Research Article

Empowering Rural Women Through Self-Help Groups

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Abstract

Over the past thirty years, women's collectives have emerged as influential socio-economic institutions across rural South Asia, with India witnessing a significant expansion of Self-Help Groups (SHGs) as a vehicle for women's development initiatives. Typically comprising 10 to 20 women from similar cultural and economic backgrounds residing in close proximity, SHGs operate through regular meetings where members contribute to a shared fund. This pooled capital serves as a financial resource, enabling access to credit and fostering mutual support. This study draws on data from 280 female SHG participants in Uttar Pradesh and employs statistical tools such as the McNemar Test and Z Test to evaluate outcomes. The analysis reveals a marked improvement in social responsiveness and awareness among members. Participation in SHGs has heightened women's consciousness of social dynamics, empowering them to address domestic concerns, voice grievances within their groups, and, when necessary, seek legal recourse. Economically, SHGs have contributed to poverty alleviation by enhancing access to financial resources and promoting self-reliance.

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1. INTRODUCTION

Where social infrastructure is already in place, grassroots organisations have been instrumental in fostering inclusive development by engaging communities, enabling financial inclusion, closing the socio-economic gap and driving overall economic growth. Their work has led to greater capacity building of local institutions, improved livelihoods, and sustainable development at the community level. Among these, Self-Help Groups (SHGs) have emerged as vital platforms for empowering women, particularly those from economically disadvantaged rural backgrounds, through collective financial and social engagement (Ghosh, 2014; Maheshwari & Goyal, 2014). Across India, numerous success stories highlight the transformative potential of women-led collectives. Recognising this, NABARD introduced SHG initiatives aimed at promoting group-based savings and lending practices to combat poverty and enhance women's autonomy (Maheshwari & Goyal, 2014; Tripathi, 2014).

To extend financial inclusion to marginalised populations, including rural women, smallholders, and landless labourers, microfinance has been identified as a strategic intervention (Khan & Rehman, 2007). When adequately resourced, microfinance systems can stimulate economic activity at the grassroots level, serving as a foundation for broader development. In the Indian context, microfinance is increasingly regarded as a mechanism for socioeconomic upliftment, enabling low-income individuals to access credit without compromising their subsistence needs (Asian Development Bank).

Credit is essential for launching and growing a firm, and microfinance has been seen as a key instrument for fostering economic growth. Fostering balanced and inclusive economic growth remains a complex and persistent policy challenge across global governance contexts, requiring multidimensional strategies that address structural inequalities, regional disparities, and social exclusion (Collins Ayoo, 2022). The comparatively privileged segments of society may more easily engage in the growth process and reap the rewards of economic expansion, while the disadvantaged segments must wait a lot longer to do so. Inclusive economic development hinges on the integration of diverse social groups into the formal financial system, a prerequisite for achieving equitable growth (IMF; World Economic Forum). Microfinance serves as a strategic tool in this endeavour by offering a spectrum of financial and support services tailored to underserved populations. These services include small-scale credit, savings mechanisms, remittance facilities, insurance coverage, entrepreneurial training, advisory support, and other resources designed to assist individuals who are typically excluded from conventional banking due to insufficient collateral or lack of formal identification (Dhawan et al, 2026; Maurya, 2026).

Microfinance is not just about providing microcredit to the poor. All of these services are delivered right to the borrower's door, and most of the time they come with flexible payment terms (https://kb.icai.org/, Minai et al., 2021, Abebe, A., Kegne, M. (2023). Microfinance is considered a panacea not to poverty alleviation but also for social disintegration and women's subservience (Geleta, E. B. 2014).

One method of providing microfinance services is through self-help groups. SHGs are acting as major contributors to society, trying to end poverty and empower women, especially the underprivileged and rural women (Chavan and Birajdar, 2009; Nidheesh, 2009; Sujatha, 2011; Gupta and Aggarwal, 2017). The NABARD activities from 1992 to promote and expand financial services through SHGs in collaboration with NGOs have now developed into a "monolith" microfinance programme (Maheshwari & Goyal, 2014).

