



# Impact of Women Self Help Groups on Livelihood Security and Development of Women in Karnataka: A Case Study of Uttara Kannada District

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*Abstract-* Women Self Help Groups (SHGs) have emerged as one of the most effective grassroots institutions for promoting women's empowerment and strengthening livelihood security in Karnataka. Over the last few decades, SHGs have transformed rural socio-economic structures by enabling women to access savings, microcredit, skill development, and income-generating opportunities. In Uttara Kannada, where livelihoods are largely dependent on agriculture, fisheries, forest-based activities, and informal labour, SHGs serve as an essential mechanism for reducing economic vulnerability and enhancing resilience. This study examines the impact of SHGs on livelihood security and the overall development of women in Uttara Kannada district. It highlights that SHGs promote financial inclusion, improve income levels, encourage livelihood diversification, and enhance women's participation in household and community decision-making. They also contribute to building confidence, leadership skills, and social awareness. However, despite these achievements, SHGs face challenges such as limited market linkage, inadequate enterprise capacity, irregular income streams, and dependence on external support systems. The article argues that SHGs should not be viewed merely as microfinance institutions but as comprehensive platforms for social transformation and grassroots development. Strengthening SHGs through institutional support, capacity building, and market integration can significantly improve sustainable livelihoods and empower women in rural Karnataka.

*Keywords:* Women self help groups, livelihood security, women development, Uttara Kannada, Karnataka, microcredit, empowerment, rural livelihoods.

## I. INTRODUCTION

Women's Self Help Groups (SHGs) have become a cornerstone of rural development and women's empowerment strategies in India. Built on the principles of collective savings, mutual trust, and participatory decision-making, SHGs enable women to mobilize financial resources and improve their economic conditions. In Karnataka, SHGs have played a significant role in addressing rural poverty, gender inequality, and financial exclusion.

The importance of SHGs is particularly evident in districts such as Uttara Kannada, where the economy

is characterized by diversity and uncertainty. The district includes coastal areas, forest regions, and hilly terrains, offering varied livelihood opportunities. However, these livelihoods are often seasonal and vulnerable to environmental and market risks. Women in the district frequently engage in agriculture, fisheries, forest produce collection, and informal labour, but their income is unstable and limited.

In this context, SHGs provide a stable platform for women to save money, access credit, and engage in income-generating activities. They also promote social interaction, collective action, and skill development. Livelihood security, therefore, is not



merely about earning income but also about achieving stability, resilience, and control over resources.

This study aims to examine how SHGs contribute to livelihood security and women's development in Uttara Kannada district. It analyzes economic, social, and institutional dimensions and identifies challenges and policy implications for strengthening SHGs.

## II. CONCEPT OF SHGS AND LIVELIHOOD SECURITY

A Self Help Group is a voluntary association of women who come together to save regularly and support each other financially and socially. Typically consisting of 10–20 members, SHGs operate on principles of mutual trust, accountability, and democratic functioning. Members contribute small savings, which form a common fund for lending and investment.

Livelihood security refers to the ability of individuals and households to sustain a stable and adequate standard of living. It includes income, food security, access to credit, skill development, and resilience against economic shocks. For women, livelihood security also includes empowerment, autonomy, and decision-making power.

SHGs enhance livelihood security by providing financial access and promoting collective action. They reduce dependence on informal credit sources, enable investment in productive activities, and improve risk management. Additionally, SHGs foster skill development, leadership, and social awareness, making them a comprehensive tool for empowerment.

## III. SHGS IN KARNATAKA

Karnataka has been a leader in SHG-based development initiatives. The state has actively promoted SHGs through rural livelihood missions, microfinance programmes, and women development schemes. These initiatives have resulted in a widespread network of SHGs across rural and semi-urban areas.

Women in Karnataka have used SHGs to engage in various economic activities such as dairy farming, tailoring, handicrafts, food processing, and small-scale trade. These activities contribute to income generation and enhance economic resilience. The SHG model reflects a shift toward decentralized development,

where communities actively participate in their own progress.

### Uttara Kannada District Profile

Uttara Kannada is a geographically diverse district with coastal, forest, and hilly regions. This diversity creates multiple livelihood opportunities but also leads to income instability due to seasonal variations and environmental factors.

