Impact of Self Help Groups on Inclusive Growth of Women in Karnataka: A Case Study of K R Nagara Taluk, Mysuru District

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Abstract

The present study examines the impact of Self-Help Groups (SHGs) on the inclusive growth of women in Karnataka, with a specific focus on K. R. Nagar Taluk of Mysuru District. The study emphasizes that access to appropriate financial services is a key determinant of rural development and an essential component of achieving inclusive growth. The research highlights the significant role of SHGs in promoting socio-economic development and advancing financial inclusion among women. To assess the effectiveness of SHGs, the study utilizes key indicators of the financial inclusion process and evaluates the performance of linked banks in providing financial facilities to SHG members, thereby fostering inclusive growth. The research was conducted across Karnataka during the period 2011–2018. A total of 65 SHG members actively participated in the field survey, which was carried out using a questionnaire-cum-schedule method.

Keywords: *SHGs; Inclusive Growth; Financial Inclusion; Socio-economic Development.*

1. Introduction

SHG is strategy as an influential instrument for reduction of poverty, creation of income and employment opportunities, women empowerment, and creating awareness and to make sustainability of environment, which finally results in sustainable development. Women empowerment became a critical pre-requisite of the socio-economic condition of the weaker section of the society in rural areas. According to Planning Commission, it is deals with the major aim of converging the benefits in the socio-economic development sectors for women in the 9th Five Year Plan, envisaged "inclusion of an specific women component plan in the schemes of the respective ministries right from the planning process, and to monitoring and implementation of development schemes to certify the reach of benefits to rural poor women". Inclusive growth is the development on reduces disparities among the per capita income in primary and non-primary sector, in rural and semi-rural areas, and in various socio-economic communities, particularly between men and women and among various ethnic group in the country as well as State.

Self-help groups (SHGs) are the recent past has emerged as a prospective instrument for poverty alleviation and financial inclusion and women empowerment. The crucial principles of the SHGs are group approach, mutual trust of small and convenient group, spirit of thrift, demand based lending, collateral free, poor-friendly loan, and peer group pressure in repayment, skill training, capacity building and empowerment. In the decade of nineties and twentieths National Agriculture Bank for Rural development (NABARD), Government Organization, Non-government Organizations (NGOs), Micro Finance Institutions (MFIs), initiates and started Self-help groups for microfinance, micro credit activities for the objectives of poverty alleviation, women empowerment and financial inclusion.

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2. Objectives of the study

The objectives of this study are to assess the women empowerment through SHGs. This has been initiated with the following specific objectives.

- To study the concept of SHGs and inclusive growth in Karnataka.
- To analyse the impact of SHGs on inclusive growth of women in K R Nagar taluk of Mysuru district.

Hypothesis

- There is a positive impact of SHGs on inclusive growth of respondents in K R Nagar taluk.

3. Research Methodology

The research study is mainly based on both primary and secondary sources. The secondary data has been collected from various annual reports of NABARD; different journals, reports and office documents. The primary data has been a total of 65 women respondents from SHGs were selected for the study and pre-tested questionnaire-cum- scheduled were used as a tool to collect primary data. The primary sources of data collected from K R Nagar taluk of Mysuru district. For the study analysis, statistical techniques like percentage, average and Chi-square have been used to primary data.

4. Concept of Inclusive Growth

Inclusive growth refers to a pattern of economic growth that generates employment opportunities and contributes to poverty reduction. It emphasizes equitable access to essential services such as health care and education for all sections of society, particularly the poor. Inclusive growth also focuses on ensuring equality of opportunity and empowering individuals through education and skill development. Moreover, it encompasses an environmentally sustainable growth process, promotes good governance, and fosters the creation of a gender-sensitive and socially equitable society.

5. Role of SHGs in Inclusive Growth

Inclusive growth is necessary for sustainable development and equitable distribution of wealth and prosperity. Achieving inclusive growth is the biggest challenge in a country like India. In a democratic country like India, bringing 600 million people living in rural India into the mainstream is the biggest challenge. The concern is to take the levels of growth to all section of the society and to all parts of the country. The best way to achieve inclusive growth is through developing people's skills. According to Prime Minister, Dr. Manmohan Singh, the key components of the inclusive growth strategy included a sharp increase in investment in rural areas, rural infrastructure and agriculture spurt in credit for farmers, increase in rural employment through a unique social safety net and a sharp increase in public spending on education and health care.

