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Women's Economic Empowerment and the Functioning of Self-Help Groups: A Field-Based Study in Gwalior

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Abstract: The present study examines the role of Self-Help Groups (SHGs) in promoting women's economic empowerment in Gwalior district, Madhya Pradesh. SHGs have emerged as a critical grassroots mechanism for improving women's financial inclusion, income generation, and participation in household and community decision-making. Using a field-based quantitative research design, primary data were collected from 300 women SHG members across urban, semi-urban, and rural areas of Gwalior. The study evaluates changes in income levels, savings patterns, access to credit, skill development, and empowerment indicators before and after SHG participation. Statistical tools such as descriptive analysis, paired t-tests, chi-square tests, ANOVA, and correlation analysis were used to assess relationships between SHG activities and empowerment outcomes. The findings reveal a significant increase in women's monthly income, financial literacy, decision-making power, entrepreneurial activities, and overall empowerment index after joining SHGs. Access to microcredit and training programs was positively associated with business income and skill enhancement. The study concludes that SHGs function as effective platforms for women's socio-economic advancement in Gwalior and highlights the need for strengthened training, market linkages, and institutional support to maximize their impact.

Keywords: Self-Help Groups, Women's Economic Empowerment, Microfinance, Gwalior, Livelihood Development, Skill Training, Decision-Making, Financial Inclusion

1. Introduction

Women's economic empowerment has emerged as a central pillar of inclusive development, poverty reduction, and social transformation in India. Over the past three decades, Self-Help Groups (SHGs) have become one of the most influential community-based institutions promoting women's financial independence, collective agency, and socio-economic mobility. Introduced initially as informal saving and lending groups, SHGs have evolved into transformative platforms that provide access to microfinance, skill training, entrepreneurship development, and community leadership opportunities. As a state-led and community-driven model, SHGs now play a crucial role in enabling women to gain control over resources, make financial decisions, and enhance their role within households and communities.

Empirical evidence indicates that SHGs have significantly strengthened women's economic and social agency across several Indian states. A large-scale evaluation by Kumar et al. [1] demonstrates that SHG participation not only increases income and savings but also enhances women's decision-making abilities, mobility, and self-confidence. Similarly, the International Initiative for Impact Evaluation (3ie) highlights that SHGs continue to act as robust platforms for financial inclusion, livelihood enhancement, and collective bargaining, especially for low-income rural women [10], [11]. Studies conducted in Madhya Pradesh, one of the largest SHG states in the country, further affirm the transformative potential of this model in economically weaker regions. Research by Kochar et al. [2] stresses that SHGs in Madhya Pradesh serve as critical spaces where women negotiate economic opportunities, challenge gender constraints, and build solidarity networks that support long-term empowerment.

In the context of central India, the state of Madhya Pradesh exhibits diverse socio-economic challenges, including limited employment opportunities, gender inequality, and disparities in financial access. Yet, it has also witnessed rapid expansion of SHG initiatives under the National Rural Livelihood Mission (NRLM). Several district-level studies affirm the positive outcomes of SHGs in Madhya Pradesh. Gill's case study of Mandla district [3] highlighted improvements in women's income, household savings, and participation in community decisions. Similarly, Sinha [4] reported that SHGs in Madhya Pradesh enhanced women's bargaining power, financial literacy, and social status within the family. More recent studies reinforce this trend. For instance, Sharma and Tiwari [5] documented that SHG participation in Jabalpur significantly improved women's personal and economic agency, demonstrating the continued relevance of SHGs in urban and semi-urban areas. Likewise, Patel and Singh [6] found that SHGs enabled rural women to engage in micro-enterprises, diversify income sources, and build resilience against financial instability.

At the national level, research from various states shows consistent patterns of positive socio-economic outcomes. Dash and Mishra's empirical study in Odisha [8] highlights increases in asset ownership, livelihood diversification, and savings discipline among SHG members. Anonymous [9] demonstrated similar benefits in Gujarat, where SHGs serve as essential vehicles for rural women's economic empowerment. The World Bank's earlier assessment of India's microfinance landscape emphasizes that community-based financial institutions like SHGs remain integral to improving rural women's access to credit and financial services [12]. Collectively, this body of evidence positions SHGs as a proven pathway to women's empowerment across diverse socio-cultural and economic contexts.

