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The performance of self-help groups in Karnataka - with reference to Bengaluru South District

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Abstract
India is a developing country that has experienced rapid economic and social growth in recent years. Much of this progress is driven by the development of individual states that have increased their Gross State Domestic Product (GSDP) and gained recognition at the international level. The SHGs have emerged as an effective mechanism for promoting economic growth, reducing poverty, and empowering marginalized communities. Karnataka's economy is largely agrarian and rural in nature, providing employment to a major portion of the population while supporting industries, trade, transport, and commerce. The SHG movement in India originated in rural Karnataka during the early 1980s and later expanded across the country as a successful model of community-driven development and financial inclusion. The functioning of SHGs is based on the principle of "Savings first, credit later." The SHGs act as a bridge between rural and urban economies by encouraging small-scale production, micro-enterprises, savings, and financial activities that generate income and improve livelihoods. Consequently, SHGs have become a powerful instrument for rural transformation, women's empowerment, and sustainable economic development in Karnataka and across India. In this context, the study is tried to tackle out the SHGs growth trend in the Karnataka and also study the progress of SHGs in Bengaluru South District.

Keywords: Self-help groups, economic performance, growth and development

Introduction

India is a developing country that has experienced rapid economic and social growth in recent years. Much of this progress is driven by the development of individual states that have increased their Gross State Domestic Product (GSDP) and gained recognition at the international level. One of the key factors behind Karnataka's economic progress is the active contribution of Self-Help Groups (SHGs), particularly in rural and semi-urban areas. The SHGs have emerged as an effective mechanism for promoting economic growth, reducing poverty, and empowering marginalized communities. Karnataka's economy is largely agrarian and rural in nature, providing employment to a major portion of the population while supporting industries, trade, transport, and commerce. In this context, SHGs act as a bridge between rural and urban economies by encouraging small-scale production, micro-enterprises, savings, and financial activities that generate income and improve livelihoods.

The SHG movement in India originated in rural Karnataka during the early 1980s and later expanded across the country as a successful model of community-driven development and financial inclusion. Aloysius Fernandez, regarded as the pioneer of the SHG movement, developed the concept after observing the natural bonds of trust and mutual support among poor communities. Instead of focusing on individual assistance, the SHG model emphasized collective action and institutional development, enabling poor people to address social and economic challenges together. These groups have contributed to women's empowerment by improving their financial independence, entrepreneurial skills, and social status. SHGs are widely recognized as an effective strategy for poverty alleviation and rural development, as they encourage savings, provide access to credit, and promote income-generating activities and micro-enterprises.

The functioning of SHGs is based on the principle of "Savings first, credit later." Members regularly contribute small savings that form a common group fund. Initially, no loans are provided for about six months, allowing members to build trust, discipline, and financial management skills. During this period, the group usually opens a savings account with a bank or financial institution. The common fund is later used for internal lending to needy members, with decisions regarding loans and interest rates made collectively by the group. When the group's resources are insufficient, SHGs approach financial institutions for additional credit support. Banks generally provide loans only to well-functioning SHGs, making it important to assess the group's performance and organizational strength. Overall, SHGs have become a powerful instrument for rural transformation, women's empowerment, and sustainable economic development in Karnataka and across India.

Review of Literature

The review of literature highlights the significant contributions of various scholars toward understanding women's empowerment, education, and the role of Self-Help Groups (SHGs) and microfinance.

Early works such as Bawani (1999) provided comprehensive guidance for social work educators, researchers, and practitioners working with voluntary organizations for women's development. Frank Elbers (2000) emphasized the importance of human rights education by compiling global resources, training programs, and bibliographic references. Similarly, Ungel (2000) focused on advancements in girls' education, identifying factors that promote gender equality in schooling. Shireen Jejeebhoy (2001) [13] critically examined the relationship between women's education and fertility, highlighting how education enhances women's access to information, decision-making power, resource control, and overall confidence. Arun A. Goel (2004) analyzed the existing framework of women's development, stressing the need for continued efforts to achieve empowerment in the 21st century. Studies by Lalitha and Nagarajun (2004) [6] demonstrated that SHGs and microfinance initiatives in Tamil Nadu have contributed significantly to women's economic and social empowerment. Mukhopadhyay (2004) [6] emphasized the importance of an interdisciplinary approach in understanding NGOs and their role in women's empowerment and nation-building. Kumar (2005) [5] found that microfinance has both economic and social impacts, including improved skills and increased awareness among women to combat social issues such as dowry and alcoholism. Parameswaran (2005) [9] further confirmed that SHGs enhance women's financial independence, decision-making ability, and social status. Talwar Sabanna (2007) [14] highlighted persistent gender disparities in education and employment, particularly among rural and low-income groups. H.R. Uma and K.N. Rupa (2013) [15] identified SHGs as effective tools for financial inclusion, enabling women to access formal financial services. Recent studies, including Anjoo Chauhan (2018) [1], revealed that microfinance improves women's economic conditions, social status, and leadership aspirations. Manvar, Kathiriya, and Thakar (2019) concluded that SHGs also play a vital role in improving women's health awareness, financial security, and income-generating activities.

