

ROLE OF WOMEN SELF HELP GROUPS IN RURAL WOMEN SELF-RELIANCE: A SOCIOLOGICAL STUDY

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ABSTRACT

According to the famous economist Amartya Sen:

“Women’s empowerment will not only have a positive impact on the lives of women, but men and children will also benefit from it.”

Women have always held a revered position in Indian society and have played a vital role in the development of both society and civilization. Women constitute about half of India’s total population, and with nearly 68% of the population residing in rural areas, where the economy is primarily agriculture-based, the goal of universal development cannot be achieved without the development of women.

Despite this, a significant proportion of women remain socially and economically disadvantaged. An irony of the employment scenario in rural India is that women, who actively manage household chores, farming, animal husbandry, fuel collection, and cottage industry activities, are often neither economically evaluated nor classified as employed. Employment opportunities are indeed more abundant in villages, and the ratio of working women there is higher than in urban areas. However, the nature of employment is predominantly labor-intensive, wages are low, and women often lack education and skills. Furthermore, wage discrimination against women persists.

In this context, Self-Help Groups (SHGs) have emerged as an important tool for empowering women. SHGs play a significant role in protecting women’s rights, promoting self-reliance, and improving their social, economic, and political status. Presently, women’s SHGs have not only become transformative agents in rural India, fostering economic independence and social empowerment, but they have also become a powerful medium for political and social organization.

Women’s participation in rural development is often limited by socio-economic and cultural barriers that restrict their involvement in economic and community activities. SHGs have proven to be a grassroots initiative that organizes women collectively for mutual cooperation, financial inclusion, and entrepreneurship

development. This concept was formally launched by NABARD in 1992 through the SHG-Bank Linkage Programme (SBLP) and has since become a cornerstone of rural development strategies in India.

The aim of this paper is to examine, based on primary and secondary data, how SHGs contribute to the self-reliance of rural women, with a focus on their economic, social, and political empowerment. The paper also reviews the policy framework supporting SHGs and highlights the challenges that hinder their effectiveness. The research was conducted among 80 women from 8 self-help groups (Ganesh S.H.G., S.V.V. S.H.G., Jai Ma Kali S.H.G., Jai Bheem S.H.G., Jai Bajrangbali Ajivika S.H.G., Fulan S.H.G., and Tulshi S.H.G.) in the rural areas of the Bankati block, Basti district, Uttar Pradesh. Data was collected using a purposive sampling method, a type of non-probability sampling. Primary data sources included interview schedules, group discussions, and observation methods, while analysis and interpretation were conducted using the simple percentage method.

The study also draws on secondary data, reviewing various research papers, journals, books, and government and non-government reports to understand the role of women's SHGs in promoting self-reliance. The paper aims to analyze how SHGs have contributed to women's self-reliance in India, examining their impact on economic, social, and political empowerment.

Keywords: Women self-reliance, Self-Help Group, Rural women, Economic empowerment, Women participation

INTRODUCTION

A self-help group (SHG) is a group of rural poor people who share similar social and economic status. These individuals voluntarily organize themselves, regularly save small amounts of money, and deposit these savings into a collective fund. This fund is then used to meet members' emergency needs through mutual transactions. The members usually meet once a week, every 15 days, or once a month to discuss various topics and find solutions to each other's problems. During these meetings, savings are deposited, and loans are disbursed. Self-help groups not only provide loans for personal needs but also connect rural women with larger institutions and resources. Loans are accessible from banks with minimal documentation, less paperwork, and without the need for collateral. The freedom to make their own rules, the opportunity to discuss mutual problems, and a platform to express their views are among the many facilities that have motivated rural women to organize themselves into self-help groups.

The main objectives of self-help groups for rural women are as follows:

1. Promoting self-reliance among women through rural self-help groups.
2. Providing informal education and learning opportunities for women.
3. Increasing access to livelihood resources for women.
4. Creating awareness on social, economic, and health issues.
5. Strengthening the economic condition of rural women through employment opportunities.
6. Developing leadership skills among women.
7. Fostering self-confidence and a sense of independence through self-reliance.

Policies Supporting Self-Help Groups (SHGs)

1. **Deen Dayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM)**
Launched in 2011, DAY-NRLM is one of the largest livelihood enhancement programs in the world.

It aims to organize rural poor women into SHGs and provide them with access to credit, skill development, and market linkages. By 2023, the program had mobilized over 80 million women into SHGs, covering all 28 states and 6 Union Territories.

2. **SHG-Bank Linkage Programme (SBLP)**

Introduced by NABARD in 1992, the SBLP integrates SHGs into the formal banking sector. It encourages banks to provide collateral-free loans to SHGs, promoting financial inclusion. According to NABARD (2022), the cumulative loan disbursement under SBLP has exceeded ₹50,000 crores, with a recovery rate of over 90%.

3. **Mahila Kisan Sashaktikaran Pariyojana (MKSP)**

A sub-component of DAY-NRLM, MKSP focuses on empowering women farmers by organizing them into SHGs and supporting sustainable agricultural practices. By 2021, the scheme had benefitted over 3.5 million women farmers across India.

