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Self-Help Groups and Women Empowerment: A Theoretical Perspective

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ABSTRACT

Self-Help Groups (SHGs) have emerged as an important strategy for promoting women's socio-economic empowerment by enhancing their access to financial resources, decision-making opportunities, and collective action. This paper examines the theoretical relationship between Self-Help Groups and women empowerment. Microfinance is not merely a financial intervention but a means of expanding women's capabilities, strengthening their confidence, increasing their participation in household and community decision-making, and improving their overall quality of life. The paper highlights that SHGs provide women with access to savings, credit, entrepreneurship opportunities, skill development, and social support, enabling them to achieve greater economic independence and social recognition. It also discusses the challenges affecting the effectiveness of SHGs, including unequal access to financial services, limited training opportunities, patriarchal social norms, inadequate institutional support, and low levels of financial literacy. The study emphasizes that strengthening Self-Help Groups through sustainable microfinance, capacity building, and community participation can significantly enhance women's empowerment, promote gender equality, and contribute to inclusive and sustainable rural development.

1.Introduction

The true effectiveness of Self-Help Groups lies not merely in providing credit, but in enabling women to gain confidence, control over resources, and a stronger voice in family and community decisions.

Women empowerment is widely recognized as a fundamental prerequisite for achieving inclusive and sustainable development. In developing countries like India, women often face multiple socio-economic challenges, including limited access to education, financial resources, employment opportunities, and decision-making processes. To address these challenges, Self-Help Groups (SHGs) have emerged as an effective strategy for promoting women's socio-economic development through collective savings, access to credit, skill development, and community participation. Since the launch of the SHG-Bank Linkage Programme, Self-Help Groups have become an important instrument for improving women's financial inclusion, enhancing their livelihood opportunities, and strengthening their role within households and society. Over the years, SHGs have played a significant role in improving women's economic security while contributing to poverty reduction and rural development.

The effectiveness of Self-Help Groups depends not only on providing access to microfinance but also on their ability to promote confidence, leadership, entrepreneurship, and active participation in social and economic activities. An effective SHG enables women to improve their income, develop entrepreneurial skills, participate in household decision-making, and build strong social networks. However, the success of SHGs is influenced by several factors, including financial literacy, institutional support, capacity-building programmes, access to markets, leadership quality, and community participation. Understanding these factors is essential for evaluating the role of SHGs in achieving genuine and sustainable women empowerment.

The theoretical foundation for understanding the relationship between Self-Help Groups and women empowerment can be drawn from Linda Mayoux's book *Women Empowerment through Sustainable Microfinance*. Jaspreet argues that microfinance should not be viewed merely as a source of credit but as a powerful tool for expanding women's capabilities, increasing their control over economic resources, strengthening their confidence, and enhancing their participation in household and community decision making. According to Mayoux, sustainable microfinance contributes to women's empowerment only when it creates opportunities for economic independence, social recognition, and collective action rather than simply increasing access to financial services.

Mayoux further emphasizes that women empowerment is a multidimensional process involving economic, social, and political transformation. She argues that microfinance programmes become truly effective when they enable women to develop leadership skills, exercise greater control over income and assets, challenge gender inequalities, and actively participate in community development. From this perspective, Self-Help Groups function not only as financial institutions but also as platforms for social change, gender equality, and community empowerment. By encouraging collective participation, mutual support, and capacity building, SHGs contribute to sustainable development and improved quality of life for women and their families.

Despite their significant contributions, the functioning of Self-Help Groups continues to face several challenges. Limited financial literacy, inadequate training, restricted access to markets, unequal participation, institutional constraints, and prevailing patriarchal norms often reduce the effectiveness of SHGs in achieving meaningful empowerment. In many rural areas, women also encounter social and cultural barriers that limit their ability to fully utilize the opportunities provided through microfinance programmes. These challenges highlight the need to continuously assess the functioning of SHGs and strengthen policies that support sustainable women empowerment.

The present study adopts Linda Mayoux's Sustainable Microfinance and Women Empowerment Framework as the theoretical foundation to examine the relationship between Self-Help Groups and women empowerment. It explores how SHGs contribute to women's economic independence, decision-making capacity, social participation, leadership development, and overall empowerment while identifying the major challenges affecting their effectiveness. The study also suggests measures to strengthen Self-Help Groups through sustainable microfinance, capacity building, and institutional support. By examining the theoretical perspectives of Linda Mayoux, the research seeks to contribute to a better understanding of how Self-Help Groups can promote gender equality, social inclusion, and sustainable rural development through women's collective empowerment.

