

Empirical Analysis of Economic Empowerment among Self-Help Group (SHG) Members in Telangana State

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Abstract

The study titled “Economic Empowerment of SHG Members in Telangana State – An Empirical Study” seeks to examine the role of Self-Help Groups (SHGs) in promoting economic independence and improving the livelihood standards of women in Telangana. The main objective is to assess the impact of SHG participation on Control on Resources/Assets, Access to family income, financial decision making ability among women members. Primary data were collected from selected SHGs across various districts of Telangana through structured questionnaires, interviews, and field observations. Statistical and descriptive tools were used to analyze the extent of economic empowerment achieved through SHG activities.

The findings reveal that SHG membership has substantially enhanced women’s financial autonomy, income levels, and entrepreneurial activities. Members reported increased access to family, improved savings habits, and greater participation in household financial decision making. Moreover, SHGs have served as platforms for social inclusion, capacity building, and the development of leadership qualities among rural women. Despite these achievements, certain constraints such as inadequate training facilities, marketing challenges, and lack of continuous financial literacy persist.

The study concludes that strengthening SHG federations, ensuring regular capacity-building programs, and facilitating market linkages are vital for sustaining the economic empowerment of women in Telangana. The findings emphasize the need for policy interventions and institutional support to make SHGs more self-reliant and sustainable contributors to rural economic development.

Keywords: *Self-Help Groups; Economic Empowerment; Women Development*

1. Introduction

Women empowerment holds a pivotal role in realizing the vision of Vikasit Bharat, a developed and self-reliant India. Empowering women is not merely a social objective but a critical economic necessity, as it directly contributes to national productivity, poverty reduction, and inclusive growth. When women are educated, financially independent, and actively engaged in decision-making, they become catalysts for transforming families, communities, and the nation at large. Their participation in entrepreneurship, governance, and innovation strengthens the socio-economic fabric of the country. Ensuring gender equality and providing women with equal access to education, employment, credit, and technology are essential steps toward building a balanced and progressive economy. Thus, women’s

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empowerment is both the foundation and driving force of Vikasit Bharat, fostering a future where growth, justice, and opportunities are shared equally among all citizens.

The concept of Self-Help Groups (SHGs) has emerged as a powerful instrument for promoting women's economic empowerment and fostering inclusive growth in rural India. In a country like India, where a large section of the population still depends on agriculture and informal economic activities, SHGs serve as vital platforms for mobilizing savings, facilitating access to credit, and encouraging entrepreneurship among women. The underlying philosophy of SHGs is based on collective effort, mutual trust, and financial interdependence, which empower members to overcome social and economic barriers. The Self-Help Group–Bank Linkage Programme (SHG-BLP), initiated by NABARD, has been a significant milestone in this journey, linking millions of rural women with formal financial institutions and promoting self-reliance.

In the context of Telangana State, SHGs have played a transformative role in strengthening the socio-economic position of women, particularly in rural and semi-urban areas. Various government initiatives such as the Mission for Elimination of Poverty in Municipal Areas (MEPMA) and Society for Elimination of Rural Poverty (SERP) have contributed to the formation and strengthening of SHGs across the state. These groups have not only enhanced income generation and savings habits but have also enabled women to participate more actively in household and community-level decision-making. Furthermore, SHGs have become a key tool for microfinance delivery, skill development, and livelihood promotion.

Despite notable progress, several challenges persist, including limited marketing access, inadequate training, and uneven financial literacy. Therefore, understanding the economic empowerment of SHG members in Telangana State through empirical analysis becomes crucial to identify the extent of their success and the areas that require policy intervention. This study thus seeks to examine the impact of SHG participation on the economic and social well-being of women, highlighting the effectiveness of SHGs as a sustainable model for poverty reduction and women empowerment in Telangana.

2. Review of Literature

The following are the few reviews

Sinha et al. (2023) analyzed the primary data on women borrowers from different microfinance institutions in west Bengal to evaluate the impact of women's financial empowerment on access to microloans. Microfinance institutions are essential to gender and development policies because of their close ties to empowering women and reducing poverty. Self-help groups and other programmers' under microfinance are encouraged and inspired due to their substantial positive economic effects on the empowerment of women. Our results imply that the extension of access to microfinance credit has a dispositive impact on economic empowerment, i.e., decisions related to credit and expenditure related issues.