4. **Rashtriya Mahila Kosh (RMK)**

Established in 1993, RMK provides microcredit to SHGs and other women's collectives, with a focus on promoting entrepreneurship and self-reliance among rural women.

5. **Digital Sakhi Program**

Supported by private initiatives and government schemes, this program aims to enhance the digital literacy of SHG members, enabling them to access e-banking and e-commerce platforms. It plays a crucial role in bridging the digital divide for rural women.

Objective of the Study

Every study has objectives that determine its relevance and usefulness. In this context, the objectives of the present study are as follows:

1. To identify the class of women associated with self-help groups (SHGs) in Basti district, Uttar Pradesh.
2. To examine whether the formation of SHGs has contributed to the self-reliance of rural women.
3. To study the progress and functioning of self-help groups led by rural women in Basti district.
4. To assess the level of self-reliance among rural women associated with SHGs.
5. To analyze the difficulties and challenges faced by SHGs in promoting women's self-reliance.

Literature review

Thangamani and Muthuselvi (2013):

A study in Mettupalayam Taluka of Coimbatore district revealed that the socio-economic condition of women improved significantly after joining self-help groups (SHGs). However, certain emerging issues and challenges require attention to ensure long-term empowerment. SHGs continue to play a crucial role in women's development in the region.

Kondal (2014):

This study focused on women empowerment through SHGs in Andhra Pradesh, specifically in Gajwel Mandal of Medak district. Using simple statistical tools, the study found that SHGs had a positive impact on women's empowerment, improving both social and economic conditions in the area.

Selvakumar (2015):

In Krishnagiri district of Tamil Nadu, the study examined women empowerment through SHGs using primary and secondary data. A multi-stage random sampling method was employed, with mean and percentage

analyses to interpret results. The Garrett ranking technique identified reasons for joining SHGs, while factor analysis measured relationships among observed variables. Findings revealed that SHGs significantly impacted both the economic and social aspects of beneficiaries' lives.

Vaijayanti (2016):

This study highlighted the role of SHGs in women empowerment and poverty reduction. SHGs promote the development of income, expenditure, and savings habits, connecting poor people and encouraging participation in rural development. By fostering trust, self-confidence, and independence, SHGs have increased livelihood opportunities and contributed substantially to rural development in Tamil Nadu.

Mishra (2017):

The study demonstrated that SHG members often take leadership roles in local governance, including contesting and winning panchayat elections. Such participation has led to better representation of women's concerns in rural policy-making and decision-making processes.

Khatri, Sharma, and Tiwari (2018):

This research emphasized that promoting micro and small industries can enhance women's economic empowerment through self-employment. It highlighted the importance of utilizing indigenous knowledge, skills, and resources for creating and managing employment. However, there is also a need for women to understand the working systems of funding agencies and access to loans to fully benefit from such opportunities.

Rekha, Ajaz, and Kunwar (2019):

Their study describes self-help groups (SHGs) as a holistic empowerment program, emphasizing the training of women to efficiently manage and grow their businesses. The authors highlight that social, economic, and family empowerment of women is as essential as fuel for a vehicle—just as a vehicle cannot move without petrol, a nation cannot progress without women's empowerment.

Tiwari and Kathare (2020):

This study examines women empowerment through government schemes, where SHGs play a crucial role. SHGs are emerging as a ray of hope for the development of poor rural communities in India. However, women still face challenges in joining and participating in SHGs, which need attention to ensure effective empowerment.

Kritika and Pandey (2023):

Focusing on the SHGs of Darmaha Panchayat, Champaran district, the study highlights their role in self-employment, economic independence, literacy improvement, healthcare, and family planning. However, due to illiteracy, many members struggle with business formalities, loan management, and banking transactions. The study recommends training programs to enable members to manage these tasks efficiently. Despite these challenges, the SHGs are successfully providing loans to the poor and fostering women empowerment in the region.

Vinodini and Saran (2024):

This research examines the role and impact of SHG federations in socio-economic development, employment generation, community development, and gender equality. The study highlights the work of the NGO Hand in Hand India in Madhya Pradesh, which actively promotes women's empowerment and integrated community development. The study emphasizes that women associated with SHGs should be aware of their roles and

responsibilities to serve as inspirations for other rural women, motivating them to engage in economic activities, self-employment, and self-reliance.

As evident from multiple studies, self-help groups (SHGs) play a significant role in the socio-economic development of women. Through participation in SHGs, women have gained greater dominance in society and developed decision-making power. At the same time, they face challenges in joining and managing the groups effectively. It is crucial that every member is provided equal opportunities to participate in group activities, enabling all members to develop confidence and efficiency.

Participation in SHG activities allows women to engage in a variety of tasks, connecting them to new dimensions of development. Alongside leadership at the group level, women's ability to lead at the family and community level has also emerged. The primary objective of women's empowerment is to make them aware of their rights and to enhance their participation in family decision-making.