2.REVIEW OF THE LITERATURE

Linda Mayoux (2001), in *Women Empowerment through Sustainable Microfinance*, provides one of the most influential theoretical perspectives for understanding the relationship between Self-Help Groups (SHGs) and women empowerment. Mayoux argues that microfinance should be viewed not merely as a financial service but as a means of expanding women's economic, social, and political capabilities. According to her, access to savings, credit, and collective action enables women to gain confidence, strengthen their decision-making power, increase control over economic resources, and improve their overall quality of life. From this perspective, Self-Help Groups are important because they provide women with opportunities for financial inclusion, entrepreneurship, leadership, and social participation. Mayoux further emphasizes that sustainable microfinance contributes to genuine empowerment only when it addresses gender inequalities and enhances women's ability to exercise choices and influence decisions affecting their lives.

Naila Kabeer (1999), in *Resources, Agency, Achievements: Reflections on the Measurement of Women's Empowerment*, argues that women empowerment is the process through which women acquire the ability to make strategic life choices that were previously denied to them. She identifies resources, agency, and achievements as the three key dimensions of empowerment. According to Kabeer, access to financial resources through Self-Help Groups strengthens women's agency by increasing their confidence, decision-making capacity, and participation in household and community affairs.

Muhammad Yunus (2007), in *Creating a World Without Poverty*, emphasizes that microfinance is an effective tool for reducing poverty and empowering marginalized women. He argues that access to small loans enables women to establish income-generating activities, improve household welfare, and achieve economic independence. Yunus highlights that women's participation in microfinance programmes contributes not only to financial security but also to social dignity and community development.

Amartya Sen (1999), in *Development as Freedom*, argues that development should be understood as the expansion of people's capabilities and freedoms rather than merely economic growth. Sen emphasizes that access to education, financial resources, healthcare, and social opportunities enables individuals to lead productive and dignified lives. His Capability Approach supports the role of Self-Help Groups in expanding women's capabilities by improving their economic opportunities, social participation, and decision-making power.

Bina Agarwal (1994), in *A Field of One's Own: Gender and Land Rights in South Asia*, emphasizes that women's ownership and control over productive resources are essential for achieving genuine empowerment. She argues that access to financial resources, property rights, and collective organizations strengthens women's bargaining power within households and society. Her work reinforces the importance of Self-Help Groups in promoting women's economic independence and social equality.

The National Bank for Agriculture and Rural Development (NABARD) has consistently highlighted the significance of the SHG-Bank Linkage Programme in promoting financial inclusion, rural development, and women empowerment. NABARD reports indicate that SHGs have enhanced women's access to formal banking services, increased savings habits, encouraged entrepreneurship, and strengthened collective action. At the same time, they identify challenges such as inadequate training, limited market access, weak institutional support, and uneven programme implementation that affect the long-term sustainability of SHGs.

The existing literature indicates that Self-Help Groups play a vital role in promoting women's economic and social empowerment through sustainable microfinance. Linda Mayoux's Sustainable Microfinance Framework provides the primary theoretical foundation by explaining that access to financial services, collective action, and capacity building expands women's capabilities, strengthens their decisionmaking power, and improves their quality of life. The contributions of Naila Kabeer, Muhammad Yunus, Amartya Sen, Bina Agarwal, and NABARD further demonstrate that financial inclusion, institutional support, leadership development, and gender equality are essential for achieving sustainable women empowerment. Together, these studies provide a strong theoretical and empirical framework for understanding the role of Self-Help Groups in promoting women's empowerment and inclusive rural development.

3.SIGNIFICANCE OF THE STUDY

Self-Help Groups (SHGs) have played a significant role in promoting women's economic and social empowerment by improving access to savings, credit, entrepreneurship, and collective decision-making. Through sustainable microfinance, SHGs have enhanced women's financial inclusion, strengthened their confidence, and increased their participation in household and community affairs. As one of the most successful community-based approaches to women empowerment in India, SHGs have become an important area of academic research, particularly in understanding their contribution to gender equality, poverty reduction, and rural development.

After reviewing the existing literature, it was found that although numerous studies have examined the functioning and impact of Self-Help Groups across different regions, relatively fewer studies have analysed women empowerment from the theoretical perspective of Linda Mayoux's *Women Empowerment through Sustainable Microfinance*. Mayoux's Sustainable Microfinance Framework provides a comprehensive understanding of how access to financial services, collective action, and institutional support expands women's capabilities, strengthens their decision-making power, and promotes sustainable empowerment. Therefore, the present study attempts to examine the relationship between Self-Help Groups and women empowerment through the lens of Mayoux's theoretical perspective. The study is significant because it explains how Self-Help Groups contribute not only to women's economic independence but also to enhancing self-confidence, leadership, social participation, and decision-making capacity. It highlights the importance of sustainable microfinance, capacity building, institutional support, and collective action in achieving the broader objectives of women empowerment. At the same time, the study critically examines challenges such as inadequate financial literacy, limited access to markets, insufficient training, institutional constraints, and prevailing gender inequalities that may affect the overall effectiveness of Self-Help Groups.

