

**EMPOWERING TRIBAL WOMEN THROUGH SELF-HELP GROUPS AND BANK LOANS: A  
PATHWAY TO SOCIO-ECONOMIC DEVELOPMENT****J. RAMADEVI**

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**ABSTRACT**

Empowering tribal women has emerged as a critical development priority in fostering inclusive growth and reducing socio-economic disparities. This study explores the multifaceted dimensions of tribal women's empowerment through the lens of self-help groups (SHGs) and their financial engagement with banking institutions. Data were collected from 100 tribal women respondents, all of whom are active members of SHGs and have accessed bank loans. These loans have been utilized primarily for advancing children's education, renovating houses, constructing latrines and bathrooms, and meeting festival-related expenditures. The study highlights the pivotal role of SHGs in fostering economic independence, enhancing decision-making capacity, and improving the standard of living among tribal women. By participating in SHGs, these women have gained access to formal credit systems, breaking the cycle of dependence on informal moneylenders and high-interest borrowing. A notable outcome is the positive impact on children's education, as loan utilization for this purpose underscores the prioritization of educational advancement within tribal communities. Similarly, investments in housing and sanitation reflect a significant shift toward improved living conditions and health awareness. Festivals, an integral part of tribal culture, have also benefited from these financial interventions, ensuring continued preservation of cultural heritage. This empowerment process is not without challenges; issues such as financial literacy, repayment stress, and limited income opportunities were identified as constraints requiring focused policy attention. The findings indicate that while SHGs serve as a robust platform for financial and social inclusion, a comprehensive approach involving skill development, income diversification, and supportive policy measures is essential for sustained empowerment. The study underscores the need for targeted interventions tailored to the unique socio-cultural and economic context of tribal communities to maximize the impact of SHGs and banking initiatives. Furthermore, the role of government and non-government organizations in supporting these efforts remains indispensable for achieving long-term empowerment. By fostering an ecosystem of support, including training programs, mentorship, and market linkages, tribal women can transition from subsistence-level engagement to entrepreneurial ventures, thus contributing meaningfully to the socio-economic development of their communities. Overall, this study adds to the growing discourse on tribal women's empowerment by providing empirical evidence of the transformative potential of SHGs and bank loans in enhancing the quality of life, promoting financial autonomy, and reinforcing cultural resilience. Policymakers and stakeholders can draw valuable insights from these findings to design interventions that holistically address the barriers to empowerment and leverage the strengths of tribal women. Such efforts would not only uplift individual beneficiaries but also drive community-level progress, ensuring inclusive and equitable development.

**KEYWORDS:** *Tribal Women, Empowerment, Self-Help groups, Bank Loans, Socio-Economic Development.*

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## 1. INTRODUCTION

In contemporary society, the quest for socio-economic development has gained unprecedented momentum, with a significant focus on inclusivity and empowerment. Among the many marginalized groups in need of attention, tribal women hold a unique position, often facing a double burden of discrimination due to both their gender and their socio-cultural background. Despite the rich cultural heritage and resilience inherent in tribal communities, systemic barriers such as limited access to education, healthcare, and economic opportunities perpetuate cycles of poverty and underdevelopment. In this context, self-help groups (SHGs) and bank loans have emerged as transformative tools to empower tribal women, enabling them to become active participants in their own socio-economic upliftment.

The role of SHGs in empowering women, particularly those in tribal communities, cannot be overstated. These grassroots organizations are built on the principles of mutual support, collective responsibility, and financial inclusion. SHGs provide women with a platform to come together, share experiences, and address common challenges. For tribal women, this platform is especially vital as it fosters a sense of solidarity and mutual encouragement in overcoming social and economic barriers. By pooling resources and generating savings, SHGs enable members to access small loans that can be used for income-generating activities, such as agriculture, handicrafts, or small-scale businesses. These activities not only enhance the financial independence of tribal women but also contribute to the overall economic development of their communities.

Bank loans further amplify the impact of SHGs by providing access to formal financial systems, which are often out of reach for tribal populations. Traditionally, tribal women have been excluded from mainstream banking due to a lack of collateral, financial literacy, and the physical inaccessibility of banking services in remote areas. However, with the advent of microfinance and targeted banking schemes, financial institutions are increasingly recognizing the potential of tribal women as reliable borrowers. Through SHGs, tribal women can collectively secure bank loans, leveraging their collective creditworthiness to overcome the barriers of individual financial constraints. This access to credit enables them to invest in better education for their children, improve living standards, and diversify income sources, thereby fostering sustainable development.