6. Performance of Self Help Groups In Karnataka

Karnataka does not figure on the top of the tables published by financial institutions that show the number of SHGs formed in each state.

Table - 1 Performance of SHGs in Karnataka

Year	No. of SHGs	Saving Amount (Rs in Lakhs)	Loan Distribute (Rs in Lakhs)
2014-15	734304	130241.1	480337.12
2015-16	962446	144242.13	625908.13
2016-17	1031733	131181.48	572200.91
2017-18	853643	114701.74	819680.29
2018-19	907391	115494.28	844587.46
CAGR (%)	**3.08**	**-4.59**	**15.01**

Source: NABARD Reports

The data presented in the above table illustrates the growth trends and financial performance of Self-Help Groups (SHGs) in Karnataka during the period from 2014–15 to 2018–19. The number of SHGs stood at 7,34,304 in 2014–15, which increased to 10,31,733 in 2016–17. However, the number declined sharply to 8,53,643 in 2017–18, before rising again to 9,07,391 in 2018–19. In terms of financial performance, the total savings mobilized by SHGs amounted to ₹130,241.10 lakh in 2014–15, which subsequently changed to ₹115,494.28 lakh in 2018–19, indicating some fluctuations in savings behavior over the years. The total loan amount disbursed to women members under SHG programs was ₹480,337.12 lakh in 2014–15, which increased substantially to ₹844,587.46 lakh in 2018–19, reflecting a significant expansion in credit flow to SHGs and their members across the state.

7. Result and Discussion

Socio-economic Profile of Samples

The socio-economic profile of the selected sample has been analyzed using simple demographic and economic parameters such as age, educational status, marital status, type of family, caste composition, family size, occupational pattern, reasons for availing loans, utilization of SHG loan amounts, and other related aspects. Table 2 below presents the socio-economic characteristics of the respondents in K. R. Nagar Taluk of Mysuru District.

Table- 2 Socio-economic Profile of the Respondents in K R Nagara Taluk (n=65)

Category	Variables	No. of Respondents	% of Total	Result
Age	Below 25	8	12.31	***χ^2 Value* = 9.031**
	26 – 35	15	23.08	***df* = 3**
	36 – 45	25	38.46	***Sig.*= .029**
	46 and above	17	26.15	
Education	Illiterate	5	7.69	***χ^2 Value = 6.538***
	Literary	12	18.46	***df* = 5**
	Primary	16	24.62	***Sig.*= .257**
	Secondary	13	20.00	
	PUC	10	15.38	
	Above Degree	9	13.85	
Marital Status	Married	34	52.31	***χ^2 Value = 15.723***
	Unmarried	23	35.38	***df* = 2**
	Widows	8	12.31	***Sig.*= .000**
Caste Structure	GM	12	18.46	***χ^2 Value = 9.262***
	OBC	21	32.31	***df* = 2**
	SC/ ST	32	49.23	***Sig.*= .010**
Annual Income	Below Rs.15,000	16	24.62	***χ^2 Value = 3.354***
	Rs.15,001 to 20,000	21	32.31	***df* = 2**
	Rs.20,001 and above	28	43.08	***Sig.*= .187**

Source: Primary Data

Age Structure: Table 2 presents the age-wise distribution of respondents in K. R. Nagar Taluk. Among the 65 respondents surveyed, 25 (38.46%) belong to the 36–45 years age group, 17 (26.15%) are aged 46 years and above, 15 (23.08%) fall within the 26–35 years age group, and the remaining 8 (12.31%) are below 25 years of age. The results of the Pearson Chi-square test indicate a calculated value of 9.031 with a significance level of $p < 0.1$, suggesting that the impact of SHGs on the inclusive growth of women is significantly influenced by the age structure of the respondents in the study area.