With the establishment of approximately 8 million Self-Help Groups (SHGs), India has witnessed one of the most decentralised, cost-effective, and rapidly growing microfinance movements globally. These groups have facilitated access to formal financial services for over 103 million low-income households, promoting financial inclusion and economic resilience. The SHG–Bank Linkage Programme (SBLP), formally adopted by banks in 1996 following its consistent success, has become a mainstream banking initiative (NABARD Reports).

NABARD is playing a pivotal role in providing rural banking innovations and products through the SBL programme. This is facilitating access to affordable and sustainable credit and financial services for 17 crore rural households with the help of banks (NABARD, Annual Report 2024-25).

Table 1: Performance of SBL Programme in FY 2025

Particulars	Status as on 31st March 2025 (change over FY 2024)			
	SHGs in Lakhs	**Change**	**Aggregate amount**	**Change**
Loans disbursed during FY 2025	55.6	1%	208282.7 crore Rs	-0.5%
Loans Outstanding	84.9	10%	304258.7 crore Rs	17%
Savings with Banks	143.3	- 1%	71433.3 crore Rs	10%
Non-performing Assets			1.7%	-15%
Average loan distributed per SHG during FY 2025			Rs 3.7 Lakhs	-2%

Source: NABARD, Annual Report 2025

The table below shows both growth and changes in financial engagement in 2025 in the context of the Self-Help Group – Bank Linkage Programme. It discloses the disbursement of loans to the 55.6 lakh SHGs (a marginal increase of 1 per cent) was slightly reduced by 0.5 per cent of the total loan amount, which means smaller average loans. There was a significant increase in the number of outstanding loans, with the number of credit-holding SHGs reaching 84.9 lakh and the total credit outstanding growing by 17%, indicating a deeper credit penetration. Savings account numbers fell slightly, but the amount of savings increased by 10%, indicating that the average savings account may have increased. Importantly, the NPAs declined to 1.7%, up from 18.6% a year ago, showing better repayment habits. The average loan per SHG, however, fell by 2% to ₹3.7 lakh, indicating cautious lending. Overall, the programme is growing in terms of outreach and financial depth, with better savings mobilisation and quality of loans, although with a decrease in average loan size. SHG–BLP helps to eliminate the need for money-lenders by giving credit at affordable prices at the right time and develops strength by encouraging savings. The organisation of SHGs in groups builds social capital, which creates unity and support among rural women. Additionally, credit enhances entrepreneurship, which in turn provides income generation and increased financial independence. The organisation's members can now combine their money and access to credit with the banks' connections, and they are provided with a structured platform that enables them to initiate diverse livelihood ventures, thereby actively contributing to their own empowerment journey.

Self-help groups and women's empowerment

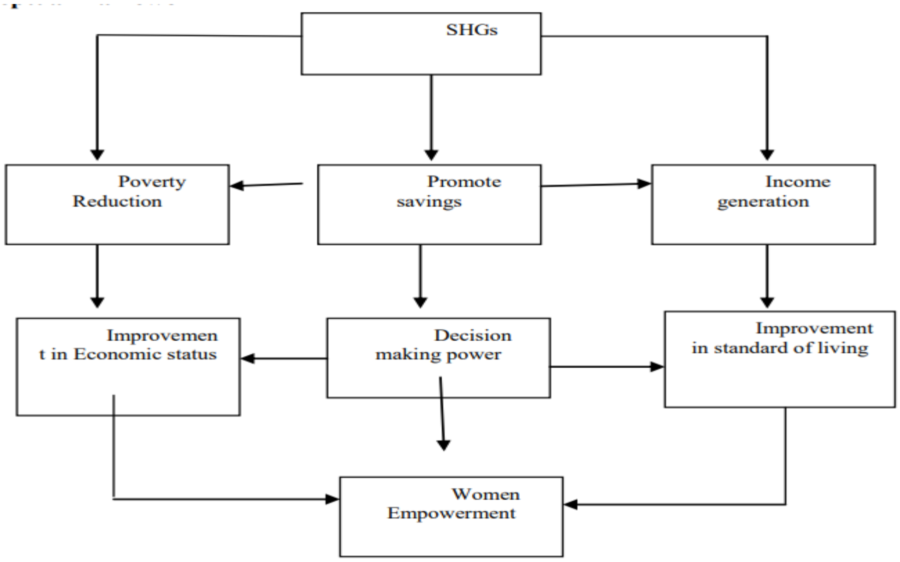
Women's empowerment and economic development are deeply interconnected. While inclusive development efforts can help reduce gender disparities, the active participation and empowerment of women also catalyse broader socioeconomic progress (Duflo, 2012). Self-Help Groups (SHGs) have been recognised as an effective mechanism for advancing the agency of economically marginalised women, particularly in rural contexts (Díaz-Martin et al., 2020).