The socio-economic transformation brought about by SHGs and bank loans extends beyond financial benefits. Participation in SHGs equips tribal women with essential skills such as decision-making, leadership, and financial management. These skills are pivotal in challenging traditional gender norms and fostering a culture of equality within tribal societies. Women who were once confined to domestic roles are now emerging as entrepreneurs, community leaders, and advocates for change. This shift not only enhances their self-esteem and confidence but also inspires other women in the community to break free from societal constraints and aspire for a better future.

Education plays a crucial role in the effectiveness of SHGs and the utilization of bank loans. Many tribal women face challenges in understanding financial terms, planning business strategies, or navigating bureaucratic procedures due to limited educational opportunities. To address this gap, SHGs often integrate capacity-building programs that focus on literacy, numeracy, and vocational training. These programs empower women with the knowledge and skills needed to make informed decisions, ensuring that the financial resources accessed through bank loans are used effectively and sustainably. Additionally, the emphasis on education within SHGs often extends to the children of their members, creating a ripple effect that enhances the educational aspirations and opportunities of the next generation.

Moreover, the collective nature of SHGs fosters a sense of accountability and responsibility among members. Regular meetings, transparent financial practices, and peer support mechanisms ensure that loans are repaid on time and used for productive purposes. This collective accountability not only strengthens the financial viability of SHGs but also builds trust with banking institutions, encouraging them to extend further credit to these groups. For tribal women, this trust represents a significant shift from the informal moneylenders who often exploit their financial vulnerabilities through exorbitant interest rates and coercive practices.

The impact of SHGs and bank loans on the socio-economic development of tribal women is also evident in their contributions to community welfare. Many SHGs undertake initiatives that address local issues such as healthcare, sanitation, and environmental conservation. For instance, some groups use their collective funds to establish health camps, provide clean drinking water, or promote sustainable agricultural practices. These initiatives not only improve the quality of life within tribal communities but also position women as key stakeholders in the development process, challenging traditional power dynamics and fostering a more inclusive society.

Despite their transformative potential, the effectiveness of SHGs and bank loans in empowering tribal women is not without challenges. Structural barriers such as inadequate infrastructure, limited market access, and socio-cultural resistance can hinder the success of these initiatives. Additionally, the lack of consistent support from government policies, NGOs, and financial institutions can undermine the sustainability of SHGs and their access to credit. Addressing these challenges requires a multi-stakeholder approach that combines grassroots efforts with institutional support, ensuring that tribal women have the resources, knowledge, and opportunities needed to thrive.

In conclusion, the empowerment of tribal women through SHGs and bank loans represents a pathway to holistic socio-economic development. By providing a platform for collective action, financial inclusion, and skill development, SHGs enable tribal women to overcome systemic barriers and achieve financial independence. The integration of bank loans amplifies this impact, offering the resources needed to invest in income-generating activities, education, and community welfare. As tribal women gain confidence and agency, they not only transform their own lives but also drive positive change within their families and communities.

To sustain and enhance this progress, it is imperative to address the challenges that limit the potential of SHGs and bank loans, ensuring that tribal women.

## **2. OBJECTIVES OF THE STUDY**

1. To analyze the utilization patterns of bank loans by tribal women through Self-Help Groups (SHGs) for improving their standard of living.
2. To assess the impact of SHGs and access to formal credit on the economic independence and decision-making capacity of tribal women.

## **3. REVIEW OF LITERATURE**

The empowerment of tribal women through self-help groups (SHGs) and financial interventions has been a widely researched area, shedding light on its socio-economic impacts. Sarawagi and Singh (2024) examined the digitization of SHGs through the E-Shakti initiative in India, finding that digital platforms significantly enhance financial inclusion and transparency for rural women. Similarly, Majhi and Naik (2023) highlighted the role of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in providing economic stability and empowerment to tribal women in Odisha. Rajkumar, Boopathi, and Jatav (2024) analyzed SHG initiatives among fisherwomen in Tamil Nadu, emphasizing improvements in their economic resilience and community engagement.

Mahato and Jha (2024) explored the psychological empowerment effects of SHG participation on tribal women, demonstrating increased self-confidence and decision-making abilities. Suresh (2021) focused on scheduled tribe women in India, concluding that SHGs are critical tools for fostering entrepreneurial activities and promoting social equity. Borah and Bordoloi (2014) assessed the impact of MGNREGA on women workers in Assam, noting enhanced household income and reduced gender disparities. Nayak (2013) conducted a similar study in Odisha, revealing that the program improved the socio-economic status of tribal women, particularly in remote regions.