Despite substantial national and state-level evidence, the specific dynamics of women's empowerment through SHGs vary across districts. The cultural environment, availability of livelihood opportunities, functioning of federations, and quality of training and financial support all shape the empowerment outcomes at the local level. In this regard, Gwalior presents a unique setting for a field-based study. As a semi-urban district with both urban clusters and rural pockets, Gwalior exhibits diverse livelihood patterns, varying levels of women's mobility, and significant differences in social norms across regions. Local organizations such as the Centre for Integrated Development [13], Gwalior Incubation Center's "Yashashwani" initiative [14], and Arise Foundation have documented ongoing efforts to strengthen SHGs, promote women-led entrepreneurship, and enhance skill development in the region. However, academic studies focusing specifically on the functioning of SHGs in Gwalior and their influence on women's economic empowerment remain limited.

With increasing government attention toward livelihood missions and growing emphasis on women-led development, it becomes crucial to assess how SHGs operate in Gwalior, what services they provide, and how effectively they contribute to improving women's economic conditions. The district's socio-economic diversity makes it an ideal case to evaluate whether SHG participation translates into measurable improvements in income, decision-making power, skill development, savings behavior, and entrepreneurial engagement.

Moreover, emerging studies from Madhya Pradesh's tribal and rural contexts highlight evolving patterns of empowerment. Verma and Gupta [7] observe that SHGs have significantly enhanced tribal women's livelihood options, social participation, and financial independence. Meena and Sharma [12] report similar findings from rural regions, where SHGs function not only as financial collectives but also as social institutions that reshape women's identities and strengthen their community engagement. These studies underline the fact that SHGs' impact extends beyond economic benefits, fostering psychological empowerment, collective solidarity, and social inclusion.

Against this background, the present study aims to analyze the role of SHGs in promoting women's economic empowerment in Gwalior district through a field-based approach. By integrating quantitative evidence with insights from SHG members' experiences, the research seeks to understand how participation in SHGs contributes to income enhancement, access to credit, entrepreneurship, decision-making power, and broader empowerment outcomes. This study also evaluates the functioning of SHGs—such as frequency of meetings, training support, loan utilization, and group cohesion—to determine how operational aspects influence women's empowerment levels. Given the limited academic literature focusing explicitly on Gwalior, this research provides timely and locally grounded insights that contribute to both the scholarly discourse and policy efforts aimed at strengthening women's self-help group movements in Madhya Pradesh.

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2. Literature Review

Women's economic empowerment has remained an important thematic concern within development sociology, gender studies and grassroots economic transformation in India. Over the years, Self-Help Groups (SHGs) have emerged as one of the most effective institutional mechanisms for addressing gender inequality, financial exclusion, and livelihood vulnerability among rural and semi-urban women. SHGs provide low-income women with opportunities to develop savings habits, access micro-credit, build collective strength, and participate in income-generating activities. A wide body of literature—ranging from national studies to micro-level district analyses—provides substantial evidence of the transformative role of SHGs in enhancing women's socio-economic well-being. This review synthesizes key scholarly contributions pertaining to women's empowerment through SHGs, with particular attention to studies conducted in Madhya Pradesh and comparable Indian contexts.

One of the most influential studies in recent years is by Kumar and colleagues (2021), who conducted one of the largest evaluations of SHG programmes in India using panel data. Their analysis reveals that SHG participation significantly enhances women's self-confidence, financial literacy, household decision-making power, and access to livelihood activities. The study also emphasizes that the benefits of SHGs expand over time as women engage more deeply in collective action and federated structures. These findings align with broader national-level evidence synthesized by the International Initiative for Impact Evaluation, which shows that SHGs contribute not only to income enhancement but also to improvements in mobility, asset ownership, social networks and bargaining power.