Policy frameworks in India have long acknowledged the importance of empowering women as a cornerstone of national development. The National Perspective Plan for Women (1988) underscored the necessity of both economic and social empowerment for achieving comprehensive growth. Subsequent initiatives, including the National Policy for Empowerment of Women (2001) and the National Plan of Action for Empowerment of Women (2003–2004), reinforced this commitment by advocating for women's active involvement in development processes and the protection of their rights within society (Minaxi et al., 2022).

Women can only gain control over conditions to improve their capacities when they are allowed to engage freely in economic activities, particularly those that take place outside the house. SHGs offer suitable forums for this use (Omorodion, F. I. 2007; Paul & Hoop, 2022). Self-Help Groups (SHGs), often referred to as mutual aid or support collectives, are grassroots volunteer entities formed by individuals who share common goals and offer reciprocal assistance. These groups operate on the principle that collective action can effectively address personal and societal challenges, fostering both individual growth and community-level empowerment, particularly among women (Sahu, 2015). Members typically engage in activities such as group savings, access to microcredit, and participatory decision-making, which serve as key instruments for enhancing social and economic agency (Norwood, 2011; Brody et al., 2015).

The female SHG members appear to have embarked on working and improving the lives of their families. To this extent, women now have more control over their employment. Women now have better access to and control over their loans, investments, and salaries. After joining SHGs, women now have better opportunities to interact with both the authorities and other women (https://www.livemint.com; Brody et al., 2015). Women can somewhat increase their control over their employment, financial resources (savings, credit, and income), mobility and communication opportunities, initiative, and conceptual decision-making. As a result, there has been some progress in the 'capacity to' assessment of empowerment (Akhter & Cheng, 2020; Lwamba et al., 2022).

The framework given below represents the process of women's empowerment through Self-Help Groups (SHGs) in various socio-economic scenarios. The important variable with which the effectiveness of SHGs is connected is poverty reduction, promotion of savings and income generation. Savings help women's financial autonomy, and poverty reduction helps their economic situation. At the same time, the income-generating activities supported through SHGs help to raise the standard of living. The framework also demonstrates the linkages between these variables, such that the promotion of savings also contributes to poverty alleviation and income generation, and that decision-making power has a positive impact on income and living standards. The latter should be seen as the overall development of women's social, economic and financial skills, which are more strongly affected through these intermediate outcomes. Thus, the empowerment of women is the result of economic improvement, greater autonomy in decision-making and greater living standards. The model emphasises that the role of SHGs can be a significant tool for achieving financial inclusion, improving livelihood opportunities, and facilitating sustainable socio-economic development, which will result in a strong contribution to the overall empowerment of women.



Source: Irshad Ahmad Reshi; Women's self-help groups - Role in poverty nexus and empowerment

Figure 1: Self-help groups and women's empowerment

2. REVIEW OF LITERATURE

Microfinance is increasingly acknowledged as a strategic mechanism for advancing women's socio-economic empowerment, particularly within varied regional and cultural settings (Srivastava, 2026). Its role in enhancing financial inclusion, fostering entrepreneurial capacity, and promoting agency among marginalised women has been substantiated across multiple empirical and policy domains. Its transformative potential has prompted extensive scholarly inquiry, leading to a proliferation of impact assessments and comparative analyses of various microfinance delivery models. These studies have systematically documented the role of microfinance in enhancing women's financial autonomy, livelihood security, and social agency.

Puhazendhi (2000), in an evaluative study of 70 Self-Help Groups (SHGs) facilitated by four NGOs in Tamil Nadu, explored their sustainability, potential for women's empowerment, socio-economic outcomes, and future scalability. The findings indicated that these SHGs were actively contributing to social transformation and were well-aligned with broader development goals. The study also assessed the cost-effectiveness of the SHG–Bank Linkage Programme (SBLP) in comparison to priority sector lending and other rural credit schemes, concluding that SBLP offered competitive financing options.