Overall, the literature indicates that SHGs and microfinance are powerful instruments for promoting women's socio-economic empowerment, enhancing education, improving health awareness, and contributing to broader social development.

Objectives of the Study

- To analyse the SHGs growth trend in the Karnataka.
- To Study the progress of SHGs in Bengaluru South District.

Research Methodology

The study is based on secondary as well as primary data. It has been collected from the members of Self-Help group members from Bengaluru South District. The secondary data was collected from the official website of Ministry of Rural Development, Government of India. For the study, 30 samples have been selected randomly from the study area. The study covers Economical aspects of SHG members of the study area. The study has been used simple tabular, charts, average and mathematical methods.

The Conceptual Framework of SHGs

The origin of SHG concept can be traced to the Grameen Bank of Bangladesh, founded by Muhammad Yunus in 1975. In India, the SHG movement was initiated by the National Bank for Agriculture and Rural Development (NABARD) during 1986-87 in response to the lack of institutional credit in rural areas. One of the earliest organized efforts to promote SHGs in India was undertaken by MYRADA [1] in 1985. By 1986-87, nearly 300 SHGs had been formed within MYRADA projects. Many of these groups emerged following the collapse of large cooperatives, which were often dominated by a few individuals. In response, members formed smaller groups of 15-20 individuals and expressed willingness to repay loans among themselves rather than through the cooperatives.

MYRADA played a crucial role in nurturing these groups by providing training in basic organizational skills such as conducting meetings, setting agendas, and maintaining records. Over time, it was observed that SHG members were connected by mutual trust, social cohesion, and shared economic backgrounds. While caste and creed had some influence, factors like affinity and economic homogeneity often played a more significant role, resulting in groups that sometimes-included members from diverse social backgrounds. Between 1985 and 2000, the SHG movement witnessed significant institutional support from NABARD, the Reserve Bank of India (RBI), non-governmental organizations (NGOs), and international agencies such as IFAD. The 20-year evolution of SHGs can broadly be divided into two phases: the experimental and formative phase, followed by the expansion and mainstreaming phase.

1. Phase I: From 1987 to 1992

The period from 1987 to 1992 represents the experimental and formative phase of the SHG movement in India. During this stage, the National Bank for Agriculture and Rural Development (NABARD) focused on supporting non-governmental organizations (NGOs) in promoting Self-Help Groups (SHGs) and assessing their potential as an alternative credit model.

In 1987, NABARD initiated financial support to the SHG movement by providing a grant of ₹1 million to MYRADA, based on its prior experience in promoting SHGs since 1985. This funding aimed to facilitate the identification of affinity groups, capacity building, and encouragement of savings among members. Based on these initiatives and continued institutional efforts, the Reserve Bank of India formally recognized SHGs as an alternative credit delivery mechanism in 1990. Subsequently, in 1992, NABARD issued guidelines enabling banks to lend directly to SHGs, thereby establishing a formal framework for financial linkage. These developments culminated in the launch of the SHG–Bank Linkage Programme (SBLP) in 1992, marking a significant milestone in the institutionalization of microfinance in India. NABARD played a central role in promoting, monitoring, and strengthening this programme through capacity building, policy support, and innovation.

The development during this phase was the Tamil Nadu Women's Empowerment Project, supported by IFAD and implemented through the Tamil Nadu Women's Development Corporation around 1990. This was the first state-sponsored initiative to incorporate the SHG approach, with MYRADA playing a key role in its implementation in Dharmapuri district. The project focused on women's empowerment through group strengthening, skill development, and access to credit for income-generating activities. Although a comprehensive policy framework was still evolving, the RBI facilitated bank lending to SHGs with certain procedural adjustments. The early experimentation contributed significantly to shaping India's microfinance policies and laid the foundation for the expansion of the SHG-Bank Linkage Programme.