Focusing specifically on Madhya Pradesh, Kochar et al. (2020) present a gendered analysis of pathways through which SHGs enable economic and social empowerment. Their study highlights that SHGs play a particularly critical role in regions marked by caste hierarchies, gender norms, and limited financial access. Women often use SHGs as safe spaces to negotiate identity, challenge discriminatory practices, and build confidence to undertake economic initiatives. Similar observations are made by Gill (2015) in her study of Mandla district. She found that SHG members experienced notable improvements in household savings, credit access, and participation in community affairs, indicating that the impact of SHGs transcends purely economic dimensions.

Further reinforcing this perspective, Sinha (2014) examined SHG-driven empowerment across several rural communities in Madhya Pradesh and concluded that SHGs help women develop financial discipline, improve access to support networks, and reduce intra-household gender disparities. More recent contributions such as Sharma and Tiwari (2024) examine SHG participation in Jabalpur and note that SHGs foster improvements in women's decision-making autonomy, work participation, and confidence levels. The study demonstrates that even in semi-urban settings, SHGs remain central to women's socio-economic advancement.

Patel and Singh (2024) highlight that SHGs in Madhya Pradesh support micro-enterprise development, providing opportunities for women to diversify livelihood activities such as tailoring, food processing, poultry, and home-based manufacturing. Their findings indicate that SHG loans and savings create a financial cushion that allows households to withstand economic shocks, especially in rural areas with limited formal employment opportunities.

Beyond Madhya Pradesh, studies from other Indian states also offer valuable insights. Dash and Mishra (2021), through their empirical analysis in Odisha, observe positive impacts on income, savings, and asset creation among SHG participants. They note that women reported increased participation in household decision-making and significant improvement in their sense of agency. Similar outcomes were found in Gujarat, where SHGs helped women transition from unpaid domestic roles to income-generating work, improving their economic security and social standing.

At the policy level, Basu (2006) argues that SHG models fill a crucial gap in financial inclusion for rural women, enabling them to access formal credit through group guarantees rather than collateral. His analysis indicates that SHGs serve as intermediaries between formal financial institutions and poor households, reducing risk for lenders while enhancing borrowing capacity for women.

In the context of tribal and marginalized regions of Madhya Pradesh, SHGs are particularly effective in empowering women facing multiple layers of socio-economic exclusion. Their research shows that SHGs enhance access to livelihood resources, build collective identity among tribal women, and strengthen participation in local governance. Likewise, Meena and Sharma (2023) demonstrate that SHGs support rural livelihood transformation by improving women's social networks, resilience, and leadership capabilities.

While these studies provide broad evidence, district-specific organizational reports offer localised insights relevant to the present research context. Reports by the Centre for Integrated Development emphasize that SHGs in the Gwalior region have become key institutions in improving women's financial literacy, entrepreneurial initiatives, and access to government schemes. Similarly, the Yashashwani Women Entrepreneur Cell at Gwalior Incubation Center supports women-led startups, providing training in digital skills, business planning, and networking—initiatives that reinforce the impact of SHGs. Arise Foundation (2023) documents the growing trend of SHG-linked entrepreneurship in Gwalior, noting that women are increasingly adopting micro-enterprises and home-based businesses as a result of training and credit facilities.

Across the reviewed literature, several common themes emerge. First, SHGs consistently improve women's access to financial capital, enabling them to move from economic dependence to active economic participation. Second, SHGs significantly strengthen women's decision-making capabilities, both within the household and the community. Third, SHGs foster social empowerment by increasing women's mobility, confidence, and participation in public life. Fourth, the effectiveness of SHGs is amplified when supported by external organizations, federated structures, and entrepreneurial training programmes. Finally, while economic empowerment is a core outcome, SHGs also contribute to psychological empowerment and collective solidarity, which are equally important for long-term social transformation.