Sheel, Ranjana, Krishna, and Sangeeta (2002) conducted a case study on the Thrift and Credit Scheme developed by the NGO Shramik Bharati, which aimed to empower disadvantaged women by facilitating their access to institutional credit, vocational training, and technical assistance through the establishment of Self-Help Groups (SHGs). Their research, based on a sample of 125 women, revealed that 60% experienced an increase in monthly income and improved professional capabilities after joining SHGs. Furthermore, 42.2% of respondents felt confident managing their enterprises independently, without continued NGO assistance.

Kabeer (2005), in her critical analysis of microfinance in South Asia, questioned its portrayal as a universal solution for women's empowerment. While acknowledging the role of financial access in enhancing the well-being of poor women and their families, she emphasized that microfinance alone cannot substitute for structural interventions such as education and political representation. Her study advocated for ongoing monitoring of microloan recipients to assess behavioral changes and tangible outcomes, cautioning against overreliance on microfinance as a singular policy tool.

According to Microfinance Information Exchange, Inc. (2007), women demonstrate stronger repayment behavior than men, with industry data from 2006 showing that 704 Microfinance Institutions (MFIs) served 52 million borrowers 99.3% of clients in solidarity lending and 51% in individual lending were women. Delinquency rates stood at 0.9% for solidarity lending and 3.1% for individual lending, reinforcing women's reliability in credit repayment.

In the Indian context, microfinance—particularly through the SHG–Bank Linkage Programme—has emerged as a key strategy for reaching underserved populations. The rapid proliferation of SHGs has catalysed a nationwide movement for women's empowerment. Behara & Suryanarayana (2013) underscore the dual impact of microfinance in reducing poverty and enhancing the socio-economic status of rural women, while also offering policy recommendations to strengthen empowerment outcomes.

Self-help groups (SHGs) are becoming one of the crucial tools for the empowerment of disadvantaged women in nearly all developing nations, including India, according to Sharma, Roy, and Chakravorty's (2012) study. The purpose of the study was to look at how different SHG members operated their businesses. 300 women from 25 SHGs were chosen for the research. It was discovered that the majority of SHGs had started their business from group funds after acquiring skills, while a small number had gotten subsidised loans from banks. The SHG members split profits evenly. Sudipta, Sarkar, and Debnarayan (2011) conducted a study revealing that before receiving structured training, participants exhibited notably low levels of skill. Post-training assessments indicated moderate improvements in their knowledge, competencies, and attitudes. The research further highlighted that prolonged engagement specifically eight years or more—in microcredit initiatives facilitated through Self-Help Groups (SHGs) was associated with significantly higher levels of empowerment among women compared to those in various control groups. Moreover, the study found that income generated through SHG-linked credit and savings activities had a meaningful and positive influence on household nutrition. It contributed to enhanced protein consumption and improved health outcomes for children of SHG members, underscoring the broader socio-economic benefits of sustained participation in microfinance programs.

To identify the purpose, norms, and functioning of SHGs as well as the difficulties they face, Sandhu (2013) found that the group was often made up of 15–20 individuals from lower social classes and economically disadvantaged areas. Problems were resolved by collective leadership, consensus, and open communication. Each group has a set of rules in place to guarantee effective group management. The group's main information source is the group leader. Limited financing, member non-payment, difficulty in formulation, frequent member turnover, and sluggish access to new government incentives and programmes are just a few of the issues SHGs in this region face. Self-Help Groups (SHGs) represent a unique approach to advancing financial inclusion, while simultaneously fostering self-governance and personal development among participating women (Sathish & Patil, 2015). Beyond their economic utility, SHGs serve as platforms for women to engage in civic matters, pursue leadership roles in local governance, and collectively address social and community challenges. Research also highlights that SHGs operate primarily on a savings-driven model, distinguishing them from conventional credit-based frameworks. This savings-first approach enables members to pool resources and utilize them for mutual benefit, reinforcing financial discipline and group solidarity (Geeta et al., 2022).