This study contributes to the existing body of knowledge by providing a theoretical understanding of the relationship between Self-Help Groups and women empowerment through Linda Mayoux's Sustainable Microfinance Framework. It is expected to be useful for researchers, students, academicians, policymakers, development practitioners, financial institutions, non-governmental organisations, and agencies working in the fields of women empowerment, microfinance, and rural development. Furthermore, the findings may help strengthen policies, improve the implementation of SHG programmes, and encourage future theoretical and empirical research aimed at promoting sustainable women empowerment through Self-Help Groups.

4.OBJECTIVES OF THE STUDY

1. To examine the role of Self-Help Groups (SHGs) in promoting women empowerment from the perspective of Linda Mayoux's *Women Empowerment through Sustainable Microfinance*.
2. To analyse the contribution of SHGs to women's economic, social, and decision-making empowerment through sustainable microfinance.

3. To identify the major challenges affecting the effectiveness of SHGs in achieving sustainable women empowerment.

5.RESEARCH METHODOLOGY

Research Design: The study is based on a descriptive and theoretical research design.

Method of Study: The research adopts a qualitative approach through the theoretical analysis of Linda Mayoux's *Women Empowerment through Sustainable Microfinance* and related literature on Self-Help Groups (SHGs), sustainable microfinance, and women empowerment.

Sources of Data: The study is based entirely on secondary data collected from books, peer-reviewed journals, research articles, government reports, policy documents, and other authentic academic sources related to Self-Help Groups, microfinance, women empowerment, and rural development.

Method of Analysis: The collected literature has been critically reviewed and analysed to examine the role of Self-Help Groups in promoting women empowerment through Linda Mayoux's Sustainable Microfinance Framework.

6.DELIMITATION OF THE STUDY

1. The study is limited to a theoretical analysis of the relationship between Self-Help Groups (SHGs) and women empowerment based primarily on Linda Mayoux's *Women Empowerment through Sustainable Microfinance*.
2. The study focuses only on the role of Self-Help Groups in promoting women's economic empowerment, financial inclusion, decision-making, social participation, and sustainable empowerment through Linda Mayoux's Sustainable Microfinance Framework.

3. The study is based entirely on secondary sources, including books, research articles, journals, government reports, and other scholarly publications, and does not include primary data collection or empirical field research. primary data collection or empirical field research.

7.RESULTS AND DISCUSSION

The data collected for the present study depicts that Self-Help Groups have become an important platform for women empowerment among the respondents. Out of the total 100 respondents, 78 respondents reported that they are members of SHGs and believe these groups help in increasing their social, economic, and decision-making capacity, whereas 15 respondents gave a neutral response (“To some extent”). Only 7 respondents reported that SHGs have not contributed to their empowerment.

The responses indicate that a majority of women view SHGs as an effective medium for building awareness, financial independence, and collective participation. Overall, the findings suggest that SHGs play a significant role in promoting women's empowerment and encourage greater engagement of women in household and community matters.

The data is shown with the help of the following

Table 1.0

Response	Frequency	Percentage (%)
Strongly agree	38	38.0
Agree	34	34.0
Neutral	12	12.0
Strongly disagree	10	10.0
Disagree	06	6.0
Total	100	100.0

