

# Women Empowerment in India

Perspective, Issues and Challenges

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# Self-Help Groups Led Women Empowerment

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Women empowerment is an unavoidable process to seek the holistic empowerment of a nation. It is a process in which women challenge the existing norms and culture in efforts to promote their well being. Being empowered they become able to organize themselves to increase their own self reliance, to assert their independent right to make choices, to face the challenges and to break the shackles of domination. Women empowerment & gender equality have become the topics of utmost importance in the recent times because gender inequality & its socio-economic & cultural dimensions are all pervasive in the third world as well as in the developed world. However in the third world, this problem is more acutely associated with the economic disempowerment of women. Many initiatives have been taken to bring the women in mainstream economy by making them economically empowered. Self-help groups can be a major tool to lead his economic & social transformation. The study seeks to examine the impact of participation in Self-help groups on the empowerment of women in the context of great importance being given to group approach while conceptualizing any program for rural women. Access to credit can help in the expansion of the resource base for women; they can think about establishing and even expanding small businesses. Self-help groups have enabled them to realize their own identity and power in all spheres of life with the help of a group approach. This paper focuses on the role and performance of self-help groups (SHGs) in the empowerment and socio-economic betterment of women.

**Key words:** Women empowerment, Gender equality and Self-help groups,

## Introduction

Women empowerment has been considered as a prerequisite for the development of society as a whole. Women empowerment is one of the top most priorities of all developmental policies among all the countries. There has been growing

awareness among the nation States to take him to account the gender perspective while implementing and appraising the formal of developmental programmes.

It is true that we as a nation cannot flourish if half of our population i.e. women are discriminated against and marginalised on the basis of their gender. Women are facing discrimination in all walks of life, be it social, cultural, economic and political. Despite being the largest proportion of total human resource in the economy, yet women are more poor & under privileged than men as they are subject to many socio- economic and cultural constraints. They are not given any importance in the society as men get.

In rural areas the situation is more severe. Women development activities are needed to get them out of the shackles of poverty, illiteracy and backwardness. Although government has started many conventions and agreements for the same, still there is a long way ahead to achieve the desirable results. Over the centuries, women were treated as less than equal to men in many ways. Women were not allowed to vote, own property, get education, or work in any jobs. In many rural areas, women were not even allowed to attend social functions like wedding ceremonies.

But the situation has been changing for the last many years. Now women are more empowered to do whatever they want. They are getting education, having the right to vote; contesting elections; doing jobs in every sector and becoming entrepreneurs too. There was a time when they were considered as subordinate to men but now they are becoming leaders. It is not only in urban India but in rural economies too.

In this transition, Self-Help Groups has played a big and important role in rural India. Self-help group is a small economically homogeneous affinity group of the rural poor voluntarily coming together to save small amount regularly which are deposited in a common fund to meet members' emergency needs and to provide collateral free loans decided by the group. It is a system of pooling of small savings and mobilizing the resources for attaining economic independence. System will help provide employment to the women and make them able to earn for themselves. Group approach is a better strategy to achieve the goals rather than working at individual level. Self-Help groups are a great initiative to remove poverty among women and help them become economically stronger and empowered.

## **Objective of the Study**

This paper confines the study of women empowerment through Self-Help groups. The main objective of this paper is to study the origin & growth of Self-help Groups in India & their current status. The study also aims to find the impact of Self-help Groups on women empowerment.

## **Methodology**

The present study is descriptive in nature and mainly emphasized on the economic empowerment of women through Self-help groups in the Indian economy. The study is based on secondary data, which is collected from the records of Self-help groups, government official websites, books, newspapers, journals and Economics Survey.

## **Literature Review**

Goankar (2001) in her study concluded that the movement of Self-help Groups can significantly contribute towards the reduction of poverty and unemployment in the rural sector of the economy and the Self-help Groups can lead to social transformation in terms of economic development and social change. John (2008) found that membership in Self-help Group included a great confidence in the mind of the majority of women to succeed in day-to-day life. Positive change was found in the attitude of relatives and friends towards the women in Self-help Groups. Rani and Dhiman (2012) focused on the role of Self-help Groups in promoting entrepreneurial culture among the SHG's members of Jakhal block district Fatehabad Haryana. In the research, primary data had been collected from 100 sample respondents from seven villages of Jakhal block district Fatehabad through a designed schedule by conducting interview and observation methods and it had been found that these groups were not working up to the mark due to conservative family culture and poor educational background of the masses. It had also been found that among surveyed group members after starting SHG activities, only 6% of the member's family income increased more than rupees 20000 per annum, 55% member's income increased up to Rupees 20000 annually, 26% member's income increased up to Rupees 10000 and 13 percent member's income had not improved in the post SHG period. According to Ramakrishna et. al. (2013), self-help Groups are formed for addressing their common problems. They make regular savings and use the pooled savings for the benefit of their members through a structured process of essential financial intermediation like prioritization of needs, setting self determined terms for the repayment and keeping records. It builds financial discipline and credit history that then encourages banks to lend to them in certain multiples of their own savings and without any demand for collateral security. The study is based on secondary data source and considered Self-help Groups as the powerful instrument for women empowerment and eradication of poverty. Saikia (2014) in his study concluded that Self-help Group is not merely a micro credit, it is an empowerment process. The study is based on the women Self-help Groups of Jorhat district of Assam. He analyzed in his study that most of the respondents joined a Self-help group to raise status in society and to promote income generating activities. After joining the Self-help groups the women are economically and socially empowered. This empowerment cannot be transformed or delivered; it must be self generated to take control over their lives. Shrieesha