Self-Help Groups (SHGs) have emerged as a powerful mechanism for fostering financial, political, and social empowerment among women. While members often face challenges such as limited market access, inadequate infrastructure, and unstable income sources, the overall impact of SHGs has been largely positive. A wide body of research indicates that participation in SHGs contributes to improved healthcare access, enhanced financial stability, and greater autonomy in decision-making for women. Drawing from the literature on microfinance and women's empowerment, SHG-led microfinance initiatives have proven to be transformative, particularly for rural women across various regions of India and beyond. These programs have not only facilitated social change but also enabled women to initiate and sustain income-generating activities, thereby helping them rise above poverty and contribute meaningfully to their communities.

Research gap

The literature on microfinance and Self-Help Groups (SHGs) provides strong evidence of their role in enhancing women's socio-economic empowerment, yet several gaps remain that need further investigation. Much of the existing research has concentrated on financial outcomes such as income generation, savings behaviour, and repayment reliability, while less attention has been given to the sustainability of empowerment beyond economic indicators. For instance, the long-term impact of SHG participation on leadership development, decision-making autonomy, and community-level transformation is not sufficiently documented. Moreover, most studies are short- to medium-term evaluations, leaving a lack of longitudinal research that could capture how empowerment evolves over extended engagement with SHGs. Another gap lies in the comparative assessment of different SHG models, particularly in terms of scalability, governance structures, and their ability to adapt to diverse socio-economic contexts. Challenges such as member turnover, limited financing, and access to institutional support have been acknowledged but not systematically analysed in relation to empowerment outcomes. Additionally, while evidence points to improvements in household nutrition and health through SHG-linked activities, the broader social and cultural dimensions of empowerment, such as civic participation, collective problem-solving, and shifts in gender norms, remain underexplored. Addressing these gaps would provide a more holistic understanding of SHGs as instruments of empowerment, moving beyond financial inclusion to encompass their potential in fostering sustainable social change and community resilience.

Scope of the Study:

The proposed study will be crucial for the successful execution of several rural development initiatives because it will shed light on the fundamental issues facing the most marginalised groups in society. Additionally, the study will contribute to our understanding of how society and family interact to advance women.

Research Objectives

- To evaluate the extent of social advancement experienced by rural women following their participation in Self-Help Groups (SHGs).
- To investigate the influence of SHG membership on the economic empowerment of women in rural settings.

Research Hypotheses

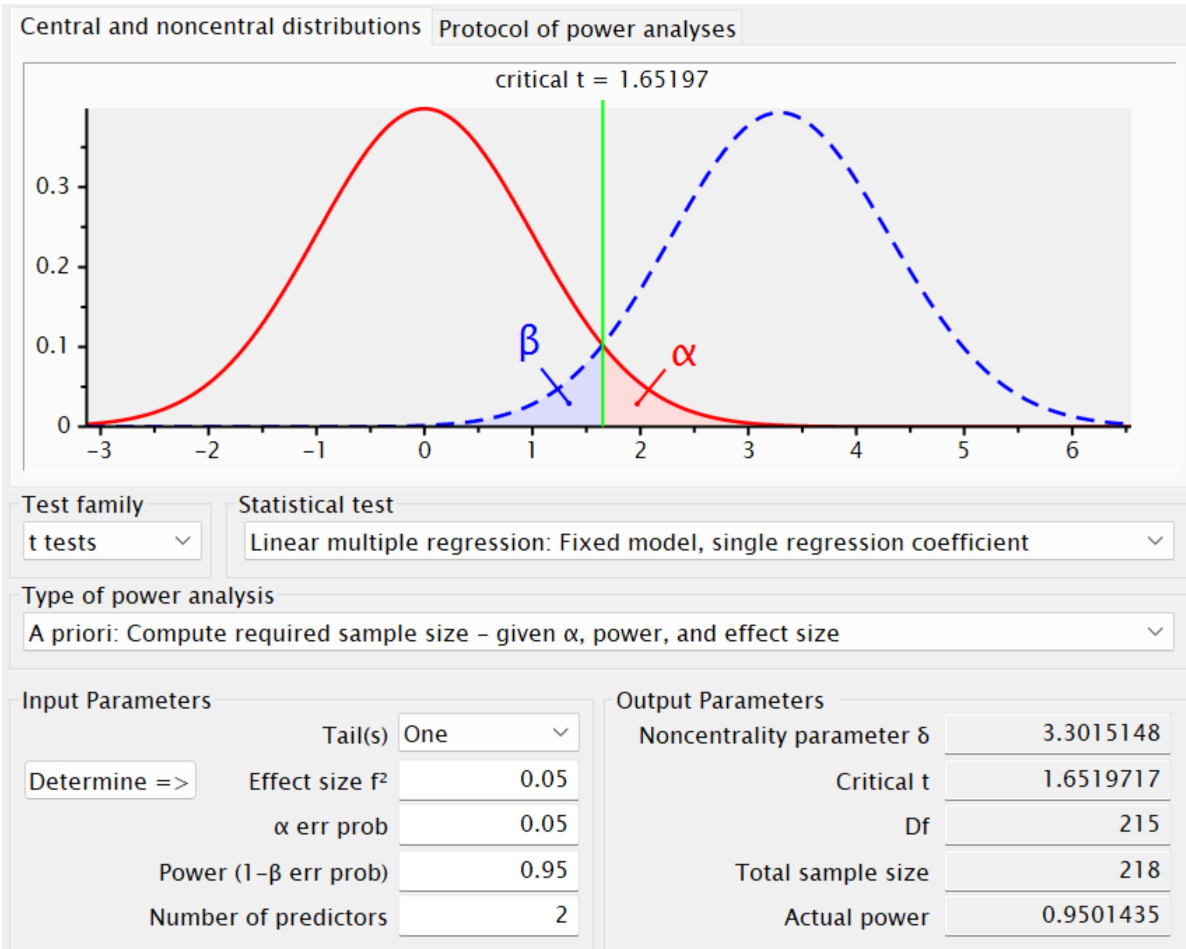
H_{01}: There is no statistically significant change in self-confidence levels among women before and after joining SHGs.