Reshi & Sudha (2023) explained how the advancement of gender equality and sustainable development has increased attention on the importance of economic empowerment of women. This research paper reviews the work on women's commercial enablement with an emphasis on the key tactics, difficulties, and effects of the intervention meant to support women's economic empowerment. The report highlights the need for a more thorough and integrated strategy for economically empowering women that addresses the structural obstacles preventing women from fully participating in the economy.

Mehta (2023) started in his research paper, microfinance is the same as providing trivial finances to the really deprived for endeavors like self-employment that create money, consenting them to take care of themselves and their family. The study comes to the conclusion that a microloan from a microfinance institution is helpful in empowering women

politically, socioculturally, and economically. The study also found that beneficiaries had more work stability, higher incomes, and involvement in household financial decision-making than non-beneficiaries.

Kumar et al (2022) identified the spatiotemporal patterns in total fertility rate (TFR) at various educational levels in India. One of the most important indicators for predicting fertility is the total fertility rate since it is unaffected by changes in the age-sex composition and provides an accurate indication of fictitious completed pregnancy. Their economic and educational status also affects the progression of females. There are many factors, such as women empowerment, contraceptive use, reversible spacing, etc., that are responsible for the decreasing TFR in India. In addition, a number of initiatives are being taken.

Gulzar et al (2021) studied and analyzed the socio-economic circumstances of Jammu and Kashmir's tribal people as well as the contribution of various governmental initiatives and nonstate players to their socio-economic improvement. The study's findings demonstrated that scheduled tribal communities in the union territory of Jammu suffer from social and economic deprivation, prejudice, and alienation in this situation. The amount of education has an effect on professional opportunities and is necessary for social and economic progress.

3. Objectives

- To examine the role of Self-Help Groups in enhancing the economic empowerment of women

4. Research Methodology

The present study is empirical in nature. it is based on the data collected from the SHG members. Simple percentage analysis is applied to know the empowerment of women in three economic dimensions.

5. Analysis and Interpretation

This section of the paper presents the numerical analysis of the study. Simple percentage and frequency method applied to know the economic empowerment of women.

5.1 Economic Empowerment

Economic empowerment occurs when income security is attained, productive assets are owned, and entrepreneurial skills are possessed. All these dimensions are crucial for holistic empowerment. Women today are relatively more empowered than their predecessors, leading to a silent revolution in the total socio-economic scenario of the nation. The empowered woman can exercise her judgment independently and correctly in democracy. Empowerment is expected to develop confidence in oneself and have faith in oneself. Empowerment directly affects the lives of women positively.

The lifestyle, social status, struggle against injustice, and opposition to various kinds of harassment in society are inbuilt qualities of women's empowerment. In light of the above facts, in an enlightened society, both the government and non-governmental organizations play a meaningful, fruitful, and effective role in undertaking various activities for women's empowerment.

Economic Empowerment and Its Indicators: The SHGs through bank linkage have improved their economic status. The economic empowerment of the SHG members can be measured with the following indicators:

- Control on Resources/Assets
- Access to family income
- Financial decision making

5.2 Controls on Resources/Assets

The following factors play an important role in understanding the control on resources and assets of the SHG members: Use of earnings of Income Generating Activities (IGA), Use of SHG loan, Personal savings, and Sale/mortgage of Jewellery. These factors can be measured with the help of a four-point scale: Total use of IGA earnings, Major, Equal, or Minor/ less control of the use of earnings.

Table: 4.6 SHGs members Control on Resources/Assets

| Period | Opinion | Use of Earnings of IGA | Use of SHG Loan | Personal Savings | Sale/Mortgage of Jewellery |
|---------------|--------------|------------------------|-------------------|-------------------|----------------------------|
| Before | Major | 44 (10%) | 41 (9.33%) | 44 (10%) | 29 (6.67%) |
| | Equal | 106 (24%) | 106(24%) | 110(25%) | 106 (24%) |
| | Minor | 290(66%) | 293 (66.67%) | 286 (65%) | 305(69.33%) |
| | Total | 440 (100%) | 300 (100%) | 300 (100%) | 300 (100%) |
| After | Major | 63 (21%) | 83 (27.67%) | 88 (29.33%) | 30 (10%) |
| | Equal | 212 (70.67%) | 187 (62.33%) | 187 (62.33%) | 215 (71.67%) |
| | Minor | 25 (8.33%) | 30 (10%) | 25 (8.33%) | 55 (18.33%) |
| | Total | 300 (100%) | 300 (100%) | 300 (100%) | 300 (100%) |