Education: With regard to the educational level of respondents, Table 2 reveals that 7.69% (5 respondents) are illiterate. A majority of the respondents have attained primary education (24.62%), followed by secondary education (20%), and basic literacy education (18.46%). Additionally, 15.38% (10 respondents) have completed Pre-University Course (PUC) education, while the remaining 13.85% (9 respondents) possess education above the degree level. The statistical analysis using the Pearson Chi-square test yielded a calculated value of 6.538 with a p-value of 0.257, which is above the 10% level of significance at 5 degrees of freedom. This indicates that there is no statistically significant association between the educational level of respondents and the impact of SHGs on women's inclusive growth in the study area.

Marital Status: Table 2 clearly presents the marital status of the respondents in the study area. Out of the 65 SHG members surveyed, the majority were married women (52.31%), followed by unmarried women (35.38%), while the remaining 12.31% were widowed women. This distribution indicates that married women constitute the largest proportion of SHG participants in K. R. Nagar Taluk, reflecting their active involvement in SHG activities for enhancing household income and contributing to family welfare.

Caste Structure: Table 2 presents the caste-wise distribution of respondents in K. R. Nagar Taluk of Mysuru District. Out of the 65 respondents, 32 (49.23%) belong to the Scheduled Caste/Scheduled Tribe (SC/ST) category, 21 (32.31%) belong to the Other Backward Classes (OBC) category, and the remaining 12 (18.46%) belong to the General category. The results indicate that the majority of respondents from the SC/ST category have actively utilized the benefits of Self-Help Groups in the study area. The statistical analysis, based on the Pearson Chi-square test, yielded a calculated value of 9.262 with a p-value of 0.010, which is significant at the 1% level with 2 degrees of freedom. This result implies a strong and statistically significant association between caste structure and the utilization of SHG benefits, suggesting that SHGs have been particularly effective in promoting inclusive participation and socio-economic empowerment among marginalized communities in the region.

Annual Income: Table 2 presents the annual income distribution of respondents in K. R. Nagar Taluk of Mysuru District. Among the 65 respondents, 28 (43.08%) reported an annual income of ₹20,000 and above, 21 (32.31%) reported an income between ₹15,001 and ₹20,000, and the remaining 16 (24.62%) respondents had an annual income of below ₹15,000. The statistical analysis using the Pearson Chi-square test produced a calculated value of 3.354 with a p-value of 0.187, which is above the 10% level of significance at 2 degrees of freedom. This indicates that there is no statistically significant association between the annual income levels of respondents and their utilization of SHG benefits. However, the results suggest that SHG participation has contributed positively to the economic upliftment of women members in the study area, particularly those belonging to lower-income groups.

Table-3 Purposes and Reasons for Joining in SHGs

Sl. No	Variables	No. of Respondents	Percentage
1	Savings	12	18.46
2	Earning Income	16	24.62
3	Financial Support	10	15.38
5	Participate Social Activities	11	16.92
6	To run the Business Independently	9	13.85
7	Self- development	7	10.77
	Total	**65**	**100.00**

Source: Primary Data

Table 2 illustrates the purposes and reasons for joining Self-Help Groups (SHGs) among respondents in the study area. Out of the 65 SHG members surveyed, the majority (24.62%) reported that their primary purpose for joining SHGs was to earn income. A total of 12 respondents (18.46%) indicated that their main objective was to promote savings, while 11 respondents (16.92%) joined SHGs to participate in social activities. Additionally, 9 respondents (13.85%) stated that they joined SHGs with the purpose of starting an independent business, and the remaining 7 respondents (10.77%) reported that their participation was motivated by a desire for self-development and family improvement. These findings suggest that economic empowerment and financial security are the predominant motivations for women to participate in SHGs in K. R. Nagar Taluk, followed by social engagement and personal development objectives.

Table-4 Utilisation of the Loan Amount

Sl. No	Activities	No. of Respondents	Percentage
1	Agriculture	13	20.00
2	Business	8	12.31
3	Children Education	15	23.08
4	Health Issues	7	10.77
5	Social Activities	8	12.31
6	Family Management	14	21.54
	Total	**65**	**100.00**

Source: Primary Data

Table 3 presents the utilization of SHG loan amounts by respondents for various activities, including agriculture, business, children's education, health, social activities, and family management. Out of the 65 respondents, the largest proportion (23.08%) reported using the loan for children's education. Approximately 21.54% of respondents utilized the loan for family management activities, while 20% spent it on agriculture-related activities. About 12.31% of respondents used the loan for business and social activities, and the remaining 10.77% reported utilizing it for health-related expenses. These findings indicate that educational and family welfare purposes are the primary areas where SHG loans are directed, reflecting the role of SHGs in supporting human capital development and improving the socio-economic conditions of women members in K. R. Nagar Taluk.