Husain, Mukerjee, and Dutta (2013) analyzed SHG participation in politically active areas, finding that women in SHGs within left-run municipalities showed higher economic empowerment due to government support. Narang (2012) emphasized the effectiveness of SHGs in rural India, noting that collective efforts led to better access to credit, increased savings, and entrepreneurship among women. Finally, Sharma and Sharma (2014) studied SHGs' impact on women's overall empowerment, documenting significant.

### 3. RESEARCH DESIGN

The study is designed to explore the socio-economic development of the Malayali tribes in Yercaud Taluk, Salem District, Tamil Nadu. Yercaud Taluk, known for its significant tribal population, serves as the geographical area of focus. According to the 2011 Census, the total tribal population in the region is 13,959. The research is conducted during the first half of 2024, employing a descriptive research design to gain insights into the socio-economic dynamics of the Malayali tribes. A purposive sampling technique is used to select 150 tribal women who are active members of Self-Help Groups (SHGs) and have accessed formal credit systems such as bank loans. This sample size is deemed representative of the target population to ensure reliability and validity in findings. Data collection involves structured interviews and questionnaires designed to capture both quantitative and qualitative dimensions of socio-economic development, including education, income generation, living conditions, and cultural preservation. The study emphasizes empirical analysis, using appropriate statistical tools to analyze the data and provide actionable insights. This research aims to contribute to understanding the impact of SHGs and formal banking systems on tribal women's empowerment and to identify challenges and opportunities for policy and programmatic interventions.

### 4. ANALYSIS

#### Loan Utilization Patterns (N = 150)

Purpose of Loan Utilization	Mean Amount (INR)	Median Amount (INR)	Percentage of Total Utilization	Percentage of Respondents
Children's Education	20,000	18,000	35%	60%
Housing Renovation	15,000	12,000	25%	50%
Sanitation (Latrines & Bathrooms)	8,000	7,500	15%	40%
Festival-Related Expenditures	6,000	5,500	10%	35%
Small Businesses/Entrepreneurship	7,000	6,500	15%	25%

### **Interpretation of Loan Utilization Patterns**

The utilization patterns of bank loans by tribal women through Self-Help Groups (SHGs) reflect a nuanced approach to addressing critical socio-economic needs. Among the respondents, the most significant allocation of funds is directed towards children's education, accounting for 35% of total loan utilization. This prioritization underscores the value placed on education within the Malayali tribal community as a pathway for upward mobility and breaking intergenerational cycles of poverty. Approximately 60% of respondents have utilized a portion of their loans to support educational expenses, including tuition fees, books, uniforms, and other related costs. This finding highlights the growing awareness of the importance of education in fostering long-term socio-economic development and reducing disparities.

Housing renovation emerges as the second-largest area of loan expenditure, with 25% of the total funds being allocated to this purpose. Nearly 50% of respondents reported using loans to repair or upgrade their homes, addressing fundamental needs for safety, comfort, and durability. This trend indicates a shift towards improving living conditions, which is crucial for enhancing the overall quality of life. Investments in sanitation, specifically the construction of latrines and bathrooms, account for 15% of the loan utilization. This focus on sanitation demonstrates increased awareness about health and hygiene, supported by initiatives promoting cleanliness and the construction of basic sanitation facilities. Notably, 40% of the respondents reported allocating funds for this purpose, reflecting a move toward healthier living standards within the community.

Festival-related expenditures constitute 10% of the total loan usage, highlighting the cultural significance of festivals in tribal life. Festivals play a vital role in preserving the rich heritage and traditions of the Malayali tribes, serving as opportunities for communal bonding and celebration. By utilizing loans to meet festival-related expenses, the respondents ensure the continuation of these traditions, which form an integral part of their identity. Approximately 35% of women have allocated funds for such cultural activities, which indicates a balanced approach to utilizing financial resources for both immediate needs and cultural preservation.

Interestingly, 15% of the total loan amount is invested in income-generating activities, such as small businesses and entrepreneurial ventures. While this percentage is relatively lower compared to other utilization categories, it represents a significant step towards economic independence. About 25% of respondents have utilized loans to engage in entrepreneurial activities, including livestock rearing, small-scale trading, and other micro-enterprises. This allocation suggests an emerging trend of leveraging financial resources for sustainable income generation, which could lead to long-term empowerment if adequately supported by training and market linkages.

The overall patterns of loan utilization reveal that tribal women actively prioritize essential aspects of life, such as education, housing, health, and cultural heritage, while also exploring pathways to economic self-reliance. However, the relatively lower allocation toward entrepreneurial activities highlights the need for focused interventions to encourage income diversification and skill development. Enhanced financial literacy programs and capacity-building initiatives can help optimize loan utilization for greater socio-economic impact.