Source: Compiled from the field study

The table titled "SHGs Members Control on Resources/Assets" presents data on how Self-Help Group (SHG) members' control over various financial resources has changed from before joining SHGs to after their participation. The table examines four key resources: Use of Earnings of Income Generating Activities (IGA), Use of SHG Loan, Personal Savings, and Sale/Mortgage of Jewellery. The data is categorized into three levels of control: Major, Equal, and Minor.

5.3 Before Joining SHGs

- Use of Earnings of IGA: 10% of the members had major control, 24% had equal control, and 66% had minor control over the earnings from IGA.
- Use of SHG Loan: 9.33% had major control, 24% had equal control, and 66.67% had minor control over the use of SHG loans.
- Personal Savings: 10% had major control, 25% had equal control, and 65% had minor control over their personal savings.
- Sale/Mortgage of Jewellery: 6.67% had major control, 24% had equal control, and 69.33% had minor control over the sale or mortgage of Jewellery.

5.4 After Joining SHGs:

- Use of Earnings of IGA: The percentage of members with major control increased to 21%, those with equal control rose significantly to 70.67%, while those with minor control decreased to 8.33%.

- Use of SHG Loan: Major control increased to 27.67%, equal control to 62.33%, and minor control decreased to 10%.
- Personal Savings: Major control rose to 29.33%, equal control remained steady at 62.33%, and minor control decreased to 8.33%.
- Sale/Mortgage of Jewellery: Major control increased to 10%, equal control to 71.67%, and minor control decreased to 18.33%.

The data indicates a significant improvement in the control SHG members have over their financial resources after joining the groups. Initially, a majority had minor control over these resources, but after participation in SHGs, there was a notable increase in members having major and equal control. This change reflects the positive impact of SHGs on empowering members to have a greater say and control over their financial activities and assets.

5.5 Access to Family Income

To estimate the access of SHG members to family income, the following parameters are considered: Sale of household produce, raising of hand loans, repayment of hand loans, and need-based medical support. Access is measured on a four-point scale: Do Solely, Major, Equal, and Minor/less access to the family income.

Table: 4.7 Accesses to Family Income

| Period | Opinion | Sale of Household Produce | Raising of Hand Loans | Repayment of Hand Loans | Need-based Medical Support |
|---------------|--------------|---------------------------|-----------------------|-------------------------|----------------------------|
| Before | Do Solely | 44 (10%) | 44 (10%) | 44(10%) | 37 (8.33%) |
| | Major | 44 (10%) | 47 (10.67%) | 51 (11.67%) | 44 (10%) |
| | Equal | 103 (23.33%) | 114(26%) | 125(28.33%) | 124 (28.33%) |
| | Minor | 249 (56.67%) | 235 (53.33%) | 220 (50%) | 235 (53.33%) |
| | Total | 440 (100%) | 440 (100%) | 440 (100%) | 440 (100%) |
| After | Do Solely | 59 (13.33%) | 64 (14.33%) | 81(18.33%) | 88(20%) |
| | Major | 51 (11.67%) | 73 (16.67%) | 73 (16.67%) | 66 (15%) |
| | Equal | 301 (68.33%) | 271 (61.67%) | 264(60%) | 271 (61.67%) |
| | Minor | 29 (6.67%) | 32 (7.33%) | 22(5%) | 15(3.33%) |
| | Total | 440 (100%) | 440 (100%) | 440 (100%) | 440 (100%) |

Source: compiled from the field study

The table "Access to Family Income" illustrates the access that SHG members had to family income before and after joining SHGs, based on four parameters: Sale of household produce, raising of hand loans, repayment of hand loans, and need-based medical support. Access is categorized into four levels: Do Solely, Major, Equal, and Minor.

5.6 Before Joining SHGs

- Sale of Household Produce: 10% of members had sole control, 10% had major control, 23.33% had equal control, and 56.67% had minor control.
- Rising of Hand Loans: 10% had sole control, 10.67% had major control, 26% had equal control, and 53.33% had minor control.

