's employment and empowerment in the Udaipur district of Rajasthan, a region marked by its tribal dominance and rural economy. SHGs have emerged as a powerful vehicle for socio-economic transformation, especially among women in rural and semi-urban areas where access to financial services and livelihood opportunities remains limited. The research employs both primary and secondary data, using a purposive and structured sampling method to select 256 women from 32 SHGs across four blocks—Bargaon, Girwa, Kurabad, and Mavli. Statistical techniques such as one-sample t-test and multiple regression analysis were applied to assess the impact of SHGs. The one-sample t-test results revealed a statistically significant improvement in the economic status of SHG members (mean = 3.5469; $t = 8.675$; $p < 0.05$). Multiple regression analysis indicated that access to financial resources, increased household savings, and a sense of financial self-reliance were the key predictors of income growth among SHG members. The study concludes that SHGs significantly contribute to enhancing women's economic empowerment and financial inclusion. These findings have practical implications for strengthening policy frameworks aimed at scaling SHG-led livelihood programs in tribal and rural regions.

Keywords: Self-Help Groups, Women Empowerment, Financial Inclusion, Income Growth, Rural Development

INTRODUCTION

Women empowerment and employment generation have been at the core of development initiatives in India, particularly in rural and semi-urban regions where women continue to face economic marginalization. The persistent gender gaps in income, access to credit, and participation in decision-making processes necessitate focused interventions. One such transformative model that has gained substantial traction is the Self-Help Group (SHG) model. Designed originally to address financial exclusion and promote microfinance among marginalized populations, SHGs now play a multidimensional role in promoting socio-economic development.

Typically composed of 10 to 20 members, SHGs facilitate savings, internal lending, and access to microcredit, thereby enabling women to take control of their economic decisions. Supported by government initiatives such as the National Rural Livelihood Mission (NRLM), banks, and NGOs, SHGs have evolved into strong grassroots institutions contributing to both economic independence and social empowerment. Rajasthan, with its vast rural expanse and tribal population, has been a fertile ground for SHG expansion.

The Udaipur district, known for its tribal concentration and dependence on agriculture and small-scale industries, presents a compelling case for evaluating the effectiveness of SHGs. Despite their potential, women in the region have historically faced challenges such as limited access to formal banking services, lack of credit for entrepreneurial ventures, and barriers in financial literacy. In response, SHGs have emerged as effective platforms for facilitating microfinance, business ventures, and collective economic initiatives. This study, therefore, seeks to analyze the real and statistically measurable impact of SHG membership on employment generation and the empowerment of women entrepreneurs in this underserved region.

REVIEW OF LITERATURE

Patel and Sharma (2020) state that SHGs have significantly contributed to improving the income generation capacities of rural women in Rajasthan by providing easy access to microfinance and skill development training. Their study revealed that more than 60% of women used SHG credit to start micro-enterprises.

Kumari and Meena (2021) found that SHG membership not only increases financial independence but also enhances women's role in household decision-making. Their research conducted in tribal belts of southern Rajasthan showed that women reported higher self-confidence and community engagement.

Mitra and Bose (2021) observed that SHGs facilitated digital inclusion among rural women, especially post-COVID-19, by encouraging digital savings, online payments, and mobile-based micro-loans. This technological empowerment led to increased financial awareness.

Verma and Jha (2022) highlighted the importance of SHGs in providing post-pandemic economic resilience. Women who were SHG members had better financial coping mechanisms during COVID-induced lockdowns compared to non-members.

Bano and Siddiqui (2022) emphasized that SHGs in semi-urban areas led to improved credit behavior, financial literacy, and saving discipline among young women, making them more likely to participate in employment and entrepreneurship.

Yadav and Choudhary (2023) conducted a regression analysis and found that SHG membership positively impacted women's household income, especially in households with low male workforce participation, suggesting SHGs fill a critical employment gap.

Mishra and Singh (2023) asserted that SHGs serve as instruments of social empowerment as much as economic, citing that women member were more active in local governance, education drives, and health awareness programs in rural districts of Rajasthan.

Rathore and Gupta (2024) concluded that long-standing SHG groups (older than 5 years) were more effective in delivering employment benefits and self-reliance outcomes than newly formed groups, emphasizing the value of sustained engagement.

Ali and Trivedi (2024) observed that access to SHG-led microcredit resulted in a statistically significant improvement in asset ownership among women, particularly in agriculture-based households in Udaipur and Dungarpur.

Sen and Kaur (2025) provided evidence that participation in SHGs increased women's likelihood of starting group enterprises, particularly in sectors like dairy, tailoring, and handicrafts, and also helped build strong peer networks.

RESEARCH METHODOLOGY

This study uses, based upon the large number of respondents and the geographic spread, purposive and convenience sampling were preferred for efficient and targeted data collection. These techniques enabled focused engagement with self-help group (SHG) members who were actively participating in group activities.