SHGs have been instrumental in making rural women self-reliant and self-sufficient. Programs such as the Swarn Jayanti Gram Swarojgar Yojana (SGSY) have facilitated the formation of over 30,000 self-help groups, providing women with economic support and helping curb domestic violence and exploitation. By connecting women to mainstream development, SHGs have brought revolutionary changes in the socio-economic and political life of rural women. This has enabled women to create their own identity while contributing to village development.

The government continues to promote rapid development and social change in rural areas, aiming to improve women's living standards and ensure their effective participation in development activities. SHGs, voluntarily formed by rural poor women, involve members saving collectively and depositing contributions into a common fund, which is then loaned to members to meet productive and emergency needs. Both economic support and social change are essential for rural development. Therefore, women's SHGs are crucial for empowerment, enabling rural women to organize themselves and contribute effectively to social and economic progress.

Findings and Discussion

The activities of self-help groups (SHGs) and their relevance in rural development are undeniable. Various government schemes aim to empower women economically while promoting overall rural development. The size and structure of an SHG influence its functionality, while the group's broad objectives shape its roles.

Economic Empowerment through Microfinance

SHGs have revolutionized financial inclusion for rural women. According to NABARD (2022), SHG-linked savings exceeded ₹30,000 crores, with a recovery rate of over 90%. Access to credit enables women to invest in small businesses, agriculture, and education, thereby contributing to poverty alleviation and rural development.

Skill Development and Entrepreneurship

Programs such as DAY-NRLM facilitate capacity-building initiatives, equipping women with skills in tailoring, food processing, and handicrafts. However, challenges remain in market linkages, which limit the scalability of SHG enterprises.

Social Transformation and Leadership

SHGs foster social cohesion and leadership among rural women. Members report increased participation in community decision-making, challenging patriarchal norms, and advocating for gender equality. For example, SHGs in Kerala have successfully mobilized women to address issues such as domestic violence

and alcoholism (Sharma & Verma, 2020).

Major Findings from the Study

- **Demographics:** Among the 80 respondents surveyed, the majority (70%) were aged 20–40 years, and 75% had been members of SHGs for more than two years.
- **Occupation:** 56 respondents were employed, while 24 had taken up entrepreneurial activities as their main occupation. Many housewives joined SHGs as an additional source of family income and to access financial assistance quickly and at low interest.
- **Motivation:** 38 respondents joined SHGs to increase income, 32 for financial help for their children's education, and 10 to improve their standard of living.
- **Social Composition:** Most respondents (90%) were Hindus, and 55% belonged to backward caste groups. Educational levels were generally low, with most women having completed primary or high school education, while men in their families had mostly intermediate education.
- **Economic Status:** Most respondents earned ₹1,500–2,000 per month, with family incomes ranging from ₹1,000–5,000, primarily from agriculture and labor work.
- **Family Structure:** Families typically consisted of 5–8 members, with 1–2 members contributing to the family livelihood.
- **Housing:** 70% of respondents owned one house, predominantly concrete structures.

Group Functioning and Membership

- Most SHGs (85%) had 10–13 members, while only 15% had more than 19 members.
- 85% of groups were formed for economic reasons, while 35% also aimed at social work and entrepreneurship development.
- 65% of groups focused primarily on employment generation, with some also promoting political self-reliance.
- Most groups were formed on ethno-linguistic bases, fostering cohesion and trust among members.

Participation and Economic Impact

- While 75% of respondents contributed partially to family decisions, patriarchal norms still limited full self-reliance.
- 95% of respondents reported benefiting from SHGs, with 65% increasing employment and 90% feeling financially secure through group participation.
- Most respondents had taken loans from ₹1,000–5,000, while groups offered loans up to ₹40,000–50,000, all with interest. 95% of women reported proper utilization of loans.
- Savings habits were established, with members saving ₹300–500 weekly, and 37 entrepreneurs emerged, serving as role models in the community.
- Overall, women reported improved quality of life, increased self-esteem, and awareness of socio-economic issues.

CONCLUSION

The core philosophy of SHGs lies in women's empowerment by developing employability, self-reliance, and savings habits. Microfinance fosters attitudinal changes, improved work methods, and challenges to vested interests. Women must be enabled to define priorities and demand their rights. Microfinance is effective for poverty alleviation only when it supports income-generating microenterprise development.

SHGs have been highly successful in rural areas, uplifting women economically and socially. Women are an integral part of national economic development, and government policies must continue to recognize and support their contributions. Most respondents are engaged in animal husbandry, agriculture, and small-scale businesses, highlighting the importance of SHGs in rural livelihoods.

Suggestions

1. Since many SHG members are illiterate, initiatives should be introduced to provide basic education and literacy training.
2. To increase employment, government and NGOs should promote entrepreneurship programs among rural women, particularly in Uttar Pradesh.
3. Financial schemes should be simplified to allow more rural women to benefit, including for children's education, contributing to literacy and empowerment.
4. SHGs should educate families about the importance of women's economic participation, ensuring women are not restricted to household work.
5. Programs should extend support to illiterate women in urban areas, creating inclusive opportunities for economic growth and self-reliance.

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