8. Impact of SHGs on Inclusive Growth of Women in K R Nagar Taluk of Mysuru District

The field study observed a positive impact of Self-Help Groups (SHGs) on the inclusive growth of women respondents in the study area. SHGs have played a significant role in improving the socio-economic conditions and overall empowerment of women beneficiaries. Participation in SHGs has contributed to various aspects of inclusive growth, including Changes in personal Life, Habit Saving, Family and Financial Decision Making, Leadership Qualities and Self-Confidence, Increase in Business Activities, Improvement in Social Relationships, Increase in income activities, Improving the quality of life, Improving in Awareness and Knowledge, and Financial and Social after joining SHGs. These outcomes highlight that SHGs serve as an effective mechanism for fostering economic, social, and personal empowerment, thereby contributing substantially to the inclusive growth of women in K. R. Nagar Taluk.

Among the 65 respondents, the majority reported significant positive changes in various aspects of their lives due to participation in SHGs. Specifically, 95.38% of respondents indicated a change in personal life, while 90.77% reported an increase in income level. Improvements in quality of life were noted by 87.69%, and 84.62% of respondents reported enhanced leadership qualities and self-confidence. Additionally, 83.08% observed improvements in financial and social inclusion, 81.54% developed a habit of saving, and 80% reported better family and financial decision-making. Furthermore, 76.92% of respondents indicated improvement in social relationships and awareness and knowledge, while 50.77% reported an increase in business activities. These findings highlight that participation in SHGs contributes not only to economic empowerment but also to social, personal, and financial development, underscoring their crucial role in fostering inclusive growth among women in K. R. Nagar Taluk.

9. Testing Hypothesis

H0: There is no positive impact of SHGs on Inclusive Growth of respondents in K R Nagar taluk.

H1: There is a positive impact of SHGs on Inclusive Growth of the respondents in K R Nagar taluk.

Table -5 Impact of SHGs on Inclusive Growth of the Respondents in K R Nagar Taluk of Mysuru District

SSl. No	Factors	No. of Respondents (Out of 65)	% of Total	Chi-Square Value	Df	Sig.
1	Changes in personal Life	62	95.38	53.554	1	0.000*
2	Habit Saving	53	81.54	25.862	1	0.000*
3	Family and Financial Decision Making	52	80.00	23.400	1	0.000*
4	Leadership Qualities and Self-Confidence	55	84.62	31.154	1	0.000*
5	Increase in Business Activities	33	50.77	0.015	1	0.901***
6	Improvement in Social Relationships	50	76.92	18.846	1	0.000*
7	Increase in income activities	59	90.77	43.215	1	0.000*
8	Improving the quality of life	57	87.69	36.938	1	0.000*
9	Improving in Awareness and Knowledge	50	76.92	18.846	1	0.000*
10	Financial and Social after joining SHGs	54	83.08	28.446	1	0.000*

Source: Data Processed from the Statistical Data collected in the Mysore District.
Note: *, **, ***, denotes significant at 1%, 5%, and 10% level.

Table 5 presents the Chi-square test results examining the positive impact of SHGs on the inclusive growth of women. The analysis shows that all variables—including changes in personal life, habit of saving, family and financial decision-making, leadership qualities and self-confidence, improvement in social relationships, increase in income activities, improvement in quality of life, improvement in awareness and knowledge, and financial and social inclusion—are statistically significant at the 1% level, except for increase in business activities. Consequently, the null hypothesis is rejected, indicating that SHGs have a significant positive impact on the inclusive growth of women in K. R. Nagar Taluk of Mysuru District. This impact is evident from the responses of the majority of participants, who reported engagement in a variety of economic, social, and personal development activities. The findings also suggest that while SHGs have substantially contributed to women's empowerment, there remains a considerable scope for further enhancing inclusive growth in the study area.