2. Phase II: From 1992 onwards

The period from 1992 onwards marks the expansion and institutionalization phase of the SHG movement in India, characterized by the introduction and growth of the SHG–Bank Linkage Programme (SBLP). The programme was launched in 1992 as a pilot project aimed at linking 500 SHGs with formal banking institutions. Although the pilot focused on bank linkage, it built upon the earlier groundwork laid by NABARD since 1987, which had already established the SHG movement's foundation and credibility. Initially, the programme experienced slow progress; however, it gained significant momentum after 1999 [4] due to strong support from the Reserve Bank of India (RBI), NABARD, central and state governments (notably Andhra Pradesh, Maharashtra, Tamil Nadu, and Karnataka), non-governmental organizations (NGOs), and international agencies such as IFAD. By March 2005, the SHG–Bank Linkage Programme had extended credit to approximately 1.6 million SHGs, covering over 24 million families (around 120 million people), making it the largest microfinance initiative in the world. Despite this impressive outreach, the total number of SHGs in India was estimated to be around 3 million by 2006, indicating that a substantial number of groups operated outside formal bank linkage.

NABARD reports primarily focus on SHGs linked to banks and cases where refinancing is sought, thereby underrepresenting the full extent of the SHG movement. Several functioning SHGs either did not seek bank credit due to sufficient internal savings or NGO support, or were excluded due to factors such as distance from banks, early stage of group formation, or weak performance. Beyond financial inclusion, SHGs have played a transformative role in the social empowerment of marginalized communities, particularly women. Important thing is that SHG approach emphasizes the management of savings and credit rather than mere access to loans. This process builds financial discipline, confidence, and collective decision-making capacity among members.

The SHG movement is thus not limited to credit delivery but serves as a broader instrument for socio-economic development and empowerment. The SHG-Bank Linkage Programme remains the most documented and measurable component of this movement, providing a reliable indicator of its growth and impact in India.

Growth of SHGs in Karnataka

In Karnataka, a wide range of programmes have been implemented to enhance the socio-economic conditions of SHG members. These initiatives are often linked with institutional mechanisms to ensure effective monitoring and support. Prominent programmes include Swashakti, Stree Shakti, Sujala, Karnataka Watershed Development Society (KAWAD), Drought Prone Areas Programme (DPAP), Desert Development Programme (DDP), Integrated Watershed Development Programme (IWDP), Western Ghats Development Programme (WGDP), National Wastelands Development Programme (NWDP), Karnataka Urban Development and Coastal Environment Management Project (KUDCEMP), Swarna Jayanti Shahari Rozgar Yojana (SJSRY), and Swarnajayanti Gram Swarozgar Yojana (SGSY), along with SHGs promoted by various banks and non-governmental organizations.

1. Evolution of SHGs in Karnataka

The economy of Karnataka is predominantly agrarian and rural in nature, with agriculture accounting for nearly 56 percent of the state's workforce. Beyond its direct contribution, the rural economy plays a crucial role in supporting allied sectors such as industry, transport, trade, and commerce. It supplies essential food grains and traditional, home-made products to the non-farm sector, thereby sustaining the broader economic structure. However, agriculture in Karnataka faces several persistent challenges, including low productivity, widespread unemployment and underemployment, inadequate storage and marketing facilities, limited access to institutional credit, and insufficient transport infrastructure. The pace of both rural and urban development in the state is significantly influenced by the efficiency of marketing systems for agricultural and non-agricultural produce.

The promotion of Self-Help Groups (SHGs) in Karnataka began in the mid-1980s, initially led by Non-Governmental Organizations (NGOs). By the late 1980s, the National Bank for Agriculture and Rural Development (NABARD) assumed a leading role in scaling up these initiatives. A landmark development occurred with the launch of the SHG–Bank Linkage Programme in 1991-92. Notably, Karnataka became a pioneer in this movement, as the first SHG bank loans in India were disbursed in Kolar district. Vysya Bank, Bangarpet branch, extended credit to Venkateshwara Mahila Sangha of Muduguli on December 9, 1991, followed by Corporation Bank, Andersonpet branch, which financed Saraswathi Mahila Sangha of Boduguriki on January 30, 1992. Subsequently, NABARD intensified the expansion of SHGs in Karnataka through a series of strategic measures. These included capacity-building programs for NGO and bank personnel, regular coordination meetings among stakeholders, systematic monitoring and feedback mechanisms, and operational improvements to enhance user-friendliness. Additionally, the Cauvery Grameena Bank in Mysore district was promoted as the first Regional Rural Bank (RRB) to actively support SHG formation during 1994-95.

During the 1990s, international support further strengthened SHG initiatives. The International Fund for Agricultural Development (IFAD), in collaboration with the World Bank and the Government of India, launched the Swashakti programme across several states, including Karnataka. Inspired by these efforts, the Government of Karnataka introduced the statewide "Stree Shakthi" programme, aimed at empowering women through SHG-based strategies. The combined efforts of government agencies, NGOs, and financial institutions significantly expanded SHG coverage across the state.