(2019) conducted a study to find out the role of Self-help groups and to analyze the level of satisfaction among the members of Self-help groups in Chandragiri mandal, Chitta district. In her study, she concluded that Self-help Groups are an instrument to change the conditions of women socially and economically. According to the study, once socio economic empowerment is achieved, it would have implications on the overall development of women. Self-help Groups enable economic, social, political and psychological empowerment of women. Women participation in Self-help groups have obviously created tremendous impact upon the life pattern and style of poor women and have empowered them at various levels not only as individuals but also as the members of the community and the society as a whole. The study is based on secondary data collected from 200 respondents of various Self-help groupsmembers and analyzes that the self group is a tool to remove poverty and improve women entrepreneurship and financial support in India.

## **Women Empowerment**

Women empowerment can be simply defined as creating an environment where women are given the power to make decisions pertaining to their own lives. The World Bank (2002) identifies empowerment as being about increasing people's choices and freedom of action to participate in negotiations with influence, control and hold accountable institutions that affect their lives. Empowerment is the process whereby the powerless gain control over circumstances of their lives. Kabeer (1999) emphasizes power as the ability to make choices and empowerment is the process of acquiring the ability of making choices by those who are denied such ability. Empowerment is about ability: women's ability to control individual health; the ability to control her life; and ability to change the world. Bradley (1995) views empowerment as the degree to which women are social actors and thus able to affect their own positions. The term empowerment may indicate a redistribution of power to the less powered group. United Nations Population Information Network has defined women empowerment based on five components which are as follows:-

- Women's sense of self worth
- Their right to have access to opportunities and resources
- Their right to have the power to control their own lives
- Their right to have and to determine choices
- Their ability to influence the direction of social changes to create a better social and economic order, nationally or internationally

An empowered woman is visualized as a confident person who is capable of leading her life independently; who is capable of making her choices; who has her own opinions at every matter; who has the freedom from all kinds of domination and finally who is capable of standing for her own rights.

A Self-help group is a village based financial intermediary committee usually composed of 10-20 local women. The members make more regular saving contributions for a few months until there is enough capital in the group for lending. Funds may be lent back to the members or other villagers. These SHGs are then further linked to banks for delivery of micro credit. It lays emphasis on capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing.

## Overview and Origin of Self-help Groups in India

- India's earliest Self-help group started in **1972** with the self-employed women association in Ahmedabad working with poor self-employed women in the informal sector. The group tried to help these women to get work, income and food security.
- In **1984**, the concept of social mobilization and business development through organizing of self-help groups was introduced based on professor Yunus's Grameen Bank model. Initially NABARD along with empaneled Non-Government Organizations (NGOs) designed and developed the promotional ecosystem including the SHG-Bank Linkage Program.
- In **1990**, RBI recognized self-help groups as an alternate credit flow model. Thus, there was a Paradigm shift in the development banking in India whereby Self-help groups were accepted as group-based clients of banks for both deposit and credit linkages, collateral free lending and lending to groups without specification of purpose/project.
- In **1992**, NABARD along with RBI initiated the experimental project of linking 500 Self-help groups with commercial banks based on NABARD guidelines and in future promoted it as a regular banking program.
- In **1997**, Professor S. R. Hashim committee reviewed the poverty alleviation and employment generation programs of the Ministry of Rural Development, India and recommended shifting focus from an individual beneficiary approach to a group-based business development approach.
- Hence, **Integrated Rural Development Program (IRDP)** and its associated schemes for most and a new scheme called **Swarna Jayanti Gram Swarajgar Yojana (SGSY)** was launched to provide self employment to below the poverty line households through the formation of Self-help groups to bring them out of poverty during 1999 to 2011.
- In **2001**, **National Policy for Empowerment of Women** was launched. The goal of this policy was to bring about the advancement, development and empowerment of women. One of the objectives was to enable women to organize into Self-help groups to help women groups to institutionalize

themselves into registered societies and to join at the panchayat/municipal level.

