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# Role of Self-Help Groups in Upliftment of Women in India

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**Abstract:** *This article critically examines the significant role of Self-Help Groups (SHGs) in empowering women in India. SHGs have emerged as powerful grassroots institutions that promote financial inclusion, skill development, and collective decision-making among women. The study reviews existing literature on the impact of SHGs on women's economic and social empowerment. The discussion highlights the success stories, challenges, and policy implications of SHGs in transforming the lives of women in India. The article concludes by emphasizing the importance of continued support and innovative approaches to strengthen SHGs and ensure sustained upliftment of women in the country.*

**Keywords:** *Self-Help Groups, Women Empowerment, Financial Inclusion, Skill Development, Collective Decision-Making.*

## 1. INTRODUCTION

Women's empowerment is a vital aspect of sustainable development, and India recognizes the significant role that women play in driving economic growth. However, women in India have historically faced various challenges, including limited access to education, financial resources, and decision-making opportunities. In response to these challenges, Self-Help Groups (SHGs) have emerged as powerful instruments of change. SHGs are community-based institutions that bring women together to address common issues, pool resources, and foster collective decision-making. This article explores the role of SHGs in uplifting women in India, examining their impact on economic, social, and political empowerment.

### Review of Related Literature

The review of related literature draws insights from various research studies and scholarly articles focusing on the impact of SHGs.

McCrary, B. S., & Delaney, S. I. (1995)<sup>1</sup> delved into the concept of self-help groups, exploring their potential benefits and limitations. They emphasized the importance of peer



support and mutual aid in such groups, highlighting their role in addressing various personal and psychological issues.

Katz, A. H., & Bender, E. I. (1976)<sup>2</sup> provided historical context and future prospects of self-help groups in Western societies. They traced the origins of self-help groups and discussed their evolution, shedding light on the societal dynamics that influenced their development.

Swain, R. B., & Wallentin, F. Y. (2009)<sup>3</sup> focused on the impact of self-help groups in empowering women in India through microfinance initiatives. Their study analyzed the extent to which participation in these groups contributed to the socio-economic empowerment of women, examining both the successes and challenges.

Sundaram, A. (2012)<sup>4</sup> explored the broader socio-economic implications of self-help groups in India. The study assessed how these groups contributed to the overall development of marginalized communities by fostering economic stability and improving the well-being of their members. Deininger, K., & Liu, Y. (2009)<sup>5</sup> provided an economic perspective by examining the social and economic effects of self-help groups in India. They presented evidence on the positive impacts of these groups on poverty reduction, income generation, and social capital formation.

Reddy, K. R., & Reddy, C. S. (2012)<sup>6</sup> conducted a comprehensive study on the quality and sustainability of self-help groups in India. They analyzed factors that influenced the effectiveness and longevity of these groups, shedding light on their potential to drive lasting positive change. Tesoriero, F. (2006)<sup>7</sup> focused on women's self-help groups in South India, emphasizing their role in community development. The study highlighted how these groups empowered women, enhanced their decision-making abilities, and contributed to the overall progress of the communities they served. Singh, S., Ruivenkamp, G., & Jongerden, J. (2011)<sup>8</sup> presented a contemporary overview of self-help groups in India, discussing their various forms and functions. They analyzed the structural and operational aspects of these groups, offering insights into their diverse roles in Indian society.

Jakimow, T., & Kilby, P. (2006)<sup>9</sup> provided a critical analysis of the blueprint for self-help groups in India. They discussed the challenges and limitations of this approach, addressing issues related to empowerment, gender dynamics, and sustainability.

Karmakar, K. G. (1999)<sup>10</sup> focused on the intersection of rural credit and self-help groups in India's microfinance landscape. The study elaborated on the concepts and needs associated with microfinance and how self-help groups could play a pivotal role in meeting those needs.

Nair, A. (2005)<sup>11</sup> investigated the sustainability of microfinance-based self-help groups in India, questioning whether federating these groups could enhance their effectiveness. The study examined the potential benefits of forming federations among these groups to strengthen their impact.

Kumar, N., Raghunathan, K., Arrieta, A., Jilani, A., & Pandey, S. (2021)<sup>12</sup> contributed to the discourse by highlighting the collective empowerment of women through self-help groups in India. They provided evidence of how participation in these groups had positively influenced women's agency and well-being.



This diverse array of literature collectively contributed to our understanding of self-help groups, shedding light on their historical, socio-economic, and gender-related dimensions, and highlighting their potential to empower individuals and communities, particularly women, across different contexts.