Self-Help Promoting Institutions (SHPIs) in India primarily emerged with the objective of supporting underprivileged sections of society. Their focus includes small and marginal farmers, landless agricultural labourers, rural artisans, women, and individuals from Scheduled Castes and Scheduled Tribes. These institutions aim to provide financial services, promote social empowerment, and enable access to government schemes and incentives. Microfinance has been adopted as a key instrument by SHPIs to address poverty and socio-economic inequalities, particularly among rural women.

The fundamental premise of microfinance is to organize individuals into SHGs and link them with formal banking institutions. This mechanism serves as an effective tool for improving income levels, enhancing consumption and production activities, and ensuring access to sustainable financial services. Furthermore, it enables the banking sector to expand its outreach by catering to a large segment of the rural population that was previously excluded from formal financial systems.

Today, SHGs have become an integral part of rural Karnataka, with virtually every village having SHG presence. The state government remains the largest promoter of SHGs, integrating their formation and functioning into various developmental programmes aimed at women's empowerment and poverty alleviation.

2. Institutional Support and Growth of SHGs in Karnataka

The growth and effectiveness of SHGs in Karnataka cannot be understood in isolation from the state's robust institutional framework and well-designed policy interventions. Government initiatives such as Stree Shakti and Sanjeevini, along with the support extended by the Karnataka State Rural Livelihood Mission (KSRLM), have played a pivotal role in strengthening the SHG movement. These programs have provided essential infrastructural, financial, and capacity-building support, thereby facilitating both the formation of new SHGs and the sustainability of existing ones.

Moreover, these interventions have enhanced the functional efficiency of SHGs by offering training modules, revolving funds, and technical assistance. Non-Governmental Organizations (NGOs) have further complemented these efforts at the grassroots level by conducting gender sensitization programs, promoting financial literacy, and enabling SHG members to access various government schemes.

Table 1: District wise SHGs count in Karnataka: 2025-26

District Name	Blocks Count		SHGs Count	
	Total Blocks	Blocks (SHGs entry has Started)	Total SHGs	SHGs (Members Count less than5)
Bagalkot	9	9	9160	161
Bengaluru	5	5	4006	65
Bengaluru Rural	4	4	5021	113
Belagavi	14	14	20435	369
Ballari	5	5	5978	138
Bidar	8	8	9400	250
Vijayapura	13	13	6223	108
Chamaraja Nagara	5	5	7747	235
Chikkamagaluru	9	9	6738	117
Chitradurga	6	6	9785	316
Dakshina Kannada	9	9	5991	127
Davanagere	6	6	7351	186
Dharwad	7	7	6399	82
Gadag	7	7	7558	242
Kalaburgi	11	11	8962	104
Hassan	8	8	10929	217
Haveri	8	8	9680	252
Kodagu	5	5	3095	116
Kolar	6	6	9232	151
Koppal	7	7	8522	311
Mandya	7	7	11309	214
Mysuru	9	9	11165	178
Raichur	7	7	8352	175
Shivamogga	7	7	11144	314
Tumakuru	10	10	14081	476
Udupi	7	7	7795	62
Uttara Kannada	12	12	9232	204
Chikkaballapura	6	6	9265	215
Ramanagara	4	4	5880	92
Yadgiri	6	6	4519	108
Vijayanagara	3	3	2827	52
Total	230	230	257781	5750

Source: Ministry of Rural Development, Government of India

The above Table-1 presents the district-wise distribution of Self-Help Groups (SHGs) in Karnataka, highlighting the extent of SHG penetration, block coverage, and group composition. A key observation from the table is that SHG coverage has achieved complete block-level penetration, as all 230 blocks in the state have initiated SHG activities. This indicates the widespread institutionalization of the SHG movement across Karnataka, reflecting effective policy implementation and strong support from government and financial institutions. In terms of total SHGs, there is significant inter-district variation. Belagavi district records the highest number of SHGs (20,435), followed by Tumakuru (14,081), Mysuru (11,165), Mandya (11,309), and Shivamogga (11,144). These districts may reflect better institutional support, higher rural participation, and stronger microfinance networks. On the other hand, relatively lower SHG numbers are observed in districts like Vijayanagara (2,827), Kodagu (3,095), and Bengaluru (4,006), possibly due to urbanization, smaller rural populations, or geographical constraints.

The total number of SHGs in the state stands at 2,57,781, demonstrating the massive scale of grassroots financial inclusion. However, the presence of 5,750 SHGs with less than five members raises concerns about group sustainability and effectiveness. Districts such as Tumakuru (476), Belagavi (369), Chitradurga (316), and Koppal (311) report higher numbers of such smaller groups, which may indicate issues like member dropout, migration, or weak group cohesion.