- Repayment of Hand Loans: 10% had sole control, 11.67% had major control, 28.33% had equal control, and 50% had minor control.
- Need-based Medical Support: 8.33% had sole control, 10% had major control, 28.33% had equal control, and 53.33% had minor control.

5.7 After Joining SHGs

- Sale of Household Produce: The percentage of members with sole control increased to 13.33%, major control to 11.67%, equal control to 68.33%, while minor control decreased to 6.67%.
- Raising of Hand Loans: Sole control increased to 14.33%, major control to 16.67%, equal control to 61.67%, and minor control decreased to 7.33%.
- Repayment of Hand Loans: Sole control increased to 18.33%, major control to 16.67%, equal control to 60%, and minor control decreased to 5%.
- Need-based Medical Support: Sole control increased to 20%, major control to 15%, equal control to 61.67%, and minor control decreased to 3.33%.

The data indicates a significant improvement in the access SHG members have to family income after joining the groups. Initially, a majority had minor access to these resources, but after participation in SHGs, there was a notable increase in members having equal, sole, and major access. This change reflects the positive impact of SHGs on empowering members to have a greater role in managing family income and financial activities.

5.8 Financial Decision Making

Women were known to be suppressed decision-makers particularly it respects to financial decisions in Indian Society as the management of finances was rested among men. The patrilineal society further enhances male domination in this regard. However, with the advent of the SHG movement women have become emphatic in this regard. Hence an attempt has been made to understand the pattern of financial decision making among the SHG members and the analyzed data is presented in table.

Table: 4.8 Domestic Financial Decision Making

| S. no | Domestic Financial Decision Taken by | Frequency (Before) | Frequency (After) |
|-------|--------------------------------------|--------------------|-------------------|
| 1 | Self | 26 (6%) | 66 (15%) |
| 2 | Husband | 235 (53.33%) | 213 (48.33%) |
| 3 | Family Elders | 110 (25%) | 95 (21.67%) |
| 4 | Husband & Wife | 69 (15.67%) | 66 (15%) |
| | Total | 440 (100%) | 440 (100%) |

Source: compiled from the field study

The table "Domestic Financial Decision Making" shows the distribution of who takes financial decisions within households before and after SHG members' participation. Before joining SHGs, the majority of financial decisions (53.33%) were made by husbands alone, while family elders were responsible for 25% of the decisions. Decisions made jointly by husband and wife accounted for 15.67%, and decisions made solely by SHG members were the lowest at 6%. After joining SHGs, there was a noticeable shift. The frequency of decisions made by SHG members themselves increased significantly to 15%, indicating greater involvement of women in financial decision-making. The percentage of decisions made by husbands alone decreased slightly to 48.33%, and those by family elders also reduced to 21.67%.

Decisions made jointly by husband and wife remained relatively stable at 15%. This shift highlights the growing empowerment of women within their households, allowing them to take a more active role in managing family finances and making important financial decisions. The increased participation of SHG members in financial decision-making underscores the positive impact of SHGs in fostering women's empowerment and altering traditional family dynamics in financial matters.

6. Conclusion

The present study clearly demonstrates that Self-Help Groups (SHGs) have become a vital mechanism for promoting women's economic empowerment in Telangana State. Through collective savings, access to microcredit, and participation in income-generating activities, SHG members have significantly enhanced their financial autonomy, control over resources, and decision-making power within households. The analysis reveals notable improvements in the areas of income utilization, family financial participation, and control over personal savings and assets after joining SHGs. Women who were earlier confined to domestic roles have now evolved into active contributors to their family income and community development.

Moreover, SHGs have not only improved the economic status of women but have also instilled confidence, leadership qualities, and social awareness among members. The transformation from dependence to self-reliance reflects the true spirit of empowerment. However, the study also identifies a few persistent challenges such as inadequate training, lack of marketing facilities, and limited financial literacy that hinder the full realization of SHG potential.

To sustain and deepen the impact, there is a need for continuous capacity-building programs, effective market linkages, and enhanced institutional support from government and financial agencies. Strengthening SHG federations and integrating technology-based financial services can further enhance efficiency and inclusivity. Overall, the study concludes that SHGs serve as a strong foundation for achieving gender equality, rural development, and the broader vision of Vikasit Bharat by empowering women to become independent, productive, and confident agents of socio-economic change.

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