Women in the district are actively involved in agriculture, fisheries, forest-based activities, and small-scale enterprises. However, they face challenges such as limited market access, inadequate infrastructure, and financial exclusion. SHGs provide a mechanism to overcome these challenges by promoting collective savings, credit access, and entrepreneurship.

Studies conducted in the district indicate active participation of women in SHGs, supported by NGOs and government programmes. These groups have contributed to improving women's economic conditions and social status.

## IV. METHODOLOGY (CONCEPTUAL AND CASE-BASED APPROACH)

This study is based on a conceptual and case-study approach using secondary data from research studies, government reports, and NGO documentation related to SHGs in Karnataka and Uttara Kannada district. It also incorporates findings from field-based studies conducted by organizations working with SHGs.

The analysis focuses on key indicators such as income generation, livelihood diversification, financial inclusion, social empowerment, and institutional support. The case study approach helps in understanding the real-life impact of SHGs on women's livelihoods and development.

### Economic Impact on Women

The economic impact of SHGs on women is one of the most visible outcomes. By encouraging regular savings, SHGs instill financial discipline and create a common fund for lending. Women can access credit for various purposes, including starting small businesses, purchasing inputs, and meeting household expenses.

In Uttara Kannada, women use SHG loans for activities such as dairy farming, tailoring, petty trade, and agricultural operations. These activities generate



additional income and reduce dependence on high-interest moneylenders. SHGs also enable women to manage financial risks and cope with emergencies such as health issues or crop failures.

Moreover, SHGs enhance women's control over financial resources. Even small earnings increase their participation in household decision-making, improving their bargaining power and confidence.

#### **Impact on Livelihood Diversification**

Livelihood diversification is essential for reducing vulnerability in rural areas. SHGs enable women to engage in multiple income-generating activities, thereby reducing dependence on a single source of income.

Women in Uttara Kannada participate in activities such as poultry farming, goat rearing, food processing, handicrafts, and small-scale trade. SHGs provide financial and social support for these activities, improving income stability and livelihood security. Diversification also helps women adapt to changing economic conditions and reduces the impact of seasonal fluctuations.

#### **Impact on Women's Development**

SHGs contribute significantly to women's overall development by enhancing their skills, confidence, and social participation. Women learn to manage finances, maintain records, and interact with institutions such as banks and government offices.

Participation in SHGs also increases awareness about health, education, sanitation, and welfare schemes. Women become more active in community activities and decision-making processes, improving their social status.

#### **Financial Inclusion and Credit Access**

SHGs play a crucial role in promoting financial inclusion by connecting women to formal banking systems. Many women who were previously excluded from financial institutions now have access to savings accounts and credit facilities.

This inclusion reduces dependence on informal credit sources and enables productive investments. Financial inclusion also enhances women's economic independence and security.

#### **Social Empowerment and Collective Identity**

SHGs foster a sense of collective identity among women. Group participation promotes solidarity, mutual support, and confidence. Women are able to address common issues and participate in community development activities.

This collective empowerment enhances social status and contributes to broader development outcomes.

#### **Challenges Faced by SHGs**

Despite their benefits, SHGs face several challenges. Income from SHG activities is often limited and irregular. Market linkage remains weak, restricting income growth. Many groups lack the capacity for enterprise development and business management.

Dependence on external support and unequal participation among members also affect sustainability.

#### **Policy and Institutional Recommendations**

To strengthen SHGs, policies should focus on capacity building, market linkage, and financial support. Training programmes should be practical and market-oriented. SHGs should be linked with development institutions and digital platforms.

Special attention should be given to vulnerable groups to ensure inclusive development.

## **V. CONCLUSION**

Women Self Help Groups have played a transformative role in enhancing livelihood security and women's development in Karnataka, particularly in Uttara Kannada. They provide financial access, promote income generation, and strengthen social empowerment.

With improved institutional support, capacity building, and market integration, SHGs can become a powerful mechanism for sustainable rural development and gender equality.

The economic argument is strengthened by computational modelling, location-based clustering, fuzzy decision reasoning and welfare-oriented analytical perspectives [9]-[12]. These sources support the use of evidence-based and data-oriented economic interpretation. Recent policy and institutional sources further support the discussion on economic change, digital transformation and inclusive development [13]-[15].

The study highlights that economic transformation must be assessed through inclusive growth, access, welfare impact and institutional effectiveness. Data-based and computational approaches can strengthen economic interpretation, but policy conclusions should remain sensitive to local realities and beneficiary-level differences.



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