Overall, the data suggests that while Karnataka has achieved impressive SHG outreach and coverage, quality and sustainability of SHGs remain areas of concern. Strengthening group size, enhancing member participation, and improving monitoring mechanisms are essential to ensure the long-term success of SHG-based microfinance initiatives and rural development.

Karnataka's approach to SHG development is notably progressive, as it emphasizes institutional convergence among key departments such as Women and Child Development, Panchayat Raj, and Rural Development. This integrated framework has significantly contributed to the holistic development and empowerment of SHGs across the state, distinguishing Karnataka from many other regions in India.

Table 2: Social Category wise member of SHGs (District Level): 2025-26

District Name	SHG	Minority Category wise Member					
		SC	ST	Minority	Others	Sub Total	PWD
Bagalkot	9160	18399	7486	6164	61171	93220	1536
Ballari	5978	14077	14581	3341	27728	59727	1121
Belagavi	20435	32509	14935	20395	159053	226892	6254
Bengaluru	4006	15378	1757	1612	36056	54803	1359
Bengaluru Rural	5021	14290	3959	2222	35686	56157	945
Bidar	9400	19290	12638	8851	43700	84479	3102
Chamaraja Nagara	7747	25369	10165	1683	46352	83569	886
Chikkaballapura	9265	25063	14831	4273	48412	92579	7545
Chikkamagaluru	6738	18932	4370	4457	49316	77075	5321
Chitradurga	9785	25428	19061	2312	52362	99163	1272
Dakshina Kannada	5991	6150	5510	7292	44870	63822	1271
Davanagere	7351	18540	12943	3527	46763	81773	931
Dharwad	6399	5705	4370	6712	50954	67741	1669
Gadag	7558	10996	4828	5299	48563	69686	942
Hassan	10929	22805	2629	3583	88247	117264	3107
Haveri	9680	15469	12267	9637	63193	100566	8408
Kalaburagi	8962	29305	3140	8206	59531	100182	2129
Kodagu	3095	4170	2439	3489	21088	31186	382
Kolar	9232	29458	7351	3680	50348	90837	8677
Koppal	8522	15733	10117	5982	52537	84369	3742
Mandya	11309	16628	1709	1837	104915	125089	3894
Mysuru	11165	27166	18708	2996	87348	136218	1811
Raichur	8352	18171	17001	5815	40955	81942	1257
Ramanagara	5880	13053	1536	1145	57961	73695	1548
Shivamogga	11144	22848	5893	6046	78664	113451	5644
Tumakuru	14081	27950	13786	5184	100820	147740	3518
Udupi	7795	5654	5455	3711	68375	83195	1653
Uttara Kannada	9232	9351	3847	5544	77314	96056	873
Vijayanagara	6615	15670	13566	3501	37092	69829	1557
Vijayapura	6223	14903	1629	5277	40772	62581	1043
Yadgiri	4519	12156	6349	3800	26513	48818	1468
Total	261569	550616	258856	157573	1806659	2773704	84865

Source: Ministry of Rural Development, Government of India

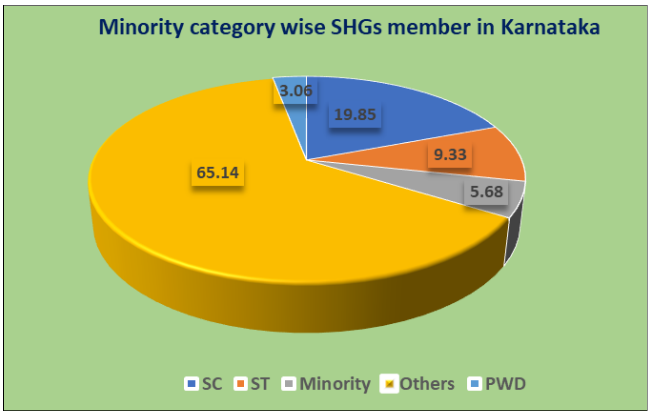
The above Table-2 presents the district-wise distribution of Self-Help Group (SHG) members across different social categories in Karnataka, including Scheduled Castes (SC), Scheduled Tribes (ST), minorities, others, and Persons with Disabilities (PWDs). The data reflects both the inclusiveness and outreach of SHG programmes in addressing socio-economic disparities.

At the aggregate level, the total number of SHGs is 2,61,569, with a combined membership of 27,73,704 individuals, indicating the extensive scale of SHG penetration in the state. Among the social categories, the 'Others' category dominates with 18,06,659 members, accounting for the largest share of SHG participation. This is followed by SC members (5,50,616) and ST members (2,58,856), while minority members constitute 1,57,573. The relatively lower participation of minority and ST groups suggests the need for more targeted inclusion strategies.