H_{02}: There is no statistically significant variation in awareness and responsiveness to social issues pre- and post-SHG membership.

H_{03}: There is no statistically significant improvement in the economic status of women before and after their involvement in SHGs.

3. RESEARCH METHODOLOGY

The proposed study uses a descriptive and survey-based methodology. The women members of SHGs constitute the study population. The minimum sample size of 100 for a major group in a study (Kathuri and Pals, 1993). G Power software has been used to calculate the sample size, and it suggests that at least 218 women respondents should be taken for the study. But, for a better understanding, a sample of 280 women SHGs beneficiaries has been chosen. Multi-stage random sampling was employed in the sample selection process. Along with gathering and analysing primary data, secondary data has also been examined and assessed appropriately. Secondary data from governmental and non-governmental organisations, research facilities, journals, magazines, and various NABARD, Bharat Microfinance, and other official websites have been gathered. One set of questionnaires, for Beneficiaries (Group Members), was prepared to collect Primary data by field survey. The data has been collected from Eastern Uttar Pradesh districts. The questionnaire was divided into five sections: respondents' information, participation in self-help groups, individual self-confidence, income, expenditure and individual savings. Data has been analysed by using the McNemar test and the paired Z test.



Source: G Power software

Figure 2: G* Power Analysis

The reliability of the questionnaire has been checked by using Cronbach's alpha. The results are as under-

Table 2: Reliability analysis

Factors	Cronbach's alpha
Self-confidence	0.717
Social evils	0.823
Income	0.793
Expenditure	0.817
Savings	0.776

The value of Cronbach's alpha "above 0.70 is acceptable. 0.80 or greater is preferred. Higher value is better (Cortina, J. M. 1993)".

4. DATA ANALYSIS AND DISCUSSION

Women's status, as reflected by resource acquisition and control (Mosedale S., 2005), is commonly conflated with women's empowerment. Empowerment resources extend beyond financial and material assets to encompass social and human capital, which play a vital role in enabling women to assert their rights and participate meaningfully in society (Kabeer, 1999). Microfinance not only facilitates access to income-generating opportunities but also enhances the quality of family life and strengthens the social standing of marginalized individuals by fostering self-assurance and encouraging active civic engagement (Dobra, 2011). These social dimensions are particularly significant for women, as they contribute to greater autonomy—an essential factor in driving inclusive economic growth and alleviating poverty. Many development activities may be completed effectively, and significant societal change can be brought about by empowering women and enhancing their status (Gupta & Yesudian, 2006). Women account for about 43% of the global agricultural workforce (Doss C., 2014) and 50% of global food output (FAO, 2011).