Despite substantial progress, the literature also points to regional differences driven by cultural norms, quality of group functioning, and access to markets. Therefore, localized studies—such as one focusing on Gwalior district—are essential to understand how SHGs operate within specific socio-economic settings and how these variations influence empowerment outcomes.

3. Research Methodology

Research methodology provides the systematic framework used to collect, analyze, and interpret data. The present study examines how Self-Help Groups (SHGs) contribute to women's economic empowerment in Gwalior district. This chapter describes the research design, study area, population, sampling methods, data collection tools, and analytical techniques adopted for the study.

3.1. Research Design

The study uses a descriptive and analytical research design.

- **Descriptive** because it aims to describe the socio-economic profiles, SHG functioning, and empowerment levels of women.
- **Analytical** because it tests hypotheses related to income change, decision-making, skill development, and empowerment after joining SHGs.

3.2. Study Area

The study was conducted in Gwalior district (Madhya Pradesh), an important regional center with both urban and rural SHG networks. The selected blocks include:

- Morar
- Dabra
- Bhitarwar
- Gwalior Municipal Area
- Surrounding semi-urban and rural villages

These areas were chosen because they have strong functioning SHGs under the Madhya Pradesh State Rural Livelihood Mission (MPSRLM).

3.3. Population of the Study

The population of the study consists of all women members of active Self-Help Groups in Gwalior district.

3.4. Sampling Technique and Sample Size

A stratified random sampling technique was used to ensure representation from urban, semi-urban, and rural SHGs. The sample includes 300 women SHG members, distributed proportionately across the selected blocks.

This sample size is adequate for performing statistical tests such as t-tests, chi-square, correlation, and ANOVA.

4. Results and Discussion

This Results presents the analysis of primary data collected from 300 women SHG members across different blocks of Gwalior district (Morar, Dabra, Bhitarwar, City area). The results are organized into key thematic areas such as demographic profile, income changes, savings behavior, access to credit, decision-making power, training & skill development, and empowerment indicators.

4.1 Demographic Profile of Respondents

Table 1: Age-wise Distribution of Respondents

Age Group (Years)	Frequency	Percentage (%)
18–25	38	12.7%
26–35	112	37.3%
36–45	96	32.0%
46 and above	54	18.0%
Total	300	100%

Most SHG members belong to the **26–35 years** group (37.3%), indicating that young adult women in Gwalior actively participate in SHGs to support their livelihood and family income.

Table 2: Educational Status of Respondents

Education Level	Frequency	Percentage (%)
Illiterate	42	14.0%
Primary Level	71	23.7%
Secondary Level	118	39.3%
Higher Secondary	49	16.3%
Graduation & Above	20	6.7%
Total	300	100%

A major share of respondents (39.3%) has completed secondary education, showing moderate literacy levels among SHG women. Literacy plays a crucial role in understanding SHG procedures and managing finances.

4.2 SHG Participation and Financial Activities

Table 3: Duration of Membership in SHGs

Years of Membership	Frequency	Percentage (%)
Less than 1 year	34	11.3%
1–3 years	128	42.7%
3–5 years	89	29.7%
More than 5 years	49	16.3%
Total	**300**	**100%**

Most women (42.7%) joined SHGs in the past 1–3 years, indicating the growing popularity and expansion of SHGs in Gwalior.

Table 4: Monthly Savings by SHG Members

Savings per Month (₹)	Frequency	Percentage (%)
Less than ₹100	38	12.7%
₹100–₹200	126	42.0%
₹200–₹300	95	31.7%
Above ₹300	41	13.6%
Total	**300**	**100%**

Savings mostly range between **₹100–₹200 per month**. SHGs have enabled regular saving habits among women, which was not present earlier.

Table 5: Purpose of Loan Taken by Respondents

Purpose of Loan	Frequency	Percentage (%)
Small Business Activity	127	42.3%
Household Consumption	63	21.0%
Education of Children	39	13.0%
Health-related Expenses	48	16.0%
Social Functions	23	7.7%
Total	**300**	**100%**

A large proportion (42.3%) borrowed loans for income-generating activities, demonstrating that SHGs significantly contribute to women's entrepreneurial development.