District-wise analysis reveals notable disparities. Belagavi district records the highest total membership (2,26,892), followed by Tumakuru (1,47,740), Mysuru (1,36,218), and Mandya (1,25,089). These districts exhibit strong SHG networks and broader social participation. In contrast, districts such as Kodagu (31,186), Yadgiri (48,818), and Bengaluru (54,803) show comparatively lower membership, possibly due to demographic, geographic, or urbanization factors. With regard to social inclusion, SC participation is significantly high in districts like Belagavi (32,509), Kalaburagi (29,305), and Kolar (29,458), indicating effective outreach among historically disadvantaged communities. Similarly, ST representation is prominent in Chitradurga (19,061), Mysuru (18,708), and Raichur (17,001), reflecting regional tribal population concentration. Minority participation is relatively higher in districts such as Belagavi (20,395), Haveri (9,637), and Bidar (8,851).

An important dimension of inclusivity is reflected in the participation of Persons with Disabilities (PWDs), totaling 84,865 members across the state. Districts like Haveri (8,408), Kolar (8,677), and Chikkaballapura (7,545) show higher PWD inclusion, indicating targeted efforts in these regions. However, several districts report comparatively low PWD representation, suggesting uneven inclusion.

Consequently, the data highlights that SHGs in Karnataka have played a significant role in promoting social inclusion and financial empowerment across diverse communities. However, disparities in participation across districts and social categories indicate the need for focused policy interventions to enhance inclusion of STs, minorities, and PWDs. Strengthening awareness programmes, capacity building, and targeted financial support can further improve equitable participation and ensure balanced socio-economic development through SHGs.



Source: Ministry of Rural Development, Government of India

Fig 1: Minority category wise SHGs member in Karnataka: 2025-26

Figure-1 illustrates the proportionate distribution of Self-Help Group (SHG) members across different social categories in Karnataka. The chart clearly highlights the extent of participation and inclusiveness of SHGs among various sections of society. A dominant feature of the figure is the overwhelming share of the 'Others' category, which accounts for 65.14 percent of the total SHG membership. This indicates that a majority of SHG participants belong to the general category, suggesting that SHGs have achieved widespread acceptance across broader sections of society. However, it also implies that marginalized groups still constitute a relatively smaller share of total participation.

Among the socially disadvantaged groups, Scheduled Castes (SCs) represent a significant portion, contributing 19.85 percent of total members. This reflects the success of SHGs in reaching historically disadvantaged communities and promoting their financial inclusion. Scheduled Tribes (STs) account for 9.33 percent, indicating moderate participation, though comparatively lower than SCs. This may be attributed to geographical isolation and limited institutional access in tribal regions.

The minority category constitutes only 5.68 percent of total SHG membership, highlighting relatively low participation. This suggests the need for targeted policy measures and awareness programmes to enhance inclusion of minority communities in SHG activities. Although this reflects efforts toward inclusive development, the proportion remains quite low, indicating the necessity for more focused interventions to integrate PWDs into SHG frameworks.

Consequently, the figure demonstrates that while SHGs in Karnataka have made considerable progress in promoting financial inclusion and social empowerment, disparities persist across different social categories. Greater emphasis on inclusive policies, targeted outreach, and capacity-building initiatives is essential to ensure balanced participation of STs, minorities, and PWDs, thereby strengthening the role of SHGs as instruments of equitable socio-economic development.

Role SHGs in the Study area

1. Historical and Administrative Profile of Bangalore South (Ramanagara) District

Bangalore South district, presently associated with Ramanagara, has undergone significant administrative and historical transformations over time. Ramanagara district was officially carved out of the erstwhile Bengaluru Rural district on 23 August 2007. The newly formed district comprised the taluks of Ramanagara, Channapatna, Kanakapura, Magadi, and later Harohalli. Ramanagara town was designated as the district headquarters. On 23 May 2025, Bangalore South district was renamed from the erstwhile Ramanagara district, while Ramanagara continues to function as the administrative headquarters. Geographically, the district lies approximately 50 km from Bangalore city along the Bangalore–Mysore State Highway (NH-17), contributing to its strategic connectivity.

Historically, Ramanagara has undergone multiple name changes reflecting different periods of rule. During the reign of Tipu Sultan, the town was known as Shamserabad. In the pre-Independence era, it was renamed Closepet after Barry Close (1756–1813). After Independence, the town was renamed Ramanagara by the former Chief Minister of Karnataka, Kengal Hanumanthaiah. The region also has deep historical roots dating back to ancient dynasties. It was primarily ruled by the Western Ganga Dynasty, who governed from their capital at Mankunda, located in present-day Channapatna taluk.