Table 3: Demographic distribution of respondents

Variables		Frequency	Percentage
Age	Below 30	65	23.2
	30-40	83	29.6
	40-50	87	31.1
	Above 50	45	16.1
Literacy	High school and below	135	48.2
	Intermediate	107	38.2
	Graduation	38	13.6
Marital status	Married	181	64.6
	Unmarried	85	30.4
	Divorcee	14	5.0
Income	Below 5000	76	27.1
	5000- 10000	175	62.5
	Above 10000	29	10.4
Savings	Below 500	98	35.0
	500-1500	147	52.5
	Above 1500	35	12.5

Source: Author calculation

The above table shows the demographic profile of the respondents. The majority of respondents fall between the age of 30 years to 50 years. 64.6 per cent of women respondents are married and nearly 63 per cent are having an income of Rs, 5000 to 10000 per month. More than half of respondents have reported that they are having a saving between 500 to 1500 Rs. Per month.

Self Confidence

SHG promotes and influences the self-confidence level among women. Members of the self-help group have improved their working knowledge, interpersonal skills, money management knowledge, job experience knowledge, literacy, saving habits, and work growth for opportunities (Suresh and Arul, 2019). Every SHG member has the chance to either listen to the concerns of others or to discuss their difficulties with other members who may have more experience or better problem-solving skills. As a result, everyone has a voice, even the introvert. Furthermore, self-confidence inspires a sense of accomplishing economic improvement by engaging in income-generating activities, which not only helps individuals speak up for individual or group concerns. Women transition from being unsure to being certain, from being introvert to extrovert, and she ends up sharing full responsibility for the family. The SHG provided support, encouragement, self-confidence building, spiritual help, and value evaluation. SHG was also effective in providing participants with mutual support in sustaining a job in the community, which is vital for vocational rehabilitation (Luk A. 2011). The self-help groups' participants benefit from increased self-assurance, improved communication skills, involvement in social conflicts, rational solutions to difficulties, and a decrease in aggressive behaviour (Farhad et al. 2012). Based on the above discussion, the following hypothesis is proposed:

H_{01}: There is no statistically significant change in self-confidence levels among women before and after joining SHGs. To explore changes in self-confidence levels before and after joining a Self-Help Group (SHG), a above hypothesis has been formulated. To test this hypothesis, the McNemar Test has been employed. This statistical method is particularly suited for analysing paired nominal data and is used to determine whether there is a significant shift in categorical responses between two related samples—such as pre- and post-intervention groups.

Table 4: Results of the test for Self-Confidence

	Value	P value
Mc-Nemar test		.002*
No valid cases	280	
* Binomial distribution used.		

Source: SPSS

The results presented in the table show a p-value below the 0.05 threshold, indicating statistical significance. Consequently, the alternative hypothesis is supported. Members of the group, therefore, began to feel more secure and self-confident after joining SHG. SHGs have an impact on community beliefs, values, attitudes, and traditional conventions that prevent women from taking part in decision-making for their socioeconomic empowerment. This is also true for the self-confidence of SHG members (Aikarua et al.2014).

Awareness of Social Evils

Women typically have poor social and economic standing in underdeveloped nations; as a result, empowering women is crucial to using women's labour in the mainstream of economic growth (Carr et al., 1996). The SHG can influence changes in social status, economic situations, decision-making, and the participation of women in outdoor activities. These SHGs are crucial for bringing about social transformation. SHG alters not just the external appearance of a town or civilization, but also its social structures and its inhabitants' views (Chandrashekar and Lokesh, 2009). Government representatives, NGO employees, and group gatherings raise awareness among the participants. They inform, direct, and instruct people on the social ills that are pervasive in their society, the potential risks, and the legal options available to address these ills. Following group involvement, members develop enhanced assertiveness, which increases their willingness and capacity to defend socially undesirable activities including drinking, gambling, and aggression against women. These social ills impede the micro-level development of the person and the macro-level development of society. These community organisations' effects on issues including child marriage, alcoholism, abortion, and dowry have been investigated (Mann, Randhawa and Kaur, (2011). Nobel Laureate Amartya Sen emphasised that the emerging nations in this region of the subcontinent will continue to have unresolved challenges with issues like health, literacy, and population unless women are given more influence. The following hypothesis has been formulated:

H_{02}: There is no statistically significant variation in awareness and responsiveness to social issues pre- and post-SHG membership.