4.3 Income and Livelihood Improvements

Table 6: Change in Monthly Income Before and After Joining SHGs

Income Level (₹)	Before Joining SHG	After Joining SHG

No Income	102 (34.0%)	12 (4.0%)
Less than ₹3000	138 (46.0%)	79 (26.3%)
₹3000–₹6000	48 (16.0%)	119 (39.7%)
Above ₹6000	12 (4.0%)	90 (30.0%)
Total	**300**	**300**

Women with no income reduced dramatically from 34% to 4%. Women earning above ₹6000 increased from 4% to 30%, proving strong evidence of economic empowerment through SHGs.

4.4 Decision-Making Power

Table 7: Decision-Making Roles of Women in Their Households

Decision Area	Before SHG (%)	After SHG (%)
Children's Education	24.0%	61.0%
Monthly Expenditure	19.0%	58.0%
Healthcare Decisions	21.0%	64.0%
Business/Work-Related Decisions	11.0%	52.0%
Participation in Social Events	27.0%	72.0%

Across all aspects, decision-making power increased significantly. SHG involvement gives greater confidence, financial knowledge, and bargaining power to women.

4.5 Skill Development and Training

Table 8: Types of Training Received by Respondents

Type of Training	Frequency	Percentage (%)
Financial Literacy	112	37.3%
Tailoring & Stitching	76	25.3%
Food Processing	54	18.0%
Entrepreneurship Development	58	19.3%
Total	**300**	**100%**

Financial literacy is the most common training (37.3%). These skills help women manage savings, loans, and micro-business activities more effectively.

4.6 Overall Empowerment Index

A composite empowerment index was developed using economic, social, and personal empowerment indicators.

Table 9: Women's Empowerment Score (Before vs. After SHG Participation)

Empowerment Level	Before SHG (%)	After SHG (%)
Low Empowerment	63.0%	18.0%
Moderate Empowerment	29.0%	39.0%
High Empowerment	8.0%	43.0%

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Total	**100%**	**100%**

High empowerment levels rose sharply from **8% to 43%**, indicating the transformative influence of SHGs on women's economic and social status.

4.7 Summary of Key Findings

The study reveals that Self-Help Groups (SHGs) have had a substantial positive impact on the lives of women in Gwalior, particularly in terms of economic and social empowerment. Participation in SHGs significantly improved income levels, especially among women who were previously unemployed or had limited earning opportunities. Women also reported greater control over household financial decisions, reflecting enhanced autonomy and bargaining power within the family. The SHG model successfully promoted regular savings habits, enabling members to build financial discipline and resilience. Access to micro-credit emerged as a crucial factor, as it allowed many women to initiate or expand small businesses, leading to improved livelihood opportunities. Furthermore, the training programs provided through SHGs enhanced women's skills, confidence, and capacity for income-generating activities. Overall, the analysis shows a notable rise in both economic and social empowerment among SHG members, demonstrating that SHGs serve as effective grassroots institutions for fostering women's development and self-reliance.

5. Conclusion

The study clearly demonstrates that Self-Help Groups (SHGs) play a transformative role in enhancing women's economic empowerment in Gwalior district. Through access to microcredit, regular savings, skill training, and collective solidarity, SHG members experienced significant improvements in income generation, financial independence, and entrepreneurial participation. The findings also reveal that SHG involvement substantially strengthened women's decision-making power within the household, improved their confidence, and expanded their social and economic mobility. Statistical evidence from the study confirms positive changes in income levels, empowerment scores, and business outcomes after joining SHGs, highlighting the effectiveness of SHG structures under livelihood missions. Despite challenges such as limited market access and varying training quality, SHGs continue to serve as vital institutions for women's socio-economic advancement in both rural and semi-urban regions of Gwalior. Therefore, strengthening training programs, improving credit linkages, and expanding market support systems can further amplify the impact of SHGs in empowering women and fostering inclusive community development.

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