In addition, the district has cultural and historical significance linked to Kempe Gowda, a renowned architect, builder, and administrator, who hailed from Magadi taluk.

Demographically, Bangalore South (Ramanagara) district had a population of 1,082,739 as per the 2011 Census. The district is situated at an average elevation of about 622.80 meters above sea level and receives an annual average rainfall of approximately 931.58 mm, reflecting moderate climatic conditions.

Overall, the district represents a blend of historical legacy, administrative evolution, and geographical significance within the state of Karnataka.

Table 3: Social Category wise SHGs Member in Bengaluru south District (Block level) 2025-26

Block Name	SHG	Minority Category wise member					
		SC	ST	Minority	Others	Sub Total	PWD
Channapatna	1574	3615	179	127	17290	21211	326
Kanakapura	1973	4210	424	316	19213	24163	221
Magadi	1173	3058	603	551	10256	14468	387
Ramanagaram	1160	2170	330	151	11202	13853	614
Total	5880	13053	1536	1145	57961	73695	1548

Source: https://nrlm.gov.in

Table 3 presents the block-level distribution of Self-Help Groups (SHGs) and their membership across different social categories in Bengaluru South district. The data highlights the extent of SHG outreach, social inclusion, and disparities among blocks. At the aggregate level, the district comprises

5,880 SHGs with a total membership of 73,695 individuals, indicating a substantial presence of SHGs in the region. Among social categories, the ‘Others’ category dominates with 57,961 members, forming the largest share of participation. This is followed by Scheduled Castes (SC) with 13,053 members, while Scheduled Tribes (ST) (1,536) and minorities (1,145) account for relatively smaller proportions. The data suggests that although SHGs are widespread, participation of STs and minority groups remains limited.

A block-wise analysis shows notable variations. Kanakapura block has the highest number of SHGs (1,973) and total membership (24,163), indicating strong SHG penetration and effective mobilization. It is followed by Channapatna (1,574 SHGs; 21,211 members). In contrast, Ramanagaram (1,160 SHGs; 13,853 members) and Magadi (1,173 SHGs; 14,468 members) have comparatively lower SHG presence and membership, suggesting scope for further expansion.

In terms of social composition, SC participation is highest in Kanakapura (4,210) and Channapatna (3,615), reflecting better inclusion of marginalized communities in these blocks. ST representation is relatively higher in Magadi (603) and Kanakapura (424), while minority participation is modest across all blocks, with Magadi (551) recording the highest among them. This indicates uneven inclusion of vulnerable groups across the district. The participation of Persons with Disabilities (PWDs) stands at 1,548 members, with Ramanagaram (614) and Magadi (387) showing comparatively higher inclusion. However, PWD representation in other blocks remains limited, pointing to the need for more targeted interventions.

Overall, the table indicates that while SHGs in Bengaluru South district have achieved significant outreach, imbalances persist in social inclusion across categories and blocks. Strengthening targeted policies to enhance the participation of STs, minorities, and PWDs, along with improving awareness and institutional support, can further enhance the effectiveness of SHGs as instruments of inclusive rural development.

Table 4: SHGs Member Social Category Wise (Gram panchayat Level) in Bengaluru south district: 2025-26

Taluka Name	SHG	Minority Category wise member					
		SC	ST	Minority	Others	Sub Total	PWD
Channapatna	1574	3615	179	127	17290	21211	326
Kanakapura	1973	4210	424	316	19213	24163	221
Magadi	1173	3058	603	551	10256	14468	387
Ramanagara	1160	2170	330	151	11202	13853	614

Source: https://nrlm.gov.in

Table 4 presents the Gram Panchayat (taluka) level distribution of Self-Help Groups (SHGs) and their members across different social categories in Bengaluru South district. The data provides insights into grassroots-level inclusion and the spread of SHG activities across talukas.

At the overall level, the distribution pattern closely reflects the trends observed at the block level, indicating consistency in SHG outreach. Among the talukas, Kanakapura has the highest number of SHGs (1,973) and total membership (24,163), followed by Channapatna (1,574 SHGs; 21,211 members). In contrast, Magadi (1,173 SHGs; 14,468 members) and Ramanagara (1,160 SHGs; 13,853 members) show relatively lower SHG penetration and membership, suggesting scope for further expansion and mobilization in these areas. From a social category perspective, the ‘Others’ category dominates across all talukas, with the highest contribution in Kanakapura (19,213) and Channapatna (17,290). This indicates that SHGs are widely accepted among the general population. However, it also highlights the comparatively lower participation of marginalized groups.