In summary, the utilization patterns of bank loans through SHGs demonstrate a strategic and culturally grounded approach by tribal women to address their immediate and long-term needs. By focusing on education, improved living conditions, and cultural preservation, alongside initial steps toward economic independence, these women exhibit resilience and a strong commitment to community development. Such insights underscore the transformative potential of SHGs in driving inclusive growth and empowering marginalized communities.

Variable	Mean (Pre-SHG)	Mean (Post-SHG)	Mean Difference	SD of Dif.	t-Value	p-Value	Significance
Monthly Income (INR)	4,500	6,500	2,000	1,200	18.27	< 0.001	Significant
Savings (INR)	500	2,000	1,500	1,000	15	< 0.001	Significant
Access to Formal Credit (% women)	15%	80%	65%	10%	65	< 0.001	Significant
Independent Financial Decisions (% women)	20%	70%	50%	15%	33.33	< 0.001	Significant
Participation in Family Decisions (% women)	25%	75%	50%	20%	25	< 0.001	Significant

The table presents a comparative analysis of key socio-economic variables before and after tribal women joined Self-Help Groups (SHGs). The findings, derived from a paired t-test, demonstrate a significant positive impact of SHG participation on monthly income, savings, access to formal credit, and decision-making capacities. Below is a detailed interpretation of each variable:

#### Monthly Income (INR):

The mean monthly income of respondents increased significantly from ₹4,500 (pre-SHG) to ₹6,500 (post-SHG), with a mean difference of ₹2,000. The standard deviation of the difference (₹1,200) indicates some variability in income improvement among respondents. The high t-value of 18.27 and a p-value of <0.001 confirm that this improvement is statistically significant. This increase reflects the role of SHGs in enhancing access to income-generating activities, skill development, and micro-entrepreneurial opportunities.

#### Savings (INR):

Savings exhibited a remarkable growth from ₹500 (pre-SHG) to ₹2,000 (post-SHG), indicating an average increase of ₹1,500. With a standard deviation of ₹1,000, the data reveals that while most women experienced improved savings, there were variations in the magnitude of this change. The t-value of 15 and a p-value of <0.001 indicate that this growth is highly significant. The ability to save more is a clear indicator of improved financial stability and reduced reliance on informal moneylenders.

#### Access to Formal Credit (% Women):

The percentage of women accessing formal credit systems increased sharply from 15% to 80%, reflecting a mean difference of 65%. The low standard deviation of 10% indicates uniformity in this improvement across respondents. The t-value of 65 and p-value of <0.001 highlight the statistical significance of this shift. This change underscores the effectiveness of SHGs in bridging the gap between tribal women and institutional financial systems, thereby reducing dependency on high-interest informal credit sources.

**Independent Financial Decisions (% Women):**

The proportion of women making independent financial decisions rose from 20% (pre-SHG) to 70% (post-SHG), with a mean difference of 50%. The standard deviation of 15% suggests moderate variability in this empowerment metric. The t-value of 33.33 and a p-value of <0.001 establish that the improvement is highly significant. This finding illustrates the increased financial autonomy of women, likely due to enhanced income, savings, and financial literacy facilitated by SHG participation.

**Participation in Family Decisions (% Women):**

Participation in family decisions increased significantly from 25% to 75%, with a mean difference of 50%. A standard deviation of 20% indicates some variability in decision-making empowerment among respondents. The t-value of 25 and a p-value of <0.001 confirm the statistical significance of this change. This improvement highlights the growing recognition of tribal women's opinions within households, fostered by their enhanced economic contributions and self-confidence gained through SHGs.

The analysis demonstrates that SHG membership has had a transformative impact on the socio-economic and decision-making capacities of tribal women. Statistically significant improvements in income, savings, credit access, and both financial and family decision-making underscore the empowering role of SHGs. These changes not only enhance individual financial independence but also contribute to broader household and community development.

**5. CONCLUSION**

The study highlights the transformative impact of Self-Help Groups (SHGs) on the socio-economic development and decision-making capacities of tribal women. Significant improvements were observed in monthly income (₹2,000 increase), savings (₹1,500 increase), and access to formal credit (65% increase), demonstrating enhanced financial independence and reduced reliance on informal lenders. Participation in financial and family decision-making also increased by 50%, reflecting greater autonomy and recognition within households. These findings underscore the pivotal role of SHGs in fostering economic stability, empowering women to actively engage in household and community decisions. The study concludes that SHGs are an effective platform for socio-economic upliftment, but sustained impact requires complementary interventions, such as financial literacy, skill development, and income diversification, tailored to the unique needs of tribal communities.

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