## **2. DISCUSSION**

### **2.1 Formation and Functioning of SHGs:**

SHGs are typically formed at the village or community level, comprising a group of women who come together to address common issues and challenges. The primary objective of SHGs is to promote financial inclusion and economic empowerment among women. Through regular meetings and savings contributions, SHGs provide a platform for women to access credit, start income-generating activities, and foster a spirit of mutual support and cooperation.

SHGs are often facilitated and supported by non-governmental organizations (NGOs), government agencies, or financial institutions. These organizations play a crucial role in providing training, capacity building, and linkages to formal financial services for SHG members. The functioning of SHGs is democratic, with regular meetings where members discuss various issues, decide on savings and credit activities, and address social concerns.

### **2.2 Financial Inclusion and Economic Empowerment:**

One of the most significant contributions of SHGs is their impact on women's financial inclusion. Many women in India have limited access to formal financial institutions, making it challenging for them to invest in income-generating activities or cope with emergencies. SHGs, through their collective savings and linkages with banks and microfinance institutions, offer women access to credit on reasonable terms. This enables them to invest in small businesses, agriculture, and education, leading to improved economic well-being for themselves and their families.

By mobilizing their savings and accessing credit from SHGs, women can start or expand small-scale enterprises, diversify their livelihoods, and break free from the cycle of poverty. Empowered with financial resources, women are better equipped to invest in their families' health, education, and overall well-being.

### **3.3 Skill Development and Entrepreneurship:**

SHGs play a vital role in enhancing women's skills and capabilities. Many SHGs organize skill development workshops and training programs, where women learn vocational skills such as tailoring, handicrafts, and organic farming. These skills not only boost their income-generating potential but also foster self-confidence and self-reliance. As women gain expertise and experience, some SHG members venture into entrepreneurship and set up their enterprises, contributing to local economic development.

Entrepreneurship through SHGs enables women to become self-employed, lead value-added businesses, and create employment opportunities for others in their communities. They



become role models for other women and inspire them to follow similar paths of economic independence.

#### **2.4 Collective Decision-Making and Social Empowerment:**

Participation in SHGs fosters collective decision-making among women, giving them a platform to voice their opinions and advocate for their rights. The democratic functioning of SHGs empowers women to challenge traditional gender norms and participate in community-level decision-making processes. Through SHGs, women have successfully advocated for issues such as access to clean water, sanitation, and improved educational facilities for their communities. This social empowerment not only benefits individual women but also strengthens the fabric of society.

Beyond community-level advocacy, SHGs have also played an essential role in promoting women's political participation. Many SHG members have become elected representatives at the local level, including Panchayati Raj institutions. Their presence in local governance structures enhances women's representation and influence in decision-making, addressing gender-specific concerns, and promoting gender-responsive policies.

#### **2.5 Challenges and Policy Implications:**

While SHGs have shown remarkable success in empowering women, they also face challenges that need to be addressed to ensure sustained impact. Some SHGs struggle with sustainability, as members face difficulties in maintaining regular savings and sustaining group cohesion. This could be due to members' mobility, seasonal livelihood patterns, or economic shocks. Addressing these challenges requires providing ongoing support and capacity building for SHGs, ensuring they have access to financial and technical resources.

Access to markets and marketing support for SHG products can also be limited, hindering the growth of women-led enterprises. Enhancing market linkages and creating market opportunities for SHG products can be achieved through collaborations with private sector enterprises and government procurement initiatives.

Additionally, bureaucratic hurdles in accessing government schemes and subsidies pose challenges for SHGs. Streamlining administrative processes, ensuring timely disbursement of funds, and reducing paperwork can make government support more accessible to SHGs.

To strengthen the impact of SHGs, policy implications include providing enhanced financial support and capacity building for SHGs. Government and non-governmental organizations can offer technical assistance, training, and linkages to markets and value chains. Fostering innovation in SHG models, such as digital financial inclusion and climate-smart enterprises, can further enhance their effectiveness in uplifting women.

### **3. CONCLUSION**

The role of Self-Help Groups in the upliftment of women in India is undeniable. SHGs have become powerful instruments for women's empowerment, fostering financial inclusion, skill development, and collective decision-making. By providing access to credit, skill



development, and entrepreneurship opportunities, SHGs have transformed the lives of countless women, making them economically self-reliant and socially empowered. Continued support from governmental and non-governmental organizations is crucial to strengthen and expand the reach of SHGs across India. With innovative approaches and policy interventions, India can foster an environment where women play a transformative role in shaping the nation's future. By empowering women through SHGs, India takes significant strides towards achieving inclusive and sustainable economic development.

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