Scheduled Castes (SCs) show notable participation, particularly in Kanakapura (4,210) and Channapatna (3,615), suggesting effective inclusion of disadvantaged communities in these talukas. On the other hand, Scheduled Tribes (STs) have relatively low representation overall, though Magadi (603) records the highest ST participation among the four talukas, possibly due to the presence of tribal populations in that region. The minority category exhibits limited participation across all talukas, with the highest number in Magadi (551) and lowest in Channapatna (127). This indicates a need for targeted interventions to improve awareness and inclusion of minority groups in SHG activities.

An important indicator of inclusive development is the participation of Persons with Disabilities (PWDs). The data shows a total of 1,548 PWD members, with Ramanagara (614) having the highest representation, followed by Magadi (387) and Channapatna (326). Despite these figures, overall PWD participation remains modest, suggesting the need for more focused inclusion strategies.

In conclusion, the table highlights that while SHGs have achieved significant outreach at the Gram Panchayat level in Bengaluru South district, disparities persist across social categories and talukas. Strengthening inclusive policies, enhancing awareness programmes, and improving institutional support can further ensure balanced participation of SCs, STs, minorities, and PWDs, thereby reinforcing SHGs as effective instruments of grassroots socio-economic development.

Table 5: Sample Characteristics of SHG members in the Study area (N=30)

Characteristic	Category	Number	Percentage
Age Group	20-30 years	6	20.0
	31-40 years	17	56.7
	41-50 years	5	16.7
	Above 50 years	2	6.7
Education Level	Illiterate	7	23.3
	Primary	12	40.0
	Secondary	7	23.3
	PUC	4	13.3
Caste Category	General	6	20.0
	OBC	16	53.3
	SC/ST	8	26.7
SHG Membership Duration	2-3 years	14	46.7
	4-5 years	9	30.0
	6+ years	7	23.3

Source: Field survey

The table-5 presents the socio-economic characteristics of SHG members in the study area (N=30), highlighting important trends in terms of age, education, caste composition, and duration of membership. The age-wise distribution shows that a majority of the respondents (56.7%) belong to the 31–40 years age group, this indicates that SHGs are largely composed of individuals in their economically active and productive years. This is followed by 20 percent in the 20–30 years group, while participation declines in higher age groups, with 16.7 percent in the 41–

50 category and only 6.7 percent above 50 years. This suggests that SHGs primarily attract middle-aged individuals who are more likely to engage in income-generating and financial activities.

In terms of education, the data reveals that most members have only basic educational attainment. About 40 percent have primary education, while 23.3 percent are illiterate and an equal proportion (23.3%) have secondary education. Only 13.3 percent have completed PUC. This indicates that SHGs are inclusive of less-educated individuals, particularly women, and serve as an important platform for enhancing financial literacy and awareness among them.

The caste composition shows that a majority of members belong to the OBC category (53.3%), followed by SC/ST (26.7%) and General category (20%). This distribution reflects the role of SHGs in promoting social inclusion by actively involving backward and marginalized communities in economic activities. Regarding SHG membership duration, nearly half of the respondents (46.7%) have been members for 2–3 years, followed by 30 percent with 4–5 years of experience and 23.3 percent with more than 6 years. This indicates that many members are relatively new entrants, suggesting recent expansion and growing acceptance of SHGs in the study area, while a smaller proportion of long-term members reflects moderate sustainability and continuity.

Overall, the findings suggest that SHGs in the study area are dominated by middle-aged, moderately educated individuals from backward communities, with a growing base of new members. This highlights the effectiveness of SHGs as instruments of socio-economic empowerment and financial inclusion, particularly among disadvantaged sections of society, while also pointing to the need for improving education, skills, and long-term member retention.

Conclusion

In conclusion, the study highlights that Self-Help Groups (SHGs) have emerged as a powerful instrument for promoting socio-economic development and financial inclusion in Karnataka, particularly in Bengaluru South district. The analysis reveals that SHGs have significantly contributed to poverty alleviation, women's empowerment, and income generation by encouraging savings, facilitating access to credit, and promoting micro-enterprises. The widespread presence of SHGs across districts and blocks indicates strong institutional support and successful policy implementation. However, despite this progress, certain challenges persist, including disparities in social inclusion, especially among Scheduled Tribes, minorities, and Persons with Disabilities, as well as issues related to group sustainability and smaller group sizes. The study area analysis further shows that while SHGs have achieved considerable outreach, variations exist in participation levels across blocks and social categories. Overall, SHGs have proven to be effective tools for grassroots development and empowerment, but there is a need for targeted policy interventions, enhanced awareness, and capacity-building measures to ensure inclusive participation and long-term sustainability. Strengthening these aspects will further enhance the role of SHGs as catalysts for equitable and sustainable rural development.

MYRADA was a originally the acronym of the Mysore Resettlement and Development Agency, but now the official name is MYRADA.

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