- As SGSY did not result in target results, it was restructured into **National Rural Livelihood Mission (NRLM)** in 2010-11 based on the recommendations of Professor Radhakrishnan committee.
- In 2013, NRLM was renamed as **Deen Dayal Antyodaya Yojana-NULM**. Apart from the objective of providing shelters to urban homeless, this yojana aims at mobilization of urban poor into Self-help Groups who in turn serve as a support system for the poor to meet financial and social needs.
- Again in 2015, NRLM program was renamed as **Deen Dayal Antyodaya Yojana -NRLM**. The main objective of the programme is to mobilize poor households into Self-help groups improving their access to bank credit and financial, technical and marketing services, building capacities and skills aiding them to increase household income through sustainable livelihood opportunities. The programme aims to ensure that at least one member from identified rural poor households, especially from vulnerable communities, should be included in the self-help group in a time bound manner.
- In sync with the Digital India Movement for digitalization of all SHGs in the country, **E-Shakti** project was launched in 2015. The main aim was digital empowerment which will help bring Self-help groups on to the technology platform and into the financial inclusion there by helping them access a wider range of financial services.

## Current Status of Self-help Groups

According to Economic Survey 2022-23, there are 12 million Self-help groups of which 88% are all women member ones. In 1992, these groups were linked to banks for disbursement of small loans called Self-help Group- Bank Linkage project. By 2022 these groups operate a financing operation that is regarded as the world's largest micro finance project.

According to Economic Survey 2022-23, Self-help Groups Bank Linkage Project covers 142 million families with saving deposits of Rs. 58892.68 crore and 67 lakh groups with collateral free loan outstanding of Rs. 188078.80 crores as on March 31, 2023. It also stated that for the loans under Self-help groups Bank linkage program, there are hardly any loans turning into bad ones that are to be waived off. Self-help groups' Bank repayment is more than 96% under scoring their credit discipline and reliability. In 2021, the government under its COVID-19 pandemic stimulus package increased SHG's limit for collateral free loans to Rs. 20 lakh from Rs. 10 lakh. This reportedly benefited 6.3 million women SHGs and 68.5 million households.

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Year	Total No. SHGs (in Lakhs)	Women SHGs	Financial Status of SHGs (in Rs. Crore)	Financial Status of Women SHGs (in Rs. Crore)
2020-21	112.23	97.25	37477.61	32686.08
2021-22	118.93	104	47240.48	42104.77
2022-23	134.03	112.92	58892.68	52455.48

Source: NABARD SHG-Bank Linkage Programme Report

Table 1 reveals that number of saving linked women SHGs increased from 112.23 lakh in 2020-21 to 134.03 lakh as on 31<sup>st</sup> March, 2023 with the increase in saving deposits from Rs. 32686.08 crore in 2020-21 to Rs. 52455.48 as on 31<sup>st</sup> March 2023.

**Table 2: Status of Credit Linked SHG-Bank Linkage Programme (2020-23)**

Year	Total No. SHGs (in Lakhs)	Women SHGs	Financial Status of SHGs (in Rs. Crore)	Financial Status of Women SHGs (in Rs. Crore)
2020-21	28.87	25.90	58070.68	54423.13
2021-22	33.98	31.50	99729.22	93817.21
2022-23	42.96	41.42	145200.23	139315.69

Source: NABARD SHG-Bank Linkage Programme Report

Table 2 shows the progress of credit linked Self-help groups from 2020 to 2023 which reveals that number of credit-linked women SHGs has also increased from 25.90 lakhs in 2020-21 to 41.42 lakh as on 31<sup>st</sup> March 2023. Amount of credit given to women SHGs has also increased from Rs. 54423.13 Crore in 2020-21 to Rs. 139315.69 Crore as on 31<sup>st</sup> March 2023.

## Role of Self-help Groups (SHGs) in Women Empowerment

### 1. Economic Independence

- Self-help groups provide women entrepreneurs with micro loans to sustain their businesses, while also creating an environment for them to develop greater agency and decision-making skills.
- Self-help Groups inculcate the habit of saving and using banking facilities among the members.
- The saving habit thus strengthens the bargaining capacity of women and they are in a better position to acquire loans for productive purposes.

## 2. Inclusiveness

- A Self-help Group comprises a small group of women who come together to make regular monetary contributions.
- Emerging as an important microfinance system, Self-help Groups work as platforms that promote solidarity among women bringing them together on issue of health, nutrition, gender parity and gender justice.

## 3. Social Upliftment

- Self-help group culture has brought the country changed in the general dynamics of power within a family and ultimately the society at large.
- They now have a greater say in family matters and also are seen as stakeholders and partners in taking the community forward.
- Financial independence has eventually paved the way for societal upliftment of women and their voices.

## 4. Political Mobility

- Many members of Self-help groups are being elected as legislators for bringing change and inclusive development.
- Their participation in the governance process enables them to highlight issues such as dowry, alcoholism, open defecation, primary health care etc. and impact policy decisions.
- Leadership skills learned through Self-help groups help several Self-help Group members to get elected as Sarpanch/ Pradhan.