To evaluate the stated hypothesis, the McNemar Test was employed. This statistical technique is designed to assess whether a significant difference exists between the proportions of categorical outcomes in two related samples. In this context, the paired nature of the data indicates that both sets of observations originate from the same group, collected at different points in time, typically before and after an intervention.

Table 5: Results of the test for social evils

	Value	P value
McNemar test		.000*
No valid cases	280	
* Binomial distribution used.		

Source: SPSS

The data presented in the table reveals a p-value below the 0.05 significance level, indicating that the null hypothesis is rejected in favour of the alternative. This outcome suggests a statistically significant change, affirming that SHG members have shown increased confidence and assertiveness in addressing prevailing social challenges within their communities.

Economic impact

Empowerment is a process that takes place for women to completely understand their identity and authority in all spheres of life (Bhat et al., 2014). It may be a useful tool for women to improve their social and economic standing as well as their influence and status in society. The SHGs stand out because they place a strong focus on empowering women via self-employment, improving their standing in the family and society, increasing rural people's understanding of health, education, and the environment, and promoting and protecting women's human rights at all stages of life (Kondal, 2014). Self-Help Groups (SHGs) have been widely recognized as impactful grassroots mechanisms for promoting women's empowerment across social, political, and economic dimensions (Jahan et al., 2004; Rajendra, 2015; Rahman & Sultana, 2012; Ramanathan, 2004). Through initiatives like the SHG–Bank Linkage Programme, microcredit has become accessible to economically disadvantaged women, enabling them to utilize a range of financial products and services. The formation of SHGs has also contributed to enhancing the social standing of women, particularly in remote and underserved regions (Gupta & Hanagandi, 2012). Empowerment through SHGs not only uplifts individual members but also fosters collective progress within families and communities, reinforcing the broader developmental impact of these groups (Pothal & Swain, 2023). The following hypothesis has been framed:

H_{03}: There is no statistically significant improvement in the economic status of women before and after their involvement in SHGs.

Using factors including yearly income, spending, and savings, the effect of SHGs on the financial conditions of rural women in Uttar Pradesh has been examined. These have also been examined in terms of the value retained by members and the change in asset value following membership in SHGs. The Paired Z test has been used to evaluate the following hypotheses to gauge the influence of various economic factors.

Table 6: Results of Paired Z-Test for Economic Variables

Sr. no	variables	Z test value	Level of significance
1	Income	20.698	.000
2	Expenditure	11.007	.021
3	Savings	8.916	.001

Source: SPSS

The results presented in the table indicate that, for all economic indicators, the calculated z-values exceed the critical value of 1.96 at the 5% significance level. Furthermore, the associated p-values are below 0.05, confirming statistical significance. Accordingly, the null hypothesis is rejected in favour of the alternative, suggesting a meaningful difference in economic variables before and after SHG membership. The positive z-values further imply that economic conditions have improved following participation in the Self-Help Group.

5. CONCLUSION

The phrase "empowerment" is vague and can refer to economic, social, emotional, or administrative authority. To reach the unreachable, microfinance initiatives were recommended. NABARD's Self Help Group scheme for women, which was introduced in 1992 to connect the financially excluded to the mainstream, was a welcome departure from this approach. The present study seeks to examine the influence of Self-Help Groups (SHGs) on the socio-economic status of women residing in rural areas. It aims to assess how participation in SHGs contributes to improvements in both social engagement and economic well-being among female members. It gave them the self-assurance they needed to engage with the world outside of their homes and farms. They are aware of the government's periodic welfare initiatives. The outcomes indicate a favourable effect or response to societal ills. Resistance begins with consciousness, and joining SHGs increased awareness levels. They are now self-assured enough to bring up family members' sincere actions in the group or to forewarn them by filing complaints with the family, the group, or in extreme circumstances, the authorities. The economic impact of SHGs is regarded as a positive step in the direction of ending poverty. This will encourage unemployed young people, regardless of gender, to engage in a source of income, preventing needless migration in pursuit of employment.

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