10. Findings of the Study

- The study found that the age-wise distribution of the respondents in K R Nagar taluk. Out of 65 respondents, 25 (38.46%) respondents belong to the 36 to 45 age group, 17 (26.15%) respondents are 46 and above age group, 15 (23.08%) respondents belong to 26 to 35 age group, and the rest 8 (12.31%) respondents are below 25 age group.
- The study observed that the educational level the above table-2 depicts that 7.69% i.e., 5 of the respondents are illiterate women. It found that the majority of the respondents are primary educated women (24.62%), 13 respondents are studied at the secondary level i.e., 20%, 12 respondents are literacy women i.e., 18.46%, 10 respondents are studied at the PUC i.e., 15.38% and the remaining 9 (13.85%) respondents are studied above degree education level.
- It is found that the marital status of the respondents in the study area. Out of 65 SHGs members, the majority of the respondents were married women (52.31%), 35.38% of respondents were unmarried women and the remaining only 12.31% of the respondents were widow's women.
- It is interesting findings in study area, the caste structure of the respondents in K R Nagar taluk of Mysuru district. Out of 65 respondents, 32 (49.23%) of the respondents belong to SC/ ST category, 21 (32.31%)

respondents belong to the OBC category and the remaining 12 (18.46%) respondents belong to the general category.

- In this study area shows that the annual income status of the respondents in the K R Nagar taluk of the Mysuru district. Out of 65 samples, 28 (43.08%) respondents belong to Rs.20,000 and above income per annum, 21 (32.31%) respondents belong to Rs.15,001 to 20,000 income per annum, and the rest of 16 (24.62%) of the respondents belong to the below 15,000 income per annum.
- The study observed that the presents the purposes and reasons for joining in SHGS in the study area. Out of 65 SHGs members, the majority of the respondents are said that they have purposes of earning income in SHGs (24.62%), 12 (18.46%) respondents are told that they have purpose of savings amount in SHGs, 11 (16.92%) respondents are revealed that they have purpose of participate social activities, 9 (13.85%) respondents are opined that they have purpose of business independently and the remaining only 7 (10.77%) respondents are said that they have self-development in their family in the field study area.
- Out of 65 respondents, the majority of the respondents opined that they have change in personal life through SHGs, i.e., 95.38%. For the 90.77% of the respondents responded that they have increase in income level through SHGs, followed by the Improving the quality of life (87.69%), Leadership Qualities and Self-Confidence (84.62%), Financial and Social after joining SHGs (83.08%), Habit Saving (81.54%), Family and Financial Decision Making (80%), Improvement in Social Relationships (76.92%), Improving in Awareness and Knowledge (76.92%), and Increase in Business Activities (50.77%).

11. Suggestions

- Providing and increasing access of women into productive resources.
- Encoring and creating opportunities for participation in economic decision making.
- Providing opportunities for self-development.
- Mobilizing small savings among poor rural women.
- Participation in local governance and promoting decentralized governance scheme.
- Creating more and wider opportunities for skill development.
- Creating healthy relations between SHG members and the linking agencies.
- Impact on universal welfare of the family and community.
- Provide a cost effective approach to formal institutions for expanding and reaching out to poor.
- Offer an effective alternative to pursue the objective of growth by facilitating the empowerment of rural poor women;
- Make micro-finance available to provide to the consumption and production needs of poor women;
- Provide a platform for poor women to participate in mainstream economic activity.
- Help in capacity building by providing greater awareness on various development and welfare programmes.

12. Conclusion

The Self-Help Groups (SHGs) are the major component of this scheme. Women are a vital part of the Indian Economy, both at the national and the household levels. They make one-third of the national labour force. Compared with their men folk, Indian women contribute a much larger share of their earnings to basic family maintenance with the result that women's earnings positively and immediately affect the incidence and the security of poverty. The study results that out of 65 respondents, the majority of the respondents opined that they have change in personal life through SHGs, i.e., 95.38%. For the 90.77% of the respondents responded that they have increase in income level through SHGs, followed by the Improving the quality of life (87.69%), Leadership Qualities and Self-Confidence (84.62%), Financial and Social after joining SHGs (83.08%), Habit Saving (81.54%), Family and Financial Decision Making (80%), Improvement in Social Relationships (76.92%), Improving in Awareness and Knowledge (76.92%), and Increase in Business Activities (50.77%).

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