## 5. Empowering Women in Crisis

- According to a World Bank report, women in SHGs are also working as Bank correspondents referred to as Bank Sakhis.
- Even during distressing times like pandemics, they are helping with the distribution of pensions, providing door to door services to remote communities to access their account credits through direct benefit transfers.

## Some Success Stories of Women SHGs

- **Kudumbshree in Kerala:** It was launched in Kerala in 1998 to wipe out absolute poverty through community action. It is the largest women empowering project in the country. It has three components- microcredit, entrepreneurship and empowerment. It has three tier structures- neighborhood groups (SHG),

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area development society (15-20 SHGs) and community development society (Federation of all groups).

- **Green Himalaya Self-help Group** has emerged as a brand in the village basha of district Udhampur for the sale of value-added products prepared from fruits and vegetables. The leader of the group Sushma Rani had a marginal land and did agriculture and used to prepare processed products only for domestic consumption. She attended a training program for women Self-help groups conducted by the Department of horticulture. Department identified a group of 6 women from that village and provided financial and technical support to established a low cost preservation unit in 2019. During 2019-20, the production was limited to only 5 quintals which reached to 12 to 15 quintals in 2021-22. The group is selling the products under brand name 'Green Himalaya Products'. Besides running this enterprise, Sushma is providing employment to 5 other women and many unemployed workers and service providers.
- **Mrs Kavita Devi**, a resident of **Ekma village** in Patna attended a combinative resource person's right in 2014 to form a Self-help group. After knowing the benefits, she joined **Baba Brahm Devika Self-help Group** in December 2014. She started a small store by taking a Rs. 10000 loan from Self-help group. Her income increased after starting the shop not only repaid the loan but also started doing dairy activities in 2017.
- **Mission Shakti**: Mission Shakti is a Self-help mission for empowering women through the promotion of women Self-help groups to take up various socio-economic activities which were launched in Odisha on 8<sup>th</sup> March 2001 on the eve of International Women's Day. Mission Shakti has a clear objective of empowering women through gainful activities by providing credit and market linkage. Empowerment of the men through women Self-help groups and dimension Shakti is a flagship program of Government of Orissa. It envisages that over a period of time more and more women would be a part of a women Self-help group. Nearly 70 lakh women have been organized into 6 lakh groups in all blocks and urban local bodies of the states so far.

### Issues with Self-help Groups

- **Higher NPA**: Whether the economic gains of Self-help groups movement are adequate to drink qualitative change in their life is a matter of debate in India. The biggest challenge with Self-help groups currently is higher NPA percentage due to multiple financing, inadequacies in account keeping and other things. On average NPA of Self-help groups stands at around 7 to 8% which NABARD intends to bring down to 2% in the next 5 years
- **Lack of Technology Skills**: Many of the activities undertaken by Self-help groups are still based on primitive skills mostly related to primary sector enterprises. There is a lack of qualified resource personnel in the rural areas

who could help in skill upgradation or acquisition of new skills by group members.

- **Dependent for Resources:** Even after many years of existence Self-help groups are heavily dependent on their promoter NGOs or government agencies. The withdrawal of NGOs or government agencies even from areas where Self-help groups have been federated has often led to their collapse. The leadership and management of most self-help group federations continue to be in the hands of NGOs.
- **Regional Disparities:** The 'Committee on Empowerment of Women' (Rajya Sabha) found that even after the number of Self-help groups have grown by nearly 70% over the years, the north eastern state of Arunachal Pradesh does not have even a single Self-help group. There are a greater number of Self-help groups in Southern states as compared to Northern states. Out of 66000 federations, 60000 are located in the four southern states of Andhra Pradesh, Karnataka, Tamil Nadu and Kerala.

## Conclusion

It is important to recognize the talent of women and provide them with the right opportunities. Self-help groups have benefited people especially women in rural areas. The role of Self-help groups in women empowerment cannot be understated. Several initiatives are undertaken or being proposed by the government of India to ensure growth of Self-help groups in the country with the mean objective of women empowerment. Women constitute a larger proportion of the population in India. Women form an important part of the labor force in our country and thus their economic role cannot be ignored. The core Self-help group philosophy is in women empowerment through increasing employability, self sufficiency and inculcating a habit of saving among the rural women. Self-help movement has been one of the most powerful incubators of female resilience and entrepreneurship in rural India. For women empowerment to be addressed, women need to be enabled to define their priorities and demand their rights & Self-help groups prove to be a right step in this direction. This program has uplifted women economically and socially in the rural economy. Women in rural areas are now able to create an independent source of income. The revolutionary movement that Self-help groups have created has given women an important sense of self assurance in the journey to become self-reliant.

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