To fulfill the research objectives and investigate the impact of SHGs on women's empowerment and employment, both primary and secondary data were collected. The Primary data was collected directly from women who are active members of SHGs in the selected blocks of Udaipur district. A total of 256 women from 32 SHGs were selected, ensuring representation from four blocks—Bargaon, Girwa, Kurabad, and Mavli. Secondary data was collected from a wide range of sources, including books, journals, periodicals, research papers, case studies, websites, articles, and newspapers. These sources helped build the conceptual and empirical foundation of the study. The study is having equal representation from four blocks of Udaipur district. From each block, 8 SHGs were selected, and 8 women were chosen from each SHG, resulting in 64 women per block. Thus, the total sample size consists of 256 women from 32 SHGs. This structured and proportionate sampling approach ensures balanced representation across different regions, allowing for a comprehensive analysis of the impact of SHG initiatives on women's economic and social empowerment.

DATA ANALYSIS

Self-Help Groups (SHGs) have emerged as an effective means to bring about positive change in the economic, social, and familial lives of women. Various studies suggest that women associated with SHGs are not only economically empowered but also demonstrate improvements in other areas such as standard of living, social status, borrowing behaviour, employment generation, and saving habits. This research seeks to examine the extent and statistical significance of these impacts.

Accordingly, the following null (H_0) and alternative (H_a) hypotheses are formulated:

H_{01} : There is no significant change in women's standard of living after joining SHGs.

H_{a1} : There is a significant change in women's standard of living after joining SHGs.

The aim is to determine whether the association with SHGs has led to statistically significant improvements in women's lives. The analysis is conducted using various statistical techniques, including One-Sample t-Test, Descriptive Statistics, and tests of statistical significance. The acceptance or rejection of hypotheses is based on the obtained results, helping to assess the effectiveness of SHGs.

Table-1: One-Sample t-Test

Statistic	N	Mean	Std. Deviation	Std. Error Mean
Eco_Dev1	256	3.5469	1.00866	0.06304

t	df	Sig. (2-tailed)	Mean Difference
8.675	255	0	0.54688

The above table shows the results of a one-sample t-test conducted to evaluate whether the average perception of economic development due to SHG membership significantly differs from a predefined test value (3). The mean score based on 256 respondents is **3.5469**, with a standard deviation of **1.00866** and a standard error of **0.06304**. The **t-value is 8.675** with **255 degrees of freedom**, and the p-value is **.000**, which is significantly less than the alpha level of .05. This indicates that the observed mean is **significantly higher than the test value of 3**, suggesting a **statistically significant and positive perception of economic development** among SHG members.

The average score regarding SHGs' role in economic development is significantly greater than 3, and this difference is not due to chance. It implies that **SHGs have made a real and positive contribution to the economic upliftment of women**, as clearly perceived by the respondents. This validates the effectiveness of SHGs and signals positively to policymakers for further strengthening SHG-based initiatives.

Multiple Regression Analysis

It becomes essential to identify the **specific variables responsible** for the positive changes observed. Improvements in women's lives may not be limited to economic aspects but may also extend to **social, familial, and personal empowerment**. Potential variables for further analysis include: income growth, access to sustainable employment, access to credit, saving behavior, decision-making ability, health and nutrition, spending on children's education, and social participation.

Table 4.11: Descriptive Statistics – Regression Variables

Statement	Code	Mean	Std. Deviation	N
My income has increased significantly after joining SHG.	Eco_Dev1	3.5469	1.00866	256
I have access to financial resources (loan, credit, savings) through SHG.	Eco_Dev2	3.5703	1.01505	256
My capacity to manage financial transactions has improved.	Eco_Dev3	2.1875	1.13932	256
SHG membership helped me develop financial literacy.	Eco_Dev4	1.875	0.93725	256
I can now invest in business or other income-generating activities.	Eco_Dev5	3.5234	0.93695	256
SHG has improved the overall financial security of my family.	Eco_Dev6	1.8789	0.96049	256
My household savings have increased after joining SHG.	Eco_Dev7	4.293	0.91828	256
I now feel more financially self-reliant after joining SHG.	Eco_Dev8	4.1211	0.7952	256
My financial planning has improved with SHG support.	Eco_Dev9	4.2422	0.82363	256
My ability to repay loans has improved.	Eco_Dev10	3.8555	1.12311	256

Model Summary

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate
3	.826c	0.683	0.679	0.57164

ANOVA Table

Model	Sum of Squares	df	Mean Square	F	Sig.
3	Regression	177.09	3	59.03	180.645
	Residual	82.347	252	0.327	
	Total	259.438	255		

Predictors (Constant): Eco_Dev2, Eco_Dev7, Eco_Dev8

Interpretation and Conclusion

This regression analysis was conducted to identify the factors significantly contributing to the increase in income (Eco_Dev1) after joining Self-Help Groups (SHGs). Using a stepwise regression approach across three stages, the final model demonstrated an R^2 value of 0.683, indicating that 68.3% of the variation in income growth was explained by the selected variables, and the model was statistically significant with an F-value of 180.645 ($p = .000$). The results highlighted three key predictors of income growth among SHG members: access to financial resources (Eco_Dev2), increase in household savings (Eco_Dev7), and the feeling of financial self-reliance (Eco_Dev8). These findings suggest that SHG membership plays a critical role in improving women's economic well-being by enhancing financial access, promoting saving habits, and fostering financial independence. Thus, SHGs contribute meaningfully to raising the economic standard of living among women, offering strong empirical support for policymakers to further strengthen and scale SHG-based empowerment initiatives.

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