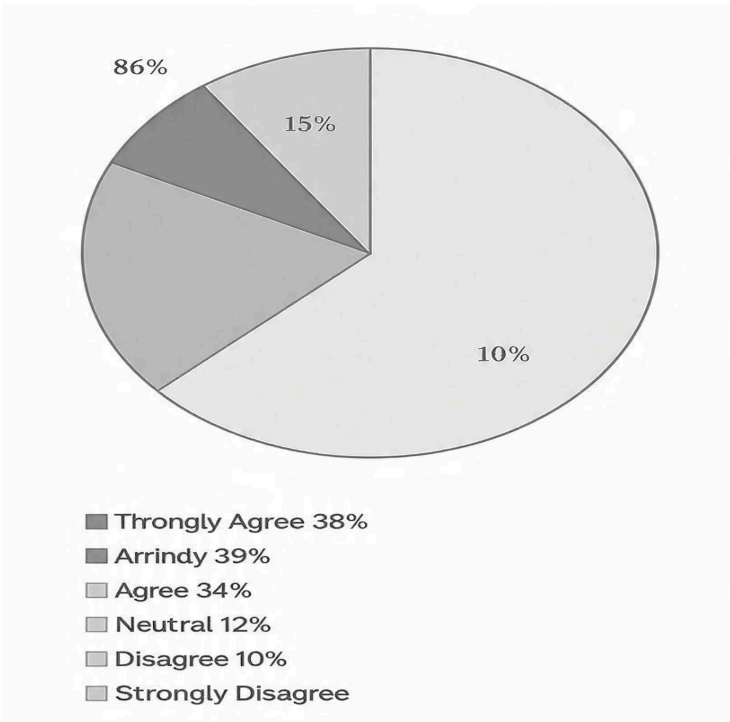

Fig 1.0

As it is seen from the above graph, the data collected from 100 respondents shows public opinion on whether social customs and traditions restrict women's political participation. The findings reveal that the majority of respondents, i.e., 72 respondents (72%), agree with the statement. Out of these, 38 respondents (38%) “Strongly Agree” and 34 respondents (34%) “Agree”. 12 respondents (12%) remained “Neutral”. In contrast, only 16 respondents (16%) disagreed, with 10 respondents (10%) “Disagreeing” and 6 respondents (6%) “Strongly Disagreeing”.

The research found that most people i believe that traditional norms, gender roles, and community expectations continue to limit women’s involvement in politics. Social customs such as restrictions on mobility, household duties, and male-dominated decision-making are perceived as major barriers. However, a small section of 16% respondents do not see traditions as a constraint. The data indicates that socio-cultural factors are the primary reason influencing women’s limited political participation at the grassroots level.

Table 2.

Response	**Frequency**	**Percentage**
Yes, Greatly	44	44.0
To some extent	31	31.0
Very little	17	17.0
Not at all	08	8.0
Total	100	100.0

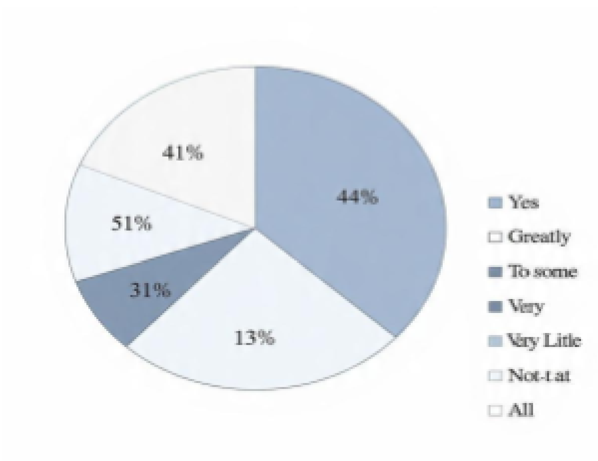

Fig 2.0

As it is seen from the above graph, the data collected from 100 respondents shows the perceived effect of lack of education on political empowerment of women. The findings reveal that a majority of respondents, i.e., 75 respondents (75%), believe that lack of education has an impact. Out of these, 44 respondents (44%) stated “Yes, Greatly” and 31 respondents (31%) said “To Some Extent”. 17 respondents (17%) felt the effect is “Very Little”, while only 8 respondents (8%) said “Not at all.

8.CONCLUSION

The study found that Self-Help Groups play a significant role in promoting women’s empowerment at the grassroots level. The majority of respondents believe that socio-cultural barriers and lack of education continue to restrict women’s political participation and empowerment in Village Mahmea Sarja. 72% of respondents agreed that social customs and traditions act as constraints, while 75% stated that lack of education has an impact on political empowerment, with 44% saying the effect is “great”. The responses indicate that SHGs help in building awareness, confidence, and collective identity among women, which can gradually reduce the influence of traditional norms and educational gaps. Overall, the findings suggest that SHGs provide an important platform for women’s social, economic, and political empowerment, but their full impact depends on addressing underlying socio-cultural and educational barriers.

9.Notes

Self-Help Groups refer to small, voluntary associations of women who come together to save money, access credit, and undertake collective activities for mutual support and development.

- In this study, the terms “SHGs”, “women’s groups”, and “collective groups” are used interchangeably to represent platforms that enable women’s participation and empowerment.

- Women Empowerment refers to the process of enhancing women’s social, economic, and political capacity to make independent decisions, participate in community affairs, and exercise control over resources.

- In this paper, Political Empowerment means women’s ability to understand political processes, participate in elections, contest for leadership roles, and influence local decision-making.

- Social Customs and Traditions refer to established community norms, gender roles, and expectations that often limit women’s mobility, education, and public participation.

- Education has emerged as a key factor for empowerment by providing awareness, knowledge, and confidence. The data shows that lack of education is perceived as a major barrier to women’